1896.
NEW ZEALAND.

NEW ZEALAND MIDLAND RAILWAY ARBITRATION:

MINUTES OF EVIDENCE, ETC.

Laid upon the Table by the Hon. R. J. Seddon, with the Leave of the House.

WELLINGTON.
1896.

NEW ZEALAND MIDLAND RAILWAY ARBITRATION.

MINUTES OF EVIDENCE, ETC.

STATEMENT BY HON. E. BLAKE.

FRIDAY, 29TH NOVEMBER, 1895.

The Court sat at 10 a.m.

Hon. E. BLAKE: I am sorry to announce that the eminent jurists who have been appointed by the parties to settle their differences in this matter have intimated to me their inability to agree, and have withdrawn from the matter; and that consequently that onerous duty falls upon me alone. I have received this notice in the matter: "The New Zealand Midland Railway Company (Limited) and the Queen. We, the arbitrators in the above matters between the New Zealand Railway Company (Limited) and the Queen, do hereby notify to you that we are unable to agree on the matters submitted to us upon the law so submitted, and we withdraw from the further hearing of the said matters. Dated 29th day of November, 1895. (Signed): B. L. BURNSIDE, CHARLES LILLEY." I therefore proceed to undertake the duties which devolve upon me. Although the request of the parties that I should be present has enabled me to participate in the argument, yet, under the circumstances, I am quite prepared, if counsel desire to make any observations on the points which have been already submitted, to hear them. If not, I will proceed to indicate my views on the subject, so far as I consider it necessary to do so. [Counsel on both sides intimated that they did not wish to say anything further]. It is convenient, perhaps, that I should in the first place make a formal direction that the Crown should file a written statement of its case on the subject of its second reference, as it did in respect of the first reference. It is necessary to do that, owing to the proceedings of yesterday. Dealing with the questions which have been raised, and not troubling you with reasons, I assume that the principal question to be decided to-day is the objection raised by the Crown—and I am now dealing with the first reference—that there is at this time no power in the arbitrators or umpire to act under the provision in the deed, first because of the seizure of the line which has taken place, and secondly because of the alleged rescission of the contract. I will just say that I do not think that is the effect of the seizure. I think, notwithstanding the seizure—assuming its validity—the power of the arbitrators and the umpire remains. As to the alleged rescission, that, of course, is a mixed question of law and fact; and, although more evidence was opened on argument than bore on the main issue—evidence which might be contested on the ground of irrelevancy, but which, so far as I was able to gather, was in all respects relevant to other branches of the inquiry—I am prepared to receive that evidence, subject to considerations which may arise, when it comes in due order. But I do not propose to accede to the suggestion made on behalf of the Crown to anticipate the time for the reception of that evidence at present—first, because my impression at this moment is adverse to the legal position of the Crown on this point; and secondly, because in doubtful matters as to power I believe I shall serve the interests of both parties best by assuming that I have power. If, on the merits, I decide for the Crown, the question will fall. If I decide against the Crown, and am wrong, that wrong can be easily, speedily, and inexpensively redressed. But if I were wrongly to decline to exercise my power the consequences to both parties would be very much more serious, inasmuch as the whole of the proceedings up to this time and the great expense involved would be abortive; very much more delay would ensue, and other complications might arise. Therefore, on balancing matters, it seems to me that I shall serve the interests of both parties best by taking the course of not declining jurisdiction. As to the further particulars which were requested by the Crown, I do not think I am called upon at this moment to make any further order. I understand that the demands made on behalf of the Crown for further particulars have been partly met; but, if it appears, on further investigation, that these demands have not been fully complied with, I shall be glad to receive at once any further application or suggestion as to additional particulars, because it is of great importance to the parties on both sides to know early what they have to meet and to be prepared to meet it. Then there is the suggestion made on behalf of the Crown as to the inadmissibility of certain particulars. I have formed an opinion on some of these, but I think the most convenient course will be to wait for the evidence; when perhaps it may be found to be convenient to hear the evidence on some of them, even although I may have formed an adverse opinion. I have not prejudged any of them, and, unless the convenience of the course requires it, it will be better to reserve my opinion on them for the present. As to the objections to certain evidence made on both sides, but mainly on the side of the Crown, it is obviously better not to express any opinion on the evidence until it is formally tendered at the proper time and in the proper way. So much as to the first reference. As to the second reference, the principal question doubtless is the power to deal under the arbitration with the seizure of the railway under the contract. My present impression is that the company's contention that the arbitration clause applies to that is extremely difficult to maintain; but I think it is convenient on this head to adopt the same course as to the question of power that I do in the first reference. What points to this course more strongly

is that there is as to this question but little oral evidence to be given, and therefore a smaller consumption of time and expense is involved, while the same relative advantages which I indicated a little while ago will be achieved. As to the other particulars, I would say, without absolutely deciding, that the notice at present seems to me to have regard to the seizure. There are certain general words in the notice which, however, I am inclined to say also have regard to the seizure. I expressed the opinion the other day that it would be very unfortunate if these other matters were not disposed of; and I venture to ask both sides, those on behalf of the Crown, to consider whether they should not treat these questions in the arbitration as if they had been covered by the notice, as they would have been if it had been a little larger; and to ask the company to consider whether they will press the claim that this should be dealt with in case the Crown persists, as it has a right to do, in declining. After an intimation I will reconsider the question. In the meantime I have to deal with two points as to the particulars which have been furnished. First, the suggestion of Sir Robert Stout on behalf of the Crown that the particulars in the first two paragraphs are entirely too vague. That is quite true, as it was with reference to the like particulars on the first reference. I understand that counsel for the company has attempted to remedy that vagueness in his opening speech. If on consideration the Crown thinks a written communication of particulars in some respects is required—and in some respects it was promised—I shall be glad to receive an application on the matter, but would suggest that they take care that early steps are taken, so that there may be no difficulty on the ground of surprise. In general, with reference to both matters, I would suggest, without presuming to make any order, for the consideration of counsel, whether it would not conduce to the expeditious treatment of the subject that copies of all official documents, which are to be tendered in evidence, should be handed to me, marked blue and red for the Crown and the company. I understand these official documents are bulky, and if I have the opportunity in moments of leisure I shall be able to study them, and shall be the better able to appreciate the arguments as to their admissibility and contents than if they were thrown down before me at the moment. That, however, is for the counsel to consider on both sides, and I submit the suggestion to them. I undertook with extreme reluctance the additional burden of this second umpirage, and only did so because the arbitrators pressed it upon me, because of the probable length of the proceedings. I am afraid, therefore, that I shall have to ask you, gentlemen, to sit long hours, and to take care that there is no delay on account of the absence of witnesses. I am sure you will recognise the spirit in which I make this remark. I do not want to unduly press anything, but, so far as your proceedings are concerned, I hope you will conduct the business with as much despatch as is consistent with the attainment of justice.

Mr. Hutchison: I shall endeavour to give effect to your suggestion, Sir.

Sir R. Stout: As to the first point suggested, the Crown would like until Monday. As to the second point, we have all the correspondence relating to the new contract, or modification, from 1892 up to the present day, and I think we could get the other correspondence put into shape by Monday.

Hon. E. Blake: I observed by the papers for the first time yesterday that there are certain other points stated in the original notice for the second reference which do not appear in the company's particulars, and I assume that you limit yourselves. There are suggestions on points on which you have probably not come to a difference.

Sir R. Stout: If the arbitration comes to the conclusion that we have wrongly seized, an order will be made to that effect.

Hon. E. Blake: Quite so. I shall now call upon counsel to lead evidence.

MINUTES OF EVIDENCE.

Robert Wilson sworn and examined.

1. *Mr. Hutchison:* Your name is Robert Wilson?—Yes.

2. What are you?—An engineer.

3. You have certain qualifications?—I am a Fellow of the Royal Society of Edinburgh; a Member of the Institute of Civil Engineers, London; a Member of the Institute of Mechanical Engineers, London; and a Fellow of the Royal Geographical Society.

4. And your present official position in the company is?—Engineer-in-chief and general manager.

5. When did you first enter the service of the company?—In 1886.

6. Before that, what position did you hold?—I was joint consulting engineer for the New Zealand Government in London, and, of course, had other work there.

7. While joint consulting engineer in London, was any matter referred to you in connection with the colony?—When the delegates of the company—the syndicate which came from New Zealand to London to raise a company—arrived, the Agent-General requested me to give them every assistance I possibly could.

8. Who was then Agent-General?—Sir Francis Dillon Bell.

9. And you met the delegates, and conferred with them?—Yes; I advised them in many things—on many questions dealing with finance.

10. Passing over that time, did you come to be engineer-in-chief to the company which had been formed?—Yes.

11. By, as we know it, the assignment of the Chrystall contract to the Midland Railway Company?—Yes.

12. Did you come out with them as engineer to the colony?—I left London, I think, in November, 1886, and reached New Zealand in January, 1887. I went over the line, and went back to England about April, 1887.

13. Before you came out to the colony in December, 1886, had any works been made by the company in connection with the construction of the railway?—It was January, 1886, when I was in New Zealand.

14. Hon. E. BLAKE.] Then, you went out in November, 1886?—Yes.

15. And returned in April, 1887?—Yes.

16. *Mr. Hutchison.*] Before you came out to the colony, then, on that occasion, had any works been let in connection with the construction of the line?—There had been let to an English contractor contract No. 1; that was from Stillwater towards Jackson's.

17. Do you recognise this map [map produced]?—Yes.

18. What is it?—It shows the line running up the Grey Valley to Reefton, and then shows the initial peg in the railway. The first contract, from Stillwater to Jackson's, is on the east and west line. [Map put in. Exhibit No. 2.] The second contract, which we also let, was to make up a small piece of unfinished line between Brunnerton and Stillwater Station. Part of that piece had been done by the Government, and we finished it.

19. What else, if anything, had been settled before you left London?—We had ordered all the rails, rolling-stock, and a certain amount of bridge-work; and that had all been shipped, and arrived in the colony before I got out, or most of it.

20. You say you went over the proposed line, north and south, and east and west?—Yes. I went over the line from Springfield across the Otira Gorge and down to Stillwater, and then I afterwards went up from Stillwater to Reefton through the Buller Gorge right through to Nelson.

21. Then, you traversed the whole of the proposed line, from east to west and from south to north?—That is so.

22. Will you give us a general description of the country traversed by this line?—From Springfield, for the first three or four miles there are coarse shingled terraces. The first work of any importance is the Kowhai Bridge. Then we cross the Little Kowhai River. Then the line rises, and we get on to a terrace about 300ft. above the Waimakariri River, and that is a very rough part of the work; and we have to pass over Staircase Gully, which necessitates a bridge 240ft. high. After that we come to light country, and that brings us down to the Cass River; and then we go down the Cass Valley into the Waimakariri Valley, across the Waimakariri. Across the Waimakariri we come to the Bealey River. We cross the Mingha, and keep up the valley of the Bealey, and that brings us to the foot of the Arthur's Pass line. That is where the incline line begins. That rises to the summit with a grade of 1 in 15, after which we drop down and cross the valley to what is called "The Second Summit," and tunnel into the cliffs about 500ft. high above the river, carrying the grade down after crossing the gullies with one or two bridges, and running up the Rolleston to the development. Across the Rolleston you come down to the other side till we come to the Otira, and then down to the Teremakau, and from the Teremakau across to Jackson's running through a flat country to Lake Brunner, and from Lake Brunner to Stillwater.

23. You might describe the features in general—the topographical features?—The valley of the Grey is a comparatively wide one, and we then run up to Reefton, and that is a part of the country where there is, of course, more settlement and indications of settlement than in any other part of the district. It is low foot-hills on one side; and next we come to the eastern side of the river, with a lot of foot-hills and fairly level country, with heavy bush in some places and fairly good land, for the West Coast. Before going to Reefton we have to cross the saddle which separates the watersheds of the Inangahua and the Grey, and get through the tunnel there, and run down to Reefton, and the line stops at the south side of the Inangahua. That is as far as our line goes in that direction.

24. The line was not made then. I ask you to treat the country as you saw it in 1889?—Of course, the whole of the Grey Valley at certain places, as at Totara Flat, is comparatively good. They are growing English grass there, and where the bush has been cleared they were grassing it; and at Totara Flat they were growing oats. It is an open valley with cultivation, and after that, beyond Reefton, there is a considerable amount of settlement as far as the Inangahua River twenty miles north of Reefton. There is a good deal of limestone on the south side of the river. There are some runs there, and the people are doing very well. It is a good grass country; and also in many parts of the Inangahua there are patches of good country. Where you get into the valleys and round the creeks you have fairly good country. Of course, in the forests you have poorer land, but still you have patches and places which would do for settlement. In many places the bush is cleared, and in many it is light, and in other parts very heavy forest. Beyond this to the Inangahua it is of very much the same character. It is open, and there is a lot of land there and beyond Inangahua, and you come, four or five miles up, to the gorges of the Buller River. The Inangahua runs into the Buller River at the Inangahua Junction. You then immediately get into precipitous country. It is very picturesque, of course, and there are little patches used for grazing and for agriculture and settlement. Then for about twenty or twenty-six miles you have the Buller Gorge. Of course the characteristics of the Buller Gorge are that you have very steep slopes, perhaps not as steep as Sir Robert Stout said the other day, but you have places through which the work would be very costly. I estimate the cost would be about £12,000 or £13,000 per mile. Then you come to the Maruia, and you have a very picturesque place, open country, and there you have some good land. I have heard it is so, but I have not been there myself; it has the appearance of being good land, though, of course, it is bush mostly. You have a good settlement at Hampden; and, on the whole, the land is good. We have had offers of £2 per acre.

25. Please keep to what appeared to yourself in 1887, before the contract was entered upon?—I was rather taken with the appearance of the country. You then come to another piece of country, which narrows as you get to the junction with the Hope. The Hope flows into the Buller forty miles from Motueka, and that is a part which is fairly good, I think, but covered with bush, of which they had cleared a lot, and have runs on it. When you get over the Hope Saddle you go down Clarke's Valley—a long, narrow valley falling from the Hope Saddle to Clarke's River—and then into the Motupiko, which flows into the Motueka River. The projected line goes down Clarke's Valley, comes to Motupiko, and crosses the Motueka up Norris's Gully. There is a tunnel at Spooner's Range, at Norris's Gully.

26. You get out of this valley into where?—Into the Motupiko Valley, and from the Motupiko Valley into the Motueka Valley. That is a large, wide, open valley, and, of course, the whole country looks good—a little better than it is, I am afraid. The Tadmor, Sherry, and Baton Valleys are all to the north, and are comparatively fertile, and there is a good deal of settlement there. It is a wide stretch; and then you come in across Spooner's Range to Belgrove, where you are in a fertile valley that runs to Nelson.

27. What is the general character on each side of the dividing range?—Of course, there is a good deal of difference. On the one side you have country which has been denuded of its bush for a great many years, and it is now all under grass, some of it being native grass, and some—a little—English grass.

28. Open pastoral country?—Yes. Now, as to the west, you have black-birch on the hills, and on the low ground red-pine and white, red principally. From Jackson's across to Lake Brunner you get very heavy forest, mostly pine on the low country and birch on the high. There is a great space called Bruce's Paddock, which contains about 4,000 acres open land.

29. Generally agricultural?—Yes. You have that open country, and then you come to the lower end, where it is broken up in places, owing to the denudation of the hills, and you have *débris* on it. It is cut up by the streams, and you have no more vast patches of good country; but you have, in places, broken country, which on the part down there is covered with dense forests, and they are, of course, very valuable in some places.

30. That is how it struck you in 1887?—Yes.

30A. How long did you remain in the country?—About three months.

31. You took a flying survey?—No, I went over the country.

32. You went over the line of the proposed railway?—Yes, and formed a general idea on the subject.

33. You went Home again in 1887?—Yes.

34. Hon. E. BLAKE.] That was your first visit; you went Home in 1886?—Yes.

35. Hon. E. BLAKE: Mr. Wilson post-dated his visits by a year.

36. *Mr. Hutchison:* How long did you remain at Home?—I came out in September, 1889.

37. That is three years more that you remained at Home?—Yes.

38. Within which time the contract, as we know it, of 1888, was concluded?—Yes.

39. You came out again in what month in 1889?—September, I think it was.

40. In what capacity?—Engineer-in-chief and general manager.

41. Who up to that time acted as general manager?—Mr. Alan Scott.

42. Did Mr. Scott continue in the service of the company?—Yes.

43. As what?—As assistant land manager.

44. Before you had left England on the second occasion we know that the debentures had been floated, enabling the company to undertake further works. What had been done, if anything, during the time you had been in England?—We had completed—I can give you the dates, I think—we completed in 1886 the Brunnerton to Stillwater; that was a short piece let in 1886. When I was in the colony I let a contract from Stillwater to Nelson Creek, and it was then in progress. I let it before I went Home in 1887.

45. *Sir R. Stout:* That is the Grey Valley?—Yes; that had been done while I was in England; from Stillwater to Kaimatu was done in 1887.

46. That is towards the east?—Yes.

47. *Mr. Hutchison:* Then, the works were proceeding both east and north from Stillwater?—Yes.

48. When you arrived, what was the point the works had reached on the contract for the works north and east?—We had completed the Stillwater to Nelson Creek in 1888, and the line was open for traffic to Nghaere in 1889. In 1889, just after I got here, that was finished, and was opened for traffic; the piece to Kaimata was also done. Then I let further contracts—the contract to Springfield, to Kaimata and Stoney Creek; and I let contracts to Nelson Creek, to Ahaura, and Ahaura to Reefton.

49. Was that the position when you arrived in the colony in 1889?—Speaking generally, yes.

50. I want you to give us more particularly into the surroundings of the railway, and the country through which the railway was to be constructed, than you could have done from a flying visit?—Yes, when I got out here before the surveys were flying surveys—5 chains from east to west—and there was simply a reconnaissance survey from north to south. We had working surveys completed on the drawings as they were made. I first gave instructions for the surveys to be completed to Reefton; part of them had been completed.

51. Dealing with that section of the line first, did you go over the country and make yourself acquainted with that part of the land?—Yes.

52. I want you to indicate to the Court now more particularly what the character of the country was?—That country, as I said before, is a wide valley with a great many streams flowing into the Grey--feeders. Of course, we are going up the north and east line. We cross a great many streams which flow in from the ranges, and we cross the feeders.

53. You cut the rivers from the east?—Yes; and that makes the line expensive.

54. That is not what I want. What was the character of the industries there?—You have certain amount of settlement—a considerable amount of settlement.

55. You are speaking of 1889, when you went more particularly over the line?—Yes; there was a considerable amount of settlement. That was a place where industry would grow rapidly when they got the line through. There were indications of permanent settlement—men were clearing the land and raising cattle and sheep; and at Totara Flat there were distinct indications of permanent settlement and agriculture—they were growing oats and potatoes.

56. There were some other industries other than agriculture?—Yes; I am coming to that. Apart from the settlement there was the goldmining. The evidence was not marked—you had to go up the gullies to see it. You might see an odd case of it from the road, but most of it was being done in the streams flowing into the Grey. You found men working in the gullies. At that time they were working at No Town. There were not many men working at their claims; they were using the water for sluicing. At Maori Gully there were supposed to be a good many working, and also at Nelson Creek; but it was practically worked out when I came. The miners were going away in numbers, and at Nelson Creek the water-race was then in a state of dilapidation, and was ultimately abandoned, because, I believe, the country was thoroughly worked out. The result was that the water-race was let at a peppercorn rent, because the Government would not spend any more money on it. You came to small valleys near Totara Flat and found some numbers of men working there. Of course that country has not got the active mining you meet with in certain centres, as when you get to Kumara.

57. That is not on the line?—Well, you have the same characteristics.

58. You found there was mining going on in some of the gullies?—Yes. As I went up the Grey Valley in a coach I did not not see a great deal of these places. When you get further up towards Reefton you get on to the quartz-mines, which are of a different character altogether.

59. You are aware, of course, that there is a provision between the Queen and the company as to the reservations proposed to be made in the contract referring to gold-mining?—Yes, and for that reason I carefully examined for any indications or signs of mining, because I hoped we should have large areas mined, for the sake of the traffic it would bring to the railway; and I was surprised to see how very few indications there were unless you went right up the gullies. There was no indication on the flat lands.

60. Had you any occasion to see any Minister on the subject of gold-mining and settlement?—Yes; that was in 1889, after I got back. Of course I had an opportunity of going all over the country, and I was a good deal over it when I was with the surveyors.

61. Hon. E. Blake: I understand the explanation you have just been giving was as to 1889?—Yes.

Mr. Hutchison: I propose to put in some correspondence.

Sir R. Stout: Except you wish the witness to see it we have no objection to its going in.

Mr. Hutchison: I will not read the letters, but want them in a certain order. (To witness): I find a letter from yourself to the Minister dated 6th October, 1890. Is that the first letter you had occasion to write to the Minister on the subject of reservations?—I think it was the first I wrote, but there were others written before by others.

[The umpire here decided that the letters referred to, being the correspondence *re* mining reserves and being contained in the parliamentary blue book for 1892, should be marked as an exhibit, and reference made to it by mentioning the page. Exhibit put in and numbered 3.]

Mr. Hutchison: This exhibit, No. 4, of the 23rd October, 1890, will be the reply to the letter of the 6th October, 1890, same page as last. I propose to put it in, although it is not a letter addressed to Mr. Wilson, nor is it from the Minister: it is from the Chairman of the Inangahua County Council to Mr. Alan Scott, as referred to in the evidence.

Sir R. Stout: I have no objection.

Mr. Hutchison: No. 5 is the letter from the Chairman of the County Council to Mr. Alan Scott, dated 10th January, 1891 (page 16). The next is a letter dated the 6th February, 1891, from the general manager to the Chairman of the same County Council (pages 16 and 17, Exhibit No. 6). The next is a letter from the Minister for Public Works to the Manager, dated 10th July, 1891 (page 19, Exhibit No. 7). There is also a note in the print which might also go in, subject to the individual letters therein mentioned being referred to. It may serve to illustrate our case. Would it be convenient that these letters should also go in?

Sir R. Stout: All the letters; I do not object to them.

Hon. E. Blake: At present, if Sir Robert Stout agrees, it will be an acknowledgment that other letters intimating a similar intention were sent in. [Exhibit No. 8 put in.]

Mr. Hutchison: Exhibit No. 9 will be a letter of the 14th July, 1891, from the Minister to the manager (page 19), with an enclosure which we might call 9A. [Put in.] Next is a letter, the manager to Minister, dated 20th July, 1891 (pages 19 and 20). [Exhibit No. 10 put in.]

Mr. Hutchison: Do I understand that these letters have to be read?

Sir R. Stout: No.

Mr. Hutchison: The umpire will read them.

Sir R. Stout: I do not think it is necessary that the witness should read them aloud.

Hon. E. Blake: Not unless it is agreed otherwise.

[Correspondence put in—Exhibits No. 11 to No. 22, inclusive.]

Mr. Hutchison: Then a mass of correspondence follows which Mr. Wilson did not know of until it was put in before the Committee in 1892, and I think we had better leave that in the meantime. It does not arise in the course of Mr. Wilson's evidence at present, though it will all come in ultimately.

62. *Mr. Hutchison.*] Now, Mr. Wilson, do you remember an interview with the Minister in July, 1881?—Perhaps I ought to explain that the letter I wrote on the 6th October was on account

of rumours I heard that the Government were going to make large reserves on the Coast. That will be seen on page 18 (Exhibit No. 3). I wrote this letter on hearing rumours in the district that they were going to make large reserves for mining purposes. Well, I had been all over the district, and I could see no necessity for any of these further reserves. There were no rushes, no increase of mining. I then wrote to the Minister that letter of 6th October. The Minister for Public Works (Mr. Seddon) afterwards came down to Christchurch, and so I arranged to meet him with Mr. Scott to discuss this question of mining reserves.

63. Where did the interview take place?—At Warner's hotel, Christchurch; and I pointed out to Mr. Seddon that Mr. Scott had received a letter from the Chairman of the Inangahua County.

64. That is Exhibit No. 5, page 16?—Yes. There are certain suggestions here in the event of the Government not making reserves. The company agreed to make certain proposals to them, dealing with the lands which they might probably require for mining purposes. On the 16th of February I replied.

65. You had replied?—Yes, I had replied to this letter by mine of the 6th February (Exhibit No. 6.) The company sets out there that they would be quite willing to try and meet the local bodies in every way possible, and to facilitate the dealing with the lands for settlement, and at the same time allow for all lands required for actual mining purposes.

66. These two letters (Exhibits Nos. 5 and 6) were the basis of conversation between Mr. Alan Scott, yourself, and the Minister for Public Works, Mr. Seddon?—Yes.

67. Then, what was said that is not mentioned in the correspondence referred to?—We discussed the matter, and I proposed that we should agree to deal with the western lands on the basis already proposed. But he would not agree to it. He said he had determined to make his mining reserves. I then said to him, "If you will undertake only to make reasonable reserves for the development of the gold-mining industry round the known centres, the company will not in any way object to such reserves being made"; and I pointed out in my letter to the Chairman, and also to Mr. Seddon, that it was absurd to say the company objected to reserves that were actually required, because the prosperity of mining meant so much to the company as it would mean prosperity to the railway by the traffic it would produce. Then Mr. Seddon said he would make certain reserves, and that he would give me due intimation of what he intended to make, and would give the company the plans, so as to allow us an opportunity of objecting to portions if we did not think it was desirable to make them. The letter of 10th July (Exhibit No. 7) was practically his reply to the interview.

68. Now, I should like to put in a table of Proclamations made up to 1892. Can you tell me how many acres were comprised in those Proclamations?—I believe there were between 160,000 and 180,000 acres to July, 1892.

69. When the company presented their petition?—Yes.

70. Then we may take it generally that you objected to the Proclamations?—Yes, because on making inquiries I could not hear of any increase in mining.

71. Hon. E. BLAKE: What do you mean by "objection"?

Mr. Hutchison: As indicated in the correspondence.

Witness: My reason for objecting was this: I made inquiries in the district, and I found there were no new rushes, nor was there any increase of population; and, in fact, the official mining reports published showed not only a decrease in the output of gold, but also a decrease in the number of men employed in the district. There was evidence also to show that in the old days when there were thirty thousand to forty thousand miners on the West Coast, when the place was overrun with miners and was being prospected, the lands that were worked on during the whole of that time did not amount to more than 1,000 acres a year.

72. Hon. E. BLAKE.] In what period of years?—I suppose I can get that from the Mines Reports, which shows a gradual falling-off of the gold. In the early days there was an enormous quantity of gold obtained from the gold-mines and river-beds, which were practically Nature's sluice-boxes, and, of course, gold was then more easily obtained. If, therefore, you take the amount of gold obtained then as compared with to-day, and see the difference in the amount of land used, the position is simply preposterous.

73. *Mr. Hutchison.*] What, then, do you consider to be the effect of the Proclamations that were made upon your scheme of settlement?—When the contract was altered clause 33 was put in to enable the company, or, rather, to enable the Queen, to deal with the lands on the West Coast without the company having to make selection of a B1 block.

74. In practice what did you find was the effect of the Proclamations?—The effect when those people were applying for land was this: When we submitted them for assessment we were told that a lot of this land was going to be made mining reserve, and that the Government declined to deal with this until they had made the reserves.

75. Hon. E. BLAKE.] Were these refusals made in writing?—Yes.

76. *Mr. Hutchison.*] They will be under clause 33?—It comes under the action of clause 33. Of course there was dissatisfaction. The company was blamed for locking up the lands. People could not get lands for settlement, and many people left the district because they could not get land. It was not the company's fault in any way that this settlement did not go on. It was in the interests of the company to have got settlement.

77. Besides the land that had been proclaimed for gold-mining purposes up to the time of your petition to Parliament in 1892 had you had any intimation of other reservations being intended?—Yes; the ones that were given out as intended to be made far exceeded those that were made.

78. How did you know they intended to make further reservations?—They submitted a map, which was published under the proceedings of the 1892 Committee.

79. Then, in 1892, you had reason to apprehend that a large area was going to be locked up, as you say, from settlement?—Yes.

80. Hon. E. BLAKE.] You mean to say that you had an indication that the mining reserve was proposed to be proclaimed?

Mr. Hutchison: This map was put in before the Committee. [Map put in, marked Exhibit No. 23.] I now put in a further map showing the whole of the reserves. [Map put in, marked Exhibit No. 24.] I propose to put in that part of the petition which relates to mining reserves. The petition is printed on pages 2, 3, 4, and 5 of the report of the Committee. [Copy of petition put in, marked Exhibit No. 25.]

81. You say in your petition, Mr. Wilson, under Part A—"(*i.*) Whereas only 20,000 acres of land at the outside have, as the company is informed, been worked for gold-mining purposes on the west coast of the Middle Island, there has been already specially reserved, by Proclamations under clause 16, no less than 184,000 acres, and the further reserves contemplated by the Government as above stated will enormously increase the area of reserve. (*j.*) The population upon the west coast of the Middle Island has not increased since the date of the company's contract, but, on the contrary, has decreased. There have not been any new large discoveries of gold, nor has the area over which gold-mining operations are carried on materially increased. (*k.*) Since October, 1885, prospecting has been subsidised and rewards promised for the discovery of new goldfields or the rediscovery of lost leads, and the authorities of the counties on the west coast of the Middle Island have spent large sums in employing men to prospect, but without success: for example, fifty-four men were at one time in the employ of the Grey County as prospectors. If, therefore, land had been required to be specially reserved for mining purposes, discoveries in verification of such requirement would almost certainly have been made, yet none such have been made. (*l.*) The mining reserves have been made in certain places to cover large coal-bearing areas which have not been proved to contain gold in payable quantities, and such reserves have been made for the purpose of defeating the right reserved to the company to exercise its right of selection over land containing coal." Will you say where there were coal deposits within the area covered by these Proclamations?—The difficulty arose to the north of Reefton, as I think you will find detailed in the correspondence, by some people applying to the company for coal, and others applying for reserves for gold-mining.

82. Was it in connection with the inquiry on that petition that a number of circulars and other correspondence were put in, and which are to be found on pages 24 to 31 and part of 32 of the Appendix?—Yes, that is so.

83. You became aware at that inquiry of all this correspondence put in by the Government?—Yes. [Correspondence, Exhibit No. 26, put in.]

84. You say it disclosed the intention of the Government to practically reserve all that had been reserved under Larnach's Proclamation?—Yes. Moreover, I consider this shows a clear indication of the Government's intention to carry out clause 16 of the contract in a manner never intended by the company.

85. Well, that is your view, though I did not invite that answer. I put it to you that this correspondence conveyed to your mind, at any rate, the intention of the Government to do in detail what had been done in mass by Larnach's Proclamation, which you knew about?—Yes, which I knew about.

86. I should like to put in a map showing the effect of Larnach's Proclamation. It is an official document. Does this map show the reservation?—I cannot say exactly, but I think it is the map.

Hon. E. BLAKE: Is this a Government map?

Mr. Hutchison: Yes.

Mr. Gully: I may mention that we have a plan, which has been put in by Sir Robert Stout.

Hon. Mr. BLAKE: But it has not been put in as an exhibit.

Mr. Gully: It is on a small scale. [Map produced.]

Mr. Hutchison: Is it the same?

Mr. Gully: Yes, it is practically the same thing.

Mr. Hutchison: Then we will put it in. [Map put in, Exhibit No. 27.]

Hon. E. BLAKE: That shows the area covered by Larnach's Proclamation, I understand?

Mr. Gully: Yes.

Mr. Hutchison: Yes.

87. You do not understand much about the timber claims?—No, I do not know much about them.

88. But you do know about the operations under clause 33. That came within your special province?—Yes; the correspondence will be found commencing at page 1 of the Appendix to the report of the Public Accounts Committee, 1892. I shall put the correspondence in as exhibits. [Copies of correspondence put in, being Exhibits Nos. 28 to 62 inclusive.]

89. *Mr. Hutchison:* Now, as to the matters which come under Part B of the petition, you say, "(*d.*) In November, 1888, it was arranged between the Government and the company that lands should be assessed under clause 33 of the contract by the Commissioners of Crown Lands, and that the company should communicate with them direct, for the purpose of saving the great and unnecessary delay of sending correspondence from Westland or Nelson to Christchurch, then to Wellington, and thence back through Christchurch to Westland or Nelson; and that, in case of the possibility of any land being required for gold-mining purposes, the Commissioner should require the application of the company to be advertised in the local papers. The Minister now requires all such communications to be sent to himself direct." Assuming you are right in complaining of that circumlocution, did it affect the operations of the company in any degree?—It most seriously affected it, and the company wrote to the Minister of Lands. There is a letter in the correspondence asking who was to assess the values, on behalf of the Queen, of applications under clause 33, and the Minister replied to say——

Hon. E. BLAKE: It is all set out in the correspondence. We do not want a repetition of anything, as I shall have to read the correspondence.

Witness: That letter will have to be put in, as it does not appear in the parliamentary paper.

90. *Mr. Hutchison.*] Which are the letters you refer to that are not in?—The two to the Minister.

Mr. Hutchison: There are two letters which, apparently, will come in, one from the then manager, Mr. Scott, to the Minister, dated the 27th September, 1888, and the reply thereto, dated the 6th October, 1888.

Hon. E. BLAKE: Have you the originals?

Mr. Hutchison: No. These letters will be admitted, I presume?

Sir R. Stout: Yes.

Hon. E. BLAKE: Subject to verification. It might be generally understood that these copies are taken for convenience, subject to verification.

Witness: It was arranged by the Minister of Lands that the Chief Surveyor, Mr. McKerrow, should act as the officer representing the Government in dealing with all lands under clause 33, and the arrangement was that he should deal with those lands as Crown lands. That you have got in Mr. McKerrow's evidence.

91. *Mr. Hutchison.*] Is it in writing or evidence?—It is in evidence.

91A. Was there any communication with Mr. McKerrow, or did he inform you to that effect?—Mr. McKerrow personally informed me.

92. Mr. McKerrow informed you what?—That the Government had instructed him to act in dealing with all the assessments under clause 33, and that he was to deal with them as ordinary Crown lands.

93. When was this conversation?—In 1892.

94. What was Mr. McKerrow then?—Surveyor-General.

Sir R. Stout: He was a Railway Commissioner.

95. *Mr. Hutchison.*] It would only be while he was acting as Surveyor-General, as an officer of the Government in connection with these matters, that any statement he made would be evidence. Had you any conversation with him while he was Surveyor-General?—Yes, I had many conversations.

96. The effect of it was as to the procedure with reference to these applications?—That is what he informed me.

Sir R. Stout: Of course, it is not evidence what Mr. McKerrow informed the witness in 1892.

Mr. Hutchison: It was not in 1892.

Sir R. Stout: When was it?

Mr. Hutchison: The witness said it was when Mr. McKerrow was Surveyor-General.

Sir R. Stout: He was Surveyor-General up to the time he became a Railway Commissioner on 1st January, 1889.

96A. Hon. E. BLAKE.] While he was discharging the duties in connection with the office of Surveyor-General he gave you this information?—Yes.

