

four sections. This will be an inexpensive road to form and maintain, and the fencing will be the only item of cost, but even so it will be a better and cheaper road than any other we can get elsewhere. To enlarge the sections to 7,000 acres, as suggested, will only save one access-road, and, as they are only short ones, the expense will not be great, and I would respectfully suggest that the original scheme of subdivision be adhered to?—Yes.

11. The point there is this: that with those two access-roads you could have got the same amount of access?—With only the two roads of access we could have got the same amount of subdivision as proposed, but I found we could not deal, so I told them to knock off all negotiations, and I meant to give 9,000 acres instead of 3,500 for the runs on the frontage. That is what I meant, and that is what the Chief Surveyor meant.

12. Supposing you had abandoned altogether the idea of acquiring the land between the Pohokura Block, could you still have subdivided the land?—Yes, that was my idea.

13. Then Mr. Russell's statement that it gives four times the number of settlers could not be correct?—No. I was listening to the statement he read. I understood him to say that he thought the Government could have subdivided this into much smaller areas, of, say, 1,000 acres. He speaks as if by acquiring this severance we could then have reduced the areas of the small grazing-runs to about 1,000 acres each.

14. The question is whether the area could be subdivided into 7,000-acre lots and you could still obtain the access-roads?—Yes. I said that these access-roads would only come out at perhaps 200 chains.

15. He mentioned that the two access-roads would run out at £400?—I disagree with him.

16. To the cost of the purchase the fencing has to be added?—That is added.

17. But not in the £2 10s.?—Yes, outside that. You must fence under the Public Works Act, so that you do not take that into consideration.

18. In regard to the cost, the land was £2 10s. per acre, and there is £600 incurred for fencing?—Yes, we would have to fence. I do not think that a fair thing to take into consideration when we take the value of the land added to the value of the runs.

19. I mean the cost to the Government?—The cost to the Government has been plus the fencing.

20. Mr. Russell says he was not in a position to negotiate, and you say also that he was not in a position to negotiate because he was not the legal owner?—That is right.

21. But if a man enters into a binding contract with the owner of land and becomes the equitable owner of the land, you cannot buy from the registered owner without getting the consent of the equitable owner?—I only knew from the Commissioner and the Chief Surveyor at Napier that the owner was Mr. Ballan. My communications were all with the Commissioner and Chief Surveyor, and afterwards with the Solicitor-General. I told Mr. Russell that I did not want to discuss the matter with him.

22. Did he not say he had bought it?—He said he was either about to buy it or had bought it.

23. Would it not be a very dangerous thing for you to buy land from the registered owner if you had notice that he had sold it to somebody else?—But he had not sold it. The Crown always searches the titles at once.

24. But Mr. Russell became the equitable owner on the 13th March, 1911?—Well, he told you so; it is the first I ever heard of it. I did not know it at the time.

25. If you did not know it you could disregard it?—No, I did not know it.

26. If you had known he had entered into an agreement to purchase on the 13th March, 1911, with Ballan, would you have disregarded it then?—Yes, I think I would. I would have disregarded it because he was a member of Parliament, and I did not want to have anything to do with a member of Parliament in the transaction. That is perfectly straight. I did not want to know any one in the transaction who was a member of Parliament. I was dealing with the registered owner, and I was quite satisfied with that.

27. *Mr. Guthrie.* You said, Mr. Kensington, that if you had taken the road under the Public Works Act there were no means by which the Government could acquire the strip of land between that road and the Pohokura Block?—Yes, that is so. Under the Public Works Act if you acquire a road and there happens to come a small narrow piece—a few acres severance—then you can take that, but you cannot take it when it comes to a large area.

28. Is there no Act to give you that power?—No, not for this purpose.

29. Could you not do so under the Land for Settlements Act?—No, not under the Land for Settlements Act—not under the circumstances of the case.

30. In regard to conserving the Government interests, you thought it the better thing to take the whole block than to take the road?—Yes. I was for ten years Under-Secretary, and during the whole time I have always watched the Crown's interest in every case as strictly as possible, and in this case I absolutely considered it was to the benefit of the Crown and to the benefit of the intending settlers that we should acquire this flat land, and that is the only reason why I recommended the Minister to purchase it. I was not influenced by any other motive.

31. You considered it advisable to stop the purchase of the block at £4 per acre?—Yes, certainly. That I considered was an extravagant price.

32. At first you also considered the purchase at £2 10s. per acre was excessive?—Yes.

33. When you considered that price excessive did you take into consideration the advantage it would be to the Pohokura Block?—When I say I considered it excessive I am taking the general value of the whole block. It was excessive so far as the actual value of the whole block is concerned. I did not consider it excessive considering that we were taking away the very best land from the property, that we were cutting the road out of the property, and that we were cutting the owner off from the water-supply.