

*Hon. Dr. Pollen.* made." I should like to ask you whether any steps were taken for the purpose of ascertaining those points?—No steps were taken. Mr. Russell insisted, as I understand, upon an immediate reply, which was given.

5th Oct., 1875.

31. Were any steps taken to for an estimate of the proposed road?—That I cannot say. I do not think anything was done, except a general arrangement—just what you see in the papers. I think you will find that the road formation was to be subject to the control of the Inspector of Surveys.

32. I see in a subsequent letter you say, "If Mr. Russell be right in his conjecture that an expenditure at the rate of 2s. 6d. per acre will suffice to make the road and the main drains on both sides of it, then it will appear that the difficulty of reclaiming the swamp is much less than was supposed, and this is the element of uncertainty which Mr. Heale and myself desired to eliminate from the transaction by means of the preliminary survey which we recommended to be made. If the land can be drained easily, the upset price of 5s., which I have named, would not, in my opinion, be sufficient. In the absence, however, of specific information upon which an estimate of the value of the land, measured by its drainability, can be based, I think that the proposition made by me to Mr. Russell is fair to the projectors and to the public." On that date you were still of opinion that something should be done towards ascertaining the fair value of the land and the cost of the drainage works?—I was.

33. Would it not be an injustice to enter into such a transaction without these two points being first ascertained?—There was a risk on both sides. No man ever saw the interior of this swamp, and with these gentlemen it was a pure and complete speculation.

34. Would it not have been possible, with the means at the command of the Government, to have got something like an approximate value?—It certainly would.

35. Could they not have employed the same agencies as the purchasers subsequently did?—Certainly.

36. You have referred to the sales of Waikato confiscated country, which were thrown open for selection after Mr. Whitaker took charge of the confiscated lands. I believe for a year or two before that things had not been of a flourishing character in the Province of Auckland?—They had been years of very great depression.

37. They were times when land would be supposed to be at its lowest possible value?—Land in that district had been low.

38. Do you not know as a fact that land was at about its lowest possible value at that time?—I can hardly say that.

39. What I want to ascertain is whether that was not possibly about as bad a time as could have been selected for the purpose of realizing upon these lands?—It is possible it was. If you ask me whether there was a market for the land, I should say there was not. There never has been in Auckland a market for land, the same as in Canterbury or in Hawke's Bay where, as soon as land is selected it is fairly considered as immediately available for use.

40. Has not the value of land in the Waikato generally improved since 1870?—It has been improved by the progression of settlement, by the making of railways, and by the pacification of the country.

41. The Government, at their land sales, have obtained very much higher prices during the past four years?—I have myself, as administrator of the waste lands there, raised the price this year.

42. And at the sales these raised prices have been forthcoming?—To a certain extent, but always with great reluctance.

43. Can you recollect whether the application for this block was co-terminous with, or very nearly so, the ratification by the Assembly of a proposal to carry a railway from Hamilton up to the boundary of the confiscated territory?—I cannot say. This block is on one side of the river, and the Waikato Railway goes along the other. It does not run into the block. I should not be at all surprised that it was so; but I am not in a position to say so.

44. Ought not the circumstance that the colony had sanctioned the expenditure of a large sum of money in taking this railway into the Waikato have justified the Government in withholding the land from sale in order to bring it up to its increased value?—From one point of view the answer would be Yes; but, in point of fact, had it become necessary as a matter of policy to make this very work, it is not at all improbable it would have absorbed as much, if not more, than would have been derived from the price of the land. Looking at the work required to be done, that two roads have to be made in the way proposed, I do not see much chance of profit. I am afraid it will not be so great a find as was anticipated.

45. Had not the Government before this fully recognized the importance of this road?—It has been talked about for a long time. Indeed there have been some very wonderful projects, for a great many years past, for connecting the two rivers.

46. I am speaking now of the Government which has had the administration of the loan. Has it not been brought before them on several occasions as a matter of public interest?—Yes.

47. Was no reason given for not going on with it?—There was no money.

48. Was not another reason that it was not advisable at present, on account of the Native feeling in the district, that the road should be undertaken?—The great difficulties were, no money and Native obstruction.

49. In speaking of the Native feeling in the Piako country, do I understand you to regard this transaction as one of the causes that have produced that altered state of feeling?—I think so.

50. But do you not know, as a fact, that the Piako Natives, or a large section of them, openly separated themselves from the King before this transaction took place?—Not before that. Their attitude has greatly altered within the last two years, since they see a prospect of having their grievances with respect to the confiscated land and the possession of their property redressed.

51. Do you remember Tarapipipi being in Auckland in 1872?—I do; he came to see me at my special request.

52. Was not public intimation made by yourself and by Mr. Gillies that he and his people were abandoning their policy of obstruction?—It was so, so far as he himself and his immediate following were concerned.