97. *Mr. Hutchison.*] You say in the following paragraph of the petition, "(*e.*) One hundred and forty-eight applications have been sent to the Minister, of which 106 were sent in the month of January, 1892, and as yet only 16 assessments have been received by the company upon the 148 applications." Is that correct?—I have no doubt it is correct. The details will be shown in the list of applications sent in.

98. You also say, "Settlement has thus been hindered; such lands as the company was able to dispose of to selectors it has been prevented from dealing with, and persons who were willing and anxious to deal with the company, and had made applications for lands to the company, have left and are still leaving the district in consequence of the delays and difficulties thrown in the way of the company by the Government." Is that correct?—Yes.

99. Will you tell the Court how the Proclamations of the reserves impeded or prevented settlement?—We had been dealing under clause 33, and, of course, people could apply to us for land, and all we had to do was to refer them to the Government for the assessment of the value. Well, they were objected to. The Minister wrote and said that he would not deal with these applications until he had completed his mining reserves. [Letter dated 20th August, 1891.] We maintain that there is nothing whatever in the contract to justify him taking that action.

100. Were there any applications for areas threatened to be proclaimed?—Most of these applications were in before the areas were proclaimed; but, as soon as the areas were proclaimed, and it turned out that they would be proclaimed as reserves, these applications were knocked on the head.

101. Can you give the Court an idea how many applications were thus frustrated?—We have the list in the exhibits put in.

Hon. E. BLAKE: I would ask that these lists be put in subject to verification.

Sir R. Stout: I have no objection.

[Returns showing applications made by company for reserves under clause 33 of the contract put in—Exhibit No. 65.]

Mr. Hutchison: There is a note attached to these returns which may not be taken as evidence.

Sir R. Stout: If you take off these notes I will not object.

[Observations and notes cut out, and returns put in as amended.]

102. *Mr. Hutchison.*] You say a great number of these applications related to land which was either proclaimed or notified as intended to be proclaimed under subclause (*c*) of clause 16?—Yes.

103. And in that way you say that settlement was impeded. Will you indicate what was the procedure of the company obtaining the benefit of its applications: the money was not to be paid directly to the company we know?—The process was this: The party wishing to purchase land had to give notice to the company.

104. We know that. We will suppose the applications had been dealt with?—Supposing an application had been dealt with. The man pays his deposit to the Receiver of Land Revenue in the district, who credits that to the company as being an area which the company may take up some time during the course of its contract; but it does not necessarily follow that the company would make that area a selection. But the area would be counted as a selection at any time if the company took that block, and in the meantime the money would be lodged with the Receiver of Land Revenue and remain there in a suspense account.

105. Supposing you did not take the block?—The moneys deposited would ultimately go back to the Government.

106. It would only be a contingent account subject to selection from the block in which the earnings arose—subject to the right of the company to select that value?—Yes.

107. *Sir R. Stout.*] I understand there was an agreement made. You should put the agreement in?—The agreement was never carried out. The Minister, after taking about two years to consider this agreement, told us practically that he had no power to make any agreement.

108. Was not there an agreement made after?—After that there were proposals, which were considered by the company impossible to act under.

109. Did you give the Government notice of that?—Yes. I think it is in the correspondence.

110. *Mr. Hutchison.*] I would ask you to illustrate to the Court how this system would work in practice. A selector would want a little piece of a big block?—Yes. Take any block on the West Coast in B1 map. If a man wanted to buy a piece of this block, our plan was to enable the man to take a small piece, say, on the boundary. When the whole block came under selection he applied for the piece so decided on. Possibly he applied for the best piece of land in that block. The Queen then sent her representative to assess the value. We will say this block was valued at 10s. an acre all round, and we say this piece was worth £1 an acre in relation to the whole, consequently the Government could not sell this to the applicant on behalf of the company at less than £1, and the result would be, in view of the Government assessing one-half the block at £1, while in regard to the B1 value it is only 10s., the company would get the balance at about 5s. That is how it was intended to work out, and it was intended, in reference to these blocks on the western side of the ranges, that they should be kept for small settlement.

111. *Sir R. Stout.*] Where do you see it intended in the contract?—Clause 33.

112. Hon. E. BLAKE.] It provides for that because it was a district suitable for small settlement, instead of settlement in large areas?—Yes. The company might have two applications for parts of one of these big blocks, and, before they could deal with it, one man might select 50 acres out of a 10,000-acre block, and another man might select another small area out of a 50,000-acre block. The result would have been a loss to the company by the company not being able to select a whole block to meet these small applications. Therefore these blocks were put up under clause 33. These small sections were looked on as being a source of great profit to the company, and in case of purchase, and of the land being dealt with, we could have financed on the land. That was considered by the company to be a very great advantage under the contract, as settlement would have been going on in the district where the land was not really required for *bonâ fide* mining. That is why it was set out in the prospectus that we anticipated such large profits from the small settlement of our lands.

Hon. E. BLAKE: We do not know anything about the prospectus.

Mr. Hutchison: It will be put in. I did open it.

Witness: The agreement the Government afterwards offered us was unworkable, on account of details. The real difficulty was that the Minister maintained that this clause 33 was governed by clause 29, which was a clause put in the contract dealing with the company's selection of B1 block, and under which the Minister had the right to two months' time to consider whether he would allow us to have the selection or not. This clause 33 does not contain any provision allowing the Minister any such right, but he insisted on governing that clause by clause 29.

113. Hon. E. BLAKE.] Is that insistence on paper?—It is probably in the correspondence. We could not deal with the latest proposals, as they were too cumbersome, and were not in accordance with the contract. I said I would follow exactly the clause in dealing with the applications, but when the people offered their deposits the Receiver-General refused to take them, because he had not been instructed by the Government to carry out clause 33.

114. *Sir R. Stout.*] When was this?—You will get it in the correspondence.

Mr. Hutchison: I will ask leave to withdraw the lists just handed in. My desire at present is to confine the evidence to what occurred prior to July, 1892, when the petition was presented.

Sir R. Stout: I do not object to them being withdrawn. [Exhibit No. 65 withdrawn].

115. *Mr. Hutchison.*] You say in the petition that the Government hindered and prevented the company in its operations under the contract?—Yes, they checked all settlement.

116. Can you give particulars of damage?—Yes, I gave it in the summary.

117. Up to 1892?—I have not them separate, but I will have them separated.

118. In another branch—C—of your petition you refer to delay in respect to the deviation at Lake Brunner. You state, "(*a.*) Soon after the operations of the company had been commenced it was clearly shown by surveys, and by practical experience, that a line taken on the eastern side of Lake Brunner, instead of the specified line on the western side, would save a steep gradient and much annual cost of working and maintenance, and in the month of December, 1889, the company applied to the Governor for his consent to the deviation. (*b.*) There was no question but that such deviation would be a benefit to the colony, nor was there any doubt that it would be inadvisable for the company to proceed with its work at that point until the right to deviate was granted. (*c.*) Notwithstanding that the Government were fully aware of all the matters stated under this head, they delayed the consent to the deviation until the 7th day of July, 1891, and thereby caused wholly unnecessary delay, loss, and expense to the company, involving £18,625 of debenture-interest, in addition to the

loss caused by the postponement of the earning of traffic-receipts." What is your view of that matter?—When I got out to the colony I went over the projected lines on a reconnoitring survey, and, in going through the country, I carefully examined the other districts around which we were operating, to see if, by any deviation, it would be possible to better the line from the point of construction, and to improve the gradients for the purposes of traffic. I explored the district, which I can show you on the map.

Hon. E. BLAKE: So far as I understand, the Act of Parliament eliminated the objection, and there is no necessity to consider that point.

119. *Mr. Hutchison.*] You considered the deviation was applied for when you did that in 1889?—I did believe that we had a right under the contract to obtain the deviation. When I made the survey I discovered that the lie of the country was better for the purpose of railway construction in that direction, and I advised my board to ask for the deviation, and it did so. It avoided going over a high saddle on the south side, where the ruling gradients were 1 in 44 in one part of the country, against a ruling gradient of 1 in 60. This was submitted to the Government first of all, and we both discussed the question. I maintained that we had a right to the deviation under the contract without further legislation, but the Government did not take that view of it, and decided to ultimately bring in an Act of Parliament to allow us to deviate.

120. That is indicated generally here [map referred to]?—This indicates the old line and the new.

121. You say you applied in 1889, and the Government said that legislation would be necessary. We know that an Act was passed which provided that consent should be given if it were shown to the satisfaction of the Governor that the making of the deviation was desirable. What then occurred?—We had to get the opposition withdrawn in the House. I had to make a concession to Kumara, because the deviation took the line away a few miles from Kumara, and the member of the district strongly opposed the Bill in the House. Well, the Act was passed, and I had to complete my surveys to show that the line was better for traffic purposes, and that it would be an advantage to make the deviation.

122. Hon. E. BLAKE.] And also to show something in reference to the conditions of the Act?—We fulfilled them. It turned out that there were certain swamps we would have to avoid, so as to get on to good ground. We wanted to improve the grade; and, moreover, the cost of the road covered what was then estimated to be the cost of the old line. We had the advantage in the traffic. The question was submitted to the Government engineer, and we were delayed. The Government said the whole of the reports were against the deviation. The Minister expressed that in public—to his constituents, I think.

Mr. Gully: May I suggest that the questions be confined to facts within his own knowledge, or on matters of opinion, in which he can speak as an expert.

123. *Mr. Hutchison.*] Tell us the facts?—I sent in my estimates and plans, and finally it was consented to, after delays, which I thought were unnecessary delays.

124. Can you fix the date on which you were enabled to start work on what you call the deviation?—I have a note of it. You have the correspondence here, from page 43 of the Appendix, which gives all the letters and the reports. The date is 7th July, 1891.

125. There is some correspondence prior that is of importance?—You may refer to that, too. You have the parliamentary papers in the exhibits.

Hon. E. BLAKE: You may put the mass of papers and the Appendix in, and refer to it later on, if necessary.

126. *Mr. Hutchison.*] It is page 66. You say you complied with the conditions of the Act, and consent was given in July, 1891. Now, as to the incline line, I want to ask something about that?—That was a question of engineering. It was a very difficult survey, through very rough country, and it took a great deal of time, and a considerable time was also occupied in making fresh surveys.

127. In putting yourself in a position to enable you to apply for the substitution of the incline for the tunnel line?—Not only so. It was only a short length of tunnel, but I had to go through the whole of my plans.

128. That necessarily took you some time?—Yes, necessarily.

129. There is a mass of correspondence on that subject, which I think we might put in *in globo*. It would be Part VII. of the Appendix, from page 62, and ending on page 92—thirty pages.

Hon. E. BLAKE: I would again refer to my suggestion as to blue and red pencil being used to apply to these matters.

Witness: The only point for the engineers was the question of capability for traffic and working cost. It took the engineers some time to investigate this. I maintain they went beyond the scope of the matter submited to them.

130. Hon. E. BLAKE: Is it not set out in the correspondence?—You might overlook that.

Hon. E. BLAKE: I am not going to overlook any correspondence the company may submit to me if it is marked.

131. *Mr. Hutchison.*] The next point in your petition is under Part E, which refers to the refusal and delay in granting an extension of time. You refer to the provision in the contract, and say that it was due to the delay as to the deviation and as to the incline?—Yes.

[Correspondence put in, up to July, 1892: Exhibit No. 68, 15/3/92, company to Government; Exhibit No. 69, 30/3/92/, Government to company; Exhibit No. 70, 2/4/92, company to Government; Exhibit No. 71, 6/5/92, Government to company (telegram).

132. *Mr. Hutchison.*] So that in 1892 you were complaining of the delay which had occurred in granting the extension of time under the contract?—Yes.

133. And the correspondence, to the extent of four letters, up to July, 1892, has been put in?—Yes.

134. You say that only two years and a half of the ten years allowed for the completion of the

contract had to run, and that was not sufficient for the completion of the line. That was the position when you went to Parliament?—Yes.

135. Next, as to the question of taxation. I did not do more than just mention it before. There is no correspondence on that subject. Your grievance is ventilated by the petition?—Yes.

136. The prayer of the petition to the House of Representatives is, "That your honourable House will be pleased to appoint a special Committee to consider the matter of this petition, and to report to your honourable House thereon"; and it is signed for the company by you, its attorney, Robert Wilson. That petition was referred to the Public Accounts Committee?—Yes.

137. Which took evidence, and you appeared before it?—Yes.

138. There was no relief granted?—No.

139. That was in 1892?—Yes.

140. What did you do then?—In January, 1893, I left for England to consult with the directors about the position. The whole of the next proposals appear in the correspondence.

141. Hon. E. BLAKE.] The result of that interview was some other proposals, which come out in correspondence?—Yes.

142. *Mr. Hutchison.*] Was there any result to the company?—No.

143. What followed that?—I left for England again in November, 1893, to go into the question further at Home, and further proposals were made by the company. I returned in 1894.

144. Was there any result to the company from the Government—any definite arrangement come to and given effect to?—Not given effect to. The proposals of the Government were thrown out by the House.

145. Then, nothing was done in consequence of the negotiations that took place subsequent to 1892?—No.

146. Now we will go back to take up the thread of these various matters subsequent to 1892, when you presented the petition to the House in reference to the mining reserves. Was anything further done? Can you say whether any more Proclamations were made?—Yes.

147. And aggregating how much?—We have got on the list about 452,000 acres.

148. Hon. E. BLAKE.] The total extent indicated as intended by the map is how much?—A total of 687,000 acres.

149. *Mr. Hutchison.*] Passing from that, and coming again to the settlement clause 33, were there further applications subsequent to 1892?—Yes.

150. Hon. E. BLAKE.] This paper contains the correspondence on the subject since July, 1892, and carries it down to the present time?—Yes. [Correspondence put in.]

151. *Mr. Hutchison.*] I was asking you how that interfered with the applications under clause 33?—It simply stultified the whole thing.

152. It had the effect of stultifying the operation of section 33 from the company's point of view?—Yes.

153. You did, as you earned the right, select lands?—Yes, on the eastern side—lands that were readily saleable, to assist us to finance.

154. Hon. E. BLAKE.] From the beginning, because it suited your purpose?—Yes. The moneys which the Government received and the company might have received, under clause 33, would have been an accumulating fund to the advantage and credit of the company, and we intended to deal with those lands, which were readily saleable at the time, and the funds would have been accumulating from the sale of the western lands.

155. The injury you say you suffered in not getting settlement was that the fund would have accumulated and been a credit?—Yes, and we could have shown the financiers that the line was paying and the lands were being taken up.

156. Where you selected were lands that were not affected by the railway?—Many of the lands are on the eastern side, and are not affected by the railway.

157. Speaking generally, and subject to verification if required, what was the monetary result of the selections on the eastern side?—I think our average increased over the B 1 price. The land was valued in the B 1 Schedule. The increase we got on selling over and above these values worked out something like 33 per cent.—that is to say, the pastoral lands on the east coast. The lands we did sell on the west coast showed a very much bigger price than that. They were more important spots, because most of them were estimated in blocks, 10s., 15s., and some as high at £1 5s. Some of the good lands brought us in, I think, a selling-price of something like £2 in some instances, and we sold some lots, but better land, in the Lake Brunner District at £1 7s. 6d., one special piece to an old settler who wished to add to his property.

Hon. E. BLAKE: That is not a criterion.

158. *Mr. Hutchison.*] What were the lands you were unable to select?—They are shown in the exhibit of applications not dealt with; they could only be dealt with by the Government. They represent a total of £2,199.

159. What proportion would they be in area to those not dealt with?—A very small proportion indeed.

160. Hon. E. BLAKE.] Do you mean there were no decisions in respect to them, or that it was adverse?—There were some adverse, and some were not dealt with at all.

Hon. E. BLAKE: Either that they did not decide, or that they decided not to let them have them. Your objection to one point is for delay in deciding, and in the other that the decision was wrong.

161. *Mr. Hutchison.*] You say, as a matter of fact, that applicants were tired of waiting?—Yes. There was strong excitement on the West Coast about the delay.

162. To your knowledge, did any applicants leave the district?—Yes; to my knowledge.

163. In considerable number?—That I cannot say, but there were undoubtedly people who left there through not being able to get the land.

Mr. Hutchison.] I am going to complete the evidence as to clause 33 by putting in further correspondence since July, 1892, on the subject [Exhibit No. 73 put in]; and also the correspondence as to extension of time [Exhibit No. 74 put in], except the opinions and remarks thereon.

Sir R. Stout: That is the opinion of the Law Officers. We do not object to its being seen.

Hon. E. BLAKE: We go back to mining reserves, anterior to 1892, and you put in two papers now put in as Exhibit No. 75. A list of Proclamations relating to mining reserves up to July, 1892. [Exhibit No. 76.]

164. *Mr. Hutchison.*] That is the position indicated by the petition under the various heads of grievances?—Yes.

165. Will you tell the Court the position of the works and their construction from the point where you left off?

Hon. E. BLAKE: He gave the history of the early construction of the work.

Witness: I might give you a list, perhaps. We had entered on a contract for the construction of the Reefton line. We began the Nelson Creek to Ahaura on the 20th July, 1889—that is, part of the section up to Reefton. We began the Ahaura to Reefton on the 14th November, 1889. We opened for traffic to Ahaura on the 14th May, 1890; to Totara Flat on the 31st December, 1890; to Mawheraiti, 27th July, 1891; Tawhai, 28th September, 1891; Reefton, 15th February, 1892. Then on the east and west line—that is, towards Jackson's—we began there, Kimata to Stony Creek, on the 13th February, 1890, and completed it on the 9th March, 1891. We began Stony Creek to Moana, July, 1891; and Moana to Jackson's, February, 1892. We opened for traffic to Moana, on the 6th September, 1892; to Paeroa, 11th October, 1893; and Jackson's, 13th March, 1894. That is the list of the work we have done. Since then we have been adjusting surveys, and we had to attend to the maintenance of certain points which I knew would have to be attended to later on, where the rivers were cutting in on the land, and I wanted to see the effect of the work before finishing.

166. *Mr. Hutchison.*] Was there any work connected with construction?—Yes—that was practical construction.

Sir R. Stout.] Maintenance?—It was not maintenance in this sense. It was work done out of capital; it was a protection which I knew must be done, and I waited to see how the river would act before leaving the work.

Hon. E. BLAKE: It is what is called betterments.

Witness: I completed the surveys between Stillwater and Springfield.

167. *Mr. Hutchison:* I do not know that you have mentioned any works on the east side?—No, but we did some; we completed the works from Springfield to Patterson's Creek, which included an expenditure of about £70,000; that was during 1889.

[Sir R. Stout here said he did not object to a reference proposed to be made to Mr. Young.]

Witness: We let the contract in 1889, and completed about the end of 1893. It is known as the Springfield Contract. We also commenced the expenditure on the Belgrove to Nelson Section, and from Belgrove, on the Government line, to Spooner's Range, and completed it, including the tunnel through Spooner's Range so far as earthworks were concerned, but not the other part. We expended——

168. Was that the last in 1894?—Jackson's was in 1894. Of course, we had to complete other portions; the Belgrove section was finished about the same time.

169. Since about March, 1894, you have not done anything in the way of surveys or anything in the way of construction?—No, not any construction.

170. Just one more point outstanding in reference to the evidence you have already given. Going back in respect to the applications under clause 33, was there was any special difficulty in respect to the Tadmor district?—The question that has been raised about the Tadmor district is as to whether that part of the country has at all come under clause 33, as being land west of the main range, or under section 26, as being on the eastern side of the range. It is rather a point at issue. I think, however, that I have stated the position of the country. I think myself, of course, that is mainly a question of evidence.

Mr. Hutchison: And you are a member of the Geographical Society?—Yes.

Witness: The main range of the country runs with an easterly trend in the Pelorus Sound direction, and has the same geological formation; it crosses Cook Strait to the East Cape. There is a mountain-range running into the west side of Blind Bay, but that is merely a spur from the main range, and there is a break in the geological formation that shows it is a spur.

171. Hon. E. BLAKE.] Is there much more: it seems rather a large subject?—It is merely a question as to whether our dealing with this clause 33 was a fair one, or a straining against the company. There were many applicants, and we are blamed for preventing settlement.

Hon. E. BLAKE: That does not matter.

172. *Mr. Hutchison.*] The area within which clause 33 has operation is on the western side of the main range?—Yes; I believe the point could be easily settled by a reference to the late Surveyor-General, who has a map of the country.

Mr. Hutchison: He may or may not be able to say. I propose to ask the witness whether, while in attendance on the Committee in 1892, he heard Mr. Seddon say certain things. I understood from my friend's opening that he was going to show what the advocate of the company said. This is a statement of the advocate of the other side. For convenience I read the passage in my opening.

Sir R. Stout: You may assume that what appears in the printed proceedings is what was said.

Mr. Hutchison: I am not going to put in the whole of Mr. Seddon's speech. My friend can do that.

Sir R. Stout: I do not think it is admissible or binding on the Crown at all. That is my objection.

Mr. Hutchison: It will not do any harm, at any rate.

Hon. E. BLAKE: I understand this is tendered subject to objection by consent.

Sir R. Stout: How can the witness remember what was said?

Witness: I remember that perfectly well.

Sir R. Stout: Then, you should be asked to repeat what was said, since you will not take the written thing.

Hon. E. BLAKE: I understand this is an extract from print, and, of course, it may have a context.

Mr. Hutchison: If there is any context it may be given.

Sir R. Stout: Why not put in the whole of the proceedings?

173. *Mr. Hutchison.*] I do not choose to do so. If it is objected to in that way, I shall ask the witness to say, first of all, did the Hon. Mr. Seddon, Minister for Public Works, appear at the hearing of the petition?—He did.

174. Did he take any particular part in the inquiry?—He took the part of the representative of the Crown.

175. Did he cross-examine the witnesses brought forward by the company?—Yes, in many cases.

176. Did he examine witnesses brought forward by the other side?—Yes, in some cases. Once or twice he was absent, and then deputed Mr. Gordon or Mr. Blow to examine for him.

177. Did he address the Committee at the conclusion of the evidence?—Yes, he did, on behalf of the Public Works Department.

178. In his address, can you remember what he said towards the end of his speech?—I cannot remember the exact words, but I can give you the sense of what he said. It was that the evidence that had been given before the Commission in 1883 was probably that of very sensible men, but that conditions had changed, and the evidence he brought forward now showed that the experts of the present time had taken different views. He said he did not wish to strain the case against the company, but that if the evidence was published, and the company had to go for more money, it would damn their prospects.

179. Did he say he would hand in any tables?—There were statements, estimates, and tables made by the Government experts—Mr. Blow and Mr. Gordon, I think—handed in, and I think he said he would not read them, as he had not time, but they were to be embodied as part of his address.

Mr. Hutchison: Does my friend object to my putting in these statements?

Sir R. Stout: No; subject to all exceptions hereafter, in order to save time.

[Statements and tables put in, subject to verification and all just exceptions. Marked exhibit No. 77.]

180. *Mr. Hutchison:* This statement put in by Mr. Blow purports to be calculations on the basis of evidence produced before the Committee. Can you say where the material for the fourth column A2 was obtained, in whole or in part?—I think these figures were taken from a statement submitted by the company.

181. These three years—the first, second, and third?—Yes.

182. But not the fourth, fifth, and sixth?—I think they took these from the company's tables.

183. Of course, if you say so I must accept it. You can refer, surely, to the company's tables to see whether they were taken from them or not. It will be found in Parliamentary Paper D.–4, 1892, pages 5 and 6. Now, just see whether more than the first, second, and third years, which are bracketed, were taken?—The rest were not taken from the company's tables.

184. Now, the interest on the £745,000 would be what?—£37,250 a year.

185. In the company's computation, from which the first three years were taken, do the next three amounts—namely, £23,000, £25,300, and £27,830—in any sense correspond with the calculations put in by the company?—No. These figures were not the company's estimates of the traffic; there were other figures which were the company's estimates of the traffic.

186. These last three, which appear in detail, were not from the company's computations. They were on a rising scale. The £37,250 represented the interest on the £745,000.

Hon. E. BLAKE: I think it would be more satisfactory to put in the other table.

Mr. Hutchison: It is in Parliamentary Paper D.–4, 1892, page 5.

187. *Mr. Hutchison.*] Now, turn to the second page. It starts with a table ostensibly giving an estimate of Mr. Maxwell's as to the profit on working the Reefton line and the East and West Coast line. Does it correctly quote Mr. Maxwell's evidence?—Mr. Maxwell corrected that statement of Mr. Blow's.

188. How did he make up the amounts?—He increased the profit on the Reefton traffic to £4,000, making a total of £24,000 instead of £22,000.

Mr. Hutchison: Of course, if the bases were wrong the whole computation would be wrong. Although Mr. Wilson is not giving evidence of his own knowledge on the timber question, I think it would be convenient for him to put in the correspondence, because he was the correspondent on behalf of the company. I am not purposing to ask questions just now on the particulars of the second claim, which you have expressed an opinion are not strictly within our second reference.

[Correspondence relating to timber rights put in. Exhibit No. 78.]

189. *Cross-examined by Hon. Sir R. Stout.*] You have spoken about the topography of the country through which this line runs. If you had known the nature of the country before the contract was first made would you have advised the company, in the terms of the contract made, to undertake the construction of what is called the end of the Nelson line?—It would depend entirely upon what instructions I had received as to how I should report.

190. Assuming the conditions were the same as in the contract, would you have advised any company to undertake that contract from the Nelson end?—That is rather a difficult question to answer without more information as to what I should have to report upon. Do you mean, were I to report upon the nature of the country and the possibilities of traffic?

191. I want to know whether you would have advised any company to take up the construction of the line on the terms of the original contract if you had seen it. I refer to the contract of 1888. Supposing the contract of 1888 had been almost completed, and you had got a return of the land-grant, of course that would have reduced the cost of the line 50 per cent., and consequently, its traffic and earning capacity must have been calculated on the reduced cost on the line?—Then I should have to say distinctly, that it would not pay what I should call a profitable rate of interest. It would probably pay a small percentage of interest on its construction, 2½ or 3½ per cent.

192. Would it have paid 1 per cent. on its construction?—I could not say that definitely, without going into the probable traffic. It is very difficult in country like that to say what will be its developing capacity. There is country which is practically speaking unknown and undeveloped. It was nominally country which from its geological formation was of great resources; and those resources being undeveloped at that time, it was impossible to judge what the development of the traffic might be, because very often you see the traffic upon a line, after it has been constructed, increase to an extent never anticipated from the appearance of the country.

193. You have known the West Coast for years. Is it not a fact that you recommended your company not to touch the Reefton–Belgrove Section on the terms of the contract of 1888?—I may have given my opinion as to what I thought would be the ultimate working out of the line; but then all I could do was to give my own opinion.

194. *Sir R. Stout.*] That is all we ask. In your opinion was it not an unprofitable line?—Yes; but I desire you to remember that I expressed my views, without the authority of the company, to the people of Nelson.

195. And also to the Parliamentary Committee, on behalf of the company, that the company could not construct the line except they got further concessions?—I said the conditions which had arisen would render it necessary for the company to have the contract modified before they could hope to finance a line like that.

196. Ever since the negotiations began with regard to the modification of the contract of 1888, you have put the Nelson end of the line on a different footing from what is called the East and West coast line?—I can say this, that having carefully considered——

Mr. Hutchison: I must object to any reference to the report of the Committee. Any correspondence between the parties will be admitted at once.

197. *Sir R. Stout.*] I want to know this: You put the East and West Coast on a different footing from the Nelson end?—I must explain this: that these negotiations for the alteration of the contract were done with a view of trying to get a solution of the difficulties which were surrounding the then existing contract, and, after viewing the whole question myself from a professional point of view, and having got the opinions of many experts in the colony, I came to the conclusion that it would probably be both in the interests of the company and the colony if that line was postponed for a time until we had got the East and West Coast line completed, and we could see the results. Then, I suggested, if we could come to terms with the Government, that the other part might be finished.

198. It was to be—to use a popular phrase—like the Greek calends. There was no time fixed for its construction?—When we had completed the other——

199. Why should you make a distinction between the two?—I am speaking as a professional man, and you ask what I think of a certain work. I must, therefore, as a professional man, give my distinct opinion that one line would be more profitable than the other.

200. And that the Nelson line was not likely to be profitable if you cut a bit off of it. The traffic cost of it would be such that the company could not expect any return for even half the capital spent on the line. They would not be able even to make interest on half the capital that went to construct the line?—They would not be able to make a great interest, but they would probably have been able to make some interest.

201. Hon. E. Blake.] Enough for working expenses?—Yes. In time it might have come up to being as good a paying line as the other.

202. *Sir R. Stout.*] Then, in your opinion, the two lines were not on the same footing?—Yes; and I say moreover that it was known from the beginning they were not, because one I was assured was merely a political line.

203. Hon. E. Blake.] That was the best one?—No, it was the worst.

204. *Sir R. Stout.*] Is it not also a reason that this line goes through the Buller Gorge?—That is one of the difficulties; but you must remember that although the Buller Gorge looks rough it is not anything like as difficult a piece of country as Arthur's Pass.

205. *Sir R. Stout.*] What about the Otira Gorge, where you have a tremendous height?—No doubt in the Buller Gorge, the line once constructed, there would not be much difficulty in maintenance. It is solid country.

206. Once you had constructed it. There are no large agricultural areas there, or any area at all, from Inangahua Junction to the Motupiko Valley, are there?—Yes, there is one place. You seem to have overlooked the Maruia Valley and the Matakitaki Valley, and those subsidiary valleys. There is a considerable area of country there.

207. Do you know that the only settlement is, I suppose, at Braidwood's and Macgregor's places?—You are forgetting Hampden.

208. You talk of Hampden?—There are a good many people in it.

209. It is a small township on the Buller River. It is a small alluvial flat, is it not?—It is all farms. All around Matakitaki it is a small alluvial flat.

210. How many acres are there on the flat?—I should say there are 15,000 or 20,000 acres.

211. What, at Hampden?—All round there it is a big flat.

212. You are including the open valley of the Buller River a little bit down below Hampden?—I mean the flat. Right down to the Maruia it is good level country. That is the flat I mean.

213. You mean it is all settled on?—There is some settlement on it.

214. One man has a cattle-run on the outside next the Maruia, and there is a little settlement there. That is all?—There is a good deal of settlement at Matakitaki. There are two or three runs.

215. This land at Hampden. That has been purchased from the Crown years ago, has it not?—A certain amount, but not all, because the lot comes under selection.

216. Why did you not select it?—Because we had made a certain number of selections.

217. You had not any block there?—Let me explain it.

218. You said you put in no application?—No.

219. The country is very rough there?—It is rough country beyond the Buller Gorge.

220. And this Matakitaki Valley is not rich land?—Of course, you have the Hope Valley. The settlers have cleared a good deal there; they have got grass and cattle, but it is light land.

221. I suppose you are aware that light land growing birch and fern is always poor land?—It is a question of what you call poor land. It is poor in comparison.

222. You cannot call it agricultural land?—No.

223. What class of pastoral land would you put it in?—The second class. You can grow grass in that part, and probably keep sheep.

224. This land through which the railway was to run. You do not suppose that it ever could be the home of many people?—No. I suppose it will take a large area to give a man a living, as it is light land.

225. This is the line; you made no effort to extend the line beyond Reefton?—No, because we, of course, got all our capital for that particular purpose; and could not get further capital until that piece was completed.

225A. Can you give me the dates when your last contracts were made?—The last contract was let between Moana and Jackson's in February, 1892, and that was completed in March, 1894.

226. And what you have done since has simply been to maintain the line and put in groins in a river which was threatening the work already completed?—That is what you might call completing construction; because in all cases you have to watch the effect of rivers on works. You do not put in full expenditure in the first instance.

227. You have not gone on constructing more of the railway?—No; because we have been trying to get capital.

228. That is, since 1894?—Yes.

229. Now, about the Brunner deviation: I come to that next. When do you say you learned from the Government that they had consented to the deviation? It was in July, 1891, was it not?—I have not the dates. I do not remember them.

230. The 7th July, 1891, the petition says. That is when you got the notice, according to your petition, that the deviation would be allowed at the Brunner Lake?—Yes.

231. I want to know when you first let the contracts for the line around the deviation?—The part from Stony Creek to Moana—that is, the lake—on the 6th July, 1891; from Moana to Jackson's in February, 1892; and we opened to Moana——

231A. You did not let the deviation until 1892-93?—In February, 1892. That is when we began to let it.

232. You say you had seven months in which you did nothing?—But we could not.

233. Why?—Because we did not get the actual consent.

234. Until July?—I think it was later.

235. I am taking your own petition. This is what you say: "They delayed the consent until July, 1891, thereby causing unnecessary loss." Your complaints were therefore nothing, as you got the consent to the deviation before you did anything towards the construction of the line?—We had to finance in London. I might point out here that the delay we suffered in getting the consent upset financial arrangements in London, when otherwise probably——

236. Why should not you have made the line on one side of the lake or the other? What did it matter to the people of the colony?—It was of more advantage to the company in giving us a ruling grade to the foot of Arthur's Pass of 1 in 60, as against a ruling grade of 1 in 44, which meant a large difference to the working expenses of the line, and a benefit to the colony ultimately.

237. If you had to raise the money, would the people in England go into the question of grades?—No. It is all very well to say that. We had to finish the line to Reefton on the capital that was raised by debentures; but we could not go under our debenture prospectus on the London market again before we had completed that expenditure, consequently we had to suspend, as it were, or wait until we could certify that we had expended the debenture capital before we could go privately even to get the capital to finish the piece of line from Reefton to Jackson's.

238. Oh, then you had to finish what line?—The Reefton line.

239. Then you could not go until you had finished the Reefton line?—Practically we could have gone if we could have shown that we had a formal right. We could have got the money privately from another source.

240. You say your Reefton line was not finished until when?—1892.

241. So that your Reefton line had not anything whatever to do with this deviation?—It had a great deal.

242. You say it has anything to do with a deviation fifty miles away?—Simply that we, by our conditions of finance, were limited as to launching out until we could show, at least, that we had so arranged everything for our Reefton piece, otherwise the line could not be finished.

243. And the non-consent to the deviation at Lake Brunner had nothing whatever to do with the completion of the Reefton portion?—Yes; because we might, if we could have gone on, financed possibly the land-grants.

244. Let me understand you. The non-consent to the deviation could not have affected the construction of the Reefton line, excepting for financing, you say?—I say it would generally affect the work of construction.

245. And you had to wait seven months after you got consent before you started the construction of the line according to the deviation?—Yes, on account of the force of circumstances which kept us back.

246. Hon. E. BLAKE.] If I rightly understand, you had put yourselves under obligation not to borrow any more money until you had finished the Reefton line, and, as it was not finished until 1892, you were therefore not in a position to finance for the other part of the line until that had been done; and you say that the delay in consenting to the deviation debarred you from financing?—Yes; because when we asked for this deviation, and I submitted to my directors a new contract, I said we could get this deviation without any new Act. Then, when the Government drove us to go to the House, and the news was read in London that the Government were not assisting the company, we could not get the assistance we required.

