

311. It is not unfair for the amount to be reserved?—Certainly it is. Only such reserves are to be made as are required from time to time. You have made them before they were required, judging from the past requirements.

312. That is a matter of opinion?—It is a matter of opinion and fact.

313. Touching the deviation—as you put it—the company had to pay for getting the concession. I wish this to be put clearly to the Committee. The original line gave a direct communication to Kumara and South Westland through the Greenstone. That is the line along the Pounamu track, on the west of the lake?—I suppose you know what you call the track, between Kumara and the lake, is over rough country.

314. Does it give a connection?—It gives a connection, but not a direct connection with the railway. It is better by the Teremakau Road.

315. It gives a fairly-good road to the lake?—Yes, a fair road.

316. That is, if you had made a connection it would have given a road?—It would have given a road.

317. The distance to Kumara is eleven miles in one direction and twenty miles by the other?—I think it would be fifteen or eighteen miles, not eleven.

318. Do you not know the distance between Kumara and the Greenstone?—You know. You might save time by telling the Committee.

319. It is four miles, and to the lake it is seven. I want to show what the colony was giving away in this transposition at the lake. They were giving away all connection unless there was a connection by the lake?—I deny that, because you had a good road by way of Jackson's.

320. I come now to the question of taxation. Have you been able to ascertain, since the question was put by Dr. Newman, the number of acres of land the company have now in hand unsold?—That we hold unsold now?

321. Yes?—We have at present on the West Coast about 20,000 acres around Lake Brunner, and about 9,000 on the East Coast absolutely undealt with; but we hold other land, for which we have forwarded agreements to deal with, and about £17,000 worth in the Brunner valley. It is not sold, but some of it is let.

322. That includes land-grants earned but not exercised. What is the amount on which they are taxable?—We have £69,000 worth of land earned and selected, which we shall probably pay tax on, and £33,000 earned and not selected. About £101,000.

323. You have the assessment-notice. You cannot be taxed unless you are assessed?—I have not got it hear. I will give you the exact figures to-morrow.

324. Have you been able to dispose of your lands on the East Coast at a satisfactory figure?—Yes, we have.

325. Have you disposed of any on the East Coast at a satisfactory figure since the alteration in the law?—We have had one transaction, but we entered into negotiations before the change came about.

326. At any rate, you have had no difficulty in disposing of your land on the East Coast?—I cannot tell you yet what will be the effect of the taxation, because it has not yet come into operation. I shall be better able to tell you the effect later on.

327. You cannot tell?—I cannot tell the effect where a man wants a small piece of land. Where it effects the company is in the large blocks. It is when we hold large blocks before sale that we shall suffer from the new tax.

328. You are not prepared to say that the difficulty of disposing of land under the present taxation is greater than before?—There has not been time for it to take effect.

329. You said in your evidence in chief that it was understood from the commencement that the company would be, and continue to be, the owners of large blocks of land?—Under certain circumstances we should be bound to hold large blocks, for the advantage we are supposed to get from the B1 value may not be available for ten years. The result is that we shall have to pay graduated tax for that time. If forced to sell the land under this compulsion, we should have to sell it for a mere song owing to the graduated tax. We should lose by holding the land, and also be losers by its compulsory sale. We should have to sell and get rid of it at any price.

330. We cannot tax the land until you finish the railway?—Of course not till we get it.

331. How long will it take to finish the railway?—Three years if the Committee give us fair consideration. If not, I cannot tell.

332. The contingency cannot arise of holding large blocks until you have earned them?—Is the graduated tax going to be repealed? If not repealed, we must suffer ultimately.

333. What proportion of land have you sold on the finished sections. The total amount you will tell us by-and-by. You have been able to dispose of the land as you made the line?—So far, we have had very fair sales indeed. We have only selected the land most saleable. We shall now have to take bush and mineral land, which will take years to open and settle.

334. You said the land on the East Coast was the worst part?—I think the West Coast land is the most valuable on account of the timber and minerals, but it will take time to develop it.

335. A great deal will depend upon yourself in taking the timber off. It was never intended that the company should be large holders of land?—Yes, it was intended that we should be large holders under the contract.

336. And continue to be so?—And continue to be so. The company did not intend to retain it as a matter of policy after it became a marketable commodity.

337. Now, as to local taxation: what is the cost per mile of the construction from Brunnerton to Reefton?—The actual works cost, I think, a little over £8,000 per mile. The actual capital cost, including expenses and everything, I think, is nearly £10,000 per mile.

338. I think you told the Committee that you were rated at less than £3,000 per mile?—Between £3,000 and £3,500.