

taken in the shape they are now being taken, and I promised the Committee to produce the portion of my letter on the subject which referred to it.

18. Do you produce that this morning?—I do not this morning, but I have sent to Christchurch for it. [Produced. See page 18 of evidence.]

19. Do you feel very positive about that?—As far as my memory goes I have no doubt whatever. It is some years since I have seen the letter, but I have not the slightest doubt about it.

20. Mr. Larnach was Minister of Mines at the time, was he not?—He was, I think.

21. As regards first impressions, did the then Minister for Mines, or Mr. Larnach, absolutely gazette the reserves shortly after the signing of the contract?—Not the second contract.

22. Take the first contract?—A Proclamation was made by the then Minister for Mines setting out very large reserves, which were, as far as that is concerned, very similar to those now proposed. The map is in existence. But that was done before the contract of 1888 was signed, as far as my memory serves, and they were subsequently withdrawn at once on my representation to the then Minister that it was not in accordance with the agreement with the company.

23. At all events—we are on first impressions—you see his impression must have been different to yours, or he would not have gazetted the notice?—He was not one of the parties. He was not one of those I had dealings with at the time, and Mr. Larnach read it aside from what passed at the time the contract with the company was made.

24. I suppose you would not say that Sir Harry Atkinson was not fully conversant with the whole subject?—I should say he was fully conversant with it at the time he made the contract in 1888.

25. Do you suppose for a moment that so important a step as that would be taken without one who knew all about it being consulted?—Mr. Larnach was not Minister of Mines at the time.

26. I am quite aware of that. A Government is continuous. You still adhere to the statement you made yesterday that the advantage to the colony was simply in this guarantee, or relief from the guarantee?—I never said that. Do you mean as to the giving away of the alternate blocks?

27. Yes?—What I said yesterday was this: that the company asked the alternate blocks to be given up because the Government of the day did not see their way to increase the grant outside the boundaries of the authorised area; so, in order to give the guarantee of the value of the land-grant which my directors insisted upon, they had to take, at my suggestion, the other course of giving up the alternate blocks which they then had, so as to make more land available for the company under the guarantee.

28. You still say that was the sole reason of the Government giving up the alternate block system?—I did not say that, and you can hardly expect me to state the sole reason for any other man taking a certain course. That was the reason, so far as I was concerned, for asking it; and before giving them up the Government provided for certain reservations for mining purposes. I am not saying they would have given up the alternate blocks without taking some means for reserving land for mining.

29. You think it had something to do with that?—Reserving their lands for mining?

30. Yes?—I think it was something to do with it, to this effect: that the Government had got under the old contract a certain amount of land which to a certain extent covered mining; that they would not give up absolutely all within the authorised area, but would give up as much as they could.

31. Take, we will say, that land in the Grey Valley marked yellow; without reserving at all, under the original contract, with the alternate blocks the colony would have 80,000 acres, half of the 160,000 acres reserved under the new contract, which the company absolutely could not touch?—No; for this reason: the mining reserves are taken against the system of a depth of fifteen times the frontage. The principle under which the alternate blocks were to be taken was just the opposite to that adopted in making mining reserves. The frontage on the railway was to be a mile, and fifteen miles was to be the depth; whereas the mining reserves take the whole frontage, leaving only the back land to the company. Under the first system, half of the alternate blocks would have remained to the company.

32. Was it not in check-board fashion?—Section by section.

33. For fifteen miles, at all events; that would be back to the bare ranges?—No; not in the Grey Valley.

34. Do you say the front part is the most valuable part?—Yes; as it stands at present the whole of the valuable part is now taken away from the company. Under the alternate block system, the Government and the company would have halved the most valuable and least valuable portions.

35. Still, under that contract it would have been one mile to the Government and one mile to the company. Is that so?—Yes.

36. In addition to that, under subsection (9) of section 8 of the East and West Coast Railway Act of 1884, the following exemptions are made: "No land now used for mining purposes, or which shall be known gold-workings, shall be deemed Crown lands under this Act." Is that so?—Yes.

37. So all known gold-workings at this time were excluded?—Known gold-workings; Yes.

38. What proportion? I have given the area as 160,000 acres, as being within the mile for mile area; out of that would come within the meaning of the Act of 1884, as "known gold-workings." What would it amount to?—That is a question which must be answered by guess, as you are aware. A similar question has been asked of experts, and I can only say this: After considerable inquiry from the Government officials and others connected with the districts, during the space of the last six years, I have been unable to ascertain that there is, in the whole Nelson and Westland area, more than something like 20,000 or 30,000 acres that have ever been worked-out during the whole twenty-five years of the gold-mining in those districts. What particular