247. *Sir R. Stout.*] Who read it?—I have no doubt those who received their communications from the colony.

Sir R. Stout: Then you yourselves injured your own finance. We cannot be responsible.

Hon. E. BLAKE: I think you said the Government themselves brought in a Bill?

246. *Sir R. Stout:* So it did. I do not think it necessary to trouble the Court about the Abt Incline, the company's objection to that being that the Government asked their engineers to report on matters that should not have been reported on. Is that not so, Mr. Wilson?—Yes, that is the only objection I have raised.

249. That the Government should not ask for the opinion of their engineers?—My contention is, that under the contract——

250. Which section?—Sections 3 and 4 specify: Section 3: "The said railway, and all other works in connection therewith which are provided for in this contract, shall be constructed, maintained, and worked under the provisions of these presents, and shall be well and faithfully constructed of sound materials, and of sufficient strength and durability, having regard to the nature of such works, upon plans, both general and detail, to be from time to time approved of by the Engineer, and so that the details shall as nearly as may be conform to the approved standard drawings in use on the New Zealand Government railways." Section 4: "Provided that so much of sheets 45A, 46A, 47A, and 48A of the said plan 11555 as apply to the incline line at Arthur's Pass shall not be deemed to be part of the said plan: Provided also that the company may construct the incline line instead of the tunnel line if the Governor, after having obtained the opinion of two eminent engineers, to be nominated by him, is satisfied that the incline line when made will be suitable for mineral and other heavy traffic, and, in his opinion, worked at a satisfactory cost."

251. What do you assert beyond that?—That the Government went into important construction details, which did not affect the work. The design affected the cost of the work, and the light incline was quite as efficient for working the heavy mineral traffic.

252. Did not the Government engineers conceive it to be their duty to learn all about this new system of the Abt incline, and to investigate the matter as fully as possible as to how it would carry the heavy traffic, and also the cost of carrying the heavy traffic. You think they had nothing else to do except to give their opinion?—Yes; I gave them information to enable them to do that.

253. What did you give them?—Merely on the question of fact, I gave them grades, curves, the weight of the rails, and the weight of the engines.

254. What did they say they wanted?—They said in their report to the Governor that they considered it would be an improvement if I eliminated the switchback, and by doing so curved the line around the end of the Rolleston Creek, and brought it down with a double curve, or "S," such as used on many lines adopting the Abt system. The reversal, or switchback, is used in cramped country where you cannot get in your curves. They said it would be important; but I contended they had no right, in their report, to question the engineering design of the line so long as it was capable of dealing with heavy traffic and of doing the work at a reasonable cost. I considered it was beyond the scope of their inquiry. The Government considered, however, that my objection could not be sustained, because we had shown such a saving in the cost of the incline as compared with the cost of the tunnel. The extra expense of putting in the "S" was not a trifling matter. I say, that one alteration increased the cost something like £30,000.

255. Might it not amount to this: the Government engineers considered that their proposal was more satisfactory for the future working of the line than your proposal of an Abt incline?—I have to set against their opinions the experience of years.

Sir R. Stout: I am not saying your opinion was not right. But the suggestion, as to the two engineers the Government appointed, came from you.

Hon. E. BLAKE: I think I observed during the proceedings before the Committee the objections by the company in respect to the delay regarding the Abt incline were withdrawn.

Sir R. Stout: Yes.

Witness: It was withdrawn, as it was intimated that if there was unnecessary delay we should not get our report through the Committee; so we withdrew it. I still maintain it now. I do not raise the question, however, excepting as to the right of the Government to go into the question of design, on the ground that their reference did not give them scope for it.

256. *Sir R. Stout.*] That was done by the engineers who were appointed by the Government to report. They suggested, after seeing your plan, that the line would be more efficiently worked if that plan were altered and a "S" turn put at Rolleston Creek?—That was their opinion.

257. But you know that is what led the Government ultimately to give way to them?—Yes; but they had the good luck to have the opportunity of discussing the system with the partner of Abt in Germany (Reinke), who came to the colony.

258. Even if the Government had delayed in regard to the Abt line, you have never been ready to construct the line over Arthur's Pass, and running it there?—If you will refer to the correspond-

ence you will find I stated before the Committee in 1892 that it was imperative that we should have the extension of time in order to be able to finance.

259. I am dealing with the question of the extension of time. You admit that this delay in regard to the Abt line did not interfere with your construction work?—It interfered in this sense, that we could not raise the money until we got an extension of time.

260. The delay had nothing to do with the Abt system?—No.

261. Then we can strike the Abt system out?—Before you leave that point I would like to say one thing. We have claimed all along that we have had delays in the contract which were beyond our control. I would also point out that we had very difficult surveys to run through before deciding on the route. In one case we had to run four or five trial lines, and this time was counted in our contract.

262. No doubt. I am not saying that you had no difficulties to contend with. One has only to go over the track to see the enormous difficulties there were in getting the railway across the alps. Now, I come to this question of the reserves. Do you say the Government have done wrong in proclaiming the Buller reserves?—There may be parts of the Buller reserves that may have been fairly taken. I do not say that the Government——

263. I am going to deal with the Buller reserves?—There are objections to the Government interfering with them. We know that men have been working the river-flats in these reserves, but I do not raise the question of these reserves now. I said long ago, when we were discussing this question, that reasonable reserves of land might be made near the known gold centres, and that if land were taken from time to time (as required), in order to meet the development of mining, the company would never raise a single objection.

264. You admit that some of the reserves are properly made?—No doubt.

265. Can you give details of those improperly made?—I think there are expert witnesses who will be able to do so.

266. You can give it now?—No.

267. Your company does not know?—I do not say so, but I do not consider myself sufficiently expert.

268. Surely your company has formulated something with regard to the reserves in Buller?—I think, at the proper time, you will probably get the lot.

269. Then you have no information?—I will have it put in.

270. Then we are left in this position: that until the arrival of your expert evidence, which will say whether the reserves were proper or improper, the company does not know?—I think you ought to show why you took the reserves.

271. But you charged us with breach of contract?—I maintain that you made the reserves in an improper manner.

272. Why?—Because the same contract says distinctly that these reserves were to be made from time to time as required for *bona fide* mining.

273. No; the contract says, "is likely to be or may be required." Do you mean to say that your company has not formally told its shareholders that these special reserves in the Buller district have been improperly made?—It is purely a question of evidence. You say you have made reserves; and we maintain, without proper evidence of their being required.

274. But, Mr. Wilson, that is not the question. I wish to know which reserves you considered improper in the Buller district?—I assure you the result of our inquiries and investigations will be made to you at the proper time.

275. Hon. E. Blake: You mean to say that, so far as you know, the company is not in possession at this moment of a list of reserves that they think were improperly made?—We have got evidence from mining experts which we shall submit to the Court when the question arises.

276. *Sir R. Stout:* Particulars were asked some time ago, and I understood they were to be supplied?—If you are going to attack those particular reserves, it is important that the other side should have time to meet it.

Mr. Hutchison: We are attacking all, and I presume we are fully justified in referring to the Buller reserves.

277. *Sir R. Stout.*] Did not you say you had no objection to the Buller reserve?—I said I had no objection to the reserves being made around a known gold centre, and in a reasonable amount.

278. Did you not pick out the Buller reserve?—No; I picked out the Kumara reserve. I remember saying that I did not object to the reserves made around Kumara, which was a known mining centre.

279. So far as the Buller reserve is concerned, you do not mean to say that that would have to be reserved for the railway?—If the railway were made up the Buller Gorge.

280. Do you know that they are on the sea-coast?—That is at Westport. If you can show that these are gold-bearing, as the company always said, they would not object.

281. I mean all the Buller reserves in the Buller mining district?—I was referring to the reserves on the Buller River. You mean here [witness indicated the reserves on the map].

282. I mean on the sea-coast. You say in your evidence that all that country was cut up, and difficult for settlement. You will find evidence of the fact that there is very considerable mining there. You mean to say that all these reserves might have been used by the railway?—I do not say that they could be used by the railway; but they passed away from our power of sale.

283. You admit that these reserves would not be affected by the railway?—It depends upon what you mean.

284. Could they get any traffic?—You see, the traffic comes by the coast, and if we had picked the mining reserves——

285. How could the railway be worked?—It does not follow that the railway would not bring produce in from the coast.

286. Where could it take this produce to?—You know, probably as well as I do, that Reefton supplies a great many of these places on the Buller River.

287. The reason, I think, is that the road from Westport is impassable in winter. Is that not so?—There is all the more reason that the people should get their supplies by railway.

288. Have you ever been around here—[place indicated on the map] ?—No.

289. That is, you have not been from Cape Foulwind around this way [indicated on map] ?—No

290. You know that this is a vast dividing range [indicated on map] ?—I see the Barrier Range.

291. And from here to the coast is inaccessible ?—It is pretty rough-going.

292. Has anybody ever gone through ?—Yes.

293. But there is no road across the range ?—No.

294. The only road entrance is down the Buller Gorge to Westport and around by the beach ?—Yes.

295. There is a beach road, and the road from Charleston goes off here [indicated on map] ?—Yes.

296. As to these selections before these reserves were proclaimed. You did not put in any selections here at all [indicated on map] ?—No ; but I believe there were some applications for settlement.

297. Under section 33 ?—Yes.

297A. But you never attempted to make any selections on the West Coast except at Brunner ? Yes ; we had applied for Block 85, of 3,000 acres.

298. When did you apply for that ?—I think about 1889.

299. You do not suggest that was agricultural land, do you ?—It was not a valuable property, but we expected to get good prices for it. It is limestone country.

300. Was it suggested that there might be coal on the land ?—No. I know there was no coal there.

301. That was refused for selection ?—Yes.

302. Are you aware there was mining there ?—On the beach there is.

303. There has been mining there for thirty years. Is that not so ?—Along the beach.

304. That was made a mining reserve ?—Yes.

305. You did not apply for that land ?—Yes ; we got two blocks along Lake Brunner.

306. Have you sold them ?—We have sold some parts of the block, and shall probably sell it all when we get it settled.

307. You think that land will be settled around Lake Brunner ?—Yes.

308. You have seen what has happened in most West Coast districts when the bush was cut down ?—Yes.

309. Does it grow grass ?—Yes, in places.

310. Is it not a fact that three-fourths of it grows rushes ?—That is an exaggeration. If you neglect to keep the land in proper culture, then of course you will get rushes.

311. You cannot burn some parts ?—It is difficult to burn.

312. I mean the other parts of the district ?—The further north you go the less rainfall you get.

313. Even here in the Inangahua, and here, and here [map referred to], is it not a fact that the people who have cut down and burned the bush and sown grass have, in three-fourths of it, only got rushes ?—That is an exaggeration.

314. I have left out the Grey Valley because a great deal of it was open land before settlement. Is it not a fact that you get rushes instead of grass ?—You get rushes combined with grass occasionally.

315. Are you aware that people who have taken up land and cultivated it up the Teremakau, after years of labour have had to give it up because the rushes got the better of them ?—It may be in cases where they have had sour bush, because birch poisons the ground ; but in many of the mining camps I have been in I have seen vegetables and all sorts of fruits growing.

316. How is the West Coast supplied with vegetables ?—A lot of the people grow them themselves.

317. Is it not a fact that the West Coast, after it has been opened for thirty years, has to depend on other parts of the colony for grain, vegetables, and food-supplies generally ?—I do not wonder at that, because settlement has been stopped.

318. Before your railway contract was made the land was open for sale for anybody to buy ?—Yes.

319. And it was not bought ?—No.

320. Long before the railway was thought of the population of the West Coast was four or five times more than it is now ?—Yes, but the people were too busily engaged in gold-mining, and were not doing anything in the way of settlement. In later years the gold-mining industry was a dying one, and they began to turn their attention to getting lands for settlement, and there are more demands now to get on the lands than before these reserves were proclaimed. The fact is that the best-known goldfields are worked out, and that the land is being taken up now for these people to get a livelihood. And, naturally, unless more discoveries are made mining will die away.

321. Are you any judge of agricultural land yourself ?—I have learned a little since I came out here. I have had to examine a great deal of it.

322. How long have you been living on the West Coast ?—I have been, on and off since 1889, pretty steadily over it.

323. How long have you lived at a time there ?—Three or four months.

324. You do not really mean to put yourself up as an expert on cultivation ?—I am a man of some observation, I hope, and I note what I do see, and can compare it.

325. Do you mean to say that there is a single mining reserve in the Grey Valley fit for agricultural purposes?—It depends upon what you mean by that.

326. Will it grow grass?—That is a question which wants——

327. Do you know that it has cost some of the Inangahua people £20 an acre, and then it has grown rushes?—The question is, Why do not people buy land from us at £1 10s. an acre and settle upon that?

328. I want to know what it will cost to bring the land into cultivation for grass purposes?—Some people say, from £10 to £15 an acre; and, judging from what we have been charged for compensation for land taken for the railway, it is worth as much as £120 to £200 an acre.

329. Are not all these lands on this side [map referred to] what may be called a range of gravelly hills?—There are, no doubt, some terraces on these hills.

330. How high are they—you know the Nelson Creek?—It is perhaps 200ft. or 300ft. high.

331. What is the elevation above the sea-level?—Not more than 400ft. or 500ft., taking these low terraces. Up at the Hochstetter it rises.

332. How high is the Hochstetter?—I do not remember.

333. Have you been over these reserves?—Yes; I have been up to No Town and went up to Bell Hill. Then I went up to Nelson Creek once and saw the workings there.

334. Do you suggest that the land around Nelson Creek is fit for cultivation?—I do not say it is land that probably an expert farmer would take up as a speculation, but the people want to get on the land and make homes for themselves. There is a lot of Nelson Creek that has been washed out.

335. You have to cross a considerable shingle-bed?—That is, of course, the *débris*.

336. Can you tell me any one of these reserves you object to, or do you object to them all in the Grey Valley?—I think we maintain that there is a great amount of land included in these reserves which are not at all likely to be required for mining.

337. What do you call "required for mining"—sluicing?—I say, for actual working and purposes connected with the working—for tailings and sluicing.

338. And residence areas?—These are the very residence areas we were supposed to get the benefit of.

339. I want to know this: When did you say these reserves affected you?—From the very time they were declared in that wholesale manner in 1890.

340. Are you aware that only 180,000 acres have been proclaimed up to 1892?—But look at the effect.

341. The Crown had a right, if it was required, to reserve 750,000 acres?—That is the point: I maintain that the Crown had no right to take up that position. They were to be taken for *bonâ fide* mining purposes; and in the letter of the Premier he defines the meaning of "*bonâ fide*."

342. How do you say it affected you, taking up these 180,000 acres?—It affected us in this way: Here is a rumour that the Government have given us land alongside our railway for the purposes of settlement, and immediately we get our railway under construction they take this land up for mining reserves, thus preventing us taking it for settlement.

343. Do you mean to suggest that the land was as valuable to you as the land on the eastern side of the range?—As far as our railway was concerned, for traffic and settlement, it was a great deal more valuable.

344. Why did not you take your areas there, then, at first?—Because clause 33 provided us with a means of getting our finance. We wanted to get the full benefit of the funded reserve.

345. I think you have admitted that all the best land on the east coast has been selected—that you had, in fact, picked out the eyes—well, I will not say that, but the best land on the eastern side of the range?—I am not certain of that. We have selected the land which was the most readily saleable, and in one place we selected a block which was anything but the best on the east coast.

346. Have you not said that you have taken the best land on the east side of the range?—Where have I said that?

347. If you have said so, would that be correct?—In a measure it might be correct. But we have not picked the eyes out.

348. Have you not taken the best land on the eastern side of the range?—We have taken the best land in so far as it was the land that we were best able to sell or deal with.

349. On page 7 of your evidence given before the Select Committee, you answer question 69, "As a matter of fact, have you not selected nearly all the best land in the area?—Perhaps on the eastern side"?—We have selected those lands which were most readily saleable.

350. Would it not be correct to say that you have picked out the best land on the eastern side?—Probaby we have. In my answer I said, "Perhaps on the eastern side," for settlement purposes. On the West Coast we have practically not touched it. The timber is very valuable, and brings royalties of from £3 to £5 an acre. If you take all the mining reserves we have nothing left but hill-tops. We have selected, perhaps, the pick of the land on the eastern side. I think our big profits would come from the western side. The land on the eastern side will bring about 10s. or 12s.; on the western, £1 or £1 10s. We are making a railway on the the western side to give access to timber and minerals, consequently it injures us seriously by making these reserves.

351. I understand you to take up about these mining reserves this position: you did not expect the Government to select what—how many acres?—I expected they would take up a sufficient acreage to meet the developments of the fields.

352. I want to know the area?—Seeing that the whole area used up to date would be about 20,000 or 30,000 acres; if, then, the Government had selected 40,000 or 50,000 acres for the developments of mining——

353. Do you not say in your contract that the Government could, if they considered it right, make reserves up to 750,000 acres?—We saw, by Mr. Larnach's Proclamation in 1887, that the

spirit of the contract was being broken by the fact of him declaring these reserves on the very lands that we were led to suppose would be available for settlement, and when that was revoked we naturally took it that that would not be repeated.

354. But was not that showing, from the area that Mr. Larnach was claiming, the possible limit of the reservation?—We quite admit that the possible limit of the reserves could be taken by the Government if the mining development was so great that it required it. I interpreted it to mean that they would give a reasonable ground to His Excellency the Governor to show that these lands were required for gold-mining purposes before they were taken.

355. Not to look at the future at all?—You have a provision to guard against our taking the land, clause 23.

356. Is it simply to refer to the present or the future?—The present. The reserves are to be made for the actual requirements of *bonâ fide* mining.

357. When do you say the reserves were proclaimed?—You see a series of Proclamations made from day to day and from week to week to evade the provisions of the contract.

358. When do you say your finance first gave out?—I say, since we expended our money on the line to Reefton.

359. Is it not a fact that you tried to get money in 1891 and failed to obtain it? Have you not said that?—Probably. If I have stated it, no doubt they did, and failed.

360. Up to the time of this failure had any reserves been made?—I presume there had.

361. Is it not a fact that up to the time you tried to get financed in London not a single reserve had been made?—I do not think that.

362. The first reserve was made in August, 1891. Did you not state that the rumour had gone Home that the Government had made Proclamations taking these areas of land, and you say that that affected the finance of the company?—Ultimately it did.

363. No rumour could have been made until the Proclamations were made?—I promptly reported it.

364.. And it was the rumour from you that affected your finance?—I did not say that.

365. Is it not a fact, according to your own answer to the question before the Committee, that. your directors tried in March, 1891, and in August, and could not?—Probably it is true if I said so.

366. Probably it was true!—you say so?—Yes.

367. Question 116 asks, "Would I not be correct if I [Mr. Seddon] said that you stated to myself, shortly after my assuming office in January, 1891, that the best time for going to the London market would be the February, March, or April following?" Answer: "Yes. Generally, one would attempt to get money then. There are two periods in the money-market when you can get money most successfully—the autumn period, after the people have got back from shooting; then in May, June, or July. It is hopeless at other periods." Question 117: "You made the attempt?—No; the directors informed me that they could not get it. The discount rendered it simply hopeless. They have tried in March, 1891, and in August?"—Yes.

368. They were unsuccessful in March and August, before a single Proclamation had been made?—Yes; but you appear to forget that there were grave doubts cast upon the value of the land-grant entirely.

369. It was before the Proclamations were made?—I do not care when it was made. The effect was that——

370. How can the reserves in the Grey Valley have affected your finance if your finance was hopeless before the reserves were made?—I do not say it was hopeless.

371. You said it was unsuccessful?—Finance is very often unsuccessful.

372. Now, as to question 123, this is what you say: "If the date of the first reserves was August, 1891, that could not have affected your position at that time?—Probably not; I do not say it would"?—I say that now.

373. I want to know this: Have you tried to finance since you tried in 1891, on the London market?—Yes, I went Home in 1893.

374. Have you tried to finance this?—Yes, and in November, 1893, the company tried then, and the result was the offers to the Government.

375. But during that time, is it not a fact that you were negotiating with the Government to get them to alter the contract, and this finance was to be on the altered contract?—Yes, exactly.

376. And you did not complete the arrangement?—Because we found it impossible to deal with the old contract, and, also, we were affected by the evidence that the line would not pay which was given before the Committee in 1892. We had to face the depreciation of the land-grant caused by your statement at Auckland——

Sir R. Stout: It was not at Auckland, it was at Waipawa.

Witness: Well, at Waipawa; the impression was there, and it lasted.

377. *Sir R. Stout:* You were warned that the land was valueless before you took it up?—Yes, we were warned.

378. You cannot suggest that it is a breach by the Government?—But it is a reason why we could not finance.

379. You say that the people in London had heard of the refusal of the land-value?—Yes. Then we had evidence brought against us, in Committee, that the line would not pay working-expenses when finished. How could we go on with finance when the Government had given evidence that it would not pay the working-expenses?

380. I put it this way: Was the cause of the company failing to finance the statement that the land was of no value?

Hon. E. Blake: I understand that all that was before the grants were made.

381. *Sir R. Stout.*] Were there any statements made to that effect in the House before?—I cannot say; probably they were.

382. There was also the report of the Railway Commission that it would not pay. Are you aware of that?—Yes.

383. There were the statements made in the colony that the land was valueless: what do you suggest?—I say the evidence was that the line would not pay working-expenses, that the Committee thought that it would not pay working-expenses, and also that you had taken away the mining reserves.

384. Did that discredit the company in London?—Yes, ultimately.

385. When?—When we went back to London to finance in 1894.

386. Did you attempt to finance in 1894?—I cannot say; I was not there in 1894. We tried to finance on the basis of the Government giving bonds in lieu of land-grants.

387. Hon. E. Blake.] Did you attempt to finance on the basis of the old contract?—I cannot say.

388. Was there any attempt, after you got Home, to finance on the basis of the old contract while you were there?—I believe there was; I have not the means of knowing.

389. *Sir R. Stout.*] Now, I come to section 33. You have given no evidence as to the timber, and no details. What do you say was the effect of this section 33, Mr. Wilson?—You mean as to the breach?

390. What power had you under that?—We had power to deal with people coming to us. What I said was that persons wishing to purchase land within the reserved area on the West Coast—the Westland side of the range—could apply to the company for permission to purchase, and that the company should refer them to the Government, and that the Government, under the contract, or the Queen, must forthwith assess the value of that particular portion or block as in relation to the whole of the block, and on the consent being given the man had to pay the survey-fees, to pay his deposit of so much per cent. to the Receiver of Land Revenue in the district, and that then the selection should go on of any land within the block of the company's reserves on the Westland side of the ranges, and that the company need not select any block to meet the requirements on that side. The money was put into a suspense account, and kept there until such time as the company, by its expenditure, earned the land.

391. Suppose you took the 3,000 acres you wanted, do you suggest you could ask the Government to sell 100 acres of it, and that the balance of 2,900 acres would remain over without notice?—No, that remains available for the company; if it does select that block the money goes to the Government.

392. Then, it was only if the block was taken that you would get the choice of it?—Supposing there were large sales under clause 33, the money would be standing to the credit of the company, and which the company could absorb with its loan of £2,500,000—it would have stood there as a credit.

393. Had there been an agreement between you in 1892?—No; there was never a satisfactory arrangement.

394. I want to know if there was anything?—I have simply sat down under it, and borne it, because there was nothing else to do.

395. Would you answer? Was there not an agreement with Hon. Mr. Richardson, and that it was held by the Solicitor-General to be *ultra vires*?—I was not aware of that.

396. Was there not a new arrangement with Hon. Mr. Richardson?—It was an arrangement made by which applicants should apply to the company, and the applications were to be submitted to the Governor, and he was to appoint the Commissioner in Westland to assess these lands; and they were to be dealt with by Mr. McKerrow, who was appointed then as practically the officer in charge of them, and to be treated as practically Crown lands, with the exception that the revenue was paid into a suspense account.

397. But what I want to know is, after the agreement was at an end, was there not an agreement come to between you and them, and since that you have made a single complaint to the Government that they have not carried out?—I must explain. I may not have objected; what was the good? I got no redress, and I have left it alone.

398. You did not make a complaint about the carrying-out of section 33, after the arrangement between you?—I simply left it alone—it was so cumbersome that the people would not deal under it.

399. You say that is the reason you made no complaint to the Government?—I think you will find in the correspondence that I did so.

Hon. E. Blake: It seems to have been on the 22nd June, 1892, you left a typewritten account of the proceedings as you understood them. (Pages 14, 15, and 16, Correspondence, Appendix I.–7A, 1892.) The last letter is a letter of the 17th August, 1892.

400. *Sir R. Stout.*] Now, is it not a fact that not a single one of these applications were proceeded with?—Very likely. I think it is very likely they were not.

401. Was there any application sent to the Government to carry out the conditions since that?—The applicants were generally supplied with a formal notice that, owing to the difficulty with the Government, we were unable to deal with them.

402. At pages 14, 15, and 16 of the correspondence you will see——

Witness: You have a contradiction here. There was a letter on the 23rd September, 1891, referring to the former correspondence——

Sir R. Stout: I am not asking about the correspondence.

Witness: But you must wait. The delay with the agreement which I say was refused——

Sir R. Stout: I said that what I want is as to your own letter of May. "I have to remark," &c., and then you remark——

Witness: It is on the face of it clear that no agreement was come to. I say, "to facilitate matters" the company would do so-and-so; but I go on to take exception to the notice under clause 29. In view of that I said, "I would leave the thing alone."

403. *Sir R. Stout.*] And you therefore say that the Minister or person in charge would have no authority? Well, we will take it in that sense, and we will come to other applications sent in, and the applications sent in were not agreed to: is that true?—Yes; when I got these applications I said, as to the delay——

404. You made no complaint to the Government?—I simply left it on their shoulders.

405. You made no complaint; you sent in no other applications, and did not even complete the applications sent in?—The company were being blamed for stopping settlement on the West Coast, and the whole of the blame was entirely due to the Government.

406. We may put it like this: Whatever the reason, good or bad, might be, these were some never completed, and you sent in no applications with this letter of 1892?—I simply wrote to the persons——

Hon. E. BLAKE: The answer must be as to the fact.

Witness: Very well.

407. *Sir R. Stout.*] Now, is it not a fact, or do you know, that many people put in applications who have been living on the land since?—I do not know, but very probably they have.

408. Do you know where the Blue Spur is, now called Dyer's Selection?—Which proved, I believe, to be a failure.

409. He was in the possession of the land. I think your company collected the rents?—No; we do not collect rents. Before you leave that I would like to explain one thing with regard to the proposals I made to the Government for dealing with applications under clause 33 on the basis of there being no reserves, which I maintain would have been a solution of the whole difficulty; and these proposals are contained in my letter to the Inangahua County Council, and submitted to the Minister. I maintain that the whole of the difficulty would have been got over as to section 33. The miner would have got his land and been secured just as he is to-day, and the people would have been settled on the land.

410. It would not have been settled. You will see that by the mining laws, which you are not acquainted with. I can show you the Act—giving fifty acres in Otago—which was allowed on the goldfields for selection under the Act of 1886. [Act here referred to, but Sir R. Stout's reference was challenged.]

411. Well, now, about this boundary question at Tadmor; how many applications were put in and how many refused?—You can get that from the particulars given to you. They are given in detail.

412. What do you say is the main range; you mean to say that it is the range running to the east of Nelson?—I say, on the question of the main range height has nothing to do with it; it is the structural formation.

413. What is the range to the east of Nelson?—I think the simplest way would be to refer to the geological model in the Museum. You will see distinctly how the range comes from the east of Otago to Mount Cook, and runs by Pelorus Sound to Cook Strait, and comes out in the North Island, and that is why I say it is geographically the main range of New Zealand. The simplest way, and probably the only way, would be to refer in the way I say to the model.

414. What is the geographical formation of the east range?—Slate.

415. And what on the west?—You find pieces, intrusions of the older rocks.

416. Suppose a person knows nothing about geology, would the main range not be the highest range, and that which was snow-clad?—If you take it on that basis, then there is a strong argument that it is the main range. It is practically a question of the geological formation—as to what range is referred to in the contract. It is the boundary that was taken as dividing these lands, and upon that turns the whole question.

417. That is what you raise about the Tadmor?—It is merely a point of definition. We were blamed by the whole of the population of the Tadmor for locking up these lands.

418. Hon. E. BLAKE.] It was not a question that was to bar money damage?—We were told we must select a block before we could do anything.

419. *Sir R. Stout.*] Is there anything else you complain of?—There are a lot of things that we complain of that you will not let us bring in.

420. As to the timber, you do not know that of your own knowledge?—No, but from my reports.

421. You have not inspected there?—No.

422. The delays you complain of are therefore as to the mining reserves and section 33, and the delay to grant the extension. Now, as to this grant of extension, have there not been continual negotiations with the Government for a modification of the contract since 1892?—Yes.

423. I understand the only thing my friend objected to going in are these letters.

Mr. Hutchison: Excuse me, I never objected.

Sir R. Stout: These are the letters. [Exhibit No. 79 put in.] I think the correspondence is complete.

Mr. Hutchison: If anything has been left out it can be supplied.

Hon. E. BLAKE: Yes.

Sir R. Stout: That gives all the negotiations for the extension of the contract.

424. *Sir R. Stout.*] I ask you, could you have completed the contract, I mean constructed the railway, in the time mentioned in the contract?—We could not have completed the whole of the line, even from east to west, and that was known and repeatedly stated—that we must in the ordinary course of events, if we had the capital so that we could have gone on, have taken five years, even with very good luck.

425. But did you not say before the Committee that you could finish it in three years?—No, I think not.

Sir R. Stout: I know it was said. I am speaking from memory, but I think it was stated. Here it is (question 331, page 19, Public Accounts Committee Report, 1892): "How long

will it take to finish the railway?—Three years if the Committee give us fair consideration. If not, I cannot tell."

Witness: Yes, but I did not mean the completion from east to west.

427. *Sir R. Stout.*] What then?—The question was, "How long will it take to finish the railway?" so that you see that I was not wrong. Palpably, on the face of it, it is an error. If I said three years it must have been a slip, or it must have been taken down wrongly. It is a misreport. Any man looking at that country and going over it—perhaps you have not had the experience—would see that you could not possibly have done it in three years.

428. The evidence was, I think, submitted to you, read over to you, and signed by you?—It might have been overlooked by me. Mind you, it is not impossible to make the railway even in three years if you had the money, and could put your men on in sufficient numbers on the thing. To say three years is to argue the possible, but is not reasonable.

429. Dealing with this delay in another way, if you had got the extension of time, were you ever prepared since the first time you asked for an extension to complete the whole of the work to Belgrove?—I cannot answer for the company. As far as I know, I certainly would not have advised the company.

430. Then, the extension of time to five years would not have given the company the completion, even after five years. Was there any possibility?—I cannot say whether there was a possibility from what the works would be, but I would never advise them to finish the line in the time.

431. You wanted the Government to guarantee £2,900,000?—I said without a guarantee it could not be done.

432. Then you wanted an extension of time. You expected the Government to modify the contract in that direction, and, unless the Government had given that concession to you, the thing would have been valueless?—You make a great mistake. If we had been able to go to the financial people and say the Government will give this further time to finish the works, now that we have got time if you will find the money we can finish it.

433. Hon. E. Blake.] Do you mean that it would have been of value to you provided you remained under an obligation to finish the whole railway?—If they had given us an extension of time it would have given us something tangible to offer the financiers to furnish the money.

434. *Sir R. Stout.*] Do you think there was the slightest possibility of any financier giving you the money to construct the line on the basis of the old contract?—I cannot commit my directors in any way, but my own opinion is that, after what was said in depreciation of the first contract and the existing contract, I would not have advanced a penny upon it.

435. Then, putting it fairly as between parties, may we not say that the granting of the concession of the extension of time, unless the Government gave you some other modification of the contract, would have been valueless?—That is my opinion; yes.

436. Then, since 1892, and until this arbitration was started, your company was trying to negotiate with the Government to get them to modify the contract?—We were endeavouring to come to a satisfactory arrangement by which the liabilities of both sides would be met fairly.

437. The contract would have to be modified, at all events, and the Government would have had to give you, rightly or wrongly, more concessions?—I will not say concessions; but the difficulties between us had to be overcome, and by mutual agreement we should have made such arrangements as would have enabled us——

438. But the mutual agreement made would have given you more than you got in the original contract?—The negotiations of 1894 did not mean that we were to get more than under the contract. Not at all. What we offered to take was the nominal value of the land, £618,000, between the east and west, and we were to give our land-grant——

439. You were to forego the land-grant, and get the Government to buy a piece of line to a place called Norris's Gully?—It was made with your own special desire.

440. It was utterly valueless?—That is your look-out. You wished to insist upon our making it.

441. *Re-examined by Mr. Hutchison.*] Touching this last matter, you were invited to give your opinion as to what you would have advised the company to do. I would ask you to consider the position if there had been none of these grievances, as I shall call them. Assuming that the company had fair-play from the beginning, was the line north and south, or the balance of the line north and south, one which the company would have elected not to make at the risk of breaking the contract, so as to forego also the line east and west?—If the company had succeeded in getting the capital—three millions—which was offered to it in the early stages of negotiation to complete the whole line, undoubtedly the company would have completed the whole contract, and would have earned its land-grants, and would have realised its land-grants, in the hope that the whole of the lines constructed, *plus* the land-grants—half of the statutory cost—would have given it a good return on its money—probably, would have given 3 or 4 per cent. on its money.

442. Hon. E. Blake.] Will you state the date the three millions was offered?—I shall get it and state it for you.

Mr. Hutchison: I think it was in 1887.

Hon. E. Blake: It was anterior to the contract.

Mr. Hutchison: Yes.

443. *Mr. Hutchison.*] You have stated that, in your opinion, the Belgrove–Reefton Section was an undesirable one?—Yes, it always was an undesirable part of the line; and I believe I am correct in stating that, from conversations I have had with leading men in the colony, this line was really tacked on to the other line to get over political difficulties.

444. But you never had any doubt as to the desirability of the East and West Coast line?—No; I have not changed my opinion.

445. Although you have heard the evidence that has been given against it?—I still maintain

that, with the development of the mining industry, and the large development of our timber, it would pay.

446. Taking the two together, and assuming the company had not been interfered with, would the two together still have returned a profit on expenditure?—Assuming the land-grant could be realised at anything like a price that was anticipated, Yes.

447. The price you had reason to expect, if the Government had acted fairly, as you think?—Yes; if we had been free to select from all but *bonâ fide* working mining reserves.

448. Now, is it not a fact that experience has abundantly proved that through traffic on lines with few stations is better paying than on those lines where there are a number?—That is an axiom.

449. Hon. E. BLAKE.] But you would not be sorry to see settlement along the line?—No; but if you start from two points with the railway, and you have an assured traffic, you have an assured return. The other is auxiliary traffic.

450. *Mr. Hutchison.*] Now, with reference to the consent to the incline: I notice that in your petition you put it that the company completed its survey and plans of the incline on the 18th August, 1891; the Government referred the question in February, 1892; and that on the 21st April of that year the Government received the report of the engineers; but that at the time of the petition being presented, in July, you had not got a reply?—No; we had not got the reply from the Government.

