

6. What is the length of the line you propose to make in order to extend it from Belgrove to Motueka?—About three miles further. It would cost about £30,000 to complete and open it.

7. *Mr. Saunders.*] What is the length proposed to be left undone?—Between Reefton and Belgrove?

8. Yes?—About seventy odd miles.

9. *The Chairman.*] You have several modifications on the original contract—with regard to the mining reserves. Have you got the original contract of August, 1885?—I have not got it with me, but that could be easily procured.

10. *Hon. Mr. Ward.*] I understand, Mr. Wilson, in the modified proposal you couple the last one dated the 19th May, 1892, in which the principal concession you ask for is that the colony should guarantee £1,600,000 at 3 per cent. in exchange for £618,000 worth of land?—Yes.

11. Would you not regard that practically as the colony entering into partnership with the Midland Railway Company?—I cannot so regard it, any more than any other Government guarantee. I think I can cite Western Australia, where it was found impossible to raise money on a land-grant, and the Government found it necessary to raise it by guarantee.

12. Assuming the failure of the company to carry out the contract, would that not practically throw £1,600,000 on the colony?—I cannot see how it can fail to carry out the work. That money is bound to be spent on a particular object.

13. You fail to answer my question. Would not the failure saddle the colony with £1,600,000?—The interest on it.

14. What did you mean when you said that if you raised the money it would cost you 25 or 30 per cent.?—Because our debentures are quoted at present at about 78.

15. And with the Government guarantee you assume it would be 12½?—Yes.

16. And you regard that as a reasonable amount to pay?—Your New Zealand 3½ per cent. stock is, I think, only 94; therefore it would. You see the 3 per cent. guarantee would make a difference in price.

17. Might I ask you what you meant when you said that when the credit of the colony was better than it is to-day you would experience less difficulty in raising the money? I want to know what difference there is in the credit of the colony to-day and originally?—The difference, of course, is this: we go before the public with the imposition of the graduated land-tax, which the public of England, taking a broad view of it, would look upon as a breach of confidence as between the company and the Government. The Government give us a land-grant with one hand, and with the other hand they tax us. And this question of a tax on our debentures has, as most people are aware, a very serious effect on anything like debenture-loans.

18. What I want to ask about is this: From the remark you made, it was clearly inferred that the credit of the colony was much worse now than when you originally went to the money-market for money?—I do not say that. We had very great difficulty in raising the original capital on account of the credit of the colony being at a low ebb. I do not say that it is now at a lower ebb. We had a difficulty in raising the money because it was stated that the land-grant was not worth anything. It was so stated on the authority of members of the House, and that is what crippled us.

19. With regard to the question of taxation: in the original contract was your company exempted?—Not from colonial or local taxation.

20. Not from the land-tax?—No.

21. Was there anything to warrant you in thinking that you would be specially considered?—No. If we had held the land subject to an ordinary land-tax on everybody, it would be different; but you give us large areas to hold, and then immediately specially tax us on holding these large blocks by putting on graduation.

22. But in the ordinary course, I assume that this was practically a large commercial transaction entered into between the shareholders and the colony, and they would not expect any exceptional treatment over other companies or individuals?—If you make a contract with an individual you expect him to maintain the conditions of the contract. You do not expect him to say, "I will charge you 2½ per cent. more now," after you have made the contract. You made the contract, and you must stick to it.

23. Do you think that, with regard to other large landholders, it would be fair that the taxation should be cast off you and spread over them?—Certainly. You have made conditions for a specific purpose, and now wish to diminish the reward. If I come here and buy land in the colony I must take the risk of a change in the taxation. But if I come here under certain conditions and make a contract with the Government I do not expect the Government to change the conditions of the contract.

24. Could not every large landholder use the same arguments with regard to a contract with other people?—No. We have entered into a contract with the Government.

25. You are asking that the taxation should be spread over other people?—I do not ask anything of the kind. I ask you to take the land-grant from us. You have put us into the position that we cannot work the land-grant. I do not ask you to spread the taxation over anybody.

26. You might amplify your remark with regard to the action of the Government as to the regulations?—I referred to clause 33. The question was sprung on me at the last moment with regard to the Government's power of making regulations. If the Government had told me earlier that the word "regulation" was not a proper word to use, I should have changed the word "regulation" to "agreement under the contract." I think if the word "agreement" had been used earlier we should have come to a settlement immediately. When we did meet the Minister for Public Works he made suggestions for an agreement to deal with the matter. Now, the agreement for dealing to-day is no more than a change of regulations.

27. Has any question arisen between any of your shareholders and the company as to the