

this: The question, as far as I know, arose from the company's side. I have no recollection of having seen before the memorandum you have just read, and whether that entered into the consideration of the Government in making the new contract I have no knowledge. I never had that construction of it in my mind at the time from the company's point of view. Further, I may say, as far as I know, the Attorney-General did not draw the contract. The Solicitor-General drew the contract, as far as I am aware. I had, on the part of the company, treated chiefly with Sir Harry Atkinson and the Solicitor-General. As far as the interpretation to be put on the reported words of Sir Harry Atkinson in *Hansard* in relation to this particular question, whether the Government was bound to take the whole 750,000 acres, I can only say that it does not agree with the wording of the contract, to which Sir Harry Atkinson was then a party, because the wording given in *Hansard* is different to that in the contract. If that contract, at the time the speech was made, was before the House, it was open to any member to read it himself. My reading of that is not altered by the reported words there; and I say the presumption is in my favour, seeing that either Sir Harry Atkinson had the contract before him with the true wording, or he had not. If he had the words before him, then his words were not in accordance with the contract. If, on the other hand, these words in the contract were not before him at that time, it is clear they were inserted before the contract was signed, and it is only the words put into the contract which are cognate to the question.

120. When was the contract signed?—In August, 1888.

121. And you still say that during the negotiations for passing the contract, or prior to the signing of the contract, the company was not aware in any way that this 750,000 acres was one of the principal concessions granted—the real concession—in reference to the alternate blocks being abolished?—How can you ask me to say what was the opinion of the other side. They did not wear their hearts on their sleeve.

122. On your side? Do you still adhere to this?—I say that the doing away of the alternate blocks was, as far as we knew, for the benefit of the company; but before the Government agreed to do so, some provision had to be made for mining, and, after discussion, 750,000 acres was fixed as the limit for *bona fide* areas for mining.

123. You are quite certain that the question of the 750,000 acres was not the principal concession?—If you call it a concession. It was agreed to on the part of the company of course. That is to say, the company asked that all that area, say, to use a fancy figure, a million and a half acres, which would have been included in the alternate blocks, should be given up, and the Government agreed to do so, except 750,000 acres if required for *bona fide* mining.

124. Do you admit that the colony did make a concession in giving up the alternate blocks?—Yes.

125. Does that amount to half a million acres?—Possibly it might. But the total of the land-grant to be acquired by the company under the alternate block system was but a comparatively small portion of the whole.

126. Did the Crown not make a large concession to the company in giving up the alternate blocks and the benefits accruing from the expenditure of the company along those blocks?—The Government made a concession to the company in giving up those blocks.

127. Has any communication passed between the company and the Government as to this very question on account of the concession and the 750,000 acres, prior to the signing of the contract, and after the Act was passed in 1887?—I will ascertain.

128. Will this refresh your memory? [Letter from Mr. Scott, of the 21st March, 1888, put in and read. See Appendix, page 40.] Does not that contradict your evidence?—No; it does not contradict it.

FRIDAY, 2ND SEPTEMBER, 1892.

Mr. SCOTT re-examined.

1. *Mr. Wilson.*] Does the letter of the 21st March, 1888, shown to you yesterday by Mr. Seddon, bear the construction put upon it by Mr. Seddon?—The letter was only put into my hands at the moment the question was asked upon it. I now find that it contained as an enclosure a letter from me to Messrs. Harper and Co., Solicitors, Christchurch, asking for advice on certain points of the contract, which enclosure is supposed to be the important part of the document, and I wish to read it. [Letter to Messrs. Harper read. See Appendix, page 40.] The particular letter was written just before the contract was sent Home, and for quite a different purpose to that sought to be attributed to it, since it was to solve a doubt as to an omission from the actual contract to be signed, as compared with the proposed contract previously sent out from London by my directors, of a certain acreage. In that letter, Mr. Seddon sought to represent that I admitted the 750,000 acres was the *quid pro quo* for giving up the alternate blocks; and he also, as I now understand, urges that this letter of mine shows that the 750,000 acres had all to be reserved. The letter, as will be seen if anyone reads it, has an exactly opposite intent and meaning. It is this: I have always said that we asked the Government to give up the whole of the alternate blocks, and they declined to give up the land in this area because they wished to keep some of the land for mining purposes. Therefore, as we could not get all the alternate block-land from them, we took what we could get. The letter also shows that the area to be granted to the company was not ascertainable until not only the company had made its own selections, but also until the mining reserves had been completed. It is perfectly obvious from this letter that the taking of a lesser quantity than the 750,000 acres was possible.

2. Mr. Seddon put in a memorandum from Mr. O'Connor to Mr. Richardson, setting out that certain lands must be reserved for mining. Was this memorandum brought before your notice officially or unofficially before the contract was dealt with?—The memorandum from Mr. O'Connor to Mr. Richardson was complete news to me yesterday. I have no recollection of having seen or