

96. If we had documentary evidence which leads up to that, would you still say your impression was right?—Then this would be the position: that it would be shown that the Government had taken one view of it and the company another view of it. But there is nothing that I can remember to have passed between the parties to lead the company to think that the Government took that view of it.

97. Your evidence was this: that the Government, finding that there was not sufficient land in the alternate blocks, that was the reason for disposing of the alternate blocks?—My answer was: That the question of the throwing out of the alternate blocks arose in consequence of the company requiring it to be done in order to give a larger area of land to select from.

98. How do you reconcile that, when you know that that there is over £3,000,000 worth of land in that area?—I am not prepared to say the value of that land.

99. Under the B 1 map you will find what the value is?—Do you ask me if the amount put down in the B 1 map represents the value of it?

100. I say it is the statutory value?—It expresses the statutory value for the purposes of the contract.

101. What is the amount?—The aggregate value is £3,127,000; but that does not express the real value, because the value is made with a limit of 10s. an acre, which the valuers could not go below; so that all lands worth nothing had to be put down at 10s. That value is, therefore, the statutory value but not the real value.

102. Were not the mountain-tops excluded in the area?—That white patch? Erroneously, by an error.

103. They were excluded?—And subsequently arranged to be included.

104. As far as the B 1 value and the correspondence is concerned?—No; there ought to have been no mountain-tops excluded from the B 1 map. The statutory value in that contract of £3,127,000 is inclusive of a large quantity of mountain-tops. There is a piece, shown white, in error, which the company has arranged with the Government as to the inclusion of. This white land also included some land through which the company's railway passes, and it is perfectly obvious that that land would never have been intentionally excluded.*

105. What is the increased value which should be added to £3,127,000?—In respect of that particular "white patch"?

106. How much should we add on for it to the £3,137,000? It is a considerable area?—Yes.

107. And it would add considerably to the value—the statutory value?—Yes; the statutory value—not much to the real value.

108. You are only entitled to one million and a quarter?—In value; Yes.

109. Then, if there is four millions in value there is sufficient in value to give the company all they could get. Does that not follow?—No; the reason is this: If the statutory value represented the real value, of course anybody could do that sum in arithmetic; but you have got to read the whole contract. If the lands granted to the company do not realise a value of £1,250,000, then more land has to be given, not at the statutory value, but at the real value, to be ascertained in future; and that has been put in because it was publicly said there was not the smallest chance of a million and a quarter pounds' worth of land being there. I do not agree with that.

110. You do not agree with that?—No.

111. Was that simply outside talk, or was it officially stated by the colony?—No; it is not likely the colony could have officially said that; but it was stated in public speeches made by leading men in the colony.

112. Then, if the colony took up that position, how could they be giving this concession if they contended that the land was sufficient in statutory value?—How could they do it? They did it—that is sufficient answer. And they did it, I presume, because it had been so publicly said that there was not that value within the area; and the Government was not in a position to show in black and white that there was that value, so they took this course of giving the guarantee the company asked for.

113. Would you admit that there had been some error in the interpretation made by you in your statement if correspondence supported Sir Harry Atkinson's view?—I cannot admit a hypothetical case based on papers I have not seen; but if you show the correspondence, I will see if it does alter my position.

114. You know, I suppose, that Mr. Edward Richardson was Minister for Public Works at the time the contract was made in 1888?—No; he was not.

115. You know he was Minister for Public Works in the Ministry preceding Sir Harry Atkinson's?—Yes.

116. Under the terms of the old contract the Minister for Public Works had all the dealings and correspondence?—Yes. As regards the dealings, that term of the contract was more honoured in the breach than in the observance during the last Ministry.

117. In the early part of 1888 the old contract was in existence?—Yes.

118. The provisions then, so far as the mining reserves were concerned, was contained in subsection (9), section 8, 1884?—Yes.

119. [Letter, P.W., 86/4086, C. Y. O'Connor to Hon. Mr. Richardson, read; also letter, 17th October, 1887, to Attorney-General. See Appendix, pages 38, 40.] I have now read letters to Mr. Richardson and to the Attorney-General who drew the contract in 1887. The advice given to Mr. Richardson, the Minister for Public Works in the preceding Government was revived in 1887. Sir Harry Atkinson's speech was delivered in Parliament the following month. After reading the correspondence and this *Hansard*-report of Sir Harry Atkinson's speech, do you say the mining reserves were not a *quid pro quo* for giving away the alternate blocks?—My answer is

* "White patch" alluded to is that shown on B 1 map lying between B 1 Blocks 40, 31, 8, 30, 35, 236, 84, 86, 90, and 91.