

had what Mr. Lord has indicated in the original contract. We had mile for mile of this land right along without it costing a penny to survey, together with all lands then used for mining purposes, and all known gold-workings. To do this would simply mean that we got nothing at all for abolishing the alternate-block selection system. I come now to the Reefton country. Taking the direction of the reefs on the coast, strange to say, we have some running east and west—very few of them—and we have a large number running north and south; in fact, running in every direction. To illustrate what I say, we have never had, as in Victoria, the reefs running uniformly. There they get country unbroken. In Reefton it is broken country—it is a jumble-up, as miners call it. At Merrijigs they get sandstone, reefs, and conglomerate. It is the same as if you cracked a piece of ice, and got a star with lines running in all directions. At Merrijigs the reefs run in all directions. Now, it has been proved that these small thin reefs are payable; and I say it is impossible for a surveyor to take out these small reefs and say what area was sufficient for mining purposes. The only way is to take the block as taken here. You cannot tie the men down to a narrow strip; you must give them the right to follow ahead. I shall take from Boatman's right down to the New River—to Merrijigs. Taking the reserves as made, I should say they were made by men having a good knowledge of the country. I could not say positively in my own evidence that the reserves made absolutely cover the reefs as they apparently run, but I may say that before we made the reserves I asked the Survey Department to get from the officers in the districts plans of the reserves that should be made. Now, according to the plans sent to the Government, the area asked to be reserved is much larger than we have made or intend to make; and to keep within the total area available for reserves, with something in hand for future needs, it was found necessary to curtail the area that it was originally intended to reserve. You have here the reserves made by Mr. Larnach in 1887, and I put in the Proclamation making the reserve [for Proclamation see *New Zealand Gazette* No. 5, 20th January, 1887]. You see the land he proposed to take on the Grey River. If you take the two maps you will see the area taken from Block 80 to Block 53 very nearly coincides with the mining reserves proposed to be taken by Mr. Larnach. To show that there could be no misapprehension as to what was intended to be reserved, and that the company could not have been deceived, you will see that I asked that a map showing the land required to be reserved should be exhibited for the information of members of the House when the proposals for the new contract were under discussion in 1887, and this map was produced, and was in the lobby, and open to anybody to see. So that the House, before sanctioning the contract, knew by this map approximately where the reserves were to be. I only mention this to show that, so far as the Grey Valley is concerned, the actual reserves made and proposed to be made are following what was indicated by Mr. Larnach in this Proclamation, which he had to withdraw as being against the provisions of the first contract. The Proclamation was withdrawn at the company's request. It is not a new thing. It cannot therefore be said that the Government, in making the reserves, has taken the company unawares, or that land has been taken that the company did not know was intended to be taken. If you take the 750,000 acres referred to here, and the 750,000 under the contract, you will see that the colony has been consistent, because the intention to make the reserve was clearly indicated, and Mr. Salt, the chairman of the company in London, clearly knew that it was fully intended to reserve this area, as he stated so in his address to the shareholders after the contract was agreed upon. Of course, developments since Mr. Larnach made these reserves have caused some departures from the original plan. But as far as the Grey Valley reserves are concerned there has been only a very slight alteration. When the alternate-block system prevailed, the area reserved to the Crown was every alternate mile of frontage, by a depth of fifteen miles; but on the B1 map attached to the new contract you will see that, to fix the statutory value, large irregular blocks of land are set out. If the company, who had to select according to these large blocks, did so, and the Government did not object thereto, it would mean that practically they would have a greater advantage, so far as securing auriferous land is concerned, than they had originally under the alternate-block system.

*Mr. Wilson:* The company has always intimated that it had no desire to acquire auriferous lands.

*Hon. Mr. Seddon:* I can show where, at one of the meetings in London, one of the directors made a statement that you had power to do so.

*Mr. Wilson:* That was under the old contract.

*Hon. Mr. Seddon:* Yes, under the old contract; and it was held out as an inducement to people in London to take up the shares of the company. I think it was in the first prospectus. The prospectus was not misleading, but the statement was made, and no doubt it would be an inducement for people to speculate. As Minister of Mines, I may say I have had offers made to me that if I would give the freehold of payably auriferous lands, parties would undertake to launch large sums of money into mining ventures in the colony. But why should we have insisted on a provision being inserted in the contract empowering the Government to make reserves in blocks not exceeding 10,000 acres if there was anything at all tenable in the company's contention that the Government should only take small areas of land as they are wanted from time to time for absolutely *bona fide* mining purposes, after the land has been proved by prospecting? Why make the areas as large as 10,000 acres when, according to the company's own showing, only 20,000 acres altogether have been required for gold-mining on the West Coast during the last quarter of a century? Take Blocks 81, 77, and 70, or take any of these blocks as you go along the map, and I say that it was clearly contemplated that we should reserve these lands for mining. As regards paragraph B of the petition, I say that the Government have only taken such lands as were required and permitted under sub-clause c of clause 16 of the contract, and that the land taken is not in the immediate neighbourhood of the railway, and has only been taken as intended before the contract was signed, as shown by the original plans of reserves made and gazetted by Mr. Larnach, of which the company had notice at the time, and of which they were notified before the contract was signed in 1888. Mr. Larnach's reserves totalled to 750,000 acres; but all we have so far made amount to less than 175,000 acres.