451. Consequently, was not the assent in respect of the incline line delayed till after the petition was presented?—Yes.

452. But at the time of the petition you had not even got your answer?—No. In fact, we received the first intimation of consent having been given by the Minister for Public Works in the Committee. Even then I had not received an intimation of it.

453. When did you receive an intimation?—I did not receive it till I got a letter, which is in the correspondence.

454. Can you give us about the date. It is subsequent, at any rate, to the inquiry before the Committee?—It is the 25th August, 1892.

455. Hon. E. BLAKE.] That was after the explanation was given at the Committee. The complaint was, I think, fairly and reasonably abandoned, and what I was surprised to see was an attempt to revive it?—It was merely on the question of the scope of the inquiry.

Mr. Hutchison: My friend read two questions on page 9, Nos. 116 and 117, as to finance; well, I should like you to supplement that by reading Nos. 118 and 119. No. 118 says, "Was not that before the Government financial proposals were submitted at all?" The answer is, "Yes; I was alluding to the second trial. Your financial proposals were known in London in March last." No. 119 says, "That is 1892. I was referring to March, 1891?" The answer is, "We were then suffering from the reports as to the value of our land-grant, and the general value of the stock in the market."

Witness: Yes, the Government stock and our own stock.

Mr. Hutchison: That is all I wish to ask the witness.

HENRY ALAN SCOTT sworn and examined.

456. *Mr. Cooper.*] I believe you are a member of the English Bar?—Yes.

457. And I think you have been in New Zealand since 1879?—Yes.

458. You are acquainted with the circumstances connected with the New Zealand Midland Railway Company from the commencement?—Yes; until eighteen months ago.

459. You, I think, had something to do with what is called the "Chrystall contract"?—Yes; I, as agent with Messrs. Dobson and Fell, was sent Home to negotiate the construction of the railway through some company or syndicate, taking, as a basis, the concessions which were to be granted.

460. When was it you went Home?—As nearly as possible the 17th or 18th January, 1885.

461. Had you letters from members of the New Zealand Government?—Yes; I had a special letter from the Colonial Treasurer of the day.

462. Who was he?—Sir Julius Vogel.

463. To whom?—To the Agent-General and Sir Penrose Julyan, and I think to Mr. Carruthers, as the then Consulting Engineer of the New Zealand Government.

Hon. E. BLAKE: I suppose they were just letters of introduction.

Mr. Cooper: We have asked for copies of them.

464. You might just shortly state the purport of them? They were letters of introduction, requesting the officers of the New Zealand Government to give every assistance to the delegates that were sent Home.

465. Well, I believe on your arrival in England you had to take steps to obtain the construction of this railway?—Yes.

466. And those steps eventuated in the assignment of the Chrystall contract to the Midland Railway Company.

467. Were you personally familiar with the negotiations which took place resulting in the assignment of that contract?—Yes; they were, I might say, entirely in my hands from the commencement to the end—up to the very day the contract was assigned to the Midland Railway Company.

468. In the schedule to "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1886," there is certain correspondence set out as part of the Act?—Yes.

469. You are familiar with that correspondence?—Yes.

470. Your negotiations resulted in the assignment of that contract to the Midland Railway Company?—Yes.

471. I think a copy of that assignment is printed in the report of the Public Accounts Committee—D.-2, page 3, of the Appendices of 1887?—I have not got it before me for reference, but I know it was.

472. This is a printed copy of the assignment, Mr. Scott?—Yes. [Copy of assignment, Exhibit No. 80, put in.]

473. I believe you executed that assignment as printed for the syndicate. I see the company has executed it, and Sir F. Dillon Bell, as Agent-General, on behalf of the Government, has executed it?—Yes.

474. You will find the company's execution on the back?—Yes.

475. Was that assignment made subject to these conditions set out in the correspondence appended to the statute of 1886?—I had to seal the contract on condition that certain alterations were made in it. The alterations were set forth in the correspondence between the Agent-General and Mr. Salt—the correspondence attached to the statute of 1886.

476. There was previous correspondence between Mr. Salt and the Agent-General, but Mr. Salt can speak as to that himself. At the time you went Home were you furnished with any plans of the railway?—Yes; the Government furnished us with plans of the whole railway in two main sections. One—the east and west coast—had fairly complete plans; they were marked out at about 5 chains interval. The others, being of the north and south, were less complete plans; they were more in the nature of a flying survey, though to a layman like myself they appeared fairly good. I took the precaution of asking Mr. Carruthers, under the authority of the request I had had for the Government, that he would assist us if he would look through these plans and tell the people who were pressed to take it up what he thought of their value; and he went through them and said that they were good enough plans to show the lay of the country until there was an opportunity of a further survey.

477. Then, you remained in England for some time, I think, after the assignment of the contract was made?—Not very long, as shortly afterwards I arranged to take the position of land manager of the company, and I came out as their agent and attorney so soon as the details could be arranged.

478. Do you recollect when you returned to the colony?—About the first week of September, 1886.

479. When you arrived back in the colony you were in the position of land manager and attorney?—Yes; attorney and sole agent.

480. Had any work been done on the railway up to the time of your arrival in the colony, under this or the Chrystall contract?—No.

481. Now, I believe there were steps taken before your return to the colony to let a small contract?—Yes.

482. There was a small contract let to McGowan, Robinson, and D'Avigdon.

483. When you represented the company after your arrival in the colony, did you enter into communication with the Government for the purpose of obtaining a new contract?—Yes; at once.

484. On the basis of the terms set out in the statute of 1886 you met the Agent-General?—Those are the leading principles of it.

485. Up to what time did these negotiations continue?—They continued in one form or another until eventually the amended contract of August, 1888, was signed—that was, until after Christmas, 1887.

486. Until the settlement of the terms of the new contract, in your opinion, would it have been wise for the company to have financed or entered into a large financial scheme for the purpose of carrying out the works contemplated by that new contract?—As far as my opinion goes, it would have been quite impossible to do anything of the kind until the new contract was framed, because it was inchoate until then. That was my first instruction.

487. That is to say, until the new contract was made, the terms which were agreed upon by the Agent-General and the company could not be carried into legal effect?—The meaning of my answer was that, until the company was in a position to lay it before others, it would have to find the money necessary for carrying out such an undertaking; that until they got that into shape my own opinion would be that it would have been foolish to have attempted such a thing. What the legal effect might be is another thing.

488. Now, the negotiations or communications between you and the Government in reference to this new contract, you say, continued until pretty nearly the end of 1887?—Until soon after that.

489. Do you recollect when the first sod of the railway was turned?—On the 19th January, 1887.

490. By whom?—By Mr. Edward Richardson, the then Minister for Public Works.

491. I am going to take you to the time when the Larnach Proclamation appeared. I think that was on the same date as the turning of the sod?—I believe, as a matter of fact, it was.

492. You had a Minister of the Crown to perform this opening ceremony. Did you up to the time of your actually seeing that Proclamation know that such a Proclamation was to be made?—No; not until it had been done. I did not see it for some little time afterwards, because I was travelling there about that ceremony. I did not see it until I got up to Nelson.

493. Can you state about what time it was that the Proclamation came to your notice?—I should think, within ten days afterwards, or a week.

494. What did you do then?—I came straight to Wellington to see the Minister on the subject.

495. Who did you see?—Mr. Richardson.

496. What took place between you?

[Sir R. Stout objected to this question.]

Hon. E. BLAKE: On what ground, Mr. Cooper, do you suppose this evidence would be admissible?

Mr. Cooper: On this ground, we submit: to show how that Proclamation afterwards came to be revoked.

Sir R. Stout: How can you tell that?

Mr. Cooper: By a communication made by a Minister of the Crown in reference to a Proclamation which was made by the Government, and I propose to ask the witness the nature of the statement that was made by the Minister of the Crown in reference to the Proclamation of the Government in reference to these reserves.

Sir R. Stout: The law is, of course, the same in other countries—that where a Minister has charge of a department he is supposed to administer it; but in case of a dispute amongst Ministers, then Cabinet settles on a certain course. I object to anything being received excepting official information from the Cabinet. If there is any, then put it in.

Mr. Cooper: In reference to the Proclamation, this evidence is required to lead up to the reason why other Proclamations were subsequently made, and also it is evidence which may go to the question to be decided by the second arbitration in reference to the delay in carrying out the works.

Hon. E. BLAKE: At present I am unable to perceive any ground which would enable the evidence to pass.

Mr. Cooper: I propose later on to put in the official correspondence which passed between the company and Mr. Richardson.

Mr. Hutchison: Perhaps the Umpire would not object to the correspondence. It would be considered evidence.

Hon. E. BLAKE: I would not, to the official correspondence.

Mr. Cooper: I am making two applications—that is, to get in the verbal communications between the Minister and witness, and the official correspondence between the Minister and witness.

Mr. Gully: We object, on the ground that it is irrelevant.

Hon. E. BLAKE: My present impression is very strongly hostile, Mr. Cooper, to your being able to make very much of what occurred anterior to the contract of 1888. I think the best plan would be to receive it subject to objection, leaving it open, and we will deal with it afterwards as justice requires.

Mr. Cooper: Yes.

Mr. Gully: I understand the Court says that the objection will be left open.

Mr. Cooper: I am quite content that the evidence should be open to my friend's objection. [This evidence taken subject to objection.]

497. *Mr. Cooper:* You say, Mr. Scott, that you came to Wellington and had a special interview with Mr. Richardson?—Yes, the Minister for Public Works.

498. What took place, shortly?—I pointed out to him the Proclamation, and I asked what its meaning was. I refer to the Larnach Proclamation. I pointed out to him that the Minister had no power to make such a Proclamation, and that it would seriously injure the whole of the land-grants of the company. I said that the decision must be reconsidered. We were then in the course of negotiations for a new contract, and Mr. Richardson replied that I need not say anything more because the Proclamation was revoked.

499. Hon. E. BLAKE.] How long was that after your first interview?—I am dealing with my first interview on that subject.

500. *Mr. Cooper.*] Can you give us approximately the date of that interview?—After the turning of the first sod I came up from Nelson. I had a friend to see, and was probably in Wellington some three or four days. I never saw the Minister until I came back. It was within a few days of my arrival in Wellington.

501. I believe you took no further steps in reference to that Proclamation for some time. There was no revocation published, was there?—No; I went for business, and took it for granted that the revocation was made as the Minister said to me.

502. Did you have any correspondence with the Government in reference to it?—Yes. My attention was called to it by seeing a copy of it in some paper, and in consequence I wrote a telegram first of all to the Minister, asking what was the meaning of it.

503. Is this a copy of the telegram?—Yes. [Telegram of 26th May, 1887, put in. Exhibit No. 81.]

504. You received a reply, of which this is a copy?—Yes. [Letter dated 26th May, 1887, put in. Exhibit No. 82.]

505. And then, I think, you wrote officially to the Minister on the 27th May, 1887, and received a reply on the 30th May, 1887. Will you please read the reply? [Letter handed to witness. Exhibits Nos. 83 and 84. The witness read the reply.]

506. Now, the Act authorising the execution of the new contract was passed 23rd December, 1887?—Yes.

507. And the new contract was signed on the 3rd August, 1888. Do you, as attorney for the company in New Zealand, consider it would have been wise for the company to have delayed indefinitely with the works until that contract was actually signed? Did that question appear to you in that way?—I do not suppose there would have been any risk to the works; but there was a difficulty, as I have already stated, in raising the money for the other contracts.

508. Until the further debenture issue was made, giving the company more capital, it was impossible to issue more contracts; and until the new contract was signed you say it was impossible to raise the necessary funds?—I should reply so.

509. I think you continued in the management of the company until?—July, last year, eighteen months ago.

510. Mr. Wilson came out subsequently. He would take a very active part in the engineering portion of the work, I suppose?—He was General Manager and Engineer-in-Chief. I was Land Manager.

511. Do you recollect being present when Mr. Wilson had an interview with Mr. Seddon, in July, 1891, in Christchurch?—On what subject?

512. In connection with mining reserves?—Yes. I can take the date from you, because I have no means of knowing it. There was only one meeting.

513. At Christchurch?—Yes, in Warner's Hotel.

514. You say that Mr. Wilson and Mr. Seddon were present?—Yes.

515. Can you recall what took place?—At this moment I do not remember exactly; but there had been some rumours about. I know it was in our knowledge that there was a proposal on the part of the Government to make all the mining reserves as provided in the contract, and we had been taking a good deal of pains to arrive at a principle by which we thought the mining reserves could be best worked. We were working in a friendly way with the Government, and always endeavoured to arrange matters so that certain difficulties should be got over. Then we met Mr. Seddon, and suggested to him that, if it was the case that he was contemplating making large mining reserves, we thought that it would be very much better not to do so, but to make them on the principle we had formulated and arranged with some people in the principal mining districts, notably Reefton.

Hon. E. Blake.] That is developed in the correspondence?—Yes. Mr. Wilson suggested that, instead of making the mining reserves, the principle should be acted on of advertising all land required to be dealt with, the Government still retaining power behind to make mining reserves if they subsequently found it necessary, in the interests of gold-mining, to do so. Mr. Seddon said, "We must make the mining reserves," and the interview terminated.

517. I think you had previously some correspondence with the Minister of Lands in reference to the mining reserves—I mean with Mr. G. F. Richardson?—Yes. I had personally many interviews, and, I think, Mr. Wilson also.

518. There are, I think, letters for the 27th and 30th August, 1889? I think you asked the Government for notice of that Proclamation?—Yes.

519. These are the replies?—I do not know whether we added these to the exhibits already put in relating to what occurred regarding the mining reserves——

Mr. Gully: I suggest that copies of any new letters should be furnished to the Government——

Mr. Cooper: I will give you a list. I wish to read these letters of the 27th and 30th August. [Letters read. Exhibits 85 and 86.]

Hon. E. Blake.] You identify these letters?—Yes.

520. *Mr. Cooper:* This G. F. Richardson, Minister of Lands, is not the Edward Richardson, Minister for Public Works in the former Administration?—No; he is the successor.

521. You also said you took an active part in the negotiations for the contract: in your opinion, did the company get any concessions by that contract? There were alterations?—Yes. In my opinion the company got no concessions, meaning by "concessions" the giving of further facilities or bonus, or advantages like that. The alterations caused, or which occurred in the new contract as compared with the first contract were simply the carrying-out of the terms of the letters or conditions on which the Midland Railway Company took up the old nominal contract—the first contract. There were other alterations caused by other things subsequent to that, but they were of the nature of the action of Government or Parliament, or people connected with the Government of the country. That is to say, a provision was inserted in the new contract that if there were not enough lands more land should be given out of the reserved area. That was in consequence of it having been made to appear to the people and the country that the lands first given were supposed to be not worth enough. The only other alterations which might be thought to be concessions were the allowing the company to make an incline over Arthur's Pass if it wished. That was in the original plans I took Home to the company, which had thought of completing the line with a tunnel, or stationary engine to haul up the traffic with a wire rope; and in the new contract we inserted a reference to the Abt system, which was a new thing at that time, and was likely to be adopted. I have heard it stated that that was a concession. To my mind it was absolutely no concession, and it was simply carrying out the original rights of the company.

522. What effect, in your opinion, had the making of the Proclamations of 1891 and 1892—the Proclamations of the present Government in reference to the mining reserves—upon the company?

523. *Mr. Gully:* Is not that a question for the arbitrator? I can quite understand that a person having the knowledge of a specialist could be asked it.

Hon. E. Blake: Do you suggest that he was an expert in this matter, or that he founds results upon it on which he is passing his opinion?

524. *Mr. Cooper:* You were land agent for the company as well as attorney: can you say what results the making of these Proclamations had upon the company?

Mr. Gully: I assume the question means facts within Mr. Scott's own knowledge?

Hon. E. Blake: It was on that, I understood, Mr. Cooper was basing his suggestion.

Witness: Well, it is a difficult thing to answer, for this reason: these reserves were actually made quite recently. I believe the results have not flowed from them yet, because not much work has been done. Things have been almost at a standstill on account of them. I think one result within my own knowledge that has flowed from them is that the possibilities of the company getting the further capital that they are waiting for were enormously altered and their chances deteriorated by the fact of its being advised by Mr. Wilson and me at respective times that these, the best and most suitable lands for settlement, were being taken away from them. Although the company may not be able to say that one pound was taken from them, still it is the natural sequence arising from it.

Mr. Gully: The reason I rose was this: that we have had a great deal of opinion on things not to be found in the deed, or not founded on actual knowledge.

525. *Mr. Cooper:* I want you to say what in your own knowledge was the result of making these Proclamations.

Mr. Gully: That is the examination I object to. If the witness had been able to say that they had been refused applications, or that some person had made applications for land, that would be different; but the general opinion as to the result is a matter for the Court and not for the witness.

Witness: By referring to the books, I know from my own knowledge that you will find a considerable number of applications for land refused because they were in these mining reserves—applications which, in my opinion, were *bonâ fide*.

526. Hon. E. BLAKE: You were land agent at the time?—Yes. These lands were unable to be dealt with in consequence of that.

527. *Mr. Cooper:* You were land agent at the time: What effect had these Proclamations upon the prospective value of the land-grant to the company?—They took the eyes out of it, from my point of view—entirely depreciated the most valuable land-grant on which I had been depending for the success of the company.

528. Why do you form that opinion, that they took the eyes out of the land-grant you had been depending on for the success of the company?—The way I always regarded the land-grant of the company was this: There was an immense area of reserves for them in which there was a great quantity of land perfectly useless, and no one in his senses ever thought it would be required. There was one quantity of land on the Canterbury side which was very readily saleable, as it stood without any improvement or alteration. There was another quantity chiefly down the Grey Valley, and further down there which was some fair, good agricultural land even—not much of that—but a fair quantity of grazing land; and there was, as I have frequently advised, a matter of some 400,000 acres of timber land, which was the chief value of the land-grant. To explain my meaning, these lands without the railway were not worth 10s. an acre; with a railway running them, and railway facilities for shipping, they will from timber royalties alone cut out to £5 an acre. Therefore, for those lands which are within the mining reserves, if these were taken out of them, my calculation is entirely altered.

529. Hon. E. BLAKE: You think this lot of lands, next to the Canterbury lands, was the chief available value?—Yes.

The Court rose at 5·15 p.m.

SATURDAY, 30TH NOVEMBER, 1895.

The Court opened at 10 a.m.

Mr. Gully: Before my friend cross-examines Mr. Scott I desire, first of all, to indicate to the Court that we accept the suggestion made as to the further matters set out in the printed memorandum, handed to us the day before yesterday and mentioned yesterday, being referred to and considered by this Court. In point of fact, we agree that these claims should be dealt with as part of the proceedings.

Hon. E. BLAKE: You admit that they are within the reference?

Mr. Gully: Subject to this: that we want, as I wish to indicate, further details in the way of particulars; and subject also to this: that if, owing to the lateness of time that it has been formulated, it becomes necessary to ask for further time to consider them, we desire to leave that open. I think, however, it will be unnecessary.

Hon. E. BLAKE: My circumstances are such that I must take this burden at all hazards.

Mr. Gully: I do not think we shall require the time to consider these matters.

Hon. E. BLAKE: I think that, after consent, you should indicate your particulars and go straight on. I think your proposal perfectly reasonable. I understand that this consent puts you in the same position of objecting to my power to deal with these questions on the reference.

Mr. Gully: I am prepared to treat it as an amendment to the notice.

Hon. E. BLAKE: That is obviously plain—it is all tentative. It is an intimation across the table. You will have to give particulars at once, and when that is done I shall consider how to treat the application.

Mr. Gully: I have no fear of any difficulty arising. I desire, in reference to the observations made yesterday morning, to again ask for more details as to the matters which I understand are substantially in dispute. There are some particulars which I venture to predict will turn out to be matters of substantial contest. There were, however, three questions of fact upon which I think we are clearly entitled to further details—first, as to the mining reserves; secondly, as to the claims in respect of timber; and thirdly—although this is a matter of less importance—particulars of the plaints under section 3 of the contract.

Mr. Hutchison: I think we have got that.

Mr. Gully: I will assume, therefore, that we will dispose of the third head of the particulars first.

Hon. E. BLAKE: That is No. 4.

Mr. Gully: I do not understand whether these new particulars are to take the place of the old ones. They reiterate portion of the claim—for instance, it reiterates the general claim in respect of timber.

Hon. E. BLAKE: Let me interrupt for a moment to get at the basis. I understand this printed paper which was filed at the opening represents what the claim of the company was at the first reference. Anything you have said since, or that is in writing, I understand is to be given in more details of particulars. What I am called upon to deal with—and it is very important that it should be understood—I am called upon to deal with is as to 1, 2, 3, 4, 5, 6, 7, 8, and 9, and everything else is elucidatory. I am called upon to deal with No. 4, and you say you want further particulars of the claim as to that. The rest is brought on the claim?

Mr. Gully: Yes; although I need not press that point. It would be convenient to have further particulars. For instance, the complaint as to certain selections refused in the Tadmor district. It would be more convenient if we had particulars of these, and to say at once under this heading the information generally. As to what has been done as to the clause, that is on record, and in the possession of the Crown, and therefore I lay less stress on that head as to particularity than the others. I only suggest it would be more convenient to the Court and to us if the claim was formulated with some particularity, for, when we came here, we never heard, except as a general matter, that a special plaint was to be founded on the refusal to admit or consent to these applications of the Tadmor locality; and as to this dispute as to the true boundary of the East and West Coast reserves, we did not know that any such complaint was to be brought before the Court. Indeed, it was not brought before the parliamentary tribunal, as far as I know. Even as to these, we are ready to go on. We are making no complaint; but it would have been more convenient if proper particulars had been given. I ask for particulars to be furnished under that head.

Hon. E. BLAKE: At Tadmor?

Mr. Gully: Not only that, but I ask for all reasonable particulars under clause 4 of the company's original claim. I say, upon this head, that we do not complain really of the want of notice, but there are other reasons why it would be proper, in a case of this magnitude, that reasonable particulars should have been filed at the proper time. There are several reasons. First, it is more convenient for everybody; secondly, because it is possible that these proceedings may go further, and, obviously, there should be something to show what the company mean to claim; and, thirdly, if the particulars under these various headings sufficiently show, to enable us to see what the contention of the company is. We may be able to submit to the Court points of the construction under the contract which will eliminate a great deal that may be necessary now—that is, generally. Coming now to a much more important question affecting the question of the mining reserves, I say there is almost a ludicrous want of particularity in the claims the company has vouchsafed to this Court.

Hon. E. BLAKE: Under claim 1?

Mr. Gully: Yes, I do not impute in the slightest degree anything to my friend; but we have been seriously embarrassed, and are likely to be, because the company will not formulate the real ground upon which they seek to attack the Crown. Now, it is obvious on the proceedings of this Court, and also those of 1892, that there is no ground for the suggestion that all the reserves and all parts of the reserves are really the subject of any contest. Mr. Lord, who was one of the expert witnesses for the company before the parliamentary Committee, said, it is on page 57, and I am only——

Mr. Hutchison: I object.

Mr. Gully: It is illustrative of what I ask for.

Hon. E. BLAKE: Perhaps it is better not to refer to witnesses that were called either on behalf of the Minister or the company on that occasion.

Mr. Gully: It was stated——

Hon. E. BLAKE: I think you had, perhaps, better not refer to it.

Mr. Gully: Then, I will abandon Lord's evidence, and refer to the statements of those in charge of the proceedings.

Mr. Hutchison: Mr. Bell was in charge.

Mr. Gully: Well, he was there in charge of the proceedings.

Mr. Hutchison: I submit you should not refer to the proceedings before the parliamentary Committee.

Mr. Gully: Is it a case of trying to make out that former proceedings cannot be referred to? I should say they are legally as much before you as before any Committee of the House. If, however, my friends object, and I am not to refer to the matter, I will put it by way of suggestion.

Hon. E. BLAKE: Yes.

Mr. Gully: Then I suggest that the Buller reserves, for instance, are inalienable. I will not say that that was stated before the parliamentary Committee, that it was never a part of the Buller reserves which was before the parliamentary Committee; but I will say it was alienated from the railway by Larnach on the 3rd of August, and it is reasonable to suppose it was not attacked. If so, I submit we should know it. The other side will not say what portions they are not going to attack if any; and, if they will not do so, let them take the responsibility of seeking in this Court to claim, if it so turns out, which cannot afterwards, perhaps, be considered to be either reasonable or, if I may use the word without any offence, honest. I do not know whether I am entitled to refer to it, but surely it must be the case that some of these reserves were properly made, and I argue that we should have a plain statement either of what they attack or what they do not attack. There is one reserve which is inland from the mining township of Kumara which it would be absurd to attack under this contract. It is a reserve of which every yard almost has been turned over, the whole reservation looking as if it had been rooted up by some antediluvian hog—a huge mass of boulders. If that be so, well, they might tell us. The result at the present time of this remarkable procedure, or want of procedure, on the part of the plaintiff is that we have had to collect a mass of evidence as to the Buller reserves, to send down for witnesses at a great expense and bring them up here—an expense which will be wasted if it turns out that these reserves are not seriously affected. It seems that counsel, for whom we have great respect, are to come here claiming what is really a breach of contract, and say we have broken that contract, when I say that we have for months tried to get particulars which Mr. Wilson himself is not able to give.

Hon. E. BLAKE: That is under clauses 2 and 3?

Mr. Gully: Yes. Now, timber may have been removed from the lands in three different ways. First, by the surveys of the Crown—I do not say that it has been done, I shall prove that—but I will put it as a supposition. It might have been done in three ways: First, by surveys of the

Crown; secondly, by licensees of the Crown; and thirdly, by trespassers. I should like to know under which, for it must be under one of these three heads that the claim made against the Crown —and surely we are entitled to know which, and some reasonable particularity under which this timber alleged to have been removed was removed. If we know that, then we shall be able, perhaps, to submit a reasonable proposition of law as to the construction of clause 18; it may be of some use, at any rate, or shorten the proceedings. Obviously they might, under one or some of these heads, have been able to sustain a legal position. Perhaps, although I am not really confident about that, the Crown was liable for the act of the trespassers. I could not say; my friend would assert that, because there may be some untenable points. I should have thought that a person holding a timber-license under the Crown, if he exceed the authority the Crown has given him, would not by such excess injure any legal rights of the Crown; but surely, if licenses were granted to A, B, and C, and they exceeded their power, and cut timber outside the area of their licenses, we are entitled to know what the complaint is. If they say it was under the direct authority of the Crown, well, then, by whom and when? Surely they are not entitled to come here and say, "We do not know our own case," and to say, "We cannot formulate it." They must have some ground —I apprehend we must assume they have some ground, be it good or bad or indifferent; and I suggest that it is wrong that the matter should be left at this stage of the proceedings in this state in a case of this magnitude. There is no provision in arbitration for procedure. The Court lays down its own procedure; but it seems to me that it would have been of great advantage, at any rate, if some such particulars as I have indicated were referred to before, and I ask that they should be furnished now as promptly as possible, but I do not suggest there should be any delay in proceeding with the arbitration in the meantime; on the contrary, I am as desirous as anybody else to go on now that we are here, and all that I ask is that we should be supplied with such particulars and details as will enable us to know with a reasonable degree of certainty what the claim made by the company really is.

Mr. Cooper: We recognise that there is a certain amount of reasonableness in Mr. Gully's remarks, and we desire, on behalf of the company, to facilitate the proceedings as much as possible. I believe that we may be able to satisfy my learned friend in every respect; and I may say, in reference to the mining reserves—No. 2 on the claim, a most important branch of these objections—that we expect our expert witnesses this afternoon, and will be able to intimate to him whether we object to the whole of the reserves *en bloc*, or whether there are any particular reserves which we shall not object to, subject to the limitation raised by Mr. Hutchison, as to the taking of the blocks. Mr. Hutchison will refer to that further on. I think Mr. Gully will agree with me that there is no desire to embarrass the Crown. Of course, on a proceeding of this kind, where there are no issues prepared on the one side or the other, there is, necessarily, a little delay; but we do not wish to delay the proceedings or embarrass the Crown. In reference to the timber claims, I think we shall be able to satisfy the Crown as to the particulars claimed, and to give him particulars of the districts we claim in respect of, and the particulars of the heads under which we claim, timber removed by the Crown, whether under licenses wrongfully issued by the Crown—not that such were abused, but that the Crown had no right to remove timber at all—or whether removed by trespassers under circumstances throwing the onus on the Crown.

Hon. E. BLAKE: You will give such particulars of time, place, and circumstances, and substantially comply with his demand as to No. 3? When?

Mr. Cooper: As soon as possible. We anticipate having a day of leisure to get these particulars.

Hon. E. BLAKE: You think you will be able to get them to-morrow?

Mr. Cooper: Yes, even if we have to do it to-morrow.

Hon. E. BLAKE: Oh! I shall be glad, if you cannot supply them wholly, to do so at least in part.

Mr. Cooper: I should be very sorry if the Crown thought we were holding back the details. We are doing nothing of the kind. We are trying to give as little embarrassment as possible to the Crown.

Hon. E. BLAKE: You have not said anything at all about claim No. 4.

Mr. Cooper: I understand my friends do not seriously press that. We handed in a pretty full list. His objections seemed mainly to be comprised in this: that he wants to know whether we insist upon the Tadmor as being within the authorised area.

Hon. E. BLAKE: One method of dealing being applicable on one side of the range, and another being so on the other. We have to deal with small things as well as big.

Mr. Cooper: He may take it that these are the company's contentions.

Mr. Gully: There is just this reservation: That, if my friend proves applications under clause 33, it does not follow as a matter of fact that it is not correct, that all the applications were made to us—to the Crown. That shows there is some reasonable ground for asking that that claim should be formulated.

Hon. E. BLAKE: It seems to be comparatively narrow and easy of formulation, and even tends to facilitate and expedite things. We will have to know in a few days, any way.

Mr. Gully: I have not tried to exaggerate as to any particular clause. All that I suggest is that we should know what they are claiming.

Mr. Cooper: Probably we will have a meeting with Mr. Gully later on, and seek to arrive at a satisfactory solution of this.

Hon. E. BLAKE: Any suggestion to be made as to these claims under claim 3 is to be satisfied; and, as to number 4, that is also to be satisfied. The mining one is the only one upon which I think anything at all can be said.

Mr. Gully: I do not desire to say anything further. I have said nothing to the Court as to the formation of damages, and I do not propose to say anything, because we have had a note in

writing as to the calculation of damages, which is sufficiently explicit to enable us to discuss it at some future time, whether it is right or wrong.

Hon. E. BLAKE: It has occurred to me that it would be more convenient to have some particulars as to the damages you claim under the different heads. It would help me a little if that could be furnished.

Mr. Cooper: We will endeavour to do so.

Hon. E. BLAKE: The principle upon which some of these calculations have been made have not been attempted to be explained as yet. I think we ought to have a little more detail, I do not mean more minute detail, but I think some slight statement just for information, either orally or by letter, upon the principle upon which some of these were claimed, would be satisfactory.

Mr. Gully: All I desire to say as to that is this: that it would be advisable that my friend should distinguish between general damages accruing from the breach of contract—I mean the lump sum representing the whole of the damages alleged to have arisen for the breach of the contract, and the loss alleged to have accrued from particular breaches or obstructions by the Crown. As far as I can understand the particulars at present they do seem to overlap. They claim a sum representing general damages for breach, and they also claim for particular losses from the way in which the company's rights have been dealt with. Of course, we shall have to discuss the question of the principle upon which damages are to be assessed.

Hon. E. BLAKE: It would be for the convenience of all parties that some short statement should be made on that subject, simply to indicate what your argument is going to be, because the evidence may be applied to it to some extent. Take, for instance, the principle upon which you clain £20,000 for injury on account of timber taken.

Mr. Cooper: We can apply the principle of so much per 100ft.

Hon. E. BLAKE: Then, it is upon the principle that you claim that the company has actually lost every foot of timber that has been taken?

Mr. Cooper: In some instances.

Mr. Gully: It has been suggested that we should put in particulars of our answer to the claim. That I propose to do after these further particulars have been handed to us.

Hon. E. BLAKE: I wish to take the course which the Arbitrators took in the first instance. They asked for a statement of claim from the company, and a counter-statement from the Crown; and I am simply asking you to do for the second reference what you thought reasonable for the first.

Mr. Gully: Do you mean the second reference as to the seizure?

Hon. E. BLAKE: Yes.

Mr. Gully: We have already given our answer to that.

Hon. E. BLAKE: You mixed the two up.

Mr. Gully: Yes; we pleaded as it were to both, assuming that both references would go on together. I understood you were referring perhaps to those additional matters which were included yesterday.

Hon. E. BLAKE: It would, of course, be premature to say anything with reference to the seizure pending discussions that are to take place. If there is anything to complain of, on Monday you should complain promptly, and I will make an order if necessary.

1. *Mr. Stringer.* I take it, Mr. Scott, there is no doubt that the failure of the company to carry out its contract resulted from inability to finance?—I am only speaking on that subject from public knowledge, but I should say so. I cannot speak from any private knowledge of my own, because it is not within my knowledge that they did fail, officially.

2. But you know, as a matter of fact, that they could not raise the money, and therefore they could not proceed with the works?—I am told so—yes.

3. I think the company was admittedly weak in finance from its very origin?—No; I should say, not at the commencement.

4. Will you tell us, then, when it first became weak in finance?—I should say that in the first commencement the company applied for the issue of £250,000 worth of share capital, and got it. Secondly, they issued £745,000 of debentures as soon as they could. They got that in very difficult times. Since then they have been unable to get any more, I am informed.

5. You, I suppose, know that in the early part of 1891, when the company desired to raise further money, it was impossible for the company to do so?—Yes, I think I know that myself.

6. As a matter of fact, you had great difficulty in the first instance in floating the company at all?—Yes; not this company, but a company.

7. And you were some eighteen months, I think, in London endeavouring to do so?—Something like that. It was not quite so long as that. I was about eighteen months away from the colony altogether.

8. I think the difficulty arose from the doubt as to the value of your concessions from the colony?—Yes; a good deal that, and a good deal from the inchoate state of the whole scheme in the beginning, and from other reasons connected with the general financial position of the colony at the time.

9. But that was the main factor—the doubt as to the value of the land-grant?—I never was told so myself. In fact, that was the smaller difficulty, I should say, of the whole.

10. When you went Home I suppose you took a lot of material from the colony in order to let possible promoters see what you were working upon?—Yes; in the shape of reports of Government officers of one kind or another.

11. I think there was a considerable amount of discrepancy in those reports as to the value of the land which was conceded to the company?—I have not seen those reports for over over twelve years, and I hardly like to speak confidently about them now. I can only answer your question by saying that my colleagues and myself, after carefully digesting those reports, wrote down exactly what they all amounted to without contradiction, and on that alone we went.

12. You mean to say you only showed the favourable reports of the contract at Home?—No; quite the contrary.

13. I want to know whether there was not a considerable variety of opinion as to the value of your land-grant?—Yes, a very great variety of public opinion in the colony.

