

Horowhenua Block immediately upon subdivision taking place?—No; the question of selling a portion of the block was not discussed.

281. You say the price you actually did give was £1 10s. an acre?—Yes; exactly £1 10s.

282. Was that, or was it not, a high price compared with the average price given for Native lands?—It was a high price, but it was supposed to be the pick of the land; and, in fact, the price Kemp first wanted was £3 10s.

283. Yes; but still it was a high price compared with the price usually given for the same class of land?—Well, £1 10s. has been given for land in special localities.

284. Would not £1 10s. an acre have been treated by you as a high price in 1886—an impolitic price?—I would say this: I should consider it unwise for the Government, except under special circumstances, to purchase land at £1 10s. an acre.

285. What were the special circumstances to induce the Government to purchase this land. Was it not simply to provide Kemp with money to meet his necessities, and to induce him to deal with the Government in respect to other blocks?—No; I think not. I think it was on the ground of Kemp's very pressing necessities, and the fact that the Proclamation over the land prevented him from raising money.

286. But the purchase, looking at it as a matter of policy, apart from this necessity of Kemp's, was not advisable?—Looking at the general policy of the Native Land Department, and the fact that they were purchasing all over the country, I should not consider it a satisfactory transaction.

287. You find, as a rule, that, although the Natives have a thorough appreciation of the quality of land, they would yet expect the higher price to apply to all land?—This land was a good bargain, and was well worth the money.

288. And the railway, in point of fact, has made it all valuable?—Yes.

289. And before the railway it would scarcely have been saleable?—I should think not.

[The papers telephoned for were at this stage produced.]

290. Have you now got the letter of the 21st May, 1881?—Yes; but there is no instruction upon it.

291. Had you any interview with Mr. Ballance with reference to it? The secretary says Mr. Ballance referred him to you with reference to the matter. Apparently, from the absence of any minute, the matter dropped?—That would appear to be so.

292. A simple way of getting rid of it?—I am unable to speak of what was done. I am frequently absent from Wellington, and there might have been some instruction regarding the matter, but there is nothing to show me that anything was ever done about it.

293. Have you no memoranda in the office which will show you that after the 21st May, 1886, you first began negotiations for the purchase of the Horowhenua Block?—Yes; I can produce whatever is necessary on that point.

294. May I ask you whether, when the land has been acquired through the Native Land Department, it passes out of their control, and under what department it is placed?—As soon as it is "proclaimed" waste land of the Crown the Native Land Purchase Department has no further control over it, and it passes to the Waste Lands Department.

295. You will observe in this letter that the prime object with which Mr. Nathan had an interview with the Native Minister was that of obtaining some satisfaction of the claim of the company for the balance of the allocated land?—Yes.

296. Was that object at all in view, or discussed, or referred to by the head of your department at the time of the purchase being made of this 4,000 acres?—As a matter of fact, there were no negotiations for the purchase of the Horowhenua Block until the expiration of the five years mentioned in the contract.

297. May I ask you whether or not the negotiations were postponed in consequence of that limitation in the contract?—It would appear that that question would be more a policy question for the Minister.

298. Had you no instruction about the completion of the purchase before or after the five years with reference to the claim of the company to the allocation? Had you no conversation with the Minister on the subject?—Not specifically; but reference has been made to the agreement.

299. Were not the negotiations for any part of the Horowhenua Block postponed in consequence of the existence of this clause?—I cannot say.

300. May I ask whether you received assistance from the secretary of the company in bringing Kemp to the Land Court? Did the company pay his expenses?—I should like to answer that question at a little length for the information of the Committee. The Government were in no way interested, from a land-purchase point of view, in the subdivision, or in any of the individuals about this time. Mr. McDonald, who was the agent of the company, was acting apparently on Kemp's behalf. It appeared to me that Kemp's interest, and the interest of the company, and the interest of Mr. McDonald were one apart from any Government interest in the matter whatever. I mean to say, the Government were not concerned in any of the matters at the time in which Mr. McDonald and Kemp acted, as far as I know.

301. Were you aware that the company, at its own expense, facilitated the business so far as Kemp was concerned—that they helped with their funds, and assisted in getting Kemp's subdivision, with a view of allocation, to the Government?—I would not say that at all. Decidedly not, because at the time of the sitting of the Court at which the division took place I was at Palmerston, on entirely different business, to purchase interests in the Mangatainoko Block. There is a reference to an interview with Mr. Wallace and Kemp at that meeting at Palmerston, but then I distinctly told Kemp and Wallace and McDonald that the Government were not anxious in any way for the purchase of the Horowhenua Block, and had nothing to do with the division then before the Court. I was called as a witness before the Court in connection with the subdivision, but not in any way in consequence with the Land Purchase Department.