

I must refer to the difficulties the company had in dealing with the lands under clause 33. The contract provides that the western lands may be dealt with irrespective of block-selection; that is to say, that persons applying for areas on the western side of the range can have them sold to them by the company, and that if a piece of land is applied for it is to be assessed by the Commissioner of Crown Lands, or by some one representing the Government, and the price fixed. That is to say, supposing a block to be assessed at 10s. an acre, a man may pick out the best piece, which, in the opinion of the Commissioner, is worth 12s. 6d., the balance of the block must be valued to the company at a price not exceeding in the whole acreage 10s. per acre. We found it very difficult to work under such a system, as it took a long time to have the land assessed and passed through the Government, and we desired to have greater facilities for settlement. We got practically a settlement, and then a change of Government occurred, and further delays took place. I think Mr. Seddon, being present, will confirm what I say. When we applied for regulations—probably it was a misnomer, for we ought to have applied more correctly for an agreement—the Minister maintained that he had no power to make regulations. We of course did not mean regulations under the Act, but we meant regulations or an agreement to deal with these lands, which I maintain the contract provides for.

Clause 33 of the contract says:—

The Queen shall, from time to time, on the request of the company, sell any such lands for cash, or on deferred payments in such manner as may be agreed upon between the Queen and the Company, or may let the same on lease, to any person or persons desirous of purchasing or leasing the same, subject to the following provisions:—

It was an unfortunate mistake to ask for regulations, because it was pointed out to mean regulations under statute, which the Minister had no power to make. There were a considerable number of applications sent in for land not assessed, and the Minister stated at one time that the assessments would not be dealt with until after the mining reserves were made. Certain mining reserves were made, also the assessments. It is a long process, and the result has been that many applicants threw up their applications in disgust and left the place. The Minister finally agreed to a method of dealing with the matter which will probably get over some of the difficulties we have hitherto had. Of course I may point out to the Committee that the delays in the settlement, and the impossibility of getting people on the land, have caused material loss to the company, and I may say, also, a material loss to the colony; and I cannot help thinking that if the matter had been gone into in a friendly spirit we might have arrived before now at a satisfactory conclusion.

I had almost forgotten to mention, with regard to mining reserves, that there is evidence of the fact that gold discoveries on the West Coast are not numerous. The prospecting being carried on has not met with very great success, and there is not much prospect of large areas being required. The Grey County Council have had fifty-four men out prospecting and spent £2,000, and I believe the result of that expenditure has been absolutely nil. I think the Chairman of this Committee would be able to confirm what I say or disagree with me on that point. These big reserves made along the line are more or less on the flats, and could have been prospected many years ago, and probably have been prospected as the country is accessible; and, therefore, I maintain that these reserves as made are not likely to be used for mining purposes. If there had been a probability of a gold discovery it would have been made before now, as the country was easy of access. Under the same question of these reserves we find that a great many people have now to apply for land under the plea of gold-working residence-areas, and we have also the case of the Black Ball Company floated in London. We have got a lease, but we find that the land we wanted, according to the Warden, is wanted for gold-mining. Many people have applied for residence-areas on the very place where there will be a township at some time, and we naturally hope to get the benefit of this township land. Owing to the report of the Warden we cannot get the land, and have to be content with an aerial tramway to the mines.

Then, I have to turn to the question of taxation, which is one I must ask the Committee to look at from a point of equity. I do not say that, as a legal right, such taxation should not be imposed, but I allude to it as a matter of equity. I speak with regard to the graduated land-tax. Having received an endowment of land as an inducement to make the line, I wish to point out that it has become dangerous for the company to take it up, and impossible for them to work it to advantage. The graduated tax is so large that, if we attempt to hold the land at an assessed value of 10s. an acre, the value would very soon be absorbed by the tax; and I maintain that when Parliament granted us these areas it was intended that we should hold them. The tax prevents us holding them, and takes away the profits anticipated from the grants. I maintain that from the point of equity it is not right. You give with one hand and practically take away with the other.

Another point is in the direction of taxing the bondholders. We have, as a company, raised money in London. We have issued a debenture prospectus which binds us. We have given no notice of the tax, and, if the Government impose this tax, it is the shareholder and not the bondholder who will have to pay it. The present share-capital is a quarter of a million, and the debentures three-quarters of a million; but of course the bondholders will be perfectly free, and the whole of the burden will fall on the shoulders of the shareholders. It seems to me very hard that, with the contract that we have made in the past, these extra provisions should be placed upon it. I may tell you that it is not only an evil affecting the existing shareholders, but it will render it absolutely impossible for us to go to the London market for further capital.

With regard to local taxation, which I have mentioned in the petition, I may say that it falls upon the company very hardly indeed. We have constructed a line up the Grey Valley. The road was very costly to maintain on account of the wear-and-tear. We have taken the heavy traffic off the road, and yet we are taxed more than any others in the country. The method in which these rates are levied is highly improper, because we are rated on cost-values and property-values. To give an example to show how wrong it is to tax a railway company in such a form, we will assume there are