

47. *Mr. Witty.*] I understood you to state, Mr. Keene, that you had not been within forty miles of Runanga?—That is so.

48. And yet you state that a road through Runanga would be of great value to it?—I stated that I had been told it would be of great value for cutting-up purposes—for subdividing.

49. To whom?—To the owner of Runanga.

50. But, seeing that the portion that was acquired was cutting off a small piece and taking off the river and fencing and giving very little more road to Runanga, where would the road come in?—Well, what is the length of the road?

51. Well, ten miles?—Surely if you have ten miles along the boundary by a road you can subdivide it better.

52. And cutting off a piece of your property?—I do not know. I have not been on it. If it cuts off a piece of the property that is a different question, but I do not know whether it is best or not.

53. If the road had run through the centre of it and had opened up the land it would have increased the value?—You have one road, and that gives you two roads. One road runs through the block now. I have been informed that that road would improve the value of the property.

54. *Mr. Forbes.*] Mr. Guthrie, in questioning you about the property, said you had put your name to a letter fixing the date of your conversation with Mr. Russell?—I say that if I did put my name to a letter it would be correct, but I do not remember.

55. *Mr. Guthrie.*] This is the letter signed by Mr. Keene, which appeared in the *Dominion* of the 24th February, 1912: "In the beginning of the year 1910 Mr. James Reid and myself sold to Mr. Thomas Ballan, of Christchurch, a block of land at Runanga, and a portion of the purchase-money—namely, £7,000—was secured to me by a first mortgage over part of the block given by Mr. Ballan to myself, and dated March 5, 1910. On June 2, 1911, Mr. G. W. Russell, M.P., of Christchurch, called upon me in Wellington, and stated that he had purchased the Runanga land from Mr. Ballan, and was negotiating with the Government for a sale of part of the land, and he inquired of me on what terms I would release my mortgage. I agreed to release a portion of the land on payment off my mortgage of a sum equal to 10s. per acre." That is correct?—Yes.

56. *Mr. Forbes.*] Then those dates would be right?—Yes.

57. What was the object of the letter you wrote? Was it because you had seen it mentioned in the House that you had sold to the Government?—Yes, that was the trouble. I heard from one or two members that it had been spoken of in the House that I sold to the Government.

58. You say it was stated you had sold to the Government?—I knew nothing more about it than what I had been told.

59. Had you seen it mentioned in Parliament that you had sold the property to the Government?—I believe Mr. Hindmarsh mentioned that I had sold it.

60. And you wrote that letter to explain the position?—Yes.

61. *Mr. Statham.*] In that letter you state that Mr. Russell told you he was negotiating with the Government?—Yes.

62. You are quite sure he told you that—that he himself was negotiating with the Government?—Yes, he told me that.

63. *Mr. Witty.*] I understood you to say that members had seen you with regard to the matter. Can you give us the names of those members who had seen you?—I was talking with Mr. Hindmarsh—we had a conversation.

64. Any other members?—I cannot remember. I was spoken to repeatedly in the town about it.

65. You said "by members"?—Well, by private people.

66. *Hon. Mr. Buddo.*] What is the area of the land in question, Mr. Keene?—66,000 acres.

67. I understood you to say in reply to a question by Mr. Statham that the balance of the property held by Mr. Russell would benefit by the severance of this piece of land. Is that correct?—No. What I think myself is that if you have a road ten miles long, and you can subdivide the land on to that road without going on to it, you would think it would make it more valuable.

68. But the road not being there—there is no road there—there only being a fence laid off, you would not consider the fact of cutting a narrow strip, shown blue on the plan, off a block of 66,000 acres would benefit the balance?—No, I do not know that it would. It would reduce the purchase-money—whatever it was sold for.

69. *Mr. Guthrie.*] Following up what Mr. Buddo has said, if a road-line is laid off on that block, and that block had to be cut up later on, would that road-line being there enhance the value of the block or otherwise?—It would be bound to, I should think, because if you had no road to make you would have no road to lay off.

70. *Mr. Statham.*] Did your partner, Mr. Reid, express any opinion about it?—No. You cannot give a title to sections unless you can give a road frontage.

71. *Hon. Mr. Buddo.*] You have not been near the land sufficiently to express an opinion as to whether the road would improve it or not?—No.

72. And if the Chief Surveyor said that the severance of the land would be a disadvantage to the balance of the property you would be prepared to combat that statement?—No, he ought to know more about it than I do.

73. *The Chairman.*] What did you value the Runanga land at per acre?—As a going concern with the stock?

74. Without the stock?—It is a difficult matter to say.

75. Was it worth £2 an acre, or £1, or 5s.?—The 66,000 acres, including the stock, was exchanged for a property in Blenheim on the basis of £21,000.