

interested in it, and they relied upon the Government to obtain fair dealing for any one undertaking the contract. Great reliance was also placed by London financiers on the fact that this was an important work in a British colony.

14. In the doing away with these alternate blocks, was it intended to give the company greater facilities to acquire land—that is, greater freedom of selection on the West Coast?—Yes; it provided for a larger area.

15. Was it explained that of mining reserves selections would only be made from time to time?—The question of the mining reserves, you are aware, did not arise when I was in London. I was in the colony when this question arose, and I explained to the directors the view taken of the question by me and those acting with me out here. There was considerable difficulty at the time in arriving at the definition of the mining reserves. Eventually the area of 750,000 acres was named. Personally I took considerable objection to the area; so did the gentlemen who were acting with me as a committee of advice; but, after going very carefully into the whole question, and having regard to all the circumstances, we were content to adopt that limit, for we were advised that the limit was comparatively unimportant, the real meaning of the clause being that such land should be reserved according as required for *bona fide* gold-mining. Some provision was also inserted as to the limits and size of blocks, so that they should be only taken from time to time as required, in order not to have the whole reserved unnecessarily. I explained to the directors the view we took of that, and the reasons why we agreed to that limit. This explanation was sent Home before the draft contract was accepted by the company.

16. I wish to know your understanding of the expression “from time to time”?—I consider that the clause means only such lands shall be taken as are required for the *bona fide* purpose of gold-mining.

17. Did you go into this question fully with your committee of advice at the time, and were you responsible for drawing up that contract?—I was solely responsible. I was manager out here at the time. The committee was simply a committee of advice. They had no communication with the directors at home except through me. I must add that there was absolute unanimity between all of them, and confirmation of anything that I have stated can be easily obtained from them.

18. Do you think the delegates would have been successful in London, or that the second contract would have been completed in London, if the financiers or if the directors supposed that it was intended to make the mining reserves in the way they have been, which I take to be against the spirit of the contract?—The question as put is somewhat difficult to answer; for how such a difficulty would be treated in London is very much a matter of guess. But certainly I would not have advised the directors to complete the contract if I had before me the manner in which the reserves have now been made, or are apparently intended to be made. Personally I think it would have been impossible to induce any one else to take up the contract in such circumstances.

19. Were there special clauses inserted in the contract with the express intention of facilitating the dealing with small areas on the West Coast?—Yes; clause 33 was the result of considerable negotiation consequent upon a new term being imported into the contract by the late Government, that of dividing the whole area reserved for land-grants into certain blocks. I would not agree to this unless there was an arrangement for selling western lands piecemeal; for it is evident that no small settlement could be carried out on the West Coast unless a piecemeal method of dealing with those lands were provided.

20. Was that put in to meet small settlement?—Yes, it was the only way you could possibly do it; it was impossible from the nature and circumstances of western lands, to deal with settlement there in large blocks as in the B 1 map, attached to the contract.

21. Have the company done everything possible to encourage settlement?—The company has been perpetually trying to carry out settlement all along its line, and even elsewhere; they have done as much as it was possible to do with that object. The reason is that it was obviously of the greatest importance to get as many people along the railway as possible, so as to provide traffic for the railway. There is another reason why it is to the company's interest to promote settlement: It is a well-known experience in this country that the settlement of land goes along better and more profitably when the railway is being made than just after it is finished. There is a great deal of faith in this country, which generally gives better prices while a line is being made than immediately afterwards. Future prospects of increased values and facilities are liberally discounted.

22. Has the company been able to sell any sections of western lands?—About a dozen or fourteen of such sections were sold through the Government officers shortly after the second contract was signed. We have been unable to complete any more; and up to a few weeks before the present day we have still been unable to do so owing to the difficulty in not being able to come to an arrangement with Government as to the method in which these sales should be carried out under the contract. We have been in constant communication with Government on this subject.

23. How many applications have been received under this clause 33, which provides for dealing with lands on the western slope of the main range, as against the eastern side?—Under that we have already received 753 applications, for a total of 83,100 acres, which is an average of about 110 acres per man. Some deduction should be made for duplicate applications, but I do not think a large one, though it is difficult to say how much until the actual sales are completed. I do not think there would be more duplicate applications than 5 to 10 per cent. of the whole lot.

24. How many out of the 753 applications have you been able to deal with?—About a dozen or fourteen were dealt with some three years ago in the Hokitika District; subsequently none have been actually completed and the money paid, although in some thirty-six other cases the company have agreed with the applicants as to price and terms, and they have all expressed their willingness to buy. I believe the difficulties under this clause may now be considered at an end.