14. And I suppose you know that the increase of the land-grant from 30 per cent. under the Act of 1881 to 50 per cent. in 1884 was because of the doubtful value of the land, which was expressly increased on that ground?—Well, that is a new question to me. I thought the increase was due to the supposed difficulty and cost of making a railway across the mountain, being necessary to give a greater proportion, because the increase of the land-grant would not matter so long as the land-grant was valued at so many shillings an acre. Whether you had a million acres or one acre, so long as they were only worth ——

15. That is not the point. You were getting an increase from 30 to 50 per cent. The more the cost of the line, the greater the concession was; and what I wanted to know was, Is it not a fact that the increase was made mainly on the ground of the doubtful character of the land?—I cannot follow your argument, for this reason: that the 20 per cent. was to be given in land representing a certain amount of money, and the question as to whether that increase was put on for the reason you say was a parliamentary one.

16. Let me remind you that when the 30 per cent. was passed by the Act of 1881 there was a limit to the cost of mileage—£5,000—and in the Act of 1884 the land-grant was increased to 50 per cent., and the mileage limit was struck out?—Quite so; but the special reason why the House did that is not within my knowledge.

17. Did you, amongst other documents, take away the report of a Committee which had been appointed by the Canterbury Railway League, which had reported adversely to the construction of the line?—I have not the slightest recollection.

18. Do you remember McIlwraith, Bowen, and Inglis making a report?—I do not remember.

19. Did you take with you the report of the Royal Commission of 1883—what is called Captain Russell's report?—Yes, I had that with me, and I am inclined to think we had the other you allude to, but I should not like to say for certain.

20. This was, I suppose, *en evidence* in London?

21. Hon. E. BLAKE.] I have not understood what Mr. Scott meant to convey on that subject—whether he showed those whom he approached at Home the original documents, or whether he simply showed them the digest which he and his colleagues compiled from the documents?—In the first instance we showed the digest, and we handed over the documents to those people who had got so far to wish to go into them. The documents were rather bulky, however, and naturally you could not expect people to read them through.

22. Hon. E. BLAKE.] You allowed those who wished to read them?—Yes.

23. *Mr. Stringer.*] I want to call your attention to one passage in Captain Russell's report, which says, "Having now concluded the more narrative portion of our report, it remains only to recapitulate, for your Excellency's information, the conclusions and opinions we have arrived at. The nature or circumstances of the soil are such that along neither of the alternative lines can it be looked to for the support of a population earning a subsistence from either pastoral or agricultural pursuits; and, although metals other than gold probably exist in many places, we have no reason to suppose they can be found in such quantity or quality of ore as to become, for many years, of any commercial importance, or likely to afford employment to a population of any magnitude." Do you agree with that opinion yourself?—No, certainly not, or we should never have had anything to say to it if we had thought that was to be the beginning and end of it.

24. Now, you say in 1891, to your knowledge, the company was in difficulties again as to its finance?—I answer that by saying I knew they had not been able to raise money after the £745,000 of debentures, which I believe, from memory, was in 1889. They had not been able to make further issues.

25. Do you know when they next tried to raise money?—Speaking from memory, I should think it was in 1891.

26. What prevented the company from being able to finance in 1891?—Of course, I know nothing on that subject except what I have heard.

27. Well, you have the knowledge communicated to you from your position in London?—I would not like to speak of it until I saw the letters.

28. Surely you can tell us the cause of the failure in 1891?—As far as my memory serves me at this moment, there was no particular failure, but they had to wait and wait before coming out for a further issue. I do not know that any issue was actually tried and failed.

29. I understood you to say that you knew the company's finance in 1891 had failed?—I said they wanted to get more money about then, but they had never been able to come out for a further issue.

30. I want to know why you did not try to raise money, or could not raise money, in 1891?—It was in consequence of the difficulties, which were constant, as to making the necessary arrangements with the Government.

31. In 1891?—Yes.

32. Will you tell us what difficulties had arisen with the Government in 1891?—There had been perpetual difficulties, to my knowledge now, since 1889 or 1890 as to arranging for sale of land under clause 33.

33. That is one ground. I want to get all the grounds. Was there any other difficulty with the Government at that time? At any rate, there was no difficulty about mining reserves then, Mr. Scott, because none had been made in August, 1891?—No; but there had been discussions going on as to whether they were to be made.

34. Do you now say that the prospects of these reserves being made interfered with the finance in 1891?—No; I say the whole indefiniteness of the position.

35. I want you, Mr. Scott, to tell us, if you can, what causes created the difficulty of finance in 1891. You have told us about clause 33: will you be good enough to specify what other causes operated?

36. Hon. E. BLAKE.] Did you say the prospect or intimation that mining reserves might be proclaimed in the future affected the finance in 1891?—No; I did not say that.

37. You put it down to the indefiniteness of the whole position and the friction about sales?—Yes; there was constant friction of one kind or another.

38. As far as I can understand, without suggesting that I appreciate it for a moment, the frictions are on paper and in the letters, so that we need not trouble ourselves about word of mouth?—I have not looked at the papers in any way for, I suppose, two years, and at this moment it is rather difficult to recollect back to then. It being conceded by the company that the causes of trouble, whatever they are, are on paper, it would not be necessary to hear them again.

39. *Mr. Stringer.*] If you had a grievance, either you or Mr. Wilson would soon have put it in writing?—As far as I was concerned the difficulties were arranged or tried to be arranged verbally. It is generally the quickest way.

40. However, we can deal with the grievances in the correspondence, so that I will not trouble you about the verbal ones that you say were arranged.

41. Now, Mr. Scott, you say you continued in the service of the company until what date?—Until July, 1894.

42. And, up to that time you had principally to manage the land business?—Only.

43. Will you tell us when the company first definitely decided to abandon the Nelson end of the line?—The first intimation I had of it was at the time of the parliamentary Committee, in 1892, I think.

44. You learned then for the first time that the company did not intend to proceed with the line at the Nelson end on the basis of the contract?—Yes; the general manager then stated it, through Mr. Bell, I think.

45. In the course of your connection with the business, did you or others in the service of the company ascertain that they had made a very great mistake in estimating the possible traffic of the Nelson end of the line—that the company had?—I am not aware that the company ever did estimate the traffic returns, but the way was that we as delegates submitted the estimates we had received from the Government or official papers to the company. I have always myself said that I could not make any estimate of the traffic on the North and South, and I am not aware that any definite attempt at an estimate was made by the company.

46. Do you know as a matter of fact that the statutory estimate of the cost of the Nelson line was likely to be very much exceeded?—Yes, I became aware on my return to New Zealand that the Government estimate I took Home—what you call the statutory estimate—was borne out by the plans roughly, but that that was completely wrong. In fact, this plan was not nearly as good as it appeared to be—the North and South plan.

47. And the result was that the line was going to cost you?—One-half as much again.

48. As the statutory estimate?—Roughly. I am speaking as a layman, and roughly.

49. That was after the contract was signed?—When we came back.

50. After the contract was signed?—I did not know until another couple of years, because the question had not been gone into.

51. Can you tell us when you first learnt that?—Shortly after the Reefton piece was finished. I do not know whether you can give me the cue as to when the Reefton line was finished.

Mr. Wilson: February 15th, 1892.

Mr. Stringer: It was after that time.

Witness: As far as I was concerned, by learning the proportion of cost one part of the line would bear to the remainder, it was clear then that the Government estimate was wrong.

52. Hon. E. BLAKE.] When did you form that impression?—When I got to know what the cost of the Reefton line was going to amount to.

53. It must have been towards the end of the construction of the Reefton line?—Yes.

54. *Mr. Stringer.*] I think it is correct that when you came to construct the Reefton line you found it very much exceeded the statutory estimate?—I believe it did, speaking from memory.

55. Reefton was the simplest and easiest portion to construct, was it not?—In appearance, on first looking over it, it might be thought so, but there was more expense than anticipated owing to the number of rivers and creeks. At the same time, it was not one of the more difficult ones. There are easier pieces, which would be found in the north and south.

56. Was it because of the fact that the Reefton construction was greater than you anticipated that you estimated the discrepancy would be still greater on the north extension?—I think, so far as my knowledge is concerned, that the proportion of actual cost to the estimated cost was such as to immensely increase the total cost.

57. It is obvious that it became a very undesirable portion of the line to construct?—Further north.

58. On those terms?—Yes.

59. On the contract terms?—Yes.

60. And I think the company would have been glad to get out of it if they could?—I never was informed of that in any way—excepting what the general manager said before the parliamentary Committee.

61. You were at the parliamentary inquiry, of course. Do you remember Mr. Wilson being asked in 1893 with regard to the proposals of the company as to the continuation of this line north?—(No answer.)

62. You were, of course, aware that the company had no intention of constructing the Belgrove Section. Were you present at the parliamentary inquiry?—Most of it.

63. At the inquiry of 1892?—Yes.

64. Do you remember the question being raised in 1892 as to whether or not the company ever seriously intended at any time to construct that north and south line?—I do not at this very moment remember Mr. Wilson ever being asked whether the company ever intended to make it.

65. Do you remember Mr. Wilson saying, in answer to a certain question, that if the company had gone into the question of construction closely it would never have entered into the original contract with regard to that north and south line?—I remember seeing that in the evidence. I had no consultation with him on the subject.

66. Hon. E. BLAKE.] Mr. Stringer's question is if you heard that question put to Mr. Wilson in the Committee?—I do not remember it.

67. *Mr. Stringer.*] I suppose there are communications from the office in Christchurch to the office in London with regard to the prospects of the north and south line?—I have no doubt there are.

68. And as to the possibility of its construction under the contract?—None so far as my memory serves me. Any that passed would be when Mr. Wilson was in charge of the correspondence.

69. Were you cognisant of those communications?—I have no recollections except this: that at one time he and I went around a portion of the line with others.

70. When was that?—I really forget.

71. Was that before 1890?—I should think it was in 1890 or 1891, because it was when Mr. Wilson had come out again. I believe in 1889.

72. Did you form a conclusion then?—My conclusion was only formed as to the land-grant which would be obtainable.

73. Did you form a conclusion as to whether the company could do that work on the basis of the contract?—I simply did not touch the engineering point of view. I was there solely for the land-grant, and was making notes on the subject.

74. I want now to deal with one or two specific grievances. Of course, you are familiar with the working of clause 33?—Yes, or the non-working.

75. I think in 1891 an arrangement was arrived at between the company and the Government as to dealing with the applications under that section, an arrangement that was satisfactory to you?—It may seem so; but if you knew some of the things I do, it was in 1892 an arrangement was nearly come to, I think—I have got no clue as to the date.

76. Your own evidence was given in the Committee in 1892, and this is what you said, as printed; I suppose it is correct. You were asked how many of the 753 applications that had been made you had been able to deal with, and you said, "About a dozen or fourteen were dealt with some three years ago in the Hokitika district; subsequently none have been actually completed and the money paid, although in some thirty-six other cases the company have agreed with the applicants as to price and terms, and they have all expressed their willingness to buy. I believe the difficulties under this clause may now be considered at an end. But this was only so recently before this inquiry that I believe instructions have not yet been given for the Receivers of Land Revenue to receive the deposits from these people. I think that is arranged for now, and that authority will be given, if not already given within the last week or two; so I understand there is to be no further difficulty." That was the conclusion you arrived at as the result of the arrangements you made with the Government. Is that not so?—At that time no such instructions were given to my knowledge, and since then the difficulties were never set aside.

77. Do you say that the instructions to the Receiver of Land Revenue were not given in terms of the agreement?—As far as——

78. Do you know that they were not given?—I know we were never able to carry out any sales after that.

79. We will deal with that presently. Do you swear you were not able to carry out sales, or do you say that you did not or would not carry them out?—I know we had been trying to all the time up to this, and that we thought we had arrived at a basis.

80. Then, there did arrive a time?—That is rather difficult to speak of.

81. I quite appreciate your difficulty, and I propose to help you out of it in a moment. Let me put it to you in this shape: Will you tell me why, after that arrangement was made, you did not complete any applications under clause 33?—I should be very glad to tell you if I had time to look up some notes; but you evidently have before you something that I have forgotten at the moment.

82. Was it not for reasons of the company's own that they did not proceed with that clause 33?—I should say not.

83. Do you say that, if that arrangement were made, the Government prevented you in any way carrying out the purchases under that clause?—I say at this moment that I have not a recollection of that arrangement you speak of being carried out.

84. You were the land-manager of this company in 1892. You made the arrangements with the Government for carrying out the purchases under clause 33. I want to know why that arrangement was not carried out. Was it because the company did not care to carry it out, or because the Government put any obstructions in the way?—It is according to what you read.

85. Never mind what you read. I ask you, as land-manager of the company, what you know?—I say I have no recollection. It is according to what you read.

86. I do not want you to refer to what you read. I want you, as land-manager, to tell me why these applications were not proceeded with?—A number of applications were not proceeded with because it took so long to get an answer from the Government, either refusing or agreeing,

that the applicants had passed away, and it was not worth while going any further with them. A number of them were settled without any such arrangement as I indicated in my evidence, or nearly completed. Whether they were actually completed or not at this moment I have forgotten.

87. Is it not a fact that the company did not proceed with the applications under clause 33 which had been assessed and completed, and without reason as far as the Government were concerned?—That is a mere matter of memory. You can easily find it out from the company's books.

88. Did not the company refuse to go on with the applications under clause 33 because it did not suit their finance to work under that clause—Yes or No?—I do not know until I look it up.

89. Can you say whether the company refused to go on as it did not suit their finance?—I do not know at this moment.

90. As a matter of fact, when the application was made under clause 33, it was debited to the Government in the books of the company, and charged as a selection?—Yes.

91. Was the money your money or the Government's?—It would remain with the Government until such time as the company had earned enough land-grant to take it over.

92. In which case you had got the actual money but no increased value?—The money.

93. Did you only get the actual purchase-money?—Yes.

94. You did not obtain the actual value of the block until you were able to take up the whole block?—When the value of the block was, say, 10s. per acre, and a piece was applied for, the Government had to assess the relative value of this piece to that of the block, and would put it, say, at 12s. 6d.; but if the Midland's selling-price was 15s. it was 15s. that was paid.

95. In the course of the ordinary working of the contract the company would have got an increased value on the B 1 block on the western land?—Yes.

96. In the course of how many years do you suggest it would have been before the company was prepared to take up the whole of B 1 block on the western side?—Of one.

97. Yes, of one of those in the Grey Valley?—Two of them were taken up some time ago.

98. In the Grey Valley?—Yes, at Lake Brunner.

99. *Mr. Stringer:* You call that the Grey Valley. The contract says you did not get the increased value until you took up the whole block. This letter I want to call attention to, as in it is suggested a reason why the company did not go on with the applications under clause 33, and which had already been completed, so far as the Government were concerned. [Letter of the 31st January read. Exhibit No. 87.]

100. I ask you, in the face of that letter, is it not a fact that the company refused to carry out these selections because it did not suit their finance?—I remember a letter now. That was the case, of course—what is stated in the letter.

101. From that time forth the company refused to proceed with applications under 33?—I think so; but it was not very much longer.

102. As a matter of fact, I think the company went so far as this: as not even to send in to the Government for assessment the applications they received?—Since then, I have no doubt you are right.

103. Was it not a fact that the company issued a printed notice to applicants under this section that they should not receive them, and issued that in a printed circular to all applicants under section 33?—I doubt if it was a printed circular. I think it was a stereotyped answer.

Hon. E. BLAKE: It would be convenient if we were to know, in this connection, what are the proposals of the company now before the Government.

Mr. Stringer: The proposals referred to in 1893 were the proposals for a further contract. I think it was submitted to the parliamentary Committee in 1893.

Witness: Yes.

Hon. E. BLAKE: I am not aware that those have been put before me.

104. *Mr. Stringer.*] I think Sir Robert Stout handed in a file of correspondence which embraces all the correspondence with regard to the further contract. With regard to the timber in the Grey Valley, I think you said, Mr. Scott, that there was a large extent of timber land in the Grey Valley which you regard as of very great importance to the company?—What do you mean by the Grey Valley?

105. I will give you a limit. Do you consider the timber on the mining reserves of great value?—Yes. Generally speaking, the most valuable timber lands are not exactly coterminous, but within the mining reserves.

106. You think the most valuable timber is within the mining reserves?—With the exception of those two blocks on Lake Brunner.

107. Hon. E. BLAKE.] That observation applies to the 400,000 acres. You think those are generally within the mining reserves?—Yes, a portion of them is.

108. *Mr. Stringer.*] The company have started sawmills?—Do you mean out of its own capital?

109. I did not mean that?—They gave licenses.

110. Have not sawmills been started on the company's lands?—Yes.

111. Hon. E. BLAKE.] They have been provided with timber out of the company's land also?—A sawmiller started there on a license enabling him to cut over a certain area.

112. *Mr. Stringer.*] I think they are all in the vicinity of Lake Brunner: are they not?—The bulk were either on that land or the Hokitika line. There are some on the Grey Valley land. At first they started on the Grey Valley land, and subsequently on the Lake Brunner land.

113. On what lands on the Grey Valley did you start sawmilling?—There was one place called Matai, above Ahaura; another at Snowy Creek, near Reefton; another at Mr. Perotti's mill, further up, and again near Reefton.

114. Are those on mining reserves?—I am pretty confident they are. If you will let me look at the plan of the mining reserves, I could say. [Plan handed to witness. No further answer.]

115. I will not press you if you are not certain. You know that under the contract we are entitled to take timber from the mining reserves, subject to certain restrictions?—But I am not giving my interpretation of the contract.

116. Your company, so far as you know, have made an application for timber from a mining reserve?—I have a recollection of one being made, certainly, down the Hokitika district, through the Hokitika Land Office.

117. You know that is not the proper course—to make application to the Commissioner. Do you know of a single application to the Crown, in terms of the contract, for timber from the mining reserve?—I recollect that we made application for one. The land was applied for. It was down near Kumara, away in the Hokitika district. The land was applied for, and the Chief Surveyor of the district said it was wanted for gold purposes; therefore we said the company required that timber on it. The application was changed from one to timber.

118. Hon. E. BLAKE.] That was a written application, I suppose?—Yes.

119. *Mr. Stringer.*] Was that refused?—No; they did not refuse things, but they did not grant them.

120. You have got no refusal of them?—I do not recollect it being refused.

121. Was it not on the ground that it was wanted for mining purposes?—You do not realise the difficulty I have in remembering after the lapse of time without referring to correspondence. I think I must say I do not recollect.

122. Do you know of any other instance where the company made a formal application under the contract for timber on a mining reserve?—I do not.

123. Hon. E. BLAKE.] Can you tell the nearest date to this application of yours—the year if you can?—I think, roughly, about 1890. I should think so. It can be found.

124. *Mr. Stringer.*] That is the only instance you know?—That is the only instance that occurs to me.

125. I suppose you recognise that timber at the moment on mining reserves is generally the most valuable part?—Yes, generally. The timber is of the greater value.

126. You said it on a former occasion. Is it a fact that settlers will sometimes follow the sawmillers, and take up the land which has been cleared by the sawmillers' operations?—The men working for the sawmillers will, if they get the opportunity, buy some few acres near the sawmills.

127. Do you know of an instance on the Coast where land which has been cleared by the sawmillers' operations has been taken up for agricultural or pastoral purposes?—I know of an instance where they wanted to do so; but, so far as I know, the land was never sold to them. It was the first sawmill the company granted a license to. It was at Kokiri, the first station from Stillwater, on the Christchurch line. Some men applied for 10-acre sections.

128. Some persons wished to purchase that land from the company?—Yes.

129. These were some applications made under clause 33? They were some of a piece of freehold of the company.

130. Did the company sell?—It is not within my knowledge.

131. It was not sold within your knowledge?—No. Applications were made. The people spoke to me before I left the active business of the company.

132. Then, you do not actually know whether people have taken up land cleared by the sawmillers?—I do not think I can recollect any on the Coast, because I am not familiar with the old sawmills. There were very few when we came there. I am not aware where the old sawmills were.

133. You do not know?—No.

134. As a matter of fact, did not the company issue licenses to people to cut timber without limiting them as to the places where they were to cut?—The company's license limits and describes the areas.

135. The company, in issuing timber licenses, roughly described the areas?—Yes; roughly described them.

136. Did they take any precautions to see that the licensees kept within the boundaries?—Yes, the company had an agent who was frequently going to the mills.

137. Who was the agent?—Mr. Pavitt.

138. Who lived in Greymouth?—Yes.

139. And it was part of his business to see that the licensees were keeping within their limits?—Yes; among other things.

140. As a matter of fact, do you know that these licensees cut timber in many places where they had no license to cut?—As a matter of fact, I do not know.

141. Did you ever hear that they had done so?—I heard of a dispute where there were adjoining boundaries, and one man cut over the other. I heard of that.

142. Have you not heard, as the land manager of the company, that your licensees were going beyond their limits?—Oh, no. The time I was there they had no time to cut to the edge of their limits.

143. You look upon the Grey Valley as being available for settlement—anything like close settlement—only in a great number of years?—The Grey Valley can only be settled outwards from the railway. I have always thought that the land—setting aside the question of the conserving of timber—could only be settled in the course of from fifteen to twenty years—out from the centres of population.

144. Do you know whether or not the railway increased the value of the freeholds that had been alienated before the construction of the line?—All the old freeholds?

145. Hon. E. BLAKE.] Before the line was constructed?—As a matter of fact, I do not think it made very much difference in some of the old freeholds. It improved them in some respects, and disimproved them in others.

146. *Mr. Stringer.*] It did not affect them from a value point of view?—No, not some of them, because they are of special value. I mean by old freeholds the Totara Flat. I do not know of any others.

147. Hon. E. BLAKE.] You mean, supposing there were no lands alienated except Totara Flat?—No lands except those that are used in the smallest possible way.

148. *Mr. Stringer.*] There were alluvial flats along the Grey Valley long before the line was constructed?—Yes. The Totara Flat, and down towards Ahaura. There was a certain amount of land.

149. Were not the alluvial flats alienated by the Crown before the line was constructed?—There was a narrow strip, but not nearly all the alluvial flats there.

150. You say some of the alluvial flats had never been taken up, although they were open for years for selection. Is it not a fact that it was depreciated in value by the construction of the railway?—There is the Totara Flat which had a monopoly of the Reefton oaten-hay trade, and some people urged that there was a decrease in the value on this. There was a considerable increase in value in some of the other lands, judging from the price we were asked to pay for them.

151. Hon. E. BLAKE.] Totara Flat had a monopoly which it ceased to enjoy?—It was open to question what was the effect of it.

152. *Mr. Stringer.*] Did you form any opinion as a land agent of the cost per acre to clear the mining reserves in the Grey Valley?—Few people know. Some have spent £100 and have not cleared it, and others have cleared it at thirty shillings an acre; and really there is such an enormous margin that it depends just how a man goes about it, and its exact quality.

153. You, as a land agent, could form some opinion as to what it could be reasonably cleared for?—The heavily-timbered land should only be cleared by first using the timber. After you had cleared the heavy stuff off you clear it off for thirty shillings an acre.

154. You have to get a sawmill established?—Which should pay for itself.

155. And then you have to clear the sawmill stuff. What would that cost?—If it is only scrub it costs eighteen shillings an acre to thirty shillings, if the heavy stuff is taken away.

156. What is the cost of clearing the timber lands in cases where the timber is not suitable for a sawmill?—Well, from £2 to £3 an acre. It is rather a rough estimate, because cases have so seldom arisen, and prices are so different to what they are up in the North Island.

157. You cannot burn, except in very special seasons, on the West Coast?—It is more difficult to burn.

158. The timber in the neighbourhood of Lake Brunner is very much more valuable than the timber on the reserves?—I do not think that the timber at Lake Brunner is; some of it is generally the best—that is, it grows more to the acre, but there is not a very marked difference between the others.

159. There is a great quantity of timber?—Yes.

160. It would take a great number of years to work it out?—Yes. I think if that trade grows—as it is likely to do—it will not take very many years. Twenty years would make a very large hole in it.

160A. Has the timber trade improved lately?—It has increased from nothing to what it is now. They sent to Canterbury about 5,000,000ft. last year.

161. As a matter of fact, has it not fallen off during the last twelve months?—It has rather improved during the last twelve months.

162. Is it not probable that saw-milling operations for some years to come will be confined to the vicinity of Lake Brunner?—No, because the Hokitika line is in competition with it.

163. I am speaking of the company's line—the vicinity of Lake Brunner?—Unless there is a further start I should think those mills would be sufficient to supply what is required.

164. *Mr. Cooper.*] You say, in answer to Mr. Stringer, that you took reports Home with you?—Yes.

165. Which you submitted to the parties you were negotiating with?—Yes.

166. Had you reports, also, sent to you while you were at Home?—I do not think so, except supplementary.

167. Did you not have Mr. Blair's report?—Oh, yes. I had forgotten that.

168. Is that the report which was submitted to the company?—Yes, that is it. [Report put in, dated 7th April, 1886. Exhibit No. 88.]

169. I believe you are not an engineer?—No.

170. You took no active part, and have no expert knowledge as to the cost of the line?—My knowledge was the cost supplied by me to the Government: and knowledge of the cost, when I speak of the Reefton line, was the knowledge of any officer of the company.

171. You said, speaking from memory, that the company were prevented from financing in 1891, and I understood you to mean that the mining reserves were then threatened?—There had been discussions about them.

172. Do I understand you to mean that the proposals to make the mining reserves had any effect in 1891 on the company's finance?—I think what I said was that there was a general indefiniteness of the position, among other difficulties.

173. What did you mean by your previous answer to Mr. Stringer?—As far as I understood Mr. Stringer's question I mentioned the "clause 33" difficulties. When he mentioned the mining reserves I said that they were under discussion, but that they or any particular thing was the cause of it I could not say.

174. I understand you to say that the whole thing together was the operating cause of it?—Yes. It was the general indefiniteness.

175. Hon. E. BLAKE.] You said that you always said that you could not estimate the traffic of the Nelson part of the line?—Yes.

176. Hon. E. BLAKE.] I understand you to make a distinction between your capacity to estimate that part and to estimate other parts?—Yes.

177. Why?—The traffic on the East and West was a determinable question, because the West Coast produces coal and timber, both of which are required in Christchurch, and the amount of coal and timber that is consumed in Christchurch is to my mind a measure of the amount of those products that will come back, because having gone into it I am fully aware that this railway can take that coal and timber.

178. I wanted to know the reason?—Within my knowledge many people have a great objection to estimate the traffic on a railway. You may be almost utterly wrong. That is why I almost always decline to make an estimate of the traffic north and south, beyond saying that, though it has a longer mileage, I think I did estimate it at one-third of the traffic.

179. That is, one-third of the total traffic?—Compared with the East and West. It was a mere conjecture.

180. The longer mileage would produce about one-third of the other; but that was conjecture?—I think I take a different view of it to what most people do. The traffic to Reefton I looked upon as pretty sure; the traffic above that is purely guesswork or gambling, from the point of view that there was considerable prospect of a goldfield above Reefton at the Lyell; and from time to time there had been considerable starts in places like the Owen, and it was commonly thought that there might be a permanent goldfield found there. On the other hand, if there is nothing of the kind arises there will not be much traffic from there. There is another cause of traffic, in connection with the timber there, the timber about Matakitaki.

181. There was some basis in your estimate as to that part?—Yes, the timber valleys half-way between Reefton and Nelson.

182. And for the rest?—There is a possibility of settlement which other people do not view so highly as I do. But there is a large quantity of that land up there which some people say is worth nothing, while others say it is worth a great deal.

183. You take, you think, a more favourable view of the capacities of that section than most people do? Your general conjecture is that the longer mileage would be one-third of the traffic on the East and West line?—It would produce at least a third per mile.

184. It is the mileage traffic?—That was under the worst circumstances.

185. I thought you said you took a more favourable view?—My view is that, under the worst circumstances, it would produce that. My other view is that possibly it may produce very much more than anywhere else.

186. That part of it?—Yes. If there is any great development up there the whole will be profitable. It seems to me to be only fair to say that I did not then know that it was an utterly wrong basis of the cost; it was on the Government estimate, which I have found to be wrong.

187. But the cost has nothing to do with the question. You say it will produce one-third of the mileage traffic. The result of that one-third of that traffic would be the next question. What would that have been on the cost—net, of course, after paying expenses—very roughly, the traffic per mile?

188. Give it very roughly. What percentage on the cost; you had based it on an erroneous estimate, what would the amount come to?

Witness (after making a calculation): That would come to something like 2 per cent. on the wrong cost.

189. Was that the net cost to the company after making allowance for the land?—No.

190. Then, when your estimate was corrected, what would it produce?—I dare say it would not produce more than 1 per cent.

191. Would there be any substantial return when you found the real cost?—Perhaps 1 per cent.

192. But not until after development?—No. You must understand I never gave any estimates with any authority; I only put forward whatever we had, for the simple reason that I was not sufficiently expert.

The Court rose at noon.

MONDAY, 2ND DECEMBER, 1895.

The Court sat at 10 a.m.

Messrs. J. G. Grey and W. Berry were sworn in as reporters.

Mr. Gully: I understand that counsel will lead evidence to day upon both the mining reservations and the question of the right to cut timber under clause 18. There will be certain objections to some of the evidence which will be tendered, depending upon the interpretation of this clause of the contract, and I have suggested to my learned friend that it would be shorter and more convenient if I were to state at once the views I desire to put before the Court as to the interpretation of these sections, and to ask that they should be treated as objections generally to the evidence, and thus save the necessity of objecting from time to time. First, taking clause 18 of the contract, I submit that upon a strict interpretation of the language used the company has not that which it is assumed to have—an exclusive right to select timber on lands coming within the area of mining reserves. That, in point of fact——

Hon. E. BLAKE: You are dealing now with the timber question.

Mr. Gully: First with the timber question under clause 18.

Hon. E. BLAKE: Mr. Cooper, are you going to take evidence on the timber question to-day?

Mr. Cooper: Not to-day. We are going on first with the question as to the mining reserves.

Hon. E. BLAKE: Perhaps it would be more convenient, Mr. Gully, if you would deal with the mining reserves first.

Mr. Gully: Shall I finish with clause 18 first? I shall be very short.

Hon. E. BLAKE: Very well.

Mr. Gully: My first point, under clause 18, is, that the company has not the power which it has assumed to have—namely, the exclusive right to select their timber upon mining reserves. It must be so contended, because, at least I apprehend it will be so contended, that the Crown has no right to deal with the timber on those reserves. We submit that the two rights are co-existent.

Hon. E. BLAKE: I rather understand the contention on the other side to be that they have; perhaps the term "exclusive" does not express the meaning—"absolute" is more what you mean.

Mr. Gully: Yes; that expresses the meaning.

Hon. E. BLAKE: You contend that the company has not got an absolute right because——

Mr. Gully: Because the right of the Crown is not excluded. That is to say that, although the company has the right to ask for timber licenses upon these areas, that does not prevent the Crown from issuing timber licenses to a third person.

Hon. E. BLAKE: Do you contend that the limitation on the right of the company is not larger than is expressly provided in the clause? "Provided that such option shall not be exercisable so as to in any way interfere with *bonâ fide* mining purposes: Provided also that such option shall not be exercisable over lands the timber on which shall, in the opinion of the Governor, be or be likely to be required for sawmilling industries in existence at the date when the Queen shall consent to the exercise of such option by the company, or where such timber shall be or be likely at any time to be required for holders of timber licenses or miners' rights respectively, or for mining purposes."

Mr. Gully: My broader point is—first, that, apart from the proviso altogether the, right of the Crown to issue licenses to other persons is not destroyed by this section. The second point is that the consent of the Queen is essential, and that it will be necessary for the company, in order to establish any claim at all under the section, to show that the consent had been asked for and refused.

Hon. E. BLAKE: By that you do not mean that the Queen has, so to speak, an arbitrary power of refusing consent, but that it is a necessary preliminary to ask the consent and have a refusal?

Mr. Gully: I say, at least that is necessary. And the third point is this: Under the proviso protecting the sawmilling industries, all sawmilling industries in existence at the time when the option is asked to be exercised are protected. This to some extent affects the first proposition which I advanced under this section. The proviso, in fact, shows clearly enough that it is contemplated that the Crown should issue timber licenses to sawmillers after the date of the contract, and at any time and anywhere, until an option has been exercised under clause 18 in favour of the company. I shall submit that any evidence given inconsistent with this interpretation is irrelevant. Then, as to clause 16——

Hon. E. BLAKE: I think we might dispose of this point.

Mr. Cooper: In answer to the objections which my friend has raised, I think Mr. Gully scarcely appreciates the position which we take. Clause 18 is solely applicable to mining reserves, and reserves for public recreation, charitable or education purposes. No such reserves as those mentioned in subsection (*d*) of clause 16 have been made; consequently, it is simply applicable under the state of circumstances which has arisen under the mining reserves. Now, our contention is that, if these mining reserves were properly made, then it is unnecessary for the Court to consider the provisions of clause 18 at all, because in no portion of the contract has the Queen power to deal with the timber except upon reserves which have been properly made. She has no power to deal with the timber by issuing licenses in respect of the timber growing on any land within the authorised area other than those lands which have been reserved for mining purposes.

Hon. E. BLAKE: Your right of selection under clause 18 is admitted.

Mr. Cooper: Our right of selection of timber, and not our right of selection of the land. Probably it may be in consequence of the Crown not being in full possession of our particulars in reference to the timber.

Hon. E. BLAKE: But take this point: You have a right—a limited right—to select timber as apart from the land. That right is limited to the selection of lands reserved for mining purposes.

Mr. Cooper: Our grievance is this: Supposing that the land has been properly proclaimed, then we say that the value of our right to select the land has been destroyed, because the timber has been taken off it. We would have had a right to say——

Hon. E. BLAKE: But that would come in under your complaint under the mining reserves.

Mr. Cooper: No doubt it does.

Hon. E. BLAKE: If there is any merit in what you suggest you simply say, "We have a right to select suitable timber; you were bound to conserve that timber; you did not conserve it—you wasted it, or allowed it to be removed, and therefore we are affected to that extent."

Mr. Cooper: If we show that the mining reserves were improperly made, then, of course, clause 18 would have no application, as it only speaks as to reservations properly made.

Hon. E. BLAKE: We are discussing it now on the theory that you fail on the first contention.

Mr. Cooper: Then, if we fail, we say that our option has been injured—our right to select timber has been injured—because there has been on the part of the Crown an abuse of the powers which are reserved to the Crown in relation to the timber under clause 18. We do not dispute that, if these lands are rightly reserved, the Crown has a right—or, rather, the company's right to select the timber is admitted to that quantity of timber which is not required for mining purposes or for sawmilling industries in existence at that date.

Hon. E. BLAKE: Mr. Gully contends there is a larger power in the Crown, which, in my opinion, would swallow up the proviso altogether.

Mr. Cooper: We dispute that. It seems to me the language is clear. On that other question, the larger power, I dispute the Crown's right as set up.

Hon. E. BLAKE: I rule that the Crown has a right to interfere with the option as prescribed in the clause. There is no general right, because, if there was, there would be an end of the whole business. You have not touched that point of consent in order to prove that you applied for consent and were refused.

