

per acre. If we had taken the road under the Public Works Act we should have had to go to the Compensation Court, and my experience of the Compensation Court is that when you forcibly take land from a man that any ordinary compensation he asks for is generally given to him, because the Court recognizes that the land is being forcibly taken. Then, if you look again at the *précis* you will see that on the 27th June I referred the offer to the Commissioner of Crown Lands at Napier as to whether the Department should purchase the whole area, and if the circumstances, in his opinion, warranted same. I want it to be particularly noticed that I was excessively anxious to guard every loophole, that we had taken every precaution on behalf of the Crown, and that in buying this severance we were acting purely in the interests of the settlers. It did not matter one single iota as far as the Department was concerned, but in opening lands the Department has always got to consider the settlers. If the settler is going to make a good success of it you must in all cases of this kind give him a portion of flat land, and we considered that if we could possibly get the land at anything like a fair price it would pay to purchase it from the owner. The Commissioner of Crown Lands at Napier reported on the offer on the 4th July, and considered it desirable to accept. I agreed with him under the circumstances, but I had not discussed the matter with the Minister at all. Now I come to the Minister of Lands. I recommended the Minister to accept this at £2 10s. per acre. The Hon. Mr. Buddo was acting for the Minister of Lands at the time, and he naturally put his approval to my recommendation. Then by looking at the *précis* you will follow the whole thing down to completion. I do not know that there is anything further to mention except this, as I mentioned at the beginning, that the land was purchased at 3s. per acre. Now, if you look at the map and continue the boundary-lines of the small grazing-runs straight through to the road, you will see that a certain area is taken in. I just worked it out roughly myself before I came in, and you will see that one run may have 300 acres of flat land, another 246 acres, another 152 acres, and another 154 acres, showing pretty nearly 1,000 acres absorbed. If you take the cost of the land taken by the severance you would then only add to each of those runs 3s. per acre. I am only adding this land on to the first five runs that would be benefited by having the flat land added to them, and if you add the price we paid for the area severed you will find that we add to each one of those runs about 3s. per acre. That means that those small grazing-runs will stand the Crown in on a capital value at about 6s. per acre. I think the present value of that land is admitted to be 4s. or 5s. an acre, and as the Land Act says that the rental shall not be less than $2\frac{1}{2}$ per cent. on a capital value of 10s. per acre, I should assume that these lands at 15s. an acre show a very handsome margin of profit to the Crown on the transaction. I am only mentioning this from the departmental point of view. If you take the whole value of the land, the amount paid, the roading, and everything else, and put it on to these few runs it will only bring them up to a capital value of 8s. per acre; but the capital value, the amount paid for roading and fencing, must be distributed over the whole area. Finally, I might say that I think I saw Mr. Russell once again in connection with this matter. I do not remember the date, but it must have been some time before I went out of office. It may have been January or February, 1912, and I told him that we were taking the land, but that we need not discuss the matter at all. I said to him, "I do not know you in the matter; you are not the registered owner, and we only deal with registered owners." I think, Mr. Chairman, that is the whole explanation I can give. There was no delay in the matter. The delay in the beginning was the want of surveyors to undertake the work. Then there was only one surveyor and his party on the ground, and when a man has to pick up the boundary of some 41,000 acres and explore for roads, eighteen months to two years does not leave much margin of time. When the £2 10s. per acre was agreed to, as all members of the Committee know, you have then to go to the Government and Parliament has to appropriate this money. As soon as the money was appropriated I wrote to the Solicitor-General, and told him to complete the whole transaction, and we had nothing more to do with it. The certificate of title was issued direct from the Registrar-General to the Crown.

3. *Hon. Mr. Buddo.*] In regard to the question of the appreciation of the property by the acquisition of the Pohokura Block by the Crown, in such cases of the settlement of a block in small grazing-runs, Mr. Kensington, is it usual and are special efforts made to provide for building-sites?—Yes, to provide for homestead-sites wherever the Department can.

4. Would a block of hilly country such as this is benefit by the admission of a portion of the flat land for building-sites?—It is an immense advantage to it.

5. Both as regards the value on the open market as well as for settlement?—Yes, from both points of view.

6. I see the Department states "That a substantial saving has been made by the purchase of the valley." Is that so?—Most decidedly. It is almost a level road all the way, and there is a good deal of clover and grass up the valley. It is a fine level valley for a road.

7. *Mr. Forbes.*] What sort of land is the Pohokura Block—is it bush?—Yes, mixed forest.

8. Do you think 3,500-acre blocks of land are large enough?—Yes. We went into the matter very carefully, and we considered that when the bush was felled and the land grassed a man could make a very good living on the 3,500 acres, but not on the back runs. They are much larger at the back—from 6,000 to 7,000 acres. The size of the runs was very carefully considered.

9. *Mr. Coates.*] What compensation was paid for the Native land—the Runanga No. 1B?—There was no compensation—the whole block has been purchased by the Crown.

10. *Mr. Statham.*] You have given us a very concise history of the whole transaction, Mr. Kensington. In Mr. Russell's statement he says that if the valley were thrown into the block they would be able to put four times the number of settlers on the land than could otherwise have been done. Well, I should like to refer you to a letter written by the Chief Surveyor, Napier, to the Under-Secretary, in which he says, "There appears to be no alternative but to take the road up the Waipunga Valley under the Public Works Act, and give two access-roads to tap