

land, which has been stated in evidence here to have been the chief cause, or the principal reason of the concessions being given, there is no doubt in my opinion that there was more than sufficient land to have met all the demands of the company. Here are Sir Harry Atkinson's words: he speaks for himself:—

"Then, there is another very important point—that is, the question of mining within the district. That is a very complicated and very difficult question, and the Government, after careful inquiry, have come to the conclusion that, if they take authority to proclaim 750,000 acres, that will leave the question open as it was under the contract. That will cover all the possible mining area which is likely to be required for mining purposes. Therefore we propose to take authority to proclaim a definite amount of 750,000 acres, and, in doing that, we propose to give to the company the advantage of selecting other land all over the district without taking alternate blocks." (See *Hansard*, Vol. 58, page 190.)

In making the motion Sir Harry Atkinson made the same statement in regard to the 750,000 acres of reserve. He made this statement in moving the motion before it went to the Committee; and when the Committee had gone through the whole thing, in moving the adoption of the report, he says the same thing. Referring to the discussion and the correspondence upon this subject, the Agent-General writes from London on the 12th January, 1888, as follows:—

"Sir,— "7, Westminster Chambers, London, S.W., 12th January, 1888.

"I find I have not reported to you upon the message I sent you on the 17th December respecting the Midland Railway Company.

"The San Francisco mail of December 5 has brought the report of the Select Committee, the *Hansard* with the debate of 23rd and 24th November in the House of Representatives, and a newspaper account of the debate afterwards in the Legislative Council, upon the resolution brought down by the Government, whereby the Committee's recommendations for the new contract were adopted by both Houses. I also beg to annex a report from the *Times* of the meeting of shareholders on the 4th instant.

"I have, &c.,

"The Hon. the Colonial Treasurer, Wellington."

"F. D. BELL.

[*Enclosure.—Extract from the Times of Thursday, 5th January, 1888.*]

"An informal meeting of the New Zealand Midland Railway Company was held yesterday at the City Terminus Hotel. Mr. T. Salt, M.P., who presided, stated that the directors had called the shareholders together, preferring that the good news which had come to hand affecting their undertaking should be imparted to them direct. They had not yet received by post in its complete form the contract which had passed the New Zealand Houses of Parliament, but sufficient information had reached them by telegrams and papers to enable them to form a pretty accurate opinion of the contents of the contract. He thought the contract was a good one for the company, but it should be borne in mind that it was quite as important, if not more so, to the New Zealand people that the matter should be carried through successfully, and he believed that they were anxious to work with the company to insure such a consummation.

"The salient features of the contract in its present form were that the company had obtained a grant of 2,300,000 acres of land, the value of which the New Zealand Government, in the agreement, had guaranteed should not be less than £1,250,000. If by any accident the land did not produce that sum the Government would give the company more land in the area of selection assigned in order to bring the value up to the amount in question. Representations had been repeatedly made to them by the best informed people in the colony that the 2,300,000 acres of land were amply worth the stipulated minimum. They could also take the land, as it was earned by the construction of the railway, from any part of the area from which the selection was to be made. Within that area it was calculated there were about 7,000,000 acres of land. Out of that the Government had undertaken not to reserve more than 750,000 acres for gold-mining, and about 50,000 acres were at the present time so taken up. There were about 2,000,000 acres which would not be available for the company's purposes. They were assured, speaking in round figures, that there were about 4,000,000 acres of land out of which the company had an absolute choice, and all of which would be available for their purposes. They had been assured recently by their agent that he could at once sell all the land the company had at present earned for £26,000. It was estimated that the railway would cost about £2,500,000, of which at least £1,250,000 would return to them by the disposal of their land grant."

If you will take what Sir Harry Atkinson says in *Hansard*, page 190, Volume 58, November 4th, 1887, and note what Mr. Salt said following on that, you will see how the matter stands. If you take the calculations made by Mr. Salt you will see how he accounts for the total area of 7,000,000 acres, thus: Not available (freehold), 2,000,000 acres; mining reserves to be made, 750,000 acres; actually held for mining, 50,000 acres; not accounted for, 200,000 acres; leaving 4,000,000 acres remaining, as stated by him, to the shareholders. That was the deduction made by Mr. Salt from the correspondence sent to the Agent-General, and it does not at all agree with what Mr. Scott gave us, from memory, as the situation at that date. Mr. Salt clearly contemplated that mining reserves to the total area of 750,000 acres would be made, as he deducts that area from the total area, in order to get at the net area that will be available to the company. I also call the Committee's attention to the statements that have been given in evidence here as to the area held for mining at that time. The company's witnesses have put it down at 20,000 acres; but by Mr. Salt's admission 50,000 acres were absolutely held under miners' rights. On that point, however, I say it was impossible to state what was held, as under the acreage that could be given by law one man might have a special claim of 50 or 100 acres. For an extended claim 6 acres is the maximum, but a licensed holding can be 30 acres, or special claim might be 200 acres. I wish to make it very clear to the Committee that whilst only a very small area of ground might be actually held under the claim or right, still a man might have a head-race and dams. I have known one party of men to have 200 acres of land covered with a network of races, catchwater-races, and