Mr. Cooper: We shall produce evidence that we have applied, and that the reserves were made against our will, and in face of our protest. We shall adduce evidence as to that.

Hon. E. BLAKE: You have not said anything as to the proviso about the mining and the sawmilling industries. You say it applies to sawmilling industries in existence at the date?

Mr. Cooper: As to consent, evidence will be adduced.

Hon. E. BLAKE: Now about the mining reserves themselves. What do you say, Mr. Gully?

Mr. Gully: I suggest these two points in reference to subclause (*c*): First, the opinion of the Governor is conclusive, and I put it broadly that there is no power to review any action founded upon the opinion of the Governor; secondly, and if not, I submit that evidence which merely shows that in fact the reserves or some portion of them are marked "auriferous" is not sufficient, but that the company must show that the reservations were not only wrongly made but that they were made *mala fides*. To put it shortly, in order to justify their own non-performance they must show there was a fraud in the carrying out of the contract.

Hon. E. BLAKE: I would point out some propositions which, according to my understanding, I should like to say a word or two about. I understand you are now talking shortly because these points have been discussed before. You are merely trying to clarify the propositions. There are some propositions which, as well as I can make out, are the points contended for by the company. The first is that the section is ambiguous and difficult. Upon that head I do not intend to trouble, because, in my opinion, there is no latent ambiguity; and I shall not prevent you tendering any evidence you please on that subject, but my present intention is that I shall decline to receive it, though I cannot distinctly refuse until you tender it. Then, the second point that was made for the company was that the Proclamations were not made under the Mining Act, and were therefore void. It seems to me the Crown has a right to exercise its opinion. If on the face of it the transaction was regular, the company contend that what is apparently an exercise of the opinion of the Crown was not an exercise of the opinion of the Crown that was binding on them. There is another allegation—that the bulk of the reserves were made not with regard to the requirements thought to be existing at the time the reserves were made, but palpably with regard to future requirements; and I rather understood that proposition of fact not to be disputed by the Crown—that the Crown thought they had a right to look ahead, and to consider, up to 750,000 acres, what in the future the exigencies of the mining interest might require, and to take all auriferous lands up to that point, as they ascertained in their judgment the lands were payably auriferous.

Mr. Gully: That is precisely the position the Crown has always taken up, except that I am not prepared to accede that the test is whether the land may be payably auriferous.

Hon. E. BLAKE: What you contend is that it was not required to be proved at the moment the reserves were made that they were payably auriferous, but that you had the right to take into consideration future development by science, and so forth, and that was a question for the opinion of the Crown.

Mr. Gully: Various other considerations will be submitted to you as to the land being required, not only for *bonâ fide* mining purposes, but for purposes connected therewith and appertaining thereto.

Hon. E. BLAKE: You claim that the words are enough to enable you to say it is not only the diggings you require to reserve, but sluices, water-races, and so forth. It is certainly contemplated by the contract that more lands will be required than those for actual diggings. Then, it is alleged as a proposition of law that this construction of the contract is wrong, and that the contract only warranted reserves with regard to requirements which, in the opinion at any rate of the Crown were existent at the time the reserves were made, and that therefore there has been a breach. On this point it is not necessary at this time to go into the question of *mala fides*. I do not propose to express any opinion at this moment upon what is alleged by the company—that the Crown acted on a wrongful construction of their powers. There is no issue of fact before me, and it is therefore unnecessary to express any opinion on a point of law. Many reserves which would make in the aggregate, if they had been proclaimed in form at one time, over 10,000 acres, were decided on from time to time, and were proclaimed at certain intervals. I do not understand that it is practically contested that the Crown was wrong in making these reserves from time to time. I observe that the company asks, and that the Minister communicates his intention to, proclaim reserves not exceeding in the aggregate 10,000 acres. I express no opinion upon the point of law at this moment. Then we come to the last point; that many of the reserves, either in whole or in part, never would be required or serviceable for mining purposes. You allege that?

Mr. Cooper: Yes.

Hon. E. BLAKE: That I understand to be a point which Mr. Hutchison raised, and which was pressed by Sir Charles Lilley at the time Mr. Hutchison alleges *mala fides* on the part of the officers of the Crown, and that therefore there was not a *bona fide* exercise of judgment. I do not understand that you propose to enter into a controversy upon the accuracy of the judgment. If it was a *bona fide* judgment on the part of the officers of the Crown, I should be sorry to preclude evidence on that point as to error of judgment. Mr. Hutchison put the case as high as fraud.

Mr. Hutchison: Not corruption.

Hon. E. BLAKE: Oh, certainly not; but that it was not *bona fide;* that it was *mala fide;* that they were not in good faith exercising their judgment; that these lands were such as should be proclaimed under the contract; but that nevertheless they did it. I do not propose at present to

express an opinion on that subject. I shall receive evidence on that point subject to objection. We are, therefore, on this last question, which, as far as I can judge, seems to be the only question upon which there is a substantial issue of fact before me—we are on the point that you are to establish *mala fides*. I may say, in reference to the little discussion we had the other day, I have been all the more anxious to get further particulars as to the principle upon which damages are to be awarded.

Mr. Gully: I do not think I wish to add anything further to my former remarks upon those points already suggested, except as to the construction of subclause 3. I have only to suggest something by way of a test as to the true meaning of that subclause. There is no doubt the contention is that the Crown only had the right to make reservations where such reservations were actually required for gold-mining. In other words, to put the test, that you should read in subclause 2, instead of "shall from time to time be set apart . . . ," they would insert the words "as required."

Hon. E. BLAKE: I have not decided that legal question at all. It is not necessary to decide it now; but I propose to ask you on both sides, when the time arrives for the evidence to be taken, to ask for an argument on the case.

Mr. Gully: I was not seeking to go into any exhaustive argument on the construction of the contract.

Hon. E. BLAKE: It is not necessary to dispose of this at the present stage.

Mr. Gully: I may say I do not accede to Mr. Hutchison's proposition that it would be sufficient for them to prove negligence.

Hon. E. BLAKE: Mr. Hutchison said if you neglected the *bona fides* you must accede *mala fides*.

Mr. Gully: If it is negligence it is *malâ fide*, and if it is *malâ fide* it is negligence.

Hon. E. BLAKE: I have always found a great difficulty in making a distinction between *malâ fide* and negligence.

Mr. Cooper: I propose now to go on with the evidence. We have had plans prepared, and we have delivered to the Crown the particulars of the reserves we object to in detail. We propose also to hand them to the Crown as we proceed with the particular reserves. We have had plans prepared showing, on a larger scale, and in a more accurate manner, the reserves as they were proclaimed by the Governor, and denoted by their numbers. I propose, in the first instance, to call the surveyor to prove the general accuracy of the plan of the Grey Valley reserves. Then, we have plans prepared showing the details of each particular reserve. The plans have been very carefully prepared, and I think it would be well to follow the evidence carefully. This, of course, raises one question which Mr. Gully mentioned, and I understand the evidence will be adduced subject to his objection. Taking the Blocks 80 and 81—the blocks shown on the plan, and the blocks commencing from the Buller, and going up—so we will follow with a series of plans. In every one of these reserves the evidence on behalf of the company will show there are some auriferous deposits; but our contention will be that the reserves are so greatly in excess of ground which would possibly be required at the time, or at any future time, for mining purposes, that they are an abuse of the power contained in the contract, and are evidence of bad faith. I understand my friend reserved all his rights in regard to that evidence.

Hon. E. BLAKE: The only terms upon which I should admit it are that the rights are reserved.

HENRY WILLIAM YOUNG sworn and examined.

1. *Mr. Cooper.*] You are an authorised surveyor?—Yes. I am chief assistant-engineer to the company, and also an authorised surveyor.

2. You have prepared this map, I think, of the Grey Valley group, showing from Blocks 81 upwards to Block 51, as they are marked on this plan?—Yes.

3. Is that an accurate plan?—It is compiled, in the first place, from Government records, and supplemented by information derived from various sources—from special surveys and from local bodies, and Government maps, some of which might have topographical information, and others might not; so that a great deal of the topography is put in as accurately and as correctly as possible.

4. You think they are approximately correct?—Yes.

5. And they are on the scale of 1 mile to the inch?—Yes.

6. The gold-mining reserves are coloured yellow, the proposed gold-mining reserves are coloured red, the reserves other than gold-mining reserves are coloured pink, the freehold lands are coloured green, and the leaseholds are bordered green. Are these all accurately prepared?—Yes; the remarks applying to the Grey Valley group apply to every one of these other groups.

[Maps of the Maruia, the Matakitaki, the Buller River, the Cobden, and Westport groups put in. Exhibit No. 89.]

7. This is the Westland map, Mr. Young, and your evidence applies to it also. [Exhibit No. 90.] That map is also approximately correct?—That map is compiled with the aid of Government lithographs, and a little information respecting the gold reserves is added, as shown.

8. Showing the boundaries stated in the Proclamation?—Yes. [Also put in book of sections of the Grey Valley map, Exhibit No. 91.]

Hon. E. BLAKE: This book merely contains a reproduction of this map in sections.

9. *Mr. Cooper.*] With additional topographical features. We produce it for the information of the Court. Our witnesses are going to speak on the matters contained in the map. These sectional maps are properly prepared from information you have received, Mr. Young?—They are prepared on certain information received from other persons, but of which I know nothing myself.

10. *Mr. Cooper:* That is the particular series of Proclamations. I propose to call the first witness on at the present time, and, with the permission of the Court, I will ask Mr. Young to stand down.

THOMAS FREDERICK FENTON sworn and examined.

Mr. Gully: As there may be a conflict of testimony, I propose to ask that other witnesses shall be relieved from attendance.

Mr. Hutchison: There is Mr. Blow as well.

Mr. Gully: That is, I submit, unreasonable. It would be extremely inconvenient for my learned friends for Mr. Blow to be ordered out. I only suggest that there will be a conflict of testimony in regard to the mining evidence, and that mining witnesses only should be ordered out of Court.

Hon. E. BLAKE: It is very inconvenient that persons in a position to give general knowledge with reference to this matter, although not able to testify to it themselves, should be desired to leave. I must leave it to the discretion of counsel.

Mr. Cooper: I do not think we object to Mr. Blow remaining in. You only object to the mining witnesses, Mr. Gully?—Yes. [Mining witnesses ordered out of Court.]

11. I believe you are a mining and commission agent, Mr. Fenton, residing at Reefton?—Yes.

12. I believe you are a practical miner besides?—Yes.

13. I believe you had for a considerable time the direction of the Government School of Mines on the West Coast?—Yes.

14. How long were you in charge of the Government School of Mines on the West Coast?—For several years.

15. Between what dates?—Between 1885 and 1889, I think.

16. I think you have also been manager of mines and batteries on the northern goldfields?—Yes.

17. How long does your total experience extend over?—For twenty-five years on the goldfields—for fifteen years on the Thames and ten years on the West Coast.

18. What properties are you manager of at the present time?—I am manager of several of the principal mines at Reefton.

19. Might I put it to you also that you have been advisory agent to Mr. Ziman?—Yes; I advised him what claims to buy.

20. So that you consider yourself competent to give an opinion upon the mining districts around Reefton and the West Coast?—I think I have a very good knowledge of mining and the value of mines.

21. Have you a knowledge of the country also?—Yes.

22. What were your duties as director of the Government School of Mines?—When it started first the Government engaged me to teach ordinary and general mining, surveying, and all the branches connected with the School of Mines.

23. Geology?—A little geology, practical mining and surveying, and everything connected with it. I had to teach the miners how to pass for mine-managers' certificates, and also general mining.

24. You were assistant to Professor Black?- Yes.

25. I believe you have gone over—I am dealing now with the set of blocks numbered on this plan—the Grey Valley group?—Yes.

26. Hon. E. BLAKE.] You mean that you have gone over them on the ground?—Yes.

27. *Mr. Cooper.*] When did you make a critical examination of the ground?—In June and December of this year.

28. Had you a general knowledge of the locality before?—Yes.

29. But had not made any particular examination of the various blocks before?—No, not before.

30. Now, beginning at the bottom of this map, at Block 81, that block, I think, commences close to the Stillwater Junction?—Yes; just close to the railway.

31. Along where?—Between the Arnold River and No Town Creek.

32. Is it the discharge of Lake Brunner—the Arnold River?—Yes.

33. Block 81 is within the red lines, I think; it has the Arnold River as its southern boundary and No Town Creek as the northern boundary?

Hon. E. BLAKE: I think the boundaries of the blocks have been sufficiently proved by Mr. Young's evidence.

34. *Mr. Cooper.*] Taking the block from the boundary, I want you to describe the general features of that block, Mr. Fenton, from the Arnold River northwards?—All the portion near the Arnold River is all flat timbered country. I went through it carefully in different directions, and I found no mining of any description there going on. I went through it in different directions right up to the boundary of it at Portuguese Creek.

35. There is a portion there from the Arnold River to No Town Creek which is hatched. Did you find any mining on that portion, or the western portion?—No.

36. You have told us that it is bush country. What is the nature of the country; from your experience, do you think there are any payably auriferous deposits on that portion?—No, I do not.

37. That portion contains approximately?—Three thousand five hundred acres.

38. To your knowledge and in your experience has there ever been payable gold discovered on that portion?—To my knowledge there has never been any gold discovered. There are no mining rights at present on it, and there is no sign of payable gold ever having been found on that portion.

39. Can you give any reason why?—There seems to be a dividing range going down here between Spring Creek and Chinese Creek, and the gold seems to be on the north-eastern portion of it. On the south-western portion—that is, the hatched portion—the gold does not seem to extend in that direction.

40. Hon. E. BLAKE.] You said that there was a dividing range?—Yes; I was on the top and through it.

41. *Mr. Cooper.*] Do you think there was any reason whatever for making a reservation, either for present or future mining-purposes on that portion of 3,500 acres?—No, I do not think it is required for either present or future mining.

42. You say there are no workings and no men at work on that portion which is hatched?—No men at present.

43. The land runs along the railway?—Yes, on two sides.

44. From Stillwater?—Yes, up to Lake Brunner.

45. Hon. E. BLAKE.] It is intercepted by alienated land?—Yes.

46. *Mr. Cooper.*] This land between the Grey River and No Town, and the boundary of the block, are freehold alienated lands?—Yes; all cultivated lands.

47. Settled lands?—Yes, mostly.

48. We have dealt with that portion of the block that is hatched; what do you say of the portion of Block 81 which is not hatched? Describe what you found there?—In that portion of it there are several small creeks—Ryan's Creek, Rough-and-Tumble—running into the No Town Creek; and in those portions we found mining going on, and we thought they were rightly reserved.

49. You thought that portion would be required for mining, containing about 1,000 acres, I think?—Yes, although portions of that could be cut out as not required for mining; also between the creeks.

50. Hon. E. BLAKE: You said "we"?—There were several others as inspectors.

51. *Mr. Cooper.*] Who were with you?—Messrs. Daniel, Perotti, Dowling, Kaine, Wisdom, Harper, and Kyle.

52. The hatched portion was the result of your joint judgment?—Yes.

53. You might tell us, in dealing with the portion which is not required in your opinion, and never will be required for mining, have you dealt with the minimum quantity in this hatched plan?—There were nine or ten of us together, and in every case we gave the largest quantity required to the Government, and did not hatch it.

54. Hon. E. BLAKE: Your judgment is most favourable to the Government in each case?—Yes.

55. And that applies generally to your evidence which you are going to give?—Yes, quite so.

56. *Mr. Cooper.*] You say you found workings in these creeks; that would be to the westward of that dividing range?—Yes.

57. There are 1,000 acres?—About 1,000 acres.

58. Can you say how many men were working or prospecting for gold there?—About twenty-nine men in this block; seventeen in the small creeks, and twelve along the No Town Flat—the bed of the creek.

59. In your judgment, do you think that 1,000 acres is sufficient for future as well as present mining?—Yes.

60. Have you any doubt about it?—Not the slightest.

61. In giving that estimate did you take the matters incidental to mining into account, such as water-races, dams, residence sites?—Yes.

62. Everything incidental, as well as actual ground?—Yes.

63. Hon. E. BLAKE.] About the dividing range, these are flats, you say, here?—Yes, flat land, part of No Town Creek; and all this lower portion is flat from the Arnold River.

64. *Mr. Cooper.*] We may get a little general information on this point. These are alluvial patches?—Yes.

65. Where is the gold generally found in these creeks?—In the creek-beds.

66. Does gold-mining extend much beyond the banks of the creeks?—Very little.

67. Can you say, in order to conserve mining industries, future as well as present, whether it is necessary to reserve anything beyond the creek-beds?—Not in this block.

68. I mean as to this particular part?—No.

Mr. Gully: That is not our interpretation of the contract. The contract, of course, intended that the land should be reserved in blocks, and not that it should be reserved as the witness suggests, only taking the banks of the creek, as under that it would be like a spider's web over all the plan.

Hon. E. BLAKE: The witness says, "in his opinion," it does not affect the contract.

69. *Mr. Cooper.*] Notwithstanding your opinion, you have, in preparing this information, allowed 1,000 acres out of the 4,500?—Yes.

Hon. E. BLAKE: In fact he has acted, in the reservation, on what his opinion would be.

70. *Mr. Cooper.*] He has acted on the block system. Would there be any necessity to reserve any portion of that part for the deposit of tailings?—No; no necessity at all.

71. Do you consider that that portion hatched—81—would be of value for selection by the company?—Yes, a very valuable block.

72. Why?—On account of the timber on it. There is an amount of silver-pine. Some parts of it are very fair land.

73. Because of the timber, and because the land itself is very fair?—Some of it is very fair land.

74. And on account of its contiguity to the railway?—Yes.

75. In fact, I think you have told us there were cultivations along the boundaries of that block?—Yes, all round it near the railway-station is in grass.

76. Hon. E. BLAKE.] On one side of it?—Yes.

77. *Mr. Cooper:* Well, now the next block, upwards, is 77, that is a block extending from the No Town Creek, and has its bottom boundary at a place called Hatter's.

Hon. E. BLAKE: Nelson Creek is the boundary of that.

78. *Mr. Cooper.*] What do you say about that, Mr. Fenton?—I say all the hatched portion of this block, like Block 81, is not required for mining purposes.

79. Hon. E. BLAKE: You mean, no part of the hatched block?—Yes; no part of the hatched block.

80. *Mr. Cooper.*] I want you to go into details of that block. There is that portion of the banks of No Town Creek—what do you say about that which is not hatched?—On that portion not hatched there are some men at work there. We have allowed for all their rights.

81. Is there any likelihood to be any future works on the portion you have hatched, on the portion between No Town Creek and Deadman's Creek?—I do not think so.

82. Hon. E. BLAKE.] I suppose it discharges into the Grey?—Yes.

83. *Mr. Cooper.*] You do not think there is payable gold in the lower part?—No, there is a bluff, and what is called the reef runs there—that is at the "o" in the word "No Town"—and runs down along the creek, but touches no payable wash. The wash has not been deposited there—the payable wash.

84. You do not think there is any probability of any payable gold being found in that portion below No Town Creek, below where there is the "o"—that is, where you spoke of this bluff on the No Town Creek?—I think not.

85. And between the portion you have suggested should be allowed for these men and Deadman's Creek?—No, I think it should not be reserved.

86. There are 1,450 acres altogether in that part of it?—About that.

86A. What is the character of that land?—It is timber land, terraces—timbered terraces.

87. And runs immediately adjacent to the line?—Yes.

88. In making your examination, please state what you found at Nelson Creek?—I found no workings along that portion of the railway-line until I came to Connor's Creek. In Connor's Creek we found a few men working.

89. Do you know how many?—Six men, I believe, but some of them have left since.

90. Hon. E. BLAKE.] You do not know that?—On this account I allowed this reservation in Connor's Creek, but I think all the unhatched portion should have been reserved. At Deadman's, there were workings on the upper portion there, but I did not see them. Some of the other party saw them.

91. *Mr. Cooper:* There is a reservation allowed there, but by your joint judgment——

Hon. E. BLAKE: He cannot speak of that.

Witness: But the lower portion of Deadman's—yes, that is allowed.

92. Did you touch on that part of Deadman's at all?—No, I did not; the workings were in the upper portions. Then you come to Red Jack's, McLaughlan's Creek: the main creek is near there.

93. At the line between Deadman's and Red Jack's Creek?—There were no men working between that creek and Deadman's Creek where you see it hatched.

94. Do you think it is ever likely to be worked?—No.

95. Can you give a reason for that?—The gold is deposited in the creeks above it, and these are the highest parts, and there are no payable deposits in them that I could see. It has not been worked.

96. Do you think they are likely to be? You are a geologist—is it likely to be discovered to be payable gold in that portion?—No; I do not think so.

Hon. E. BLAKE: I do not understand that he had much experience in geology.

97. *Mr. Cooper.*] Are you a geologist?—No; I do not consider myself one. I have not a degree.

Hon. E. BLAKE: His practical knowledge may be wide and extensive, and perhaps as useful, but I understood he did not claim anything more than a smattering of the knowledge.

98. *Mr. Cooper.*] Then, you do not think there ever will be any mining on that portion?—No.

99. That is the same character as the former portion spoken of?—Yes; the same character as the portion below O'Connor's Creek.

100. Then, the banks of Red Jack's Creek and Kangaroo Creek: do you think there should be some reservation there?—No.

101. These are freehold allotments, are they [indicating on plan]?—These are leasehold allotments. The land is in grass.

102. Hon. E. BLAKE.] Then, what we see—this line along Red Jack's, which is afterwards forked—is a suggested reserve made by you?—No, it is leasehold land in grass—in cultivation.

103. Between McLachlan's Creek and Red Jack's Creek, and along Kangaroo, are not what you suggest as reserves, but are already alienated?

104. *Mr. Cooper.*] They have been reserved by the Crown, and marked out for alienation years ago?—They are in grass now.

105. Hon. E. BLAKE.] You did not think they were payable?—No, I did not think they were payable. I do not think there is any payable gold down in the lower portion of that creek.

106. *Mr. Cooper.*] The principal portion is forked. You say the two branches ——

107. Hon. E. BLAKE.] The principal portion is forked, and I understood his observation to apply to that. It is Kangaroo at the top?—One branch is Kangaroo and the other is Red Jack. We have allowed a reservation on both banks of that—on both creeks.

108. *Mr. Cooper.*] On the upper portion of that fork?—Yes.

109. Hon. E. BLAKE.] Little Windham Creek, is that a reservation?—Yes, there is a reservation there, although there is no one working there.

110. *Mr. Cooper.*] Do you know whether Windham Creek has been prospected?—Yes.

111. And opened?—And opened.

112. Hon. E. BLAKE.] Was it worked over, do you think—not merely prospected, but also worked?—They have never got any payable gold. But I do not know. There are no traces of payable gold that I could see.

113. *Mr. Cooper.*] That portion of Kangaroo Creek on to Potts' and Nelson Creek—do you consider that there was any necessity for reserving that?—None at all.

114. You went through that portion hatched between Kangaroo Creek and Nelson Creek?—Yes. I found no trace of working, or of any gold having been discovered.

115. From the nature of the country, do you think there is any likelihood of gold being discovered there?—No, I do not think so. In fact, the terraces are above the levels of the creek.

116. You think that a portion could be cut off between Nelson Creek and Potts' Creek?—Yes.

117. Why?—Because there are gold-workings there, and payable gold has been found, and is being worked there at present, at Nelson Creek.

118. Hon. E. BLAKE.] I see some little holdings marked here?—Those are leasehold sections in grass.

119. *Mr. Cooper.*] Would there have been any difficulty whatever in the Government cutting out those portions for reserves?—Not the slightest that I could see.

120. Can you suggest any reason why those reserves have been made like that?

Mr. Gully: I should not like him to suggest.

121. *Mr. Cooper.*] Well, we will not press that at the present time. What do you say to Block 79?—The same thing applies to it as to the other two blocks. As to the hatched portion, there is no mining going on on it.

122. No mining on the hatched portion?—No.

123. A very large portion of land there is hatched on the principal portion of that block?—Yes.

124. You say there was no reason for including that in the reserves that you know of?—No reason at all.

125. What is the nature of that land?—Some of it flat and some of it hills and terraced timber-land.

Hon. E. BLAKE: I see you have a reserve along the banks of the Kangaroo, and where it forks the reserve the whole interspace.

126. *Mr. Cooper.*] Do you think even that reserve is necessary—the interspace between that and the forks here [indicating on the plan]?—No; I do not think it is necessary; but it makes it more uniform. That portion was allowed to be reserved, but actually the creek is the only thing that requires to be reserved—a few chains on each side.

127. The same remark which you made in reference to that portion of Block 81 would apply to that portion of Block 79?—Yes.

128. Hon. E. BLAKE.] The creek itself, and a few chains of the banks on each side are all you think necessary?—Yes.

129. *Mr. Cooper.*] There are two other hatched portions of that block—two corners: do you think any portion of those are required? There are 800 acres in one portion and 500 acres in the other portion. Do you think that on either of those hatched portions there is any probability of mining being carried on?—On the western hatched portion I do not think there is any likelihood of mining being carried on. As to the eastern portion, I do not know. Some others can speak about that.

130. Hon. E. BLAKE.] On the western portion of the creek?—It was the western portion that I saw.

131. *Mr. Cooper.*] I believe there was at one time a very considerable output of gold from some portion of that block?—There were workings at Red Jacks, and Blackwater, and Glasgow Creek, and all about there.

132. Therefore, you think that reserves should have been made on that portion covering those creeks?—Yes, there were a good many miners there at one period. There are very few at present compared with formerly.

133. Can you say how many men are working in that portion?—I think there are about sixty-one men altogether working in that portion.

134. *Mr. Cooper.*] Forty-five Europeans and fifteen Chinamen?—Yes.

135. Hon. E. BLAKE.] What do you say about the hatched portion? Is any portion of that required for mining?—I do not think so.

136. *Mr. Cooper.*] What is the character of that land—the hatched portion?—All timbered country.

137. I see there is a portion of that which you think should be reserved as a compliment of the portion of 81. What nature of workings did you find on that?—A good many men were working on the branches of No Town Creek; about fifty-two, I think, altogether on that portion of the block.

138. Can you give any reason why the gold-workings are confined to that portion?—The No Town Creek runs down there, and evidently alluvial wash is deposited in No Town Creek, and the small creeks running into it.

139. Are they old workings, Mr. Fenton?—A great many of them are old workings. Evidently a great many men were there at one time; and there are about fifty-two, I think, at present on the main creek and the branches.

140. There is Spring Creek Gully. There have been workings there at one time? Can you say in what condition those workings are?—There have been three prospecting shafts put down there. I found the shafts there. They were abandoned.

141. We will now come back to 74 and 75. There is a portion there that could be easily cut out for gold-mining purposes between Callaghan's Creek and Nelson Creek?—Yes; that was rightly reserved.

142. That is, if the reserve had been made like that?—Yes.

143. Any necessity whatever to reserve the hatched portions?—No.

144. Is that the same character of land?—Some parts of it is flat bush-land; some parts of it hills and terraces.

145. This is an old field, is it not—the field between Nelson Creek and Callaghan's Creek?—Yes.

146. Give us some general evidence about those workings?—All the main workings of Nelson Creek and Callaghan's Creek are in that unhatched portion. It has been a very good field indeed. A lot of gold came from it, and all the little creeks contained gold. They have been worked, and are being worked at present.

147. Can you say how many men are on that ground between Callaghan's Creek and Nelson Creek?—I think there are about sixty men in Block 74.

148. But the two blocks together?—I could not speak from my own knowledge of the number of men at the head of Callaghan's. I think there are about ten in the upper part of Block 75.

149. Have you any knowledge of the time when that was worked as a goldfield? Can you say how many men were there in the palmy days?—I could not say, but from the appearance of the ground, and the amount of ground worked and turned over, there must have been a large number of men there at one time, but it seems like every other alluvial field on the coast, gradually getting less men.

150. Then, you think that is the portion that should have been reserved of those two blocks?—Yes.

151. There is a portion along that road that is hatched. What do you say to that?—I think that portion is not required. There is land here sold all round it.

152. The land below it has been sold in freehold sections, and the land above it?—There are no gold-workings of any kind upon it.

153. Can you speak of that portion bounded by Lake Hochstetter?—No; I cannot speak as to that portion.

154. Can you speak of that portion—the 1,090 acres?—Yes; I have been through that portion. There are no gold-workings on that portion.

155. Are there ever likely to be, do you think?—No.

156. Is Ahaura a township?—Yes.

157. Then, you think that the portion in between the 1,090 acres and the 3,300 acres at Riverview should be reserved?—There was some gold deposit at Riverview, I think, up the Ahaura River, and there were some men working there a few years ago, but it is abandoned at present.

158. Can you tell us anything about the Government water-race that comes through 74 and 75—the Nelson Creek Water-race?—Yes; I was along the Nelson Creek Water-race in different places. All the fluming along that had fallen down, and the tunnels had fallen in, and the race has not been in working-order for years to my knowledge.

159. That race cost a very large sum of money did it not?—I have been informed it cost nearly £100,000.

160. There is the other water-race (McGee's) at a peppercorn rent?—Yes.

161. Do you think any water-race can be brought in which would be able to sluice the hills on each side of the land between Callaghan's and Ahaura?—No; I do not think the Nelson Creek Water-race could be brought in.

162. If as suggested, by sluicing the ground there, could any water-race be brought in for that purpose?—Not unless it could be brought from the Ahaura. The Nelson Creek water-races would not command that country at all.

163. Would the Ahaura be an expensive process?—It would be a greater failure than the Nelson Creek Water-race.

164. Hon. E. Blake.] That is to say, there is no gold to wash away?—If you spent an enormous sum of money you could bring a water-race from the Ahaura, but there is nothing to pay to sluice.

165. *Mr. Cooper.*] Now, I understand it will be suggested that there is gold in that portion of the reserve, because gold has been found at Riverview. Can you say anything about that?—I do not hold with that at all.

166. Can you give me a reason?—I think the Ahaura at one time deposited some alluvial wash at Riverview and Sullivan's, and lower down the valley there is a bluff, and the river evidently took a turn and went out at the opposite side. There is no payable alluvial wash, therefore, lower down.

167. In your opinion, that was a deposit at Riverview caused by the wash down from the Ahaura?—Yes.

168. Do you think that the Nelson Creek Water-race, if it was put in repair, could be used to sluice another portion of the lower country in the other blocks?—No.

169. What kind of land was that piece of land of over 3,000 acres?—The surveyed allotments are very fair flat bush land from Ahaura to Callighan's.

170. Are the freehold sections cultivated?—Yes; they are in grass. [Plan of Blocks 70 and others put in. Exhibit No. 92.]

171. What do you think of the hatched portion on the plan, going in a northerly direction—Blocks 69 and 70?—They are not required for mining.

172. Can you give us any reason why you have cut the hatched portion off from Hatter's Creek in that way—I mean the upper line of the lower portion of Hatter's Creek?—Because we could see no traces of any payable gold being in it, and there was no one working in it.

173. Do you think there is any payable gold in that portion?—No; I do not think there is.

174. It adjoins the freehold, I think, does it not?—Yes; and the leasehold.

175. Now, if you will look at Block 69, you will find a triangular portion—2,180 acres—in that: do you think there is any necessity to include that in the reservation?—No; there was no gold-working of any kind in it. No mining rights and no payable gold had been discovered upon it.

176. Hon. E. BLAKE.] There are no creeks?—No.

177. *Mr. Gully.*] The whole country is interlaced with creeks, and I suppose it is impossible to show them all on the map?—There are a few gullies, you can hardly call them creeks.

178. Now, there is a considerable portion there you think ought to be reserved—the portion that is not hatched?—Yes.

179. Just give us your reasons?—There is a good deal of gold-working in all that portion—in Napoleon Hill and Orwell Creek. There are also old gold-workings.

180. Can you say what number of men are engaged in these workings. Just look at your notes?—I could not say from memory, but there are a good many in each block.

181. The same observations you made in reference to the other blocks, as to gold being found on the banks of the creeks, would apply to this portion?—Yes; and in this portion too there is a lead of gold running through a hill called Napoleon's Hill. The lead comes out in the Orwell Creek.

182. I notice the Orwell Creek divides itself into two branches and runs through Block 70. Can you give any reason why you think the banks of the Orwell Creek within the hatched portion should not be reserved?—Down in the lower portions the creeks are like sluice-boxes, and the lower portion of the boxes would contain no payable gold. There is no payable gold down in the lower portion. The gold would be caught near the head of the box.

183. That is your experience?—Yes; when you get down towards the bottom of the creeks there is only a trace of gold.

184. Hon. E. BLAKE.] Are there freshets in the creek?—Yes; but they would not affect the gold very much. The *débris* would be washed away, leaving the gold behind, as it is heavier.

185. *Mr. Cooper.*] Has there been any difficulty in the Government ascertaining the information you have given, and in making the reservations in that form?—There has not been any difficulty at all. They would have taken all the gold-workings or likely gold-workings if they had made the reserves in that form. They have reserved thousands of acres at that place that will never be required for mining.

186. Then, in that portion you have alluded to, you say there will be a very great quantity of land never required for mining at all?—Yes.

187. There are 23,400 acres in these three blocks, and 9,000 that are reserved——

188. Hon. E. BLAKE.] And you say, Mr. Fenton, that of that number there are thousands of acres that are not required?—Yes.

189. *Mr. Cooper.*] And you have dealt with the land on the principle of reserving so much on the banks of each creek instead of on the block system?—Yes.

190. Now we come to Block 65. It is almost entirely hatched?—Yes.

191. Dealing with the lower portion of that block, there is a creek running through it called Mossy Creek. Do I understand that you think the banks of that creek should be reserved?—I do not think so. Some of the other experts think it should; so as to give the Government no chance of saying there is payable gold there they allowed it.

192. Do you think there is a chance of payable gold being found in any other portion of that hatched portion of Block 65?—No; I do not think so.

193. There is a small portion at the top of Snowy Creek. I think we shall have to deal with that before we come to deal with Block 66. You think that should be cut off?—I have allowed a few chains on the bank of the Ahaura River on each side for the purpose of gold-workings.

194. What creek is that [indicated on map]?—The Blackwater Creek.

195. It divides itself into two portions?—One is the Big River and the other is the Blackwater. The Blackwater runs through the reserves, and the other portion outside the reserve is called the Big River.

196. Hon. E. BLAKE.] That runs in about the same direction as Snowy Creek?—It runs parallel with Snowy Creek.

197. *Mr. Cooper.*] Is there any one working in Mossy Creek?—No. It was worked some years ago; but even Chinamen have deserted it, and if they could have made "tucker" they would not have done so.

198. Is there any one working in Snowy Creek?—Not when I was there.

199. Is that an abandoned creek too?—Yes. I have heard since that one man went over the head of the Snowy, higher up than these reserves, prospecting.

