

purchased to supplement the endowment. If I remember rightly, I declined to negotiate with Kemp unless I understood the company asked me to do so with the knowledge and consent of the Government.

334. Who paid the expenses?—Mr. Wallace paid me, on behalf of the company.

335. So that you were employed by the company, and acted under the impression that it was in accordance with arrangements with the Crown, for the purpose of getting Kemp to bring the land before the Court after subdivision with a view to allocation to the Crown to supplement the endowment to the company?—Yes.

336. And you acted upon that?—Yes.

337. And the result was?—The immediate result was that Major Kemp came to Wellington with me and had an interview with the Native Minister, and the result of that interview was that Major Kemp made an application, which was written in Mr. Lewis's office.

338. Can you state the date?—June, 1886.

339. When did the Court sit?—I understood that the Court was to sit as soon as possible, but Kemp became very ill, and the Court was delayed from time to time; so that it did not sit until November or December.

340. Can you say whether Kemp had entered into negotiations with the Government for the sale of the land in anticipation of it passing through the Court?—At the same interview at which Kemp agreed to apply to the Court he offered 4,000 acres for sale to the Government.

341. The delay in the completion of negotiations for the purchase was chiefly due to Kemp's illness?—Yes; the delay of the sitting of the Court.

342. What was the price he asked?—The proposal was made to the Government in writing, and was to the effect that the Government should buy the land at a price to be agreed upon between himself and Mr. Ballance. If they could not agree then it was to be referred to arbitration, and Kemp agreed to accept any price so fixed. Then Mr. Ballance made a counter-proposal, that the land should be dealt with under the Native Land Administration Act in the ordinary way. But Major Kemp wanted money badly, and it was found that great delay would occur in getting the money, and it was ultimately determined that the Government should buy the land.

343. At what price?—The price was to be fixed by arbitration.

344. At all events, the negotiations for the sale commenced immediately after Major Kemp's interview?—Yes; and but for this illness the Court would have dealt with the matter months before it did.

345. Was not Kemp at that time very short of money, and pressing for it?—I understood he was. In fact, at the same interview he got an advance upon the land in anticipation of the transaction.

346. And you, as agent of the company, understood that this would be given to supplement the allocation if purchased within the time? What was the date of the sitting of the Court?—November or December.

347. What was the delay, after the sitting of the Court, in making the subdivision order?—A fortnight, but he dealt with the Crown at once.

348. And all that time he was very much pressed for money?—Yes; very badly. He was corresponding with the Government all the time the Court was sitting, and Mr. Lewis saw him once or twice.

Mr. W. H. LEVIN examined.

349. *Mr. Travers.*] You are a merchant, living in Wellington, Mr. Levin?—Yes.

350. And I believe you took part in the arrangements for the allocation of land as an endowment under the Act?—I was a member of the House of Representatives at the time that the Railway Land and Construction Act was passed, and I was also a member of the House of Representatives and a director of the railway company when arrangements for the allocation were made.

351. Have you any recollection of the withdrawal of any lands on the eastern side of the Tararua Range from the allocation area?—Yes; a distinct recollection.

352. Why were these lands withdrawn?—There were certain lands in the Wairarapa West County, I think, which were included in the allocation area, and the company were distinctly under the impression that they were part of the lands to be allocated to them; but, at the instance of the members for the Wairarapa District, who urged that these lands—that is my recollection of the reasons—should be set aside for other purposes, I believe for special settlements, or for some special reasons in connection with the District of the Wairarapa, the Government urged on the railway company that they should abandon their claim for these lands,—I am speaking of the Government of which Sir John Hall was the Premier. The railway company did agree to do this, with a clear understanding that the Government would use every diligence in making up land from other sources.

353. Can you remember from what source the Government expected to supplement the allocation?—By endeavouring to procure Native lands within the fifteen-mile radius.

354. Can you remember as to whether anything was said as to whether they were anxious for any Native land at the time?—The most prominent incident that occurs to my mind is this: In order that the lands might be acquired, and on the representation of the company, the Government sent Mr. Booth to arrange for the purchase of the lands. Mr. Booth was unsuccessful, and the Government removed him, and appointed Captain Mair to endeavour to complete the purchases. This was, I understood, to complete the allocations. At any rate, my distinct impression is that it was the intention of the Government to fulfil their contract with the company to the letter, and that they were to use all diligence to endeavour to accomplish that end.

355. Now you, I think, took part in the formation of the company, and took shares to a considerable amount in the company. Can you say whether or not, in your belief, the company would have been formed had it been understood that they would not receive this deficiency in the alloca-