

58. The area gazetted by Mr. Larnach must have been prior to 1887. In his opinion, then, the amount required for mining was much greater than we have taken, or require to be taken?—Yes, I think so; but I speak subject to correction when the map is produced.

59. Coming to the selections under clause 33, and as to the method of dealing with the lands on the western slope. You have heard the evidence given as to the negotiations with the Chief Surveyor and District Surveyors. There was nothing definite done, notwithstanding all these negotiations, as regards the regulations until recently?—In the commencement of 1889 or at the end of 1888 a few selections were sold under that clause. I said about fourteen or so. Since then, from one cause or other, the company has not been in a position to deal with any of the others, though trying all the time to do so.

60. You are a barrister and solicitor?—Yes.

61. Under section 33 was it possible for the Receivers of Revenue to accept deposits until the value of the land had been assessed?—No, I do not suppose it was; and I do not suppose any one asked them to do so.

62. You know it was the intention of the Government that the applications to assess must be under that contract?—That was what the company always wished.

63. Did the company hold that, once the assessment was made, they were bound to take that particular land after it was applied for and assessed?—The company did not hold that it was bound to take the land directly it was assessed, but only after a sale or lease had been carried out by Government at its request.

64. Say that they had made arrangements with Smith, Brown, and Robinson for particular lands, and had to apply to select to the Queen?—They applied for the assessment first.

65. Do you contend for one instant that the Crown was bound, and that the company had the right to recede after once having made the application?—The company's position was this: they asked for an assessment, and arranged with the then chief officer of the Government for the purpose—*i.e.*, the Surveyor-General—that they should ask the Commissioners to make that assessment, and the Commissioners should say if the land, in their opinion, was suitable or not; and on the answer to that the company then proceeded to endeavour to make terms with the purchaser.

66. Take clause 33, section I [section read]. Upon the interpretation of that as between the company and the Government, there has been a difference of opinion?—Yes. I was not aware of it until recently.

67. Then, the Government is contending that once the application is made under that section it was an absolute selection?—Until this year—I will not say what month—I was quite unaware that there was any such intention on the part of this or any other Government, and there was no such intention shown in any part of the correspondence. It has never been one of the questions in dispute between us until recently, unless it was in the Government's mind, but never produced.

68. You say it was arranged with the Government that you should deal direct with the Commissioners. Do you produce any evidence of that?—I said it was arranged with the Surveyor-General at the time that we should deal direct with the Commissioners.

69. Will you point out anything in the contract that we should give any such power to the Surveyor-General?—The point arose like this: I was under the impression that the Government acted through the permanent heads of departments, and the company had by the late Government been put into communication with the head of the Survey Department for that purpose. It was provided by the contract that the Queen should, under clause 33, cause the value of such land to be assessed under subsection (2), and the question that first arose was, how was the Queen to cause this to be assessed? In consequence of this I had an interview with the Surveyor-General; and he said the Commissioners of Crown Lands would be the persons who would assess it. That is the way we came into the position.

70. With reference to the meeting at Reefton already referred to, was it simply a conversation at a County Council meeting with some of the members?—It was a meeting of a committee of the members of the County Council and inhabitants of Reefton, who wished to meet a representative of the company.

71. So far back as January, 1891, the Council's opinion was that these large reserves should be made?—The Council's opinion was this: that they had just received a request to mark off certain reserves, and did not know how to do it. Certain reserves had been proposed by certain persons on the maps, and they wanted to hear all sides of the question before they expressed an opinion.

72. A local body can only speak by resolution?—I suppose so.

73. Did you receive any communication under seal or by way of resolution from the Council as a Council, or was it purely from hearsay or conversation with members?—The correspondence which we put in will speak for itself. It originated from the County Council and certain of the inhabitants. I did not look into the County Council's books to see whether they passed a resolution to appoint a committee to interview me, because I did not think it necessary to do so at the time. The result of the meeting was a full discussion, and the result of the discussion was embodied in a memorandum from me at the time, which memorandum was embodied in a letter from the company to the County Council.

74. Is it true that the County Council officially intimated to the company that the whole of the lands in the county were more or less auriferous?—The Buller Council did, but I do not think the Inangahua Council did.

75. As to the value of the timber: have you any correspondence between the company and the Government showing that the company considered that the timber in all these blocks in the Grey Valley represented the principal value of the land?—All the correspondence can be produced as to the timber. It mostly consists of draft forms of agreement as to granting timber-licenses.

76. Under the regulations that you submitted, irrespective of the area being defined at all, had it been simply stated that on the royalties enumerated being paid that was all the company