200. When you were there there was no one working them?—No.

201. In the River Blackwater—that portion that goes from Block 65—is any one working there?—Yes.

202. What workings did you find there?—I found a good many Chinamen and Europeans working.

203. Where were they working?—About two miles and a half up from the junction of the Blackwater and the Big River.

204. But in the creek.—Yes.

205. I see you suggest that all the reservation needed there would be a reservation of 40 chains so as to protect the mining industry?—Yes.

206. Do you think that would be sufficient for any future industry?—There is no future in that industry at all there, as it will be worked out in a few years.

207. You say there is no necessity for any greater reserve than that in the whole of Block 65?—No.

208. You think that practically, with the exception of that small portion, the whole of that Block 65 has been improperly used?—Yes.

209. What is the character of the land?—The land is different in quality. It is nearly all bush, of course; some of it is well-timbered land, hills, terraces, and flats, and of the general character of West Coast land.

210. Do you think that the land in Block 65 is land that would find a market?—Most decidedly it would find a market, for a man named Flynn had a section at Snowy, and he told me he tried hard to buy a section.

211. You think it is land that could be sold?—If it were in the market it could be sold.

212. They are freehold sections?—Yes; all round.

213. Dealing with Block 66—that portion of the block on the Blackwater River: do you apply the same remarks to that portion as you did to the portion in 65—that is, the continuation of the Blackwater River?—Yes.

214. That is, 40 chains on each side ought to be reserved for the benefit of present and future mining?—It does not require very much here, as the bed of the creek is not nearly so wide; but in order to prevent any dispute I allowed it. I say that much is not required at the head of 66.

215. In Snowy Creek?—There is no one working there at all. Parts of it were worked years ago, but it was abandoned when I was there.

216. There is a portion on each side of 66—1,980 acres—above Brown's Creek: what do you say about that?—There was a quartz reef discovered there some years ago on the upper boundary, near the Snowy River. There has been nobody working there for over ten years; but, in case of any gold being found there, we allowed a very large reserve.

217. You say nobody has been working there for ten years?—No.

218. Is there anybody working on Brown's Creek?—I did not go to that portion of the creek.

219. You think that hatched portion of Block 66 has been improperly reserved?—Yes.

220. Are those freehold sections along the banks of the Snowy Creek?—Freehold and leasehold.

221. What is the nature of the cultivation along there?—Very good grass-land; alluvial flats.

222. Orchards?—Yes.

223. There is a hatched portion of Block 66. You have not spoken to the right of the blocks there—at Brown's Creek?—I went through that portion near Mackley's farm.

224. You think that has been improperly included in the reserve?—Yes.

225. Why?—On account of no gold having been discovered on it. It is of the same character as Mackley's farm. We have allowed the river for tailings or anything of that kind from above. There are no workings, but if in ages there might be it would be necessary.

226. Hon. E. BLAKE.] Just above Brown's farm?—Yes.

227. *Mr. Cooper.*] You allowed that?—Yes. We allowed 16 chains wide.

228. Did you speak as to that portion of 71 hatched. Have you any particular observation to make in reference to that portion?—The lower portion all along that road is fine timbered land. There are no workings at all.

229. [Exhibit 93 put in, including Blocks 59, 61, 62, and 63.] Dealing with Blocks 62 and 63—we might take these two together—the hatched portions of these blocks, Mr. Fenton, ought they to have been included in the reserves in your opinion?—No.

230. Can you give us the reason?—No payable gold has ever been discovered on them.

231. Do you think payable gold is likely to be discovered there?—No, there is none likely to be discovered there. There are no mining rights on them and no miners at work—that is, on the hatched portion.

232. There is a creek called Adamstown Creek over on Block 62?—Yes.

233. Has there been mining on that creek?—Yes; and mining is going on at present there.

234. Do you know how many men are working on that creek?—There are twenty-nine Europeans and eighteen Chinamen.

235. The same observations apply to that that you made before: that the alluvial gold is contained in the creeks and the banks of the creeks?—Yes, there is no payable gold on the sides of the hills. The gold-wash is 120ft. wide in places, in patches. It gets poorer as it gets down towards the lower part. The lower part is not worked at all.

236. What width have you suggested there in Adamstown Creek?—Twenty chains wide.

237. You think that would be amply sufficient?—Yes.

238. Hon. E. BLAKE.] You mean that for about 120ft. there might be a payable run of gold?—Yes. It might be 30ft. wide and it might be 120ft. wide.

239. *Mr. Cooper.*] There is a portion that you suggest should be cut out in Antonio's Creek?—Yes, there are a few small gullies running up in Antonio's Creek, and on the south side of it.

240. Are there men working on Antonio's Creek?—Yes.

241. Why do you suggest a reservation in that form?—To allow for these small creeks, in which there are a few Chinamen working.

242. Instead of taking the banks of each of these small creeks, you suggest that it should be allowed on the block system?—Yes.

243. And up above Slab-hut Creek?—Slab-hut Creek is something like Antonio's, only there are fewer men, and it is worked out; but we allow them to take in all the old workings. There are nine Chinamen fossicking in the creek, going over the old workings again.

244. The land between these two creeks—between Antonio's and Slab-hut Creeks—what kind of land is it?—It is hilly country,

245. Bush?—Yes; and some on top of the hill is open country.

246. Do you think there is any possibility of gold being discovered between the creeks?—No; I do not think so.

247. We will take Blocks 59 and 63 together; there is a considerable portion of 63 you suggest should be cut out. I think you might take 59 in dealing with the balance of 63. There is a portion in Block 59 of 1,530 acres?—Yes.

248. The railway runs through that, I see?—Yes; through the upper portions. There are no gold-workings in that portion; the railway runs through it.

249. And it is closely adjacent to Reefton?—Yes. No payable gold has ever been discovered in it.

250. Do you think that payable gold is likely to be discovered in it?—No.

251. There is a little corner there, 1,300 acres, on the Inangahua River—Yorkey's Creek?—If you take all that strip along 59 and 61, there has been no payable gold discovered on it. No miners have worked on it. All along that boundary is the Inangahua River.

252. From your experience of that country, is it likely that payable gold will be discovered there?—There is no likelihood of payable gold being discovered on it. The rest of that country you see, that we have allowed, has a belt of gold-bearing slate running through it.

253. Hon. E. BLAKE.] Where?—Witness (correcting himself) that part we have disallowed, the hatched portion? That [indicating] is where we have allowed. There is a lot of slate country, about half a mile to a mile wide, and that belt is payable. a belt that runs in the Reefton district. This portion that we have disallowed is more of a Devonian formation—the coal measures come in there.

254. Then, that is not a proper line at all; it is a line you consider follows the geological formation of the ground?—Yes.

255. I think you spoke as to that portion coming down the eastern side of 61 and 59 divided by what you call the same formation?—Yes, the western portion, which is not hatched, that is the slate portion. On the eastern portion of reserve no payable gold discovered. One portion is partly coal formation, partly granite, and partly limestone; it is partly to the east of the coal formation.

256. Now, with reference to these blocks, would there have been any difficulty in the Government exercising any care reserving the portions that you say were only necessary for mining purposes?—There could not be any difficulty at all. No necessity in reserving that portion, for there is no gold in it.

257. You think reserves could have been made covering these gold-workings, or possible future gold-workings—could be made in the manner you suggest without any difficulty at all?—Without any difficulty; and there are other portions in the centre of Block 59, not hatched, where you could cut out 100 acres here and there not required for gold-mining. There is coal again to the west of that country, a belt of coal formation with a belt of very fair coal.

258. Did you proceed in this as you did in the others, on the block system, treating them as blocks?—Yes.

259. You say that in the centre of 59 there are coal formations?—Yes.

260. Do they interfere with the gold-workings at all?—No, the gold-workings are to the east of them, and not to the west.

261. Is the coal formation on that western portion of this hatched piece?—Yes.

262. Hon. E. BLAKE.] You said the eastern part is partly granity, and that there is no gold?—Yes.

Hon. E. BLAKE: We want number 94 now. [Exhibit 94 put in, comprising 51, 53, and 54.]

Mr. Cooper: In reference to 54, Nelson District, we say that the company does not dispute that the greater portion of this block is required for gold-mining purposes, but that the small portion of the block containing 338 acres is improperly included, and the eastern block. These are those allotments running there [indicating on map].

Hon. E. BLAKE: 72, 69, and so on, hatched.

Mr. Cooper: Yes; a block containing 338 acres.

Hon. E. BLAKE: You take these out because——

Mr. Cooper: Because they have coal, and should never have been surveyed by the Crown, and they could with the slightest care on the part of the Crown have been kept from reservation. They are not necessary at all for mining purposes.

Hon. E. BLAKE: Are you taking 54 by itself?

263. *Mr. Cooper.*] I will deal with the 380 acres at the present time. Mr. Fenton, do you think they are properly included in that reserve?—No; I think they are improperly included: they are not required for gold-mining purposes.

264. They are a portion of sections that were surveyed by the Government outside Reefton?—Yes.

265. Is there any probability of there being gold on this Section No. 4, in your opinion?—No; I do not think so.

266. Are there any gold-workings that you have been able to discover upon these sections?—No.

267. And you say that they contain valuable coal deposits?—The upper portion, along the boundary of 72 and 69, there are coal measures along there—Nos. 72, 69, 67, 64—that is to the west of the slate country.

268. So far as the balance of that section is concerned they are coal-workings?—Yes; on the east portion again it gets into the coal country.

269. *Mr. Cooper.*] You say that, although you have hatched it, there are considerable portions of that which should have been reserved?—There are coal-mines, and supply Reefton with coal.

270. Hon. E. BLAKE.] Are you going on the theory that because there is coal there is no gold?—There is coal there; they are getting coal from there.

271. But do you state it as a fact that there is coal. There may be both gold and coal too?—A little gold may be washed on the top of the coal.

272. *Mr. Cooper.*] We come to Block 54: there would be no difficulty in cutting out these allotments?—No; there is fine timber on them.

273. Now, as to 53: first of all, generally, do the hatched portions show the portions which, in your opinion, have been improperly included in the reserves?—Yes.

274. I think 53 divides itself into two portions?—Yes.

275. Showing Redman's Creek, Flowers' Creek, Fryingpan Creek, Due North Creek—there are gold-workings there, I think?—A little alluvial workings. A few Chinamen are at Due North, Fryingpan, and Redman's. At Boatman's Creek there are workings.

Hon. E. BLAKE: That is to say, those that are specially marked.

276. *Mr. Cooper:* There are gold-workings, then, in that portion which you think should be reserved?—Yes.

277. What is the nature of those gold-workings?—The Fiery Cross, and Welcome, and claims of that kind, are quartz-reefs. It is a continuation of the belt of slate country which comes from Block 59, and goes through Block 54, and through Block 53.

278. Can you say how many men are working in that portion of Block 53 to the south of Boatman's Creek [indicating on map]?—There might be about twenty, but mostly Chinamen.

279. In your experience, who are the last persons to work a goldfield which has been worked for some time?—Chinamen.

280. When Chinamen leave the field it may be considered worked out?—Yes; they go over the old workings again.

281. The quartz-reefs you have spoken about are in the portion marked Fiery Cross, Welcome, —round about Caplestone?—Yes; that is one of the claims I manage. The Fiery Cross I was one of the proprietors of, and the Welcome I am manager of.

282. Hon. E. BLAKE.] You mean those ought to be reserved?—Yes. The Welcome turned out £330,000 worth of gold.

Hon. E. BLAKE: I think even I have heard of a Welcome Mine.

283. *Mr. Cooper:* The principal portion of Block 53—3,300 acres: you stated generally you considered it improperly reserved: can you give the reason for it?—There are no workings on that portion except at Yorkey's, where I think one or two Chinamen are working; and at Swampy Creek, where there are one or two Chinamen working.

284. Can you say whether that is quartz country or not?—No; alluvial country. It is outside the quartz line.

285. Now, I think it has been suggested that there might be gold-workings on that 3,300 acres —that there might be gold produced if a race was brought in for sluicing from Inangahua. What have you to say to that?—That is the other portion—the lower portion.

286. If water was brought in to the hatched portion, would it be feasible to work that?—No.

287. Hon. E. BLAKE.] You think there is no gold in it?—No payable gold.

288. *Mr. Cooper.*] Do you know whether there has been any prospecting there?—Yes.

289. With what result?

Mr. Gully: We will get the result from the proper person.

290. Hon. E. BLAKE.] You know there has been prospecting, and you know there is no one working there now?—Yes.

291. *Mr. Cooper.*] There was a tunnel, I believe, to which the Government gave a subsidy, which started from the lower portion of Frying-pan Creek?—Yes.

292. Can you say anything about what the result of that was, to your own knowledge?—The tunnel was started, and the Government gave a subsidy to it. It was a drainage-tunnel, but it came out on the surface. It was brought in to drain Frying-pan and Due North, and, instead of draining them, it came out on the surface.

293. Was that proved to be of any value at all?—It was proved to be non-payable. The men all left it. The company went very nearly into liquidation.

294. In reference to Block 51, what do you say to that?—I say the same as to the other portion—that the hatched portions are not required for mining.

295. There is a very considerable block there—above Larry's Creek, containing 2,640 acres—that you say is not required for mining. Just shortly give your reasons for that?—There is no mining going on on the block; there is no one working on it. There has been prospecting done on it. You can see where prospecting has been done. No payable gold, evidently, was discovered upon it, or it would have been worked.

296. What is the nature of the country?—The land along the river at Larry's Creek you can see is being sold; it is composed of nice river-flats. The other portion of it is hills and terraces.

297. Is there timber on it?—Yes; it is timbered hills and terraces.

298. That applies to both sides of Larry's Creek?—Yes; there are no workings on either side.

299. As to the hatched portion—1,560 acres—what is your reason for stating that that ought not to be included?—The same as the other. No payable gold has been found or been worked on it.

300. Do you think there is any likelihood of payable gold being discovered there?—No, I do not think so. There are two or three small creeks at the head of Landing Creek—we have allowed that, though there are only a few Chinamen fossicking in the old ground. It is all pretty well worked out.

301. In reference to Blocks 51 and 53, would there be any difficulty in the Government treating the reserves as you have treated them?—No difficulty that I could see. They have sold the land around it. They have sold the land on three sides, and there is no one working on this centre portion except a Chinaman or two at Yorkey's Creek.

Mr. Cooper (to Mr. Blake).] You see, sir, there are freehold allotments up Larry's Creek right up to the head of the creek. Those are all freeholds, and have been alienated by the Crown.

Hon. E. BLAKE: I see.

302. *Mr. Cooper* (to witness): The lands we have been referring to are immediately near to Reefton?—There is a good metalled road round the boundary right to Reefton.

303. Besides the railway running to Reefton Junction?—Yes; and there are good roads through the property.

304. Do you think those would have been of value to the company for the purposes of selection?—Yes; and I know they would have been taken up if they could have been purchased. All the land in this Grey Valley is the best fruit-growing land that ever I saw in my life. You can see the apple-trees breaking down with apples.

Now I propose to go through the Western Charleston group. [Exhibit 95 put in.]

305. I will take Blocks 5 and 6 (Plan No. 9). Starting at 6: there are 5,600 acres in Block 6. According to the hatched portion, 4,900 acres of 6 have been improperly reserved?—Yes.

306. Can you give us your reasons for that?—The gold lies in this block to the west of the hatched portion, and the eastern portion, or hatched portion, is only limestone country, in which there are no gold-workings.

307. Is there any gold there?—No; I do not think so.

308. The only portion you suggest should be reserved is that portion on the sea-coast?—Yes.

309. There were ten thousand men in Brighton at one time, and if there had been gold there it would have been discovered and worked?—In the limestone country, I believe, there is no gold. The other portion has been sea-beach.

310. I see you have marked "Old workings" on the portion north-west of Brighton?—Yes; gold-beach leads.

311. Is that, in your opinion, all that was necessary to reserve of that 5,600 acres?—Yes.

312. I understood you to say that at one time there were ten thousand men working at Brighton?—Yes.

313. Have you any idea how many are working there now?—There might be twenty.

314. And where are they working?—Along the beach. Beachcombers I call them in most cases.

315. So that you might fairly say Brighton is abandoned as a goldfield?—There were 10,000 men there at one time and only twenty now; it gives you an idea.

316. Is there timber on that block?—Some of it is timbered, some of it open.

317. Now, in reference to Block 5—9,600 acres?—Everthing that I have said about Block 6 applies to Block 5. The limestone country continues up through the hatched portion and the western portion next the sea; there have been workings in it, and there are men working there at present.

318. Hon. E. Blake.] Was it old beach?—Yes; old beach and cement leads.

319. *Mr. Cooper.*] When you say there are twenty men working at the present time, does that apply to Blocks 5 and 6?—No; there are more on Block 5.

320. I should say, by the appearance of the plan, that was the original site of the old goldfield, from Charleston down to Brighton?—Yes. There were thousands of men working at Charleston at one time. There might be now perhaps a hundred in and about Charleston. I would not be quite certain, perhaps about seventy.

321. Then, you think that portion that is marked off on this plan would be sufficient for present and future requirements?—Yes.

322. Have you any doubt at all about it?—None at all.

323. Do you know of any attempts that have been made recently to prove whether there is a likelihood of future gold-mining about here?—Prospecting associations have been started to find if there was gold at deeper levels there.

324. With what result?—The results I heard were nil.

325. Now, there are Blocks 2, 3, and 4 [Exhibit No. 96 produced]. There is Block 4—8,500 acres—still going upwards. According to the plan, there are 7,200 acres of that at least improperly reserved?—Yes.

326. Will you tell us why?—Want of payable gold.

327. The portion there that is not hatched, up the River Nile and running up the coast, are there gold-workings there?—There are gold-workings along the beach. There are beachcombers at the Shetland Beach. At Brown's Terrace there is gold in the cement.

328. And a very considerable portion of that outside the hatched portion, I see, is freehold land?—Yes; very good land too—splendid land.

329. What have you to say about the Shamrock lead?—That is required for gold-mining. It is evidently an old beach formation at the foot of the hills, and the gold is in the black sand through that lead. I consider it was quite right to reserve it.

330. What is the general character of that land?—A good deal of it is open swampy land. There are some portions of it along the sea that is timbered land, outside the freehold sections. The line of bush country runs the whole way north through sections 2, 3, and 4, in which there are no gold-workings of any kind.

331. Would there have been any difficulty, Mr. Fenton, in reserving the portion that you have suggested should be reserved?—It would contain all the gold-workings and gold leads.

332. If the least care had been taken in making these reserves, would there have been any difficulty in ascertaining the information you have given the Court about it?—No; there would have been no difficulty.

333. I see the Shamrock lead extends beyond Block 4, and there has been no reservation made of the balance of the Shamrock lead. Do you notice that?—Yes.

334. Does that indicate to you whether any care was taken in making these reserves?—There is no doubt in my mind that the reservations were made in the office, not on the ground.

335. You say it is an indication to you that no care has been shown in the way the reserves were made?—None.

Mr. Gully: You are suggesting that, and putting words into the witness's mouth.

336. *Mr. Cooper.*] I see you included in the portion that you suggest should be reserved a place called Brown's Terrace. Does that portion include the position of the ground applied for some time since by some miners?—We allow all that portion of the reserve.

337. Which includes the portion which has been recently taken up?—Yes; the limestone formation runs along to the east of Brown's Terrace.

338. Coming to Block 3, Mr. Fenton, there are 10,000 acres in that block, and 4,500 are hatched?—Yes.

339. Can you say whether there was any necessity to include that 4,500 acres in the reserve?—No necessity. No payable gold has been discovered on it. There are no miners at work on it.

340. Do you think there is any probability of any payable gold being discovered on that portion?—I do not think so.

341. You say that from your knowledge of the country?—Yes.

342. Now, as to the balance of that block: I see you run a straight line through there. Is there any reason for cutting it off in that way?—At Piper's Flat there is a cement formation, and there is cement from there north again.

343. Does that formation that you speak about extend beyond that right line drawn down here?—It does not extend to the west of that line.

344. And that is the reason you have drawn the line in that way?—Yes.

345. Does that portion contain workings?—Yes.

346. Can you say about how many men are working there, on that portion of Block 3?—I could not say exactly how many men are working there at present. I did not take the number when I was there, as I did not think it was required.

347. Coming to Block 2, there is, again, some 6,000 acres of the western portion hatched, near these freehold sections. What do you say about that?—No payable gold has been discovered there. There is no one working; there are no dams nor mining rights of any kind, and so I do not think it would be required for mining purposes. At Addison's Flat at one time there were a thousand men working, and if there was any gold it would have been likely to have been found.

348. Hon. E. BLAKE.] Where is Addison's Flat?—It is near the Venture Company.

349. *Mr. Cooper.*] What is the nature of that portion that is hatched?—Along the allotments by the sea, such as Nos. 8, 11, 12, 13, and 14, there is limestone country running through from Cape Foulwind. They have taken stone from the quarries there for the breakwater at Westport.

350. Would there have been any difficulty if care had been shown in making reserves in the manner you have suggested?—No.

351. Then, coming to Block 1—the one along the beach, still at the right-hand corner of the plan: what have you to say about that block?—There has been no payable gold found upon it.

352. On the whole block?—On the whole block.

353. You consider the whole of that block has been improperly reserved?—It is covered with leaseholds and freeholds and other kinds of allotments.

354. You consider the whole of that block should not be reserved?—Yes.

355. I see there is a portion marked "prospecting tunnel." Can you give us any information about that?—Yes; I went and saw the men working upon it, and there was no payable gold discovered in it, although they drove hundreds of feet. They had driven 1,500ft. when I was there, and they were still working. They were getting a subsidy.

356. Hon. E. BLAKE.] From the Government?—From the Government; and I think some of the Westport storekeepers were assisting them.

Mr. Cooper: I want to speak actually about what you know.

356A. Hon. E. BLAKE.] When was that?—It was on the 11th May. In fact, I have been over this ground hundreds of times.

357. *Mr. Cooper.*] You are quite familiar with it, then?—Yes.

358. What is the nature of the ground in that Block 1?—Timber-land along the beach, and open pakihis inland.

359. Hon. E. BLAKE.] I suppose Westport is the town of this place?—Yes. The Westport-Ngakawau Railway runs right through the centre of this block.

360. *Mr. Cooper.*] There are men working along the beach there?—Yes; washing the black-sand outside the block.

361. Now we come to the Cobden map. [Map of Cobden, Exhibit 97, put in.] From Greymouth to Point Elizabeth, I see, there are 2,000 acres in that block. You say 2,700 acres improperly reserved—the hatched portion?—Yes.

362. That is the land immediately above Greymouth, along the beach?—Yes.

363. Can you give us, shortly, your reasons for saying that the portion hatched should not have been included in the reserve?—It is all limestone country. There are no miners working there, and no payable gold has been found, nor is any likely to be found. The portion along the beach, say, 10 chains wide, has been an old sea-beach, containing black sand and wash, and there are about seventeen miners beachcombing along it. On that account I allowed it, as having been properly reserved.

364. Going up that beach you find there is a square portion—Spence's claim?—In that portion there is a high terrace, on which Spence has got a claim; and, to protect his rights, I allowed more to be reserved.

365. Hon. E. BLAKE.] Is there any more land of similar appearance?—The sea evidently deposited wash there, but it is not the same as that all along the other portion.

366. *Mr. Cooper.*] That is the isolated portion?—Yes.

367. Then, there is a portion. Is that Kemp's Race?—There is a water-race there, and there I allowed more on account of the water-race and dam.

368. Hon. E. BLAKE.] What mining property does that serve?—A man working on the sea-beach. He has a water-race running along the beach, to wash the black sand.

369. *Mr. Cooper.*] Would there be any necessity for any other portion of that hatched part being cut out for water-races or dams?—No; the men working along there are hardly making a bare existence.

370. Do you think they would find more gold if they had more water?—No, I do not think so. I am certain the beach is getting poorer, and the same with the other parts.

371. Do you think if they had water-races they would take up the lower portion of that beach?—There are no creeks to bring the water.

372. There is no water to come?—No. This is a limestone hill in this part, and there are no creeks to collect the water. That is the reason they have these little dams.

373. Hon. E. BLAKE.] Have not these little gullies some water flowing in them? Take Lovell's gully?—Very little.

374. What water they have is dammed up in these dams and used for beach-washing, so that practically all the water that is got is availed of?—Yes, we allowed for them.

[Exhibit 98 put in—plan of the same group going up the Coast—Cobden Group.]

375. *Mr. Cooper.*] Do you consider that land as altogether improperly reserved?—The portion along the beach I consider improperly reserved.

376. Hon. E. BLAKE.] You say only the portion?—Only along the beach, the same as the other portion.

377. Will you describe what portions you devoted yourselves to? Did you go singly to different parts or did you go in groups?—Two would go up one gully and two would go up the next gully.

378. There were always two or three together?—Two, three, or four.

379. Out of eight or nine?—Out of ten or a dozen.

380. So that what you personally saw in this expedition would be one-fifth of the number?—I am only speaking of what I saw myself.

381. You have been speaking generally all through, but occasionally you said that you did not see one particular part when your attention was called to it?—I did not see the eastern or the western portion.

382. You have been giving evidence about a great number of blocks. There were ten or twelve in your party. You would go in couples, or three or four, and it seems to follow that you personally would see only one-fourth of the area, while the others were looking at the other parts. Is that not so?—The portion I have been speaking of I have been to myself.

383. *Mr. Cooper.*] In reference to this particular series of the Cobden blocks?—Yes; all this block we are coming to now. I have not been there so much as the other portions.

384. I think you made two examinations of the blocks in the Grey. How many had you in your party at the first examination?—Four.

385. Hon. E. BLAKE.] Did you look at everything?—Yes, and went there to have a look again to make sure.

386. *Mr. Cooper.*] Then, you divided into parties?—Yes, to find out the particulars of the mines in each creek.

387. You did not follow the same course with these Cobden blocks?—No.

388. And that is the reason you drew attention to it?—Yes.

389. You, personally, confined your attention to the portion of the reserves abutting on the beach?—Yes.

390. Can you state who were with the party in the examination of this Cobden block?—Messrs. Perotti, Daniel, Jones, Wisdom, Kyle, Dowling, Kane, Harper.

391. Hon. E. BLAKE.] Who formed your party on the first inspection, in June?—Messrs. Perotti, Daniel, Jones, and myself.

392. *Mr. Cooper.*] Was that the June inspection?—It was made in June.

393. Now, in reference to your own examination of Block 93, Mr. Fenton?—I could see no gold-workings along this beach in Block 93.

394. How far did you carry your examination inland of that block?—Sometimes we could see a mile, sometimes half a mile, and sometimes two or three miles.

395. You saw no gold-workings along the beach. Did you see any indication of them?—If there had been gold-workings you would see the *débris* from the mines coming down the creeks.

396. You saw nothing of that kind?—Nothing of that kind. Wherever there had been gold-workings we could see.

397. Had you a general knowledge of the country?—Yes.

398. I mean from what you obtained in this examination?—Only hearsay.

399. I beg your pardon. What was the nature of the country you examined?—Rather hilly country. There did not appear to be any alluvial wash. Some of it is coal country also.

400. That is all you can say personally as regards Block 93?—Yes, that is all.

401. In reference to Block 94, Mr. Fenton, as far as Barrytown: what have you to say about that?—The same.

402. Hon. E. BLAKE.] What did you see of that part?—I went along towards the beach, as in the case of Block 93.

403. *Mr. Cooper.*] Did you see any indications of gold-workings either along the beach or indications that there were gold-workings inland?—No.

404. Hon. E. BLAKE.] There seems to be a little reserve there?—I think we allowed something at Baker's Creek and those other creeks.

405. There seems to be some above the lead at Seventeen-mile Bluff?—Yes; there is a little beach going along it.

406. *Mr. Cooper.*] Were you with the party when they went by the inland track?—I went by the inland track round to the Seventeen-mile Bluff.

407. Did you yourself follow the course of Baker's Creek?—No, I did not go up.

408. You say it was the joint determination of the party, in which you concurred, although you made no personal examination?—Yes.

409. Between Baker's Creek and Fagin's Creek, did you see any indications of old workings—you, personally?—There are several men beachcombing along there.

410. Hon. E. BLAKE.] So that you would see what would be the exit to Fagin's Creek and Baker's Creek?—Yes.

411. *Mr. Cooper.*] Do you know anything about the Barrytown Mining Company there?—I was aware that they made a cutting through the flat, which had been abandoned.

412. Did you see any beachcombers at work except at the Seventeen-mile Bluff?—I saw two or three of them.

413. In order to conserve the interests of those who were beachcombing, is it necessary to reserve any land along the beach?—They were working on the sea-beach below the land—on the black sand thrown up at every tide.

414. All that is necessary is to reserve the creeks for the water?—Yes.

415. What is the nature of the country in 94?—That is fine flat land along from Fagin's Creek to Barrytown.

416. What examination did you make of 95?—I saw what is called the back leads—what is properly reserved; and I saw the lower portion to the sea. I did not see the back portion—what we considered not properly reserved.

417. You saw the whole of what is included in the reserve which is marked gold leads?—Yes; I saw the whole of that portion, and between that and the sea.

418. You have allowed a portion along the beach there. Is that what you consider should be reserved?—Yes; that would give plenty of rights to the beachcombers.

419. Hon. E. BLAKE.] I suppose the beachcombing workings are of a more extensive character, because they are worked entirely on the beach outside on the foreshore?—The beachcombers work on the foreshore all along.

420. You say they do not want anything in Block 94, but they do want something in Block 95?—Yes. I think a little should be allowed them along the beach for residences and that.

421. Do they not want it for the same thing in 94?—Yes; just in the same way.

422. Practically, you say that where you find beachcombers there should be some slight portion for residences required along the beach?—Yes.

423. And therefore there should be a little for them in 94?—Yes.

424. *Mr. Cooper.*] You can tell us something about that lead which runs along 97 and partly into 94?—It is evidently an old beach thrown up above the level of the sea, and I think there are perhaps seventy men working along there.

425. What is that portion which is hatched between that lead and the sea?—That is a fine alluvial flat.

426. Is it, in your opinion, gold-bearing?—It might be gold-bearing, but not to a payable degree.

427. Do you think it is at all likely to be required for *bonâ fide* gold-mining purposes?—No; I do not think it is required for gold-mining purposes. I do not think there is any payable gold in it. The lead runs inland. The old sea-beach is at the back of that flat.

428. Can you speak personally as to the back portion of 97? You say you did not examine that?—No; I did not examine it.

429. And the remarks about the lead on the sea on 95: do they apply to Block 97 as well?—Yes.

430. All your evidence applies to that portion as well?—Yes.

431. In examining that lead, can you say whether there was anything which would enable you to form an opinion whether there was gold on Blocks 95 and 97?—At the back of the lead the hills were higher, and I do not think there was any payable alluvial wash.

432. Did you notice at all the water coming down these creeks?—Yes.

433. Was there any indication that there was gold there?—There was no gravel or alluvial wash coming down behind the lead. There were no workings.

434. Can you say anything about that corner piece—Okareki Point, or Razorback?—I cannot say anything about that. I did not go there.

[Exhibit 99 put in, western side of the Grey.]

435. What do you say about Block 86?—I say we allowed the eastern portion of it to be rightly reserved, as the lower portion contains gold in the creeks and quartz-mines. I went up Langdon's Creek and Battery Creek, and I consider they were rightly reserved. At present there is a battery being erected there.

436. Hon. E. BLAKE.] Did you go over the whole, or only part of it?—I went over a good portion of it.

437. Enough to enable you to judge?—Yes; I went over all those creeks—Langdon's Creek and Big Creek.

438. *Mr. Cooper:* Now, as to the hatched portion, did you go over that?—Yes, I went over it—every portion of it.

439. Sufficiently to enable you to form a judgment?—Yes.

440. The 4,700 acres in the upper portion ought not to be reserved: have you any reason for that opinion?—Above Langdon's quartz reef the country changes from the slatey formation to the conglomerate, and then the coal measures come in. In the coal measures I could see no alluvial wash, and I never saw any payable quartz reefs in these coal measures, so I concluded that it was not required for gold-mining. I have allowed a large extent above the quartz reefs for timber or anything in that way which would be required for mining purposes.

441. But do you think the portion you have marked off there is sufficient for present and future gold-mining in that district?—Yes, I consider that in all where it is likely there will be discovered payable gold, I have marked off and allowed the Government a sufficient reserve.

442. Is this timber land the balance?—It is timbered land; near the top it gets out into open country. It is very high hills and timbered country, part of it.

443. There is a little portion of it there, 400 acres to the north-east, at Backwater: do you think that should not have been included in the reserve?—It is a piece of flat terrace, and there are no gold-workings on it, and none have ever been, and I do not think there is any gold in it.

444. Hon. E. Blake.] You seem to think it may be useful for something else. Does it appear it was worked on the other side of these gold prospects?—There is very little gold-working there. There are a few men fossicking in the creeks. In fact, the whole lot of it should have been cut out to Blackwater Creek. There are no gold-workings.

445. But you have taken away Blackwater itself?—Because there are no gold-workings.

446. But, according to your instructions, you were to see as to the prospects of gold?—Well, I did not think there was any gold.

447. *Mr. Cooper.*] Give your reasons for that?—Because there are coal measures there, and I do not think there is any alluvial wash in it.

448. Now, there are 300 acres in Block 87 to which the same reason would apply?—Yes.

449. Can you tell us whether there is any reason why that block—call it 700 acres—should not be included in that portion you say ought to be reserved?—You admit reservations on the one side.

450. Hon. E. Blake.] I want to explain to you. It seems a little curious from the way you put it, as if you think this 700 acres you admit to be reserved was very fine land for other purposes—it would be better so than if it was kept for gold-mining. That is what it seems to me?—Except at Blackwater Creek, which has been prospected, and there is no payable gold. It is fine country, which has been prospected and shafts put down and tried in different ways, and no payable gold has been discovered.

451. *Mr. Cooper.*] It has been abandoned?—Yes.

452. Can you speak to the altitude of these 700 acres?—It is, perhaps, 150ft. high above the river.

453. This is the watershed down the one side, and the 700 acres are down the other side?—The watershed is down here, going to Ford's Creek, and the watershed to Blackwater Creek and Big Creek.

454. Hon. E. Blake.] And to the Grey?—Yes.

455. *Mr. Cooper.*] You say that there is indication that it has been prospected and abandoned?—Yes; if there had been payable gold on it, it would most likely have been worked out years ago.

456. Now, as to the other hatched portion of 87—1,680 acres—what do you say about that?—I went to the head of Ford's Creek and along it, to see if there was any sign of payable workings. I could see no payable wash or any sign of payable wash there. It seems to be to the west of the gold-bearing country. It is in the east a gold country and in the west a coal country.

457. From between Ford's Creek and branch Ford's Creek were there any claims in 86 and 87 beyond the one on the map that you know?—No.

458. You consider, then, that the gold would be found along the creeks?—

Mr. Cooper: I see the Blackball Company are working the coal measures in the gold-bearing area there.

459. Hon. E. Blake.] So it is not a sign that there is no gold if coal is there?—No; the alluvial deposits here were carried down over the coal formation.

460. *Mr. Cooper.*] According to this plan this portion to the east, you contend, should be reserved?—Yes.

