

on this acreage reserved for mining, taking the nominal price of 10s. an acre against the land. The contract has certain limitations with regard to saw-milling existing at the time, and the timber must be used for certain purposes. The company had, I think two years ago, an application for timber near Kumara. I believe the question was referred to the Commissioner of Crown Lands, who, I think, referred it to the Warden, who reported that the land was not required for mining and could be sold for timber. This was objected to, and the land was made a gold-mining reserve, notwithstanding the reports which were sent in. And practically now the Government object to the company selecting timber on mining reserves which have been made, on the ground that the timber might be required for mining purposes. I may point out that the reserves made and intended to be made practically confiscate the whole benefit of the land-grant adjacent to the railway, and I maintain that this is not according to the spirit or intent of the contract. There is another point, too. The old contract stated that the coal-area should belong to the company, and might be worked by it. There are certain areas of coal on the West Coast which, geologically, are peculiar. They have traces of gold probably overlying the coal, and we have had cases where men applied for coal-leases and were prevented from taking them up. But many of the coal-mining claims have been worked purely for coal under the gold-licenses. I think the Warden has put them right, but the coal-bearing area is now blocked by mining claims. This is a broad question for the Government, for, if coal-working is more important in a case like that, the Government should grant coal instead of gold-mining leases; for the latter is a poorly-paying business at the best. With regard to these areas, surely on the face of it, if there was so much gold-paying property and wonderful opportunities, the West Coast would have a larger population, and not have men working away for bare tucker when they might be working the gold-leads. I think it is but fair that the Committee should have evidence to see how these gold reserves have been made. The company bitterly complain that since they began work they have been hindered and obstructed in many ways. Apparently many of these obstructions have been frivolous. It is a matter of judgment whether they were or not. The company applied for a deviation of the line at Lake Brunner. After a careful consideration of the country, it was decided that the line should go on to the north side of the lake, where there was open country. After the surveys were made I asked for permission to make the deviation, which the contract provided could be made, without appealing to the House. But the question was raised whether the deviation could be dealt with without a Bill, and it was decided to submit it to the House. A Bill was passed under great difficulties, and I may say that the company had to pay for it being passed. We had, before the opposition was withdrawn to the Bill, to pay £2,700 towards the widening of the road from Greenstone to Lake Brunner. The difficulty arose not with the present Government, but with the last Government. The last Government brought a Bill into the House, but of course we suffered through the delays owing to the opposition we received. The deviation was finally granted, but the company lost ten months in getting it through. Ten months in debenture-interest alone amounts to £30,000. That was a serious thing, because the deviation was proved to be better for the colony and cheaper to work. The company also suffered delay in receiving consent to the incline for the tunnel line.

[The witness here read clause 4 of the Midland Railway Contract, 1888, as follows:—

4. The company shall not, without the consent of the Governor first had and obtained, deviate from the line of railway as surveyed, or alter any gradients upon the said railway as the same are shown upon the plans of that portion of the said railway from Springfield to Brunnerton, deposited in the office of the Minister for Public Works, marked P.W.D. 11554, 11555, 12007, and 12009, copies whereof have been handed to the company before the execution of these presents: Provided that so much of sheets 45a, 46a, 47a, and 48a of the said plan 11555 as apply to the "incline-line" at Arthur's Pass shall not be deemed to be part of the said plan: Provided also that the company may construct the incline-line instead of the tunnel-line, if the Governor, after having obtained the opinion of two eminent engineers to be nominated by him, is satisfied that the incline-line when made will be suitable for mineral and other heavy traffic, and in his opinion worked at a satisfactory cost; and if the cost of the construction of the entire line from Springfield to Belgrove shall be less than two million five hundred thousand pounds a reduction shall be made in the grant of land to the company proportionate to the amount saved by the substitution of the incline-line for the tunnel-line.]

I differed from the engineer's views, and maintained that the powers did not touch the details of construction. After many arguments, I thought it better to give way, and I made some alterations asked for. We still wait for the consent to the incline, which I hope we shall get. The original contract gives us ten years from the 10th January, 1885, but considerable time has been lost by delay in the works beyond the control of the company. It was a year and six months before the company was floated after the contract was passed, and six months before the works could be started; for, as you all know, you have to organize your forces before beginning. A year and nine months was taken up by alterations in the contract of 1885; it took ten months to deal with the deviation, and it is twelve months since we applied for consent to the present incline; so that, practically, we have lost five years and seven months. The time has been wasted, and, as it were, beyond the control of the company. We have asked for an extension of time, which the contract provides for.

[Clause 42 of the contract read, as follows:—

If the company shall not be able to construct and finish the said railway within the period hereinbefore limited in that behalf, or if it shall not before the said thirty-first day of December, one thousand eight hundred and eighty-eight, have expended one hundred and fifty thousand pounds, as hereinbefore provided, the Governor in Council may, by writing indorsed on these presents, if satisfied that the delay has not been caused by the wilful default or neglect of the company, extend the said periods, or either of them, or the period mentioned in clause 35 hereof, for such time as he shall deem reasonable, and any such extension may be made although the period to be extended has not yet expired, or may be made after such expiration.]

We have only two years and a half to complete the works, and it is impossible to get financiers to advance money when there is any doubt as to the possibility of the company being able to complete its work. We therefore have asked for an extension of time, but I think the Ministry have stated that it is impossible to grant it without bringing the application before the House, and we have therefore done so.