

entitled to get it at that price because the land he wanted was included in a B 1 block valued to the company at 10s. an acre, and he said they were bound to give it to the company at 10s. an acre, and therefore they must give him part of it at 10s. The land was sold to him at 10s. by the Nelson Land Board. Mr. J. then said, "You have sold the land at 10s. an acre to Mr. M., and you must sell to me for 10s.;" and the Board did.

112. Both of these parties have the right to buy at a price to be fixed by the Board?—Yes.

113. Was this 44,000 acres held in one lease by one person, or by several persons?—It was all held practically in the same holding. I do not know whether the leases were in the names of the different partners. It was held as one holding under the name of Wharton and Co.; but not all of it. There was the piece I have mentioned, about 10,000 acres, of rough bush-land.

114. You mentioned that the Government was aware of this?—The Commissioner of Crown Lands knew. The surrenders were forwarded to him as Commissioner by the company.

115. *Mr. Mills.*] Do I understand you to say that all this land on the eastern side had been offered by auction?—All the land which the company has yet selected, with the exception of one block which was sold very early for financial reasons, and also the three blocks in the Amuri over which the tenants had the right of purchase.

116. And which was sold by private arrangement?—Yes.

117. What proportion would the land sold by auction bear to the whole?—Those which the tenants had the right to buy consisted of 71,000 acres, less a portion of one block representing about 10,000 acres. Those which have been offered by public auction were 105,000 acres in round figures. Those which have been sold privately were 32,000 acres: that is 32,000 as against 105,000.

118. That excludes the land over which the tenants had the right of purchase?—Yes.

119. *Hon. Mr. Seddon.*] What was the amount at which the company is taxed for the current year?—The Land Tax Department Commissioner has given me the amount at which the company is now assessed for local rating (chiefly for the railway) at £199,229; and for land-tax purposes—that is, for the land-grant now held—a capital value of £41,515.

120. Can you tell what amount in property-tax you paid last year?—£3,279 4s.

121. And for local rates and taxes?—£339 14s. 2d.; making a total of £3,618 18s. 2d.

122. *The Chairman.*] Mr. Wilson: Does this close your case?—Yes; unless we are called upon to bring forward evidence or to rebut any statements by the Government.

#### TUESDAY, 6TH SEPTEMBER, 1892.

The Hon. R. J. SEDDON, Minister for Public Works, in attendance, made the following statement:—

I had been a member of the House of Representatives prior to the original contract—that is, contract No. 1. I was upon the Committee that was appointed to draw up the conditions of contract No. 2. I have been since then continuously a member of the House—up to and since the date of my appointment to my present position of Minister for Public Works and Mines. I have had considerable experience in connection with this subject, also with the working of the contract, and I say that the Government have carried out the true intent and spirit of it. There has been no hampering the company on the part of the Government, and no undue delay. Touching the first question raised by this petition, in respect to the lands reserved for mining purposes, there has been no departure on the part of the Government from the spirit and intention of the contract as regards the carrying-out of that part of the contract, as will be found upon reference to parliamentary records and clause 9 of the original contract under the Act of 1884. I remember, upon asking Sir Frederick Whitaker for an interpretation of the provisions of that contract relating to gold-workings, that he informed me it had a very much larger import than at first appeared, and that we were not tied down to the ground that would be in actual working at the time. I brought that matter, as members of Committee may see on reference to the report of the proceedings, before the Committee on the Bill, and that interpretation was given there, to the effect that it had a much larger significance than being merely applicable to the ground that was taken. However, after the contract had been signed and we had commenced to work it, it was found that that interpretation was not correct; that the correct interpretation was, that it only applied to ground held under claims at the time the Act was passed. We were forced to admit that to be the case. The local authorities on the West Coast took the matter up, and representations were made by them to the Government setting out this difficulty—that no ground could be taken up for mining outside that held as claims and under mining rights. Under the original contract, with the line on the West Coast going up the Grey Valley (between mining reserves 51 and 81), taking that interpretation as being true, and under the alternate-blocks selection system as provided for in that contract, if we say that the line was forty miles from point to point, each alternate mile of that country could not be selected by the company, but would remain the property of the Crown; and on the alternate miles that could be selected by the company all rights held by miners were protected and exempt from the operation of the Act—that is, from selection by the company. That was the position in 1887. The alternate-block system, taken from Springfield to Jackson's, would only interfere at a point about five or six miles above Jackson's, and we would still have the alternate mile blocks, with claims that were then taken out still protected. The rest of the land which is non-auriferous and non-mineral-bearing would not affect the company materially so far as minerals or gold-mining are concerned. The local authorities, as I have said, referred the question to the Government of the day. Information was collated on the question, and I myself saw the Minister of Mines on the subject, and placed before him the interpretation that was given at the time the Bill was passed, by Sir Frederick Whitaker. There were placed before the Hon. Mr. Larnach the necessary proofs, and there was a reserve made. I am not quite sure at the moment as to its extent, but, if my memory serves me, the bounds of the reserve were fixed by Mr. McKerrow—and I think Mr. Gordon also had something to do with it—showing on the West Coast, from the ranges down to the river, a