

acres at once. That was opposed and had to be withdrawn. Now, I ask you what difference there is in reserving the 750,000 acres at one time and taking blocks of 10,000 acres with eight or ten days intervening.

152. It is quite true that Mr. Larnach proclaimed it in one block and wanted the whole 750,000. What the contract says is that the land "shall from time to time be set apart and defined by Proclamations to be issued in that behalf; but no more than 10,000 acres shall be so set apart and proclaimed in one block at any one time; and the lands so set apart and proclaimed from time to time shall not in the aggregate exceed 750,000 acres." The difference is this: that in the case referred to it was a violation of the contract?—The difference is that you should proclaim only 10,000 acres from time to time.

153. From time to time, in the opinion of the Governor?—That is the point.

154. Was not a general principle laid down in this contract that no land which was auriferous or might be required for mining should be within the right of the company to select?—I admit that. We have never yet contended that we had a right to take lands known to be payably auriferous or required for mining. I argue that we have a right to take lands surrounding centres and townships, but no right to payably auriferous ground. But you are taking large blocks around centres, and excluding the company from the benefit of township lands, and that is part of the profit held out to the company—that it would have lands adjacent to centres where the population was concentrated.

155. Are you aware that the whole of the reserves were withdrawn and applications refused, and that they will not be sold by any Land Board to any person? Suppose there was no contract at all, and a private individual applied for the land, the Land Board would have to refuse on the ground that it was a reserve?—There are lots of cases where the land has been sold by the Land Board.

156. Do you admit, also, that under the terms of the contract, notwithstanding the reservation of 750,000 acres, or even land outside what may be proclaimed a mining reserve, the Governor has power to stop the company selecting even if you made the selection?—I think the Governor must show by evidence that it is required for *bona fide* mining. You must show a reason for selecting that land for mining. It would not be in equity under our contract if you had power to refuse us land we wanted, without rhyme or reason.

157. Section 29 of the contract says, "Notwithstanding anything contained in these presents as to the right of the company to select any lands to which it may be or become entitled, no selection shall be valid until a period of two months shall have elapsed after such selection has been made and notified to the Minister for Public Works by the company; and within such period the Minister for Public Works may object to any such selection in whole or in part, on the ground that the land or part of the land comprised therein is required for any of the purposes set forth in subsections (a), (b), (c), and (d) of clause 16 hereof." Is not that a further power protecting the Crown?—Within the limits. But such lands are not to exceed in the aggregate 750,000 acres.

158. Pending the creation of these reserves under subsection (c), here is protection to prevent the company securing auriferous land?—The two months you have there is to give you time to ascertain whether it is payable gold land.

159. If the Governor exercises his discretion, and the land is wanted for *bona fide* mining purposes, does it not save the application being objected to and your standing as a see-saw against the mining interest?—I maintain, certainly not. You by making the reserves upset the very settlement we want to get at.

160. The next question is as to the Blackball. Particular stress was laid on the fact that the Government made a reserve at Blackball. You said some residence-areas had been applied for?—Yes; I quite admit with regard to Blackball that the Warden's report was in favour of the land being opened for gold-mining. We had to submit. I say that unless the land is used for gold-mining we ought to be allowed a certain amount of flat land where the township must spring up; and we might have been given a piece of land to work this line. Now we have had to be contented with an aerial railway. You cannot work the gold where you have a residence-area; and I say where these have been applied for the company ought to have the option of taking township land and getting a profit out of it. I do not dispute the Warden's statement that there is gold there.

161. You admit that it is necessary for miners to have residence-areas?—They have a right under the contract to their residence-areas.

162. How many years was it since the signing of the contract that you had the option of taking up that land, and when did you select it?—We cannot afford to select land to remain on our hands when we cannot get population to settle it.

163. When did you select at Blackball?—We completed our selection about a month or six weeks ago.

164. This taking-up of residence-areas is quite recent, is it not?—I believe it is because the Blackball Company got their capital, and the people were sharp enough to see that a good residence-area might become a good property.

165. You do not dispute the Warden's telegram? [Telegram read as follows: "I find great part of land in south-easterly direction from Blackball coal-lease is taken by extended and ordinary claims. Large sluicing-operations carried on by valuable water-races from Blackball Creek; also four residence-areas. Whole of the ground auriferous. Good employment to many; probably will for years.—JACKSON KEDDELL, Warden, Greymouth."]—I do not dispute that there are some gold-workings there.

166. In your evidence you only mention the residence-areas, omitting that it was within your knowledge there were gold-workings there?—I think since the raising of the Blackball Company twenty or thirty applications have been made to try and block up the land which would be township land. I say it is unfair to grant applications if they are not wanted for gold-mining. If they are wanted for gold-mining, these people should be excluded from it.