

44. You think that would be an im proper diversion of the money?—The Committee are going to bring up a report; I want to prove that the Committee cannot divert the balance of this loan to any part of the Stratford line.

45. For what reasons?—The question is an open one as to which way the Committee is going to report.

46. But you make the assertion?—Under “The Railways Authorisation Act, 1884,” it says the railway shall go “from a point at or near Marton to Te Awamutu *via* Murimutu, Taumarunui and the Ongarue River valley.” Two years afterwards we passed an Act with this clause in it—the North Island Main Trunk Railway Loan Application Act. [Clause 3 read.] After stating that loan money shall be carried to a special account it adds, “and it is hereby expressly declared that it shall not be lawful for the Governor to recommend to Parliament the appropriation of any part of the moneys so authorised to be borrowed to any other purpose than the construction of the said railway as defined by Act.” Then it is provided that the moneys are to be carried to a separate account, and that it shall not be lawful for the Government to recommend the appropriation of any of the moneys for any other purpose. Therefore, I submit, with all due deference to the Committee, that no recommendation of this Committee can divert the balance of this loan to the Stratford line of railway.

47. Is it not a fact that a large portion of this loan has already been diverted to other purposes?—Only to the purchase of Native land and giving roads for access thereto.

48. Within what limits? The boundary limits were not carefully defined. Then it was open to spend the money any where within the limits of the coasts, east and west?—We in this province are very anxious for two things: First, that this Makohine Gorge contract should be let, as otherwise it will delay the progress of the railway; secondly, I would further submit, that if, in the course of two or three months, this 100,000 acres in the Awarua Block is purchased by the Government, there will then be a large tract of Crown land from the south of the Awarua Block to Taumarunui, available for settlement. I submit that this opens up an enormous area of Crown land, or Native land recently alienated for special settlement. I should like to say further that special settlers have already taken up several pieces of this block.

49. At what stage do you think in the progress of this central railway would it be available for the settlers of that district?—When it reaches Taumarunui.

50. Not before?—Perhaps five miles short of that. I would like to say further, that while we have this large amount of settlement on the central railway, with the exception of the first twenty miles out of Stratford there is no settlement whatever.

51. Is not that rather from want of facilities; the land is Native land, without roads?—Possibly; besides the 100,000 acres I have referred to, we on the central line have Crown land up to Taumarunui.

52. More or less?—A good deal “more” than “less;” when the Awarua land is bought it will be all Crown land.

53. But all the Natives are not prepared to sell?—The reason of that is that many of them are closely occupying the land themselves; they are running upwards of 100,000 sheep there. I submit that for the purposes of this railway this 100,000 sheep running on good land is as valuable to the railway when opened, whether they are owned by Maoris or white men. It might almost be looked on as private land, because it is closely occupied.

54. As this Awarua land is not yet purchased, do you think it a wise policy to be pushing the railway up to the boundary before the purchase is complete?—I think it would be wiser to have let the Gorge contract, which will take two years to complete, and left the remainder in abeyance until the land should have been purchased.

55. Must not the extension of the railway works to the boundary of the block rather increase the amount of the purchase-money to be paid?—Possibly; but I submit that the letting of the Makohine contract would not be open to that objection, while the objection is specially applicable to the north end.

56. Is not the progress of the line rather against the acquisition of the land at a moderate price?—The Natives are aware that it must go on till it reaches the Awarua; they have come down to Wellington this session with a view to selling their land, and the Hon. Mr. Cadman expects to complete the purchase inside Christmas.

57. If the transaction were your own, and you were seeking to acquire 100,000 acres, would you push on the railway to the boundary of the land you wanted to purchase, or would you stop until the purchase should have been completed?—I should not push on the railway until the land was bought; but in view of this, for the last five or six years Wellington members have been agitating to buy this land. We have had the Native Land Court sitting for months at Marton; still, for the last nine months we have pursued this active negotiation until the Awarua is now within our grasp.

58. But you are at this moment short of having determined the price?—Yes, but that will be determined in a week or two. I am also aware that the Natives will sell this land—and will sell at a reasonable price. I should like to say that the railway traffic, as far as it has gone at the southern end, justifies its further progress. Mr. Maxwell will give you further information as to the traffic of the line so far as it has gone. He will be in a position to prove that it has gone on very satisfactorily, and will continue to go on satisfactorily.

59. We have the weekly returns before us?—I would also like to state that if the line goes a little further, and the Rangitikei River at Otara bridged, it would drain the country lying between the river and the Ruahine Range.