

reserved it?—I do not think there were any special instructions. I think they would be simply told the terms of the Midland Railway contract.

73. Without instructing or telling them that the land would be locked up from settlement?—It would follow, if I told them it was under the contract. I think the contract was largely distributed among the whole of the bodies, and I should say that all have a copy to read.

74. You know the contract very well, do you not?—By what you are making out now I know nothing about it.

75. Had you any doubt in your own mind that you can sell these lands for settlement if they are made mining reserves?—No doubt whatever.

76. Do you think any other people had a doubt about that?—I do not see how they could. Once it was made a mining reserve it was reserved for mining, and for purposes incidental or conducive thereto. You can take up occupation licenses, and residence areas, and agricultural leases, but you cannot get a freehold. I do not think any one could come to the conclusion that he could get the freehold of a mining reserve. But, as I have said, on one occasion after making a reserve, where it was found that some land was wanted by the company for a station at Jackson's, I said I would endeavour to get it as a special case to meet the convenience of the company. But it is a dangerous thing to do, and we shall have to take expert evidence.

77. If these lands were withdrawn from the reserves after they had been reserved, would they, in your opinion, go to the Government or to the company?—I should say they would go back for selection by the company. If withdrawn, B 1 would still stand good.

78. Then you still maintain that if these lands are once declared mining reserves they cannot be used for purposes of settlement?—Yes, except under the provisions of the law relating to mining for the time being.

79. If the reserves are made, the people on the West Coast will always get land for residence areas and business licenses?—There have not been any special instructions. Additional reserves would be made, if necessary, under the terms of the contract.

80. The reserves at Teremakau will come under the railway reserve, apart from any special reserve? That, of course, we shall get. It is an additional area you refer to?—Yes.

81. I should like the Committee to read the letters referred to the County Councils. The Grey County suggested that the best way would be not to make any reserves at all, but to advertise the applications. Did not this method work well before the area was declared for the company?—My answer to that is that it did not work well. It is a very dangerous thing, and to continue it would simply bring the Government and the miners into an incessant turmoil. The only men to profit by it would be the newspaper proprietors. An applicant would have to go to the County Council, who would have to appoint some one to investigate the application, and the applicant might be told, after going to considerable expense, that he could not have this land. Twelve months after this the man might think the County Council would be in his favour. He would again apply for the land; and this would go on from time to time, and would result in waste of time and money, and cause a great deal of bother, and I therefore say I think it is not advisable, and in doing so I express the opinions of the bodies interested.

82. That was the system adopted before you made the reserves?—If that system were adopted, we would not require the reserves at all. Under section 29 the reserves would not be wanted.

83. The point is this: the method of advertising these applications might have been adopted until the company had actually invited the selection of a block; and then would it not have been better for the Government to declare necessary reserves in the block, at the same time dealing with other lands by means of advertising? Would that not have been more conducive to settlement than locking up the lands from settlement?—First of all, the mining lands on the West Coast would have been depreciated 75 per cent., and no sane person would invest money in property if that were to be the case.

84. Has this different system caused any rush of capital?—It has caused increased confidence.

85. Has the population increased?—It has not affected population. There has been a greater yield of gold, and more capital invested, while the improved appliances have worked more ground.

86. Was not the greater return of gold due to an alteration in the taxation; and was not the gold kept back, pending the abolition of the gold duty?—No; we have made an ample allowance for gold being kept back, and there was still a considerable increase in the export of gold.

87. This increase of gold took place last year?—Yes.

88. Before these reserves were made?—No, some were made, and it was the intention of the Government that others should be made. There was a clearly defined intention two years ago; and indeed Mr. Larnach, when he was Minister, clearly showed the intention of the Government to take certain lands as mining reserves, before the present contract was signed.

89. With regard to the method of making the reserves, did you decide to take the whole area shown, and then get it subdivided into 10,000-acre blocks in the drawing office?—No.

90. Were the surveys made on the ground?—No.

91. They were cut up in the office?—The course adopted was to send down the Commissioners of Lands to the district, who are also the Chief Surveyors, and they instructed the District Surveyors to show where the auriferous lands were. Each of these officers, in marking off mining claims, have to go on the ground, and each is thoroughly conversant with the lay of the country, and whether it contains gold-bearing leads or auriferous drifts. They must, having the opinions of experts and those taking up claims, get a knowledge of the country. They were asked, "In your opinion, what land would be required under the Midland Railway contract?"—They sent back to the officer, that is, Mr. Browning, of Nelson, a report showing what should be blocked off. Then he reported to the Government, and, as I have said, their recommendations were not given effect to, as we have to keep below the 750,000 acres, and still to leave a margin unselected.