

172. As far as the facts are concerned he has been very accurate?—Yes, generally and substantially accurate.

173. One of the matters to which Mr. Wallace referred was his report of the proceedings of a deputation which waited upon you on the 2nd December, 1885. (See question 477.) He read his minute of what had taken place, and then it appears, by questions put (482 and 483), that he wrote a letter to the Government expressing the contents of his minute. Now, in that minute this expression is used by Mr. Wallace: "Mr. Ballance, in reply, said that as he read the 11th clause of the contract there was no obligation on the part of the Government to use diligence in acquiring Native lands within the time named. To his mind it seemed that, if in regular course any lands should be bought within the time, the company should have the power to claim the right of selection, but he did not think it was the present duty of the Government to acquire and allow what lands were under Proclamation in the district to fall into the hands of the company, the more especially as his policy in dealing with the lands of the people was very different from that of the company." Can you remember making use of expressions of that kind?—I cannot say that I remember the conversation, but I have no doubt it is accurate. I have no doubt that it is correct.

174. That, substantially, expressed your views?—Yes, I think so. I cannot say that the whole of the conversation has been given. I would not like to impugn the statement, as I have no doubt it is substantially correct as far as it went. I said a great deal more than that, but I should not like to say that those were not my sentiments at the time. I believe they were substantially what I said.

175. It expresses your view?—Yes.

176. And upon that view you founded your policy so far as this question is concerned?—I had other reasons besides what I have given there, which I have no doubt I have expressed to the company at different times, because several deputations from the company waited upon me with regard to this question at various times. I had other reasons than the reasons I gave there. I shall explain what my reasons were: In the first place, I think that the clause itself was a very curious arrangement, and I had some suspicion that it was the result of a compromise in the Ministry of the day, who made the contract. I understood that the Ministry of the last Government were not unanimous upon this question, and the information with regard to that point I received from the permanent heads of the department. I may go so far as that, as I do not wish to say anything which may not be strictly evidence.

177. Is that all?—That is all upon that point—that that was what first drew my attention to the terms of the clause. I may say that I had further reasons, which I ought to state; and one was that the company had used its influence, to my knowledge, with the last Government to give them facilities to purchase the land direct from the Natives.

178. *Mr. J. McKenzie.*]—Direct from the Natives?—Yes, direct from the Natives; and they had commenced to purchase through an agent who had been specially employed by the company for that work.

179. *Mr. Bell.*] You have heard Mr. Bryce's evidence on that point?—Yes.

180. You see Mr. Bryce strongly denied this?—I heard his evidence, but I did not think at the time that he had strongly denied it. On the contrary, I believe he virtually admitted it, in reply to a question that I put to him.

181. Then, do I understand that you did use your efforts to get out of the obligation of the Government under the 11th clause?—No, I did not use any effort. I simply refused to go on with the purchase of land under that clause.

182. Until the expiration of the five years?—No, without regard to the five years. Then I may state that at a later date I was quite prepared to submit the question to the Cabinet, and I did submit it to the Cabinet with the object, if the Cabinet approved, of having the matter brought before Parliament. I suggested that a sum of money might be placed on the Estimates for the purchase of land, and it was with the object of having the opinions of the two Ministers who had most to do with the question—Mr. Rolleston, the Minister of Lands, and Mr. Bryce, Native Minister. The matter was submitted to the Cabinet in accordance with the undertaking which I gave to the deputation from the company, and the decision was that the company should petition Parliament.

183. No opinion being expressed as to the justice of the claim?—Well, I think the opinion was rather unfavourable to the justice of the claim.

184. The opinion of all the members of the Cabinet?—No, not all.

185. Then your Cabinet was also not agreed—not at one on the subject?—Yes; it is quite true what has been stated in the evidence that Sir Julius Vogel was favourable to the claim of the company. He at one time proposed to provide the money for the purchase of land for the company. He said that he could provide the money, and he communicated with me, by telephone, from his own house to Government Buildings, Mr. Nathan, chairman of the company being with him at the time. He asked me if I would proceed to buy the land if he provided the money. I replied that I did not think that any money was available, and I think he said that it could be found in the Public Works Fund. I said, if he could find the money, then the next step would be to submit it to the Cabinet. With regard to the money, I arranged to meet him at the steamer when he was leaving for Christchurch, and after some conversation he came to the conclusion that he could not find the money—that there was no money available for the purpose.

186. He was your colleague?—Yes.

187. You do not suggest that his view was other than a genuine conviction on the subject?—No, not at all. He believed the company had a claim.

188. And you thought otherwise?—I thought otherwise at the beginning, but afterwards I was quite prepared to have it submitted to Parliament. I never could realise how it was that the Minister who had all to do with giving this land should have held the opinion right through that the company had got enough—that was Mr. Rolleston.