

MINUTES OF EVIDENCE.

FRIDAY, 25TH AUGUST, 1893. (Mr. J. M. SHERA, Chairman.)

Mr. ROBERT WILSON, F.R.S.E., M. Inst., C.E., examined.

1. *The Chairman.*] Mr. Wilson, we have been considering your proposals. Can you throw any light upon them?—Yes; I think so, Sir.

2. Will you summarise them please?—The main feature of the proposals is, of course, the sale of the land-grant itself, and I will give you briefly the points submitted, in the letter of the 14th April, by my directors, to the Government.

3. *Mr. Wright.*] Which letter is that?—The letter of the 14th April, 1893.

4. Is that signed by the Secretary?—It is signed by the Secretary, and is printed on pp. 10 and 11, printed proposals D.—6, 1893. The first point has reference to the extension of time necessary for the completion of the line from Brunnerton to Springfield. We ask for such time as may be necessary. The intention is, of course, to push forward with the works as rapidly as possible. We, in our proposed draft contract, stated a certain time. I think it was five years; but of that we should probably take only three and a half, with good luck and good weather. We must, however, specify a time, sufficient to enable us to convince financiers we have ample margin in which to execute the work. The second proposal, that referring to the Belgrove Section, is now modified by a later letter sent to the Government. The third, that no time be fixed for the construction of the rest of the railway: this is set out in the proposals.

5. *Mr. Tanner.*] That refers to the Belgrove Section only?—It refers to the rest of the railway—to the Nelson and Reefton Section. That, of course, is also modified. Under Proposal 4 the company asks to make its selections for the line it is at present constructing immediately after the signing of the contract, or within a specified time, so as to free the whole of the reserves immediately on completing the new contract. Proposal 5 is now modified by the amended proposals submitted to the Government, under which we do not now ask the Government to work the line, taking 60 per cent. of the gross receipts, but that they should work it when required for contractors' traffic purposes, and that we maintain it. Proposal 6 relates to maximum rates not being affected by increases or reductions in rates on Government railways. This we ask for this reason: As it stands at present, should any abnormal system of charging rates come into force—such as the Vaile system, for instance—under the present contract we should be liable to have our rates reduced in proportion, whatever that reduction might be. Consequently, having fixed a maximum schedule which we cannot exceed, we say the Government should leave it to us to make our reductions as traffic necessitated, and that we should not be compelled to make our reductions in proportion to anything the Government may do in any abnormal case, or under any extraordinary system of charging which they might introduce. I may mention that in all railway contracts I have hitherto seen the maximum rates are fixed. They are not liable to alteration after once being fixed. The company cannot exceed them, but in course of time, if the exigencies of traffic allow, they can be reduced by the company as found necessary. Proposal 7 relates to the release of the land. Proposal 8 is important. It is the value the company sets upon its relieving all lands, and giving back its land-grant. To perhaps make it rather more clear, I may mention here that the reserve area which would pass from the control of the company, and which the Government would be enabled to deal with at once, is 5,636,792 acres. Under the present contract the company are to receive a land-grant, amounting in value to £1,250,000. This is contained in a clause in the contract. The amount is practically guaranteed to bring this value. The stipulation is, if the land on being sold does not bring this amount, then the Government has to give additional land, until the amount is reached.

6. *Hon. Sir J. Hall.*] That is to include the Nelson line?—That is to include the whole of the railway, Sir John. Of course, this land-grant was allocated to certain sections of line, which were set out in the contract. The company were to receive a specific value in land on the completion of each of these specific sections of railway. Certain sections of the railway have been completed, and the company have received the land-grant for those sections. Certain sections are now under construction, and the company stipulate that equivalent land shall be granted for these on their completion. It therefore follows that the proposals now before the Committee relate to the sections of railway to be constructed, and for which the company has to raise new capital. The reserves area on the land-grant map are coloured blue in that map, B 1 [map produced]. This area is valued—

7. *Mr. Wright.*] Does the red represent the portion you have sold?—The portion we have selected. The estimated waste-land value of the reserves, as set out on this map, is estimated at £3,127,999, in addition to which there are certain township sections, not included in the area, which amount in value to £17,434. This value, of course, is on the assumption that it is waste land, and before it has received any value by the construction of the railway, or any other increase. I may point out also that this is a valuation made ten years ago, and I think I am right in saying the value of land in New Zealand is higher—considerably higher—than it was when that valuation was made. One of the important inducements offered to the company was that all the increase of this waste-land value should be part of the company's profit—that although coming to the company at a nominal value of 10s., or its assessed value as granted, that any increase in that price should be the property of and part of the profit of the company. A good deal of the land affected by the construction of the railway has actually no value to-day, but its timber and minerals will, of course,