

certain gold-bearing strip of ground which was taken as a reserve for gold-mining purposes. This was subsequently withdrawn because it was contrary to subsection 9 of section 8 of the Act of 1884. It was said to be an illegal taking.

Now, as regards the eastern coast. During the passing of the original measure a difficulty was pointed out in the matter of the selection of the land in blocks one mile wide and fifteen miles deep, according to the alternate-block system. To select in that manner was clearly against the company. I will take the first Crown land you come to at Springfield, having known that country for the last twenty-seven years. If you take the alternate-block system there, with only a mile frontage, it would mean that any man who would take the land for grazing purposes would have a boundary to fence every mile; at each mile there would have to be a dividing fence, as the land in the other mile would have to be left unless the Government were prepared to sell at the same time as the company: that would, to my mind, have been a very foolish proceeding on the part of any one. The land would have a decreased value if it were forced to be sold in that way, and those who were representing the company's interests were fully aware of this. I do not think I am going beyond my right, as a member of the Committee that dealt with the matter, in saying that this phase of it was put on behalf of the company: that, if on the East Coast the alternate-block system existed, the manner in which they would have to take their land would be detrimental to the company. It was detrimental in two ways: firstly, because of the alternate-block system itself, and, secondly, because they would have to take their first land along the line; then, if they were not satisfied they could go to the back country from one to fifteen miles.

Now, the alternate-block system on the West Coast was clearly against the mining interest, for it allowed the company to select anywhere outside the lands used for gold-mining purposes. They would have had a right of selection over auriferous lands. Such was the effect on the West Coast, but on the East Coast it was against the company for the reasons I have given. As all of it was pastoral country it would have been marked like a chequer-board from Springfield to Jackson's; but the right of selection anywhere within the authorised area now given, and the abolition of the alternate-block selection system has simply trebled the value of the selections to the company.

*Hon. Sir J. Hall:* Is it all pastoral land?

*Hon. Mr. Seddon:* Yes; if you take Mount White Station and all the surrounding land not alienated it is pastoral country. The right they now have of selecting an entire block has trebled the value of their selections right through. Going away from the line and selecting anywhere inside the area has always been of advantage to the company. As a proof of my contention in this respect you have the fact that under this chequer-board or alternate-block system the company anticipated that the sale of the land would result in a loss, and throughout the negotiations the company's views were plainly to this effect. They have adhered to it all through, and Mr. Wilson himself has admitted it. But, as a matter of fact, so far as the sales have gone, there has been nearly 30 per. cent. of profit, taking the value fixed under the new contract and the amount realised. Taking it all through there will be no loss, and the whole of that land will sell, at any rate, at par—that is, the remaining portion; seeing that the better portion has been already sold at a profit. I do not think that any of it will be sold below par. Therefore, I say that, so far as the change in the contract is concerned, the abolition of the alternate-block system from Jackson's to Lake Brunner, and the substitution for it of the present system, has been greatly in favour of the company. A certain advantage accrued to the Crown in doing away with the alternate-block system on the portion of the land which was parallel with the line within the fifteen-mile radius, more particularly the land up the Grey Valley. If you took the fifteen-mile radius from the railway, with the line as originally laid on the west or south-west side of Lake Brunner, taking the fifteen-mile limit, it took in the Greenstone, and it just touched the Kumara gold-workings; all beyond that was outside the limit. By the company taking the line over to the further side of the lake—viz., by the adoption of the Brunner deviation line—that was taken away. Had the alternate-block system been retained they would never have applied for this deviation, but after the abolition of that system they took the line to the north-east side of the lake. In order to show the Committee that this is a correct statement, I will quote from *Hansard*, of 4th November, 1887 (Vol. 58, page 208), my own observations upon the introduction of the Midland Railway proposals.

"Now we come to the question of alternate blocks. I would sweep away the alternate blocks in three words—the alternate blocks are embraced in the 750,000 acres reserved for mining purposes. If I had known the question was to have assumed the present phase I should have asked the Minister of Mines to produce a map showing the reserves made by the Hon. Mr. Larnach when he was Minister of Mines in January last; and it would prove that from Teremakau River down to Greymouth is within the 750,000 acres, and from Greymouth to Reefton is within the 750,000 acres; and the land was all taken from the company and given to the people of the West Coast. Sir, that was called 'Mr. Larnach's mistake,' I believe, by the late Cabinet and members in this House. If he never made any greater mistake than that he will not suffer, because there is not a man on the West Coast but will respect him for having preserved the mining industry in that part of the country. That reserve was withdrawn, but by Schedule F of this contract you will find that all land which from time to time it may be considered, by or on behalf of the Queen, should be reserved or set apart for mining is to be so reserved, provided the land so reserved or set apart shall not in the aggregate exceed 750,000 acres."

Also a little further on (page 209), in referring to subsection 9 of section 8 of the Act of 1884, I said,—

"The side-note of the subsection as it stands reads thus: 'Land within mining districts also excluded.' That meant that no land could have been selected in Westland, because the whole of Westland is a mining district; the greater part of Nelson is a mining district, and some of Canterbury is a mining district. But the mistake was made in the subsection 9 itself, which did not do what the side-note intended it should. It reads as follows: 'No land now used for mining