

FRIDAY, 19TH AUGUST, 1892.

Mr. ROBERT WILSON further examined.

79. *Hon. Mr. Seddon.*] The first question I would ask is this: Whether, in reference to the proclamation of the reserves and the non-dealing with applications under clause 33 of the contract, you contend that the Government have unfairly strained the contract as against the company?—If I understand the question it is this: Whether the Government have a right to refuse to deal with the land under clause 33 until they have made the mining reserves. Is that what I understand?

80. No. Is it your contention that by their action in reference to making mining reserves, and as to their dealing with the contract under section 33, the Government have been violating the contract and straining it against the company?—Yes, certainly I do.

81. That is your contention?—Yes.

82. In putting these matters in your petition they are not put in with the view of asking the Government or the Committee to grant you the amended financial arrangement?—Yes. I put them in to strengthen my request, and to show that we have come not simply to beg for a change, but to ask for a change on the ground that we have certain justification for doing so; and to ask the Committee to consider from a broad point of view whether we have not good cause for complaint.

83. If these modifications in the contract or concessions asked for are not granted, do the company contend that they would be entitled to compensation on the ground that there has been a violation of the conditions of the contract by the Government?—I am not empowered to give up any right of legal action on the part of the company: that must rest there. The contract itself carries certain rights under the arbitration clause. On the other hand, if we can arrive at a satisfactory solution of the difficulty, then the present danger disappears.

84. I am to understand, then, that the company holds like two strings to its bow? If the Committee meets what is asked for now in the amended financial proposals, the company will consider whether or not it will be sufficient for the loss sustained under the contract; if, on the other hand, the proposals are not accepted, the company then holds to its right of a definite claim for breach of contract?—Certainly, I do not give up our legal rights in the event of the Government not meeting the company. I presume that, if a satisfactory arrangement were come to, the new contract made with the Government would settle the difficulties under the contract.

85. I understand from that that the proposals submitted now mean a new contract?—Yes, practically a new contract. A new contract would get over the difficulties and evils of the present contract.

86. That being the case, we will come back to the first contract. In your evidence yesterday you laid some stress upon the alternate blocks being given away, and the company getting its right of selection over the larger areas and not along the line?—I think that what I contended was that by doing away with the alternate blocks the company's frontage is increased and it can select land along its line.

87. Has the company selected along its line?—It depends what you call selected along its line.

88. I think you admitted yesterday that you had some quarter of a million acres?—We have selected along the line, and I can give you an instance, in Blocks 26 and 28, where we have taken land right on the line in the hope of settling it.

89. What area have you selected along the line?—I cannot give you that now, but I think I see what you are driving at. The company's financial position has compelled it to select land that it can deal with readily. That has been eastern land so far, excepting small holdings on the West Coast which we tried to deal with under clause 33. But you know the difficulties we have had under that clause.

90. Was contract No. 2 in favour of the company as against the previous contract?—In so far as it gave us greater possible frontage along the line for settlement.

91. Did it not widen the area of selection?—No; the reserve was about the same in both cases.

92. Were you not compelled first of all, under Contract 1, to exhaust the right of selection along the line?—Yes, I think we were compelled with the alternate block system.

93. In that case, instead of selecting land which is most readily saleable, at the present time you would have to be taking hill-tops from the Otira Gorge right to the West Coast?—Yes.

94. Was not the change an advantage to the company?—Decidedly. At the time, the intention of the new contract was to enable the company to select such lands as were readily saleable, so that there might be settlement along the line.

95. The construction of any railway or of this railway would enhance the value of land along the line?—That is the assumption.

96. If the Crown had alternate blocks it had an advantage?—Yes; and I pointed out that the great advantage the Crown had in the alternate blocks rendered it impossible to carry out the contract.

97. What effect had the concession?—It enabled the company to be formed, otherwise it would not have been formed when it was.

98. What did the company give to the Government in exchange for the great concession? You admit that it was owing to abolishing the alternate blocks the contract was gone on with?—The rest of the capital would not have been raised otherwise. It was owing to the reports sent to London that the land-grant was valuable that the money was raised.

99. What time had elapsed at this period from the signing of the first contract?—The company was formed in the middle of 1886. The first contract was dated the 17th January, 1885, and, subject to certain modifications therein, the company was formed in May, 1886, and the modified contract was signed in August, 1888.