

off, would not permanent settlement be established that would create a paying traffic for the railway over all time?—I think it is questionable whether there would be sufficient produce from these lands to keep up the traffic.

237. From 80,000 acres?—Well, 80,000 acres; what would that be as a feeder to a railway, if I may be allowed to put a question to you?

238. I am only putting the minimum holding of small settlements of 150 acres each. The Railway Commissioners say there are 90,000 acres which would be opened up by the railway?—Well, according to my idea, there is a very much less area which will be affected by the railway, and the produce of which will come down to the railway.

239. What area?—80,000 acres at the very outside.

240. Fit for settlement?—Fit for settlement in one shape or another.

241. Fifty thousand acres if settled in small holdings may produce sufficient traffic to make the railway continue to pay?—If all settled in small holdings, but the country is such that you could not put all the land up in small holdings. Some of them would require to be holdings of considerable size.

242. The railway when finished will be about twenty miles in length?—Between nineteen and twenty miles.

243. Is there much clear land?—At the proposed terminus there is a good deal of clear land.

244. Not any large area?—Not any very great area.

245. There is a good deal of Maori settlement at the top?—The Maori settlements are down below again, along the portion of railway already formed.

246. What was the reason of the Government fixing differential prices between the Government sale-price and the price fixed on the land given to the company?—I think there is a little misconception about the Government sale-price. Government would have sold these open lands at from 7s. 6d. to £1 5s. per acre, which, as has been mentioned, was an average price of 12s. 6d. per acre. I may say that some of the lands will sell for very much more than that—at £4 or £5 per acre where there is kauri on them.

247. Do you mean to tell me that the land given to the company was better at the price put upon it by the Government than the lands sold at lower prices to the public?—Yes; because the lands open to the public are open lands. There is not a stick of timber on those lands, with the exception of a tree or two here and there.

248. They adjoin other lands?—They adjoin the company's lands. I should like to tell you this: that the lands valued for the company adjoining those sold by the Government are valued at the same price, as the Government have just sold their land—namely, 7s. 6d. per acre.

249. You have not made quite clear to my mind the reason of these differential prices for lands adjoining those offered by the Government to the public, and those given by the Government to the company. I would be glad if you could elucidate it a little more?—It arises in this way: the country is divided into blocks of various areas. Take the block which happens to be adjacent to that which the Government have opened for selection. The values put upon the land by Government varied from 7s. 6d. to £2 per acre, but the price valued to the company of the land adjoining is the mean price, which happens to come out at 15s. per acre.

250. Much above the price Government are offering their land to the public?—If Government were offering this portion of the block, valued at £2, the company they would value it at £2 too.

251. *Hon. Sir J. Hall.*] What is the amount of sawn timber which can be got off this endowment block?—I am afraid I could not tell you that. No valuation has been made by the Government as to the amount of timber.

252. It has been stated to the Committee to be 60,000,000ft.; do you think that is within the mark?—I should say there is not 60,000,000ft. there. I merely offer this as an opinion.

253. With regard to the question of Mr. Larnach's as to the comparative value of the land given to the company and that immediately outside it, do you think that land given to the company is unfairly valued as compared with the price at which the land immediately outside the endowment has been recently sold by the Government?—No; I do not think it is. The land which the Government have been selling is of a different character to that which the company have. Would you allow me to show you on the map? I think I can make my meaning clear then. [Map produced.] The southern part of Block XIII., of Tutamoe, was valued at 7s. 6d. an acre, and these lands adjoin Government lands. The lands just north of this, which are part of the same block, and which the company have taken up, were valued at £1 an acre. The reason it comes to be £1 an acre is because it is the mean value of the whole of that block. The northern part of it contains a good deal of kauri, and therefore the price is very greatly raised.

254. Are the company precluded from selling land owing to the price at which it was valued by the Government?—I believe they are.

255. If some land in this block were valued at £2 an acre the company could not sell it at less than £2 an acre?—I believe that that is the case.

WEDNESDAY, 11TH SEPTEMBER, 1889.

Mr. JAMES MCKERROW, Chief Commissioner of Railways, examined.

256. *The Chairman.*] I understand you have visited the Kaihu Valley, Mr. McKerrow, and know something of the country there?—I visited the Kaihu Valley about nine years ago, before the railway was projected.

257. Can you give us any idea of the quantity of timber there?—No, I cannot.

258. As to the quality of the land which is contained in the endowment to the company, do you know anything of that?—The land is very good. Five or six thousand acres of open and bush