

heard of it, and it is not contended that it was communicated to the company. The letter bears date the 26th October, 1886, and the company had no office here then, as I had only just returned to the colony to start it. I cannot ascertain that it was ever received by the company.

3. You still adhere to your statement that the land in the Grey Valley is fit for settlement—the portions near the line would yield important values to the company?—I have no hesitation in saying that the land in the Grey Valley would generally, were it not that there are questions of the land being gold-bearing, be capable of settlement. Were that land in a district where gold-mining is not pursued, I have no doubt that in the course of considerable time practically the whole of it would be settled and used in one form or another. And, as I have already said, my evidence went to the effect that two-thirds of that area shown on the map would be so used if not prevented by gold-mining. I have no wish to qualify that in any way, except to remind the Committee that I was speaking generally, and that the gorges and rough places might prevent every acre being used. The general features of the country are that it grows large quantities of timber, and I shall never believe, whatever may be said, that land which grows heavy timber other than kauri will not grow grass in the future. It grows too heavy a crop of timber (not kauri) to be considered useless for grazing purposes.

4. Do the miners cultivate any little patches of ground around their places with good results?—There are patches here and there throughout.

5. Mr. Seddon brought forward a quotation from *Hansard*. You have partly answered it, but I should like you to make it clear that, notwithstanding that, you still adhere to what you said regarding the 750,000 acres; and I would ask you whether you have had discussions as to *bona fide* mining with Sir Harry Atkinson?—The quotation from *Hansard* in no way disproves my statement. It is a statement, as I have already pointed out, which does not agree with the documents either then prepared or subsequently prepared. The statement makes no reference to the definition of the land to be reserved being required for *bona fide* gold-mining; and had not that been a part of the contract, I, on behalf of the company, would not have agreed to it. The actual definition of the words “required for *bona fide* mining” was one of great difficulty in the actual wording of the contract, and it was the subject of many anxious communications between myself and the late Premier, Sir Harry Atkinson, who was the Minister dealing with this particular thing.

6. You discussed the meaning of the term “*bona fide* mining” with him?—There were many discussions as to the definition of “*bona fide*” reserving of lands.

7. Do you consider that the mining reserves made and proposed to be made were in accordance with the true meaning and intent of the contract?—Speaking generally, and not going into detail, I have no doubt that they are not made in accordance with the spirit, or made as it was intended they should be made. They are obviously made on this principle: that a certain area was arranged to be taken, and then it was sought to divide that into ten-thousand-acre blocks. These blocks, or smaller ones, were made contiguous, so as together to occupy the whole of the area of which they each form one part. Again, the boundaries of these blocks are so loosely made, that it is obvious to me that they have been made without any accurate survey on the ground, and with reference only to natural features or trig. stations, so as to be shown on a map in the easiest way possible, without regard to the boundaries coinciding with the limits of payably auriferous lands. In some cases the blocks as described are not recognisable from the best maps the Government has been able to furnish the company with. I have, however, had many of these blocks measured off by expert surveyors—those marked in yellow along the Grey Valley. They were measured by putting these blocks, as far as they were able to, in some cases on ten-chain maps obtained from the Government, and where ten-chain maps were not obtainable, then on a smaller scale. The measurements our officers arrive at are very different from those given by the Government. I find in many cases that the areas of these blocks appear to be very much greater than they are supposed by the Government to be. In one case a block shown to be 10,000 acres is found by us, or thought to be by us, over 13,000 acres. I give this information to the Committee, and with a view to showing why I formed the opinion that the reserves are loosely made and without accurate survey. It may be that further and better plans, if the Government have them, and more complete descriptions may prove that they are right, but I shall be surprised if it is so. Then, again, without going further into details, I find that the reasons for making the reserves seem to have been more the opinion of the officers who actually made them than those of the local people, so far as I can judge. I say so partly for the reason that in some cases, where the lands had been before the only recognised tribunal for ascertaining if they were likely to be gold reserves (that is, the Warden), and had been advertised, and afterwards declared by the Warden not to be auriferous or required for gold-mining purposes, and were consequently available for the company, these lands have been included in the reserves subsequently made without any new discoveries having taken place; also, because reserves have been made in districts where the local bodies did not want them.

8. *Hon. Mr. Seddon.*] In your interpretation of the letter of 21st March, how can you reasonably put the construction you have on this passage: “The Government being entitled to reserve 750,000 acres for mining, it is not possible to say the exact area which the company will receive till the selection both of the company’s lands and the mining reserves shall have been completed.” How could the company complete its area to select from until the 750,000 acres generally are made?—It would have been impossible for the company ever to have completed its area unless it took it all in the B 1 blocks, because we have not been allowed to deal with the lands under clause 33 until the mining reserves were made. Clearly, under the reading of the contract and the letter the Government were wrong in so first proclaiming mining reserves, and I have not the slightest doubt that the reading of the letter and the contract are one.

9. If these reserves of 750,000 acres were made, the company would then know exactly where to select from?—Yes, if they were made.

10. That would settle that point?—That would settle that point.