

*Hon. Mr. Seddon*: My answer is, that I looked upon the working of the steamer as a portion of the railway.

*Mr. Wilson*: If the steamer is self-supporting, would the cost come off the deviation?

*Hon. Mr. Seddon*: If it were self-supporting the profits would go to the company.

*Mr. Wilson*: Would any of the profits of the deviation be required to maintain that steamer?

*Hon. Mr. Seddon*: Certainly not.

3. *The Chairman*.] I would like to ask you, Mr. Seddon, whether you were not one of those who originally advocated the construction of the East and West Coast Railway and the Nelson and West Coast Railway?—Yes.

4. Were you then of opinion that it was advisable that railway should be made?—Yes.

5. Have you altered your opinion since?—No.

6. You still think, in the interest of the colony and settlement, it is desirable that the railway should be completed?—Yes; more particularly in connection with mineral traffic.

7. You still think that if the mineral or mining reserves are held by the Government, and excluded out of the Midland Railway Company's area, it would be unadvisable to deal with the land on the West Coast in the manner indicated by the company?—My opinion is that it is in the best interests of the company that these reserves are made.

8. Do you not think that making these reserves in the form they have been made a very large percentage will include land that will never be required for mining?—I do not.

9. If it should be so, and it was afterwards discovered that they were required for mining purposes, could they not be resumed?—No; I will give you a case in point. In the early days there were what were known as Maori leases. There was an application made for a certain piece of land. The miners stated that a lead of gold-bearing drift would go through that land. It was a piece of flat land. The Waste Lands Board would not listen to the objections of the miners, and sold it. Now, what the miners said has come true. The Board turned a deaf ear to the miners' protest. The land was sold, and the total sum paid for same was £300. There was a little clearing done on it. For the last two years the owner of that land has been receiving £100 a week. The lead of that gold-bearing drift goes right through it. Eighty, fifty, and thirty ounces a week are obtained. He gets 33½ per cent. out of the gross yield of gold. I say that land should have been divided.

10. Is not that state of things brought about in consequence of the state of the law which was then in force—that no person could resume land for gold-mining if it had been sold?—No; the state of things was this: The miners protested against its being sold. The Land Board said there never would be any gold got there; that it was one of the low flats which would never be required for mining. The miners were right in saying that mining would go through there some day, and the people who sold this land were wrong.

11. Are you not now rather giving an illustration of the method in which the land law was at that time administered?—I am giving facts. The miners protested against the sale of the land, as it was a connecting link between two leads of auriferous drifts. The land was sold, and the results are as I have shown.

12. Could that state of affairs come about now under the present law if the land is sold?—It is mitigated, because power is taken to purchase or resume lands for gold-mining purposes. But you know what happens when, in order to resume land, you have to go to arbitration, more especially in the case of auriferous lands. My experience is that when a Government goes to arbitration it has to go to the wall.

13. Are you not aware that lands which have been sold since 1873 may be resumed for mining purposes, the Government having only to pay for the actual value?—That is not the law. The law is, at its selling value for the time being exclusive of the auriferous value of the land. There is a case in point: the Stark case, in Auckland, and other cases, which show the fate of a Government going to arbitration—that it always goes to the wall.

14. Have you ever known a case where the Government have applied to resume land for mining purposes, and they had to pay more than the bare value—I mean since 1873?—The late Government decided to proclaim the Maerewhenua River. That is a case in point. The people who had the land adjoining the river put in a claim for compensation for riparian rights, and got 30s. an acre as value of the depreciation of the land. It was simply a valuation of the stream. That will yet cost the colony £100,000. If the colony had never sold that land it would have been much better, or if they had sold it conditionally. Here is the result, even as the law now stands: The colony has to pay £10,000 and incur the expenses of litigation. There is the land at Tere-makau and Arahura: the owners have received about £6,000. In some cases the owners get as much compensation as they could have sold the whole of the land for.

15. You must consider that there is a great difference in the consideration which a riparian holder would be entitled to as compared with that of the owner of the land?—No; it is all taken under the Public Works Act. I have been an Assessor, and I have always found that the Government goes to the wall.

16. As a matter of fact, you will admit that you know of no case of the Government having resumed land for gold-mining purposes?—I do not know of any but what the amount of compensation exceeded the value of the land.

17. How can you say that when the Government resume the land they always lose so much?—Because the amount of compensation payable is settled under the Public Works Act. The land is all taken under the Public Works Act when the Government decides to resume land for mining purposes.

18. Do you think, or do you know whether there is any reason why the line from Springfield to Greymouth and the line from Nelson to Greymouth should not proceed simultaneously?—I do not; there is the contract. I would simply say that a bargain is a bargain: both parties knew what they were doing.