

rate us on a value for old iron on Reefton section, because we are a working railway. Of course it is unfair, as we have taken off the heavy traffic on the roads, and yet they are rating us higher than anybody in the district.

58. *Mr. Tanner.*] I think you said that when you were granted these large areas of land you reasonably inferred you might hold them?—Certainly.

59. Are you aware that one of the chief reasons for the construction of the line was to open the land for settlement?—We shall use it for settlement. The bush-land will take years to settle. If we are not forced to sell it we can get a fair price for it.

60. Is that likely to conduce to rapid settlement?—We do not hold it in that sense, except that we must become proprietors of it. If we do not select it we cannot sell it.

61. Have you sold any?—Certainly.

62. In what blocks?—On the western side, in from 500 to 200 acres; on the eastern side in larger blocks.

63. Is the statement in the papers correct that you have sold 58,000 acres in one block on the eastern side?—Very probably we may do so. Some of the land is not suitable for settlement.

64. Do you think that is facilitating settlement?—Yes. The company's policy has been to settle the land wherever it was possible. When the company selected runs up at Springfield—Rutherford's run and Dean's run—I cut up the land in small areas of 200-, 300-, and 700-acre blocks, so that the small farmer at the foot of the hills could buy the back country. It cost £300 or £400 to cut this land up, and I got about two offers from small people, and the whole of it was bought in by runholders at the company's upset prices.

65. You say you hold 1,250,000 acres?—No; I suppose we do not hold more than 30,000. And then we have got two blocks at Brunner offered for sale in small holdings.

66. Is it fair to ask you the total price of the land sold up to date?—I cannot tell you without getting the figures. We have done very well. We must have made an average of from 25 to 30 per cent. on the waste-lands value, and on the West Coast 50 per cent. over the waste-lands value. If we could get selections assessed there we could sell for settlement at satisfactory prices.

67. You were aware at the beginning that the West Coast lands were more or less auriferous?—Yes. Wherever the land is payably auriferous it is an advantage to the company. If the whole of the land was auriferous, so that you could put on 50,000 people, we would give you that land for nothing, owing to the traffic-receipts on the line which would result.

68. You say the land sold has realised a substantial advance over the first value?—Yes; where the land is good and the pick of the block we got about £1 10s. an acre.

69. As a matter of fact, have you not selected nearly all the best land in the area?—Perhaps on the eastern side for settlement purposes. On the West Coast we have practically not touched it. The timber is very valuable, and brings royalties of from £3 to £5 an acre. If you take all the mining reserves we have nothing left but hill-tops. We have selected perhaps the pick of the land on the eastern side. I think our big profits would come from the western side. The land on the eastern side will only bring about 10s. or 12s., on the western £1 or £1 10s. We are making a railway on the western side to give access to timber and minerals, consequently it injures us seriously making mining reserves.

70. You say, with reference to the introduction of taxation after the contract was completed, that you had a right to expect to be free from disadvantages which might follow as a matter of State policy. Will you please put the converse: if the changes had been advantageous to the company, would you have been prepared to surrender the advantages to the State?—I say this: Suppose you represent the Crown and I the company. Whatever you undertake you have a right to do. I am equally bound, and have no right to say to you, "For this land which you valued at 10s. you must take 5s." Yet I have as much right to say that you must take 5s. as you have to make me pay the graduated tax. As between man and man I should expect you to hold to the terms of the contract.

71. You regard this practically as a breach of the contract?—I do. Not perhaps legally, but purely from a point of equity.

72. This applies to the base value of £30,000 of land?—No. We have a prospect of earning the value of a million and three-quarters.

73. You have stated your intention of parting with it on the first opportunity?—Supposing we have the money to finish the work we get a million and three-quarters. Can I possibly part with a million and a quarter acres of land on the West Coast, say in ten years? If not, we are saddled with the graduated land and the local taxation.

74. Are you not taking that as an extreme case?—No.

75. Do you consider it likely?—How do you think I can settle a million and a quarter acres? Who is going to buy a large block and be saddled with the graduated land-tax?

76. As a matter of fact, the largest block you have sold was parted with since the land-tax was passed?—I did not say that. I will get you the evidence one way or the other.

77. *Mr. Saunders.*] With regard to the excessive amount of land you consider has been reserved—when did you first become aware that the Government proposed something excessive in that way?—I became first aware of it when the Minister for Public Works informed me that he would not grant these sales under clause 33 until the reserves were made, and I understood him to say that the reserves were to be 250,000 acres altogether, and now, since seeing the map, and having interviewed the Minister himself, I understand that the reserves are to be very much more. I always objected to the mining reserves because I did not think the evidence was sufficient to show that they were auriferous.

78. Were you only made aware that the reserves were to be made a few weeks ago?—A few months ago.