461. Have you treated that on the block system as well?—Yes.

462. Cutting off what you think would be necessary for future gold-minings?—Yes.

463. *Mr. Cooper.*] West of Ford's Creek is it high?—Yes; it is high bush country in 87.

464. *Mr. Gully.*] Can you speak to the height?—It is a good many (?) thousand feet. I could not say exactly.

465. *Mr. Cooper.*] A mountain-range?—Yes.

466. What about Block 89? First of all, what personal examination did you yourself make of that block?—I went up reserve past Granity Creek, then through the surveyed sections and freehold sections outside, to Block 9, 10, 11, and 12, up to B.A. Creek on to Slatey Creek, parallel to the Big River.

467. *Mr. Cooper.*] So that you made a pretty complete examination of that block?—Yes.

468. And what do you say?—I say that all that portion which is hatched from the Big River over towards Shellback should not have been reserved for mining purposes.

469. Why?—There are no gold-workings on it, it has been prospected and abandoned.

470. What is the nature of the country?—Nice, flat, level country—bush-country.

471. Then, you allow a reservation to the west, on the hatched portion: can you say why?—In the west of the hatched portion, and in Shellback Gully and Caledonian Creek, there are some Chinamen and Europeans there working; they are at the head of it; and I think it should be reserved.

472. At the head of the creek; did you go up there?—Yes; to the head of the creek; there was no one working there when I was up, but we allowed a reservation. We could not see anybody, but we were told they were workings, but they were abandoned.

473. I suppose, for the reason you stated before, that the creek-beds should be reserved, and it was allowed?—Yes.

474. Those allotments 3 and 2 are not in the reserve at all?—No; but there are allotments in the reserve. A man named Lees has cleared some of them, and applied to buy them. He is living on them, and could not get a title to them. There are no gold-workings on them.

475. That is outside the reserve?—In the reserve.

476. You mean in the reserve, but below this 9–11. Do you know that yourself?—Yes.

477. There is a man there who has cleared and cultivated that portion?—Yes.

478. Would there have been any difficulty in the Government reserving these portions as you have suggested?—There would have been no difficulty in cutting out the gold-bearing portions in this block [indicating on map].

479. Or in Blocks 86 and 87?—Or in Blocks 86 and 87.

[Mr. Cooper here produced Exhibit No. 89—Maruia, Blocks 25, 26, 27, and 28—and indicated boundaries of Block 25.]

480. What have you to say about Block 25?—I came up Block 25, all along here [indicating route on map], and I saw the land on both sides of the river.

481. To begin with, what is the nature of the land?—The land is mostly timbered country, and there are some fine alluvial flats and terraces. Some parts of it are a little hilly.

482. Are there any gold-workings along that river?—Yes.

483. Where?—On the banks of the river.

484. What, in your opinion, would be a reasonable reservation to make in reference to the mining industry along the banks of that river?—I think about 4 chains on each side would be an ample reserve.

485. Do you think there is any probability of gold being found at a greater distance than 4 chains from the banks of the river?—I do not think so. I never saw any workings over 100ft. away from the river.

486. Will you give us a little information as to the nature of the auriferous country there? Do I understand that gold in this Maruia country is found on the banks of that river?—Yes, and within 100ft. of the banks on each side.

487. Hon. E. Blake.] Are the banks high?—In places they are high—perhaps 20ft. or 30ft. above the river.

488. *Mr. Cooper.*] You have given us generally a description of the nature of the country. Can you say if there is any agricultural land along the banks of that river?—Yes, there are several fine alluvial flats all the way up the river along the banks.

489. Included in the reservation?—Yes.

490. Then, it is the quantity you think is objectionable—the quantity that is taken from each side of the river—and not the reservation of the river-bed?—It is the quantity I object to. There is no gold in the back portions over 4 chains away from the river.

491. Do you know how many men are working along the river in Block 25?—There are about twenty men working right up to about the watershed.

492. Hon. E. Blake.] That would be in two blocks—25 and 26?—Yes.

493. *Mr. Cooper.*] That would be a distance of some twenty-four miles. There are only twenty men working in that whole distance?—Yes.

494. Are there settlers along there?—Most of the men along there have farms.

495. There are men working on the river, and would like to get land for settlement?—Yes. One man whom I know has a farm.

496. Hon. E. Blake.] A good many of them are actually settled?—Yes.

497. *Mr. Cooper.*] Take Block 26. Does the same reason apply to that?—Yes; the same reason as applies to Block 25 in every way.

498. There is the same quantity of land in each block—8,328 acres in Block 25 and 8,320 acres in Block 26?—Yes.

499. You spoke about the River Warwick?—Yes.

500. Is there any gold-working in the River Warwick?—Yes; a little above where the River Warwick joins the Maruia there are two men working; at the bend of the river, from that up there is no one working. Below that there is a gorge; above that the country opens up into large flats.

501. Block 27 is a block of 6,250 acres?—Yes.

502. I see there is a freehold section in the centre—1 and 2. Do you know whose property that is?—Mr. Walker's.

503. Do you know is that reservation round that freehold block required for gold-mining purposes?—No.

504. Do I understand, then, that at the outside not more than 4 chains on the bank of the river would be required?—Four chains would be too large at that part. From the junction of the Warwick 4 chains would be too large.

505. Can you tell us what the effect of that reservation has been to Mr. Walker?

Hon. E. Blake: We are not trying Mr. Walker's grievances.

506. *Mr. Cooper.*] Then, you think the whole of that reserve, with the exception of a small portion on the bank of the river, is wrongfully made?—Yes.

507. And not required?—No payable gold has ever been found on the large flats there. There is not a miner working them, and there are no miners' rights.

508. What is the nature of the land round Walker's station?—Fair grazing land—open tussock country. Some of it is bush, but the greatest portion of it is open tussock country.

509. Block 28 is the lower block?—Yes.

510. What do you say about that: you call it the upper portion up the river?—Yes. There is not a single miner working upon it, and no miner's right. No payable gold has ever been discovered or been worked upon it. Therefore I should hold it is not required for mining.

511. In order to protect future mining operations, do you think they would extend beyond 4 chains on either side of the river?—No; I do not think they would want any reservation at all in that upper portion.

512. Hon. E. BLAKE.] You make a distinction from about the junction of the Warwick, and your opinion is there is nothing required more than 4 chains?—Yes.

513. *Mr. Cooper.*] We come now to Block 30. What do you say about that?—In Block 30 the lower portion is the Doughboy Creek. It has been worked for gold, but is worked out. When I was there there was only one man who held any rights in it.

514. Hon. E. BLAKE.] What is the size of that block?—2,500 acres.

515. *Mr. Cooper.*] It is a reservation of a mile in width, and the Doughboys Creek runs right through the centre of it?—Yes.

516. There is only one man working there?—Yes.

517. How many chains would have been ample?—About 4 chains altogether; 2 chains on each side of the river would have been ample

518. What is the nature of the land on the banks of that creek?—The lower portion is very fair timber land. Up the creek it is all timber-land, but hilly.

519. There is the River Matakitaki. First of all, do you know why there has been a lesser reservation on the Matakitaki than on the Maruia? Is there any reason why the reservation on the Maruia should have been so much bigger than on the Matakitaki?—No; it should have been the other way about. There were hundreds of miners on the Matakitaki, and it turned out gold, whereas on the Maruia there have only been twenty miners at work. On the Matakitaki they have reserved quite sufficient. A hundred times more gold has been turned out of the Matakitaki than has been turned out on the Maruia or is likely to be found there.

520. There is no other block in this plan that you can speak about?—No.

521. I now come to Exhibit 90, western group, Block 12?—I made no examination of that.

522. Can you speak of Block 2B?—Yes.

523. Will you tell us what you have to say about that?—Yes; I went over this block backwards and forwards in different directions, and found no one working there, and no gold-workings in that block at all of any description, except at the upper portion, where there is an old worked-out lead on the boundary, and two Chinamen fossicking on the upper boundary.

524. Do you think there is any likelihood of any gold being worked upon that block?—No; I think there is no likelihood of any gold being found on that block.

525. Will you give us the reason?—In the first place, I could see it has been prospected in several places, in fact, all over it, but there is no one working it. It has been abandoned. I am speaking of the section adjoining the boundary of the block. There is no one there now, and at one time there must have been hundreds or a thousand men perhaps along there, and I am certain, if there is payable gold in it, they would have discovered it. I could see where it had been prospected in different places, but no payable gold has been discovered on it.

526. What is the nature of the country?—Flat bush land; there is very fine bush on it.

527. Then, you consider no portion of that block ought to have been reserved?—Yes.

528. Did you examine Block 2A?—No; I did not.

529. Now, as to Block 6, the next above Block 2B, did you examine that?—Yes.

530. What have you to say about that?—I went through the block in different directions, all through, and could find no gold-workings.

531. The Kumara Station is on that?—Yes. I could find no gold-workings on it. There was no one working on this block at all. No payable gold had been discovered upon it, except along the Teremakau River, where there has been a little gold-working at one time.

532. It has been abandoned?—Yes.

533. What is the nature of that country?—It is all flat bush country.

534. Then, in your opinion, no portion of that lower part should have been reserved?—There might be an exception in the case of a chain or two along the Teremakau River, but even that has been tried by Chinamen and abandoned.

535. That is Block 6?—Yes.

536. Did you examine any of the other blocks?—Yes; Block 1.

537. What do you say about that?—I consider that the south-eastern part should not be reserved.

538. Do you say what proportion of the blocks ought not to have been reserves?—About 1,000 acres.

539. Hon. E. BLAKE.] What is the size of the whole block?—5,000 acres. The workings of Kumara take in between 500 and 600 acres, and I allow the rest for timber purposes, and so on. In that 1,000 acres no mining and no payable gold has been discovered.

540. Hon. E. BLAKE.] What I understand is that what you allow of this Block 1 is allowed for timber and water-races for Kumara, not for the gold itself?—It is allowed for gold too. There are from 500 to 600 acres worked out. I think the Teremakau River took a bend at one time there, and deposited the gold.

541. *Mr. Cooper.*] Do you know whether, outside that portion, there has been any test for gold?—There have been shafts sunk all over the block, and no payable gold has been discovered. I saw the shafts and the tunnels, which had been abandoned.

542. *Mr. Gully.*] You say that no gold has been discovered there, but you do not know that yourself?

542A. *Mr. Cooper.*] The witness says he saw the shafts and tunnels and so forth, and that there was no one working there, and the place was abandoned?—There were no signs of any dams or water-races there at all.

543. Then you drew the inference that it was abandoned?—Yes.

544. Do you know of any other blocks besides 6 and 1 that should not have been reserved?—There is Block 11, Jackson's.

545. What have you to say about that?—I have been over Block 11, near Jackson's Railway-station, and near the Teremakau. There are about 600 acres of flat land or gently-undulating land in which there are no gold-workings of any kind. There has never been any gold found in it. About a mile back from the river the hill rises perpendicularly, and there has been a battery erected there, with which there has been only one trial of stone, from a reef higher up the hill. I tested the stone from the reef myself, and found it was not payable. There were several tons of stone lying in the battery when I was there last. I tried a prospect from that stone, and found it was not payable. It would not pay for crushing, so they left it behind.

546. Do you think any portion of that block ought to have been reserved?—I saw only the portion facing the river—that is about a mile and a half back—and I consider that portion should not be reserved.

547. You did not examine the other portion?—No.

548. What other blocks can you speak to on this plan?—Block 8A, 1,700 acres.

549. What have you to say about that?—I went over that block in all directions. The only gold-workings upon it are on the banks of the Arnold River, near the Kaimata Railway-station. There were two men working within 20ft. or 30ft. of the river. That is the only work on the whole block. It is fairly flat country, with very good bush upon it. I am certain they will never get any payable gold on the back portion of the block. The gold there was evidently deposited by the Arnold River. The country rises 200ft. or 300ft. at the back.

550. Is it your opinion that 1,500 acres of that 1,700 acres has been improperly reserved?—My opinion is that there are 1,690 acres improperly reserved.

551. Do you think that 10 acres would be sufficient to reserve for mining?—Yes, a few chains along the banks of the Arnold.

552. Did you examine Block 9 and Block 11?—I examined Block 9, and in the northern portion of it there were no gold-workings.

553. Hon. E. BLAKE.] Did you examine it all?—Yes; in the same way as I examined the others. In the southern portion I found there was gold-working, but not in the north. They are ranges at the back of the Greymouth Township, and there is no gold-wash upon them. They are limestone hills, and I am certain they are not required for gold-mining purposes, and gold is not likely to be found there. It is about 3,000 acres in extent. The northerly 1,500 acres should not be reserved.

554. You have now gone over all the blocks on this map that you have examined, Mr. Fenton. Now, do you know anything about Westport Harbour?—I have lived in Westport for months at a time.

555. What kind of harbour is it?—It is a very fair bar harbour.

[Mr. Gully objected to cross-examining this witness at this stage, as he had not been supplied earlier with particulars of the company's objections to parts of the reserves.]

PETER FRANCIS DANIEL sworn and examined.

556. *Mr. Jones.*] You are?—A mining engineer.

557. Do you hold any other qualifications?—I hold a mine-manager's seven years' certificate from the New Zealand Government.

558. Are you a member of any Institute?—I am a member of the Federated Institute of Mining Engineers of England.

559. Did you study at the University of Otago?—Yes.

560. What?—I was there about five years, and studied all subjects relating to mining, assaying, chemistry, mineralogy, and other subjects, under Professors Ulrich and Black.

561. Have you had any practical gold-mining experience in New Zealand?—Yes; considerable mining experience in New Zealand.

562. Can you tell me when you made an inspection of the ground in Block 81 [see Exhibit 91] for the purpose of the Midland Railway arbitration case?—The ground has been familiar to me for the last six or seven years. I examined it about May last, and latterly in September. I spent five or six days in it.

563. Who were in your company when you examined it in May?—Messrs. Fenton and Perotti.

564. And on the last occasion, in September?—Several. Messrs. Fenton and Perotti were with me over a portion of the block.

565. Who accompanied you on the second occasion?—Messrs. Fenton and Perotti, a considerable way.

566. Anybody else?—Messrs. Dowling, Kane, Harper, Kyle.

567. Anybody else?—Mr. Pavitt and others were there, but I was not with them.

568. Would you recollect any of the other names: Mr. Harper?—Yes, he was one.

569. We will confine ourselves to the September examination, if you like?—Yes.

570. Can you tell me what portion of Block 81 you examined?—Practically the whole of the block. The part hatched here [indicated on the map] I went over in a variety of directions. I went along the tramways through both the sawmills of Fairy Brothers, and went up the tramways, branch tramways, and snigging-tracks leading to the sawmills.

571. You had better say where those tramways are: on what portion of the block are they situated?—There is one on leasehold and one on freehold sections about the southern end of the block.

572. All around about the reserve?—About that portion.

573. Which direction do they go in from there?—About three miles into the block.

574. What sort of country did you find there?—It is all heavily timbered country.

575. Is there any gold-mining country?—No; none whatever in that portion of the block. I traversed Portuguese Creek, and made a thorough examination of the block. Outside the blue portion there are no workings except at Spring Creek. There has not been any workings, but there are a few shafts and bits of tunnels to be seen.

576. Hon. E. BLAKE.] Is that near the hatched portion?—Yes; it has been thoroughly prospected, but nothing has been found.

577. *Mr. Jones.*] Did you go along the western country of that block—on the hatched part?—Yes.

578. Was there any evidence of gold-mining there?—None whatever. We followed the snigging tracks, and thoroughly examined it.

579. Can you say you discovered any gold-workings?—No. With the exception of prospecting operations, and at Spring Creek, I can say positively that there are no gold-workings on the block.

580. Can you say why, in Block 81, some parts should be excluded and not other parts?—Some few men are working there, but their workings are confined to Black Jack's, Rough-and-Tumble, &c. The creeks are auriferous, and there are a few men working there at the present time, but making a very poor existence; and I suppose that, instead of reserving so much there, 180 acres would be enough to include the whole of the gold-workings. But, on account of the difficulty of cutting out the small portions, and our instructions from the company being that we were to be liberal with the reserves, we cut out the whole portion.

581. From No Town Creek, from where the reserves begin, has any gold been found until you reach Chinese Creek?—No gold whatever.

582. Do you know if the creeks and banks have been prospected down there?—Yes, from my own knowledge during the last seven years. I know no gold-workings have been found there. There is no evidence of any kind; and, if there had been any gold-workings there, there would have been something to show them.

583. What is your opinion as to Block 81 being hatched?—That no gold-workings of a payable character exist—that the ground has been thoroughly prospected, and that it is not required for gold-mining purposes.

584. Is it hilly country?—Towards Spring Creek the country rises a little, but around this portion it is flat.

585. It forms a divide between the part that is hatched and the part not hatched?—Yes, at Spring Creek.

586. The southern slope contains no gold, but on the northern slope where it is intersected gold has been worked, and there may be still deposits?—Yes. There is no payable gold existing between the creeks. I suppose on that portion of the ground I counted some 200 tunnels driven in between the dividing ridges, and no workings exist between these creeks. In no case do workings exist 2 chains from the bed of the creek.

587. Although you have allowed that area?—Yes.

588. You know that it is necessary to have easements—dams, tailing-sites, and so on?—Yes.

589. And in that portion of Block 81 which is hatched, did you find any traces of dams and tailing-sites, and so on?—None whatever, except a small dam which was used at one time to drive a chaff-cutting machine for a man named Gillon, and which was taken up under mining rights.

590. And where is that?—It is situated near a small creek between Spring Creek and No Town Creek.

591. That is the only mining privilege held on that block?—The only one.

592. And that is abandoned now?—Yes. I saw it there, and made inquiries about it, and found out what I say.

593. Are there any creeks in that block which could be utilised by miners for any mining purpose, and which is not now occupied?—Portuguese Creek is used. There are men working there. I saw four men who are discharging their tailings into Portuguese Creek from three or four miles above the mouth, but the workings are very small.

594. All the mining privileges within the area you have allowed to be reserved?—There are no mining privileges outside the area we have allowed.

595. Did you make a careful examination of Block 80?—Yes.

596. Will you tell us what you discovered there?—Every hatched portion I traversed in various directions, and on the hatched portion on the plan here there are no mining rights of any kind or nature existing. All the workings are at No Town Creek and the little creeks running into it. I think No Town Creek is shown a little out of place here. [Map referred to.] About the junction of the hatched portion a water-right heads from it. It is practically abandoned now. I think the edge is outside the hatched portion.

597. The creeks running into Portuguese Creek, what about them?—I did not make a special examination of them myself, but I have a general knowledge of those creeks. There are four men prospecting in them—in Menschikoff, Candlelight, Mad Gully, and Maori Gully. I saw the four men, and had a talk with them. They are fossicking about, and their tailings are delivered into Portuguese Creek.

598. These four blocks form the No Town district, do they not?—Yes.

599. In marking off the hatched places, have you allowed for the timber required for mining purposes, residence areas, or anything of that sort?—Four thousand eight hundred acres have been allowed, but I would not have allowed that.

600. How many men are there working?—There are fifty-two men on Block 80—sixteen of whom are Chinamen. The area outside is not, and is not likely to be, required for gold-mining purposes. As a matter of fact, including dams, water-races, residence-areas, and claims generally, the total amount of ground at present occupied would not exceed 80, or, at the outside, 100 acres, and 4,800 acres are shown on the unhatched portion. The same remarks as to the unhatched portion of Block 81 would apply to this block. There are places where a few hundred acres could be cut out. There is no claim of any sort on the terraces.

601. In Block 79 you have allowed another reserve—partly made?—Yes.

602. Is there anything in the formation of that country which would afford a reason for saying that that part hatched should be reserved for gold-mining purposes?—No. The ground is practically at a high elevation, with no water to command; and the ground has been thoroughly prospected. I came across numerous shafts and tunnels, but there are no miners working upon it—on the hatched portion.

603. Did you go over from No Town to Frankpit store?—Yes. It is a high terrace. You rise to about 500ft., and then it is flat.

604. Do you know if there is any alluvial wash on the top of that hill?—No.

605. Therefore, if water was brought to it, there would be nothing to wash away?—No. Of course, you would have the timber and the soil.

606. We will leave these blocks now, and go on to No. 77, known as the Red Jack district. Did you make any inspection of Block 77?—Yes.

607. On the north bank of No Town Creek you had reserved a little strip on the eastern side—the south-eastern part of Block 77?—Yes.

608. Why did you reserve it there?—Evidently No Town Creek took a bend in that direction, and left a deposit of gold, and that is being worked now. At this end of the block two Chinamen are working—sluicing, I think—and above that there are seven or eight men.

609. And on the western side?—The Chinamen are working that still, following down the creeks in the No Town country.

610. What is the nature of the country there?—It is very flat country; there are no means of draining it without bringing up a tunnel from the Grey River.

611. That is in the flat country?—Yes.

612. That is for the low flat country?—Yes.

613. Behind that flat country, going north from it, what sort of ground did you meet there?—Hills rise between the No Town Creek and the country beyond Connor's Creek.

614. Did you find any gold or traces of gold-working there?—I found six men working there in Connor's Creek. I made an inspection of the workings. The men working there were making 6s. to 8s. a week. Two of them have since left.

615. The next Creek is Deadman's. Did you find any working between Connor's and Deadman's?—No.

616. At Deadman's?—Well, at the creek there is a portion unhatched of the workings, and I found at that portion, I think, there were four Chinamen and six Europeans engaged there.

617. What distance did you allow from Deadman's Creek to the junction of the forest?—Well, we think 1 chain on the bank of the creek is sufficient to take in all the workings; but I think the hatched portion shows 4 chains.

618. What do you say is sufficient in Connor's Creek?—Well, the reservation left there was 10 chains in width, as shown in the plan; but, as a matter of fact, the creek is not required at all. It should be struck out. I feel certain there is no gold there to pay.

618A. Between Deadman's and Red Jack's?—There are no workings whatever until you come to Red Jack's Creek itself.

619. Where did you see the evidence of old or present workings there?—In Wyndham Creek; there has been a little there. There is nobody there at the present time. There was a small line of gold which ran out years ago. It has been thoroughly prospected. I saw the shafts and the workings, and saw Algie, who worked there himself, and he failed to discover gold of any kind.

Now, we come up the Kangaroo.

619A. Hon. E. BLAKE.] There is a reserve at Red Jack's?—The lower portion of Red Jack's is all freehold or leasehold land, and there are no workings of any kind. The land was sold fifteen or sixteen years ago, and has never been required for mining purposes.

620. *Mr. Cooper.*] Do you find any traces of workings before you get to the eastern boundary of Block 77? Are there any Chinamen in Kangaroo Creek?—One Chinaman is prospecting there. He might go, up and down, a mile in the day.

621. In Kangaroo Creek, were there any traces of workings there?—Not in this block.

622. And the reserved portion, between the hatched part of Kangaroo and Nelson Creeks?—There are no workings of any kind in the hatched portion, so far as gold is concerned.

623. Are there any rights—dams, water-races, residence sites, &c.—in the hatched portions of the block?—There is one race at Ngahere. It is a water-race from Wyndham Creek, brought in for the purpose of driving a sawmill. It is half a mile long, and only 1ft. or 1ft. 6in. in width.

624. With that exception, this block contained no mining privileges?—Except those in the hatched portion.

625. Now, as to Block 79. You say there, at the northern portion of it, there is a strip on the north side of Kangaroo Creek, on the left-hand branch: what of that?—It is 2,400 acres, in which no gold has ever been found, and in which no rights of any kind exist. No men are working there. It is fairly level timber land. There are several tracks across it, in two or more directions.

626. Did you cross at more than one or two places?—Yes, in more than two places.

627. This piece of 600 acres: are there any workings on that?—No. I think there was evidence of workings here—two small creeks, blind gullies, about the north-east point of that hatched portion of the 460 acres. There are two gullies that had been fossicked out. A little gold has been taken away.

628. Are there any mining privileges?—None that I know of.

629. And between the left-hand branch and the right-hand branch of the Kangaroo?—It is not hatched here, but there are no workings. I do not know the country myself, but I went up both branches, and had there been any workings I should certainly have seen them. No person, certainly, has put tailings into the left-hand branch. I saw the men working in the right-hand branch.

630. And from your inspection you say there is no evidence in the right-hand branch?—It consists of a wide spur, and I must have seen it from the branches; but I did not cross over it to the other side.

631. Did you say it should not have been reserved?—I say it should not have been reserved.

632. Why is it not hatched the same as the rest?—It should have been hatched—it is hatched. I may explain that the hatching was the result of consultation; there was a difference of opinion. Some of the parties differed from the others, and they thought a small piece of ground was not worth hatching. I contend there are certainly no mining portions on that piece of land.

633. Then, I see it was the result of a conference with some of the members of the contract that it should not be?—My opinion is that it is not required for mining purposes.

634. What about the 800 acres?—There are no mining operations. It is high level land. Even the portion on the north; there are no workings there, or water-rights, or dams.

635. And the other corner, 520 acres?—The same remark applies there. In the piece shown they are unhatched. Of course, there are a number of men working—about forty altogether—but all their working is confined to the east of the creek-beds and to the creek. In fact, if the creeks were reserved with a chain or two on each side, it would include all the operations and take in the races; but, of course, that means a lengthy examination and a survey into 100 or 50 acres.

636. Do you know Sunday Creek?—Yes.

637. There was a rush there?—Yes. There are twelve men working there now.

638. Any probability of that rush developing to any extent?—No; all the ground capable of being taken up has been taken up on Sunday Creek, east and west; the run is parallel to Sunday Creek in the terrace. The formation of the country, of course, shows that it is an old bed of Sunday Creek.

639. Not a large extent of country?—No; all the payable ground has been taken up. I may say that portion between the right-hand branch and left-hand branch should not have been, in our opinion, reserved by the Government.

640. And should, in your opinion, have not been reserved by the Government?—It is not required for mining purposes.

641. Or purposes conducive thereto?—No; it is not required for mining purposes, except it be for timber purposes.

642. Then, do you contend that this high ground would pay if water was brought on to it; and, from your knowledge of the country, do you know whether they could bring water there?—It is purely a question of expense—of £100,000 or £200,000. They might bring it from the Hochstetter.

643. You say it is a matter of expense. Look at the map and say how you could possibly bring it on to this ground. Commence from the starting-point; now where would it extend to?

Mr. Gully: You need not suggest that we are going to suggest that water can be brought to there from Lake Hochstetter.

Mr. Jones: We have seen it in the report of Gordon, anyway.

644. Do you know of any other supply?—I do not.

645. We come to 74, the end of the Nelson Creek district: did you make an inspection of that block?—Yes; a thorough inspection. Of course, I am familiar with Nelson Creek for many years past.

646. You say you have here on the south-eastern corner a strip of 370 acres?—Yes; that could readily be increased to 500 acres. From Larkin's race to the railway-line there are no workings of any kind.

647. So that hatched portion could be extended to Larkin's race. Do you know the upper part of German Gully?—Yes.

648. Where are they working there at Larkin's?—They are all above Larkin's race.

649. Would that strip marked be required for the deposit of tailings?—No; for they are all considerably above Nelson Creek. From Brian Boru and German Gully they could go to Nelson Creek, lower down.

651. Are there any mining privileges or rights on that portion of the block?—None whatever. Nearly all that ground has been sold. It is freehold land. It is all flat country.

652. Travelling further north, and coming to the reserves on the north side of Callaghan's Creek?—Yes.

653. Did you traverse that?—Yes.

654. Has there been any mining there, or are there any evidences of there having been any?—On the hatched portion there is no mining whatever. The only mining in the block was at a small place called Fenian Gully [indicating position on map]. It is not marked on this map, but one man worked there for three months, and abandoned his claim.

655. That is the southern portion of the block?—Yes, near to Callaghan's. On the hatched portion of the block—that is the only working which has ever taken place there. In Mirfins' Creek the ground has been thoroughly prospected.

656. Falling into the Ahaura River?—Yes.

657. And going along the course of the Ahaura River you come to the portion to be reserved?—Yes. Here, of course, excessive reservation is made. On the flat land there are 800 or 1,000 acres of land which has been farmed for many years past. In one creek ten men were working, and I am sorry to say only one of them was making wages. In German Gully nobody at all is working. In the whole of that portion of the block there are ten men engaged. The same remarks which applied to the other portion of the block apply to this. The gold is wholly confined to the terraces and bed of the creek. If a reservation of 2 chains were made on each side of the river, that would reserve all the gold country.

658. On that portion of the block the same remark applies—there are no mining privileges held?—There are no mining privileges of any sort.

659. There is the other corner of Block 75?—I was five days making a thorough examination of that block. I traversed it in all directions. Almost every creek has been thoroughly well tried, but not a single claim has ever been taken up as a claim. It is above the gold country.

660. Do you know the most easterly gold-working in Block 75?—There is a place at Wilson's Creek—at the junction of the creek running into that again, called Owen's Look-out. It is there the most easterly workings are. It is not marked on this map. It is at the junction of Wilson's Creek and the main spur of the creek—the spur being about a mile above.

661. You say that east of that there has been no working?—Yes.

662. Why did you not bring your line down there instead of three-quarters of a mile further east?—It was thought that would be the most convenient place to bring the line. Some of our people thought it might be well to allow a large block in case of possible gold-workings. I pointed out, however, the high elevation.

663. Are there any mining privileges saving the one marked on the map—the Government race—in that block?—No; the Government race is the only mining privilege.

664. Are any of these hatched places required for the timber industry?—The reserves already made contain an ample supply of timber. The bulk of the gold-mining lands in 74 and 75 you say have been rightly reserved?—The whole of it.

665. But you say there has been a large field?—There has been a very large field. Speaking from the evidence of the workings and from the past history of the place, I should say that the field must have carried a population of from 1,800 to 2,000 men.

666. How much is it reduced now?—I think there are 189 men on all the four blocks.

667. Can you tell me if there has been any material alteration, either increase or decrease, in the population and prosperity of those blocks since 1891?—Yes; there has been a decided decrease.

668. In all of them?—As to 79 I cannot speak definitely, but in the others there has been a decrease.

669. I will put it this way: Do you think there would have been any difficulty for the Government to have marked off the reserves in a similar manner to what you have done?—Not in the least.

670. Do you think they could have marked off since 1891 reserves in the same way without interfering in any way with the mining, present or future?—Not the slightest difficulty about it.

671. At any time since 1891?—No difficulty.

672. At the present moment the main features of the mining district have not altered since 1891, except in regard to a decrease in the population?—Except the decrease in the population.

673. Do you know that ground which you have hatched on the northern corner of Block 74?—Yes.

674. Would a water-race from Hochstetter, if extended, be able to command that ground?—A portion of it—not the whole of it.

675. Do you know where the present race is running above Try Again?—Yes.

676. Do you know how high that is above Old-man Bottom, which you hear them talking of: is it above the altitude of the race?—The present race is about 400ft. above the creek. The spur, I suppose, would be probably from 100ft. to 150ft. above the race.

677. In order to make that water-race available, would you have to make it a greater altitude of 150ft. in order to command those terraces?—Yes.

678. Would it be possible to get the water from Hochstetter?—I think they lost about 100ft. in bringing the water from Hochstetter. I dare say, if a new race were to be constructed, they could pick up about 100ft. If it was brought to the Ahaura it would command the lower levels.

679. I am talking of the higher levels?—It could not be brought on to the high levels.

680. Even if they did bring water from the Nelson Creek Water-race, would this land which you have marked off not be required for tailing-sites, and work of that kind?—The land is higher than the water-level itself.

681. The fall of the country is from Lake Hochstetter, and any tailings would be directly fed into streams running into the main creeks, and full provision is made here for tailings [indicating on the map].

682. Are you also aware, of your own knowledge, that the bed of Nelson Creek and tributaries of that character are declared under the Mining Act sludge-channels to receive *débris* and tailings?—Yes, I know that.

683. Therefore, I suppose, I may take it that the land on which the tailings would fall is already reserved for the mining industry?—Yes.

[Exhibit 92 was here produced.]

684. We will take 70 and 71 together. Have you inspected those two blocks?—I think it might be well to take 69, 70, and 71 together.

685. We will deal with them in that way. We will start at 70, at the south-eastern corner?—In the hatched portions there are no mining operations of any kind; it consists of flat plains. There are large reserves for agricultural and other purposes connected with pastoral pursuits, but there is no mining of any kind. There are four men, I think, engaged on the banks of the Ahaura, but they are rather below the block. They are certainly not in the hatched portion.

686. In Block 70, has any portion of Orwell Creek been mined?—No.

687. And Kaka Creek; has any portion of that block at the very head of it been worked for gold?—Yes.

688. Are they now working there?—No; it was worked out years ago.

689. As to Hatter's Creek?—Hatter's Creek is wrongly marked here. The creek called Brandy Jack's should be Hatter's, and Teviot should be Brandy Jack's. Teviot is a small creek running here [indicating on the map]. There is a small mistake in the tracing of the map.

690. Are there any creeks in that portion of the block hatched which contain gold?—None at all.

691. Are there any mining rights or privileges on that portion?—No; there are no mining rights or privileges, but there is a water-race there connected with Currie's sawmill.

692. Where does that race take its rise?—From Orwell Creek.

693. Do you know whereabouts?—No; I did not bother about tracing it up.

694. Is that the only one?—Yes.

695. Is the ground timbered ground?—About Raupo it is, but towards the southern portion it is an open plain.

696. Is it required for mining purposes?—No; not in any way.

697. What is the nature of that ground on the southern portion? What sort of country is it It is terrace country. It rises about 250ft. above the Ahaura, and it is a flat plain on the top. It is party timbered, but the bulk of the land is open plain. I believe the bulk of it is sold as freehold.

698. Take 71. You have left a piece there which you say was rightly reserved?—I do not know that it is rightly reserved. There is a difference of opinion there.

699. What is your opinion of that portion of Block 71?—My opinion of Block 71 is that all the land south of Orwell Creek is not required for mining purposes. The miners are of opinion that at one point the water of the creek went over the plain, and emptied into the Ahaura. I do not believe in that theory at all. I see no warrant for it. They thought, in deference to the opinion of some miners, that large reserves should be made there, and that is why that portion was left unhatched.

700. You do not agree with it?—I do not agree with the hatching of it. I would allow 5 chains on the south bank of Orwell Creek as a reservation.

701. That would be taking three-fifths of it?—More than that; I should say four-fifths.

702. Is there any mining anywhere near the Ahaura in that block?—Not at that point; but in the portion allowed there are two water-races—one coming from Pickapick, and leading into Riverview opposite this point; and the other lower down, about an inch below on the plan, leading to Franzini's claim.

703. Do you know where Reece is working there?—Yes; just opposite the freehold section on the southern bank of the Ahaura. He is working on the northern bank.

704. And do you think that the gold which Reece is getting had anything to do with the theory of the miners that Orwell Creek emptied itself over that portion of the block into the Ahaura River? —No; I am thoroughly convinced that the run of gold is directly connected with the Ahaura River.

705. There is that portion in Block 71 which has been hatched: is that necessary for mining purposes?—No; no workings of any kind exist there. There is only one water-race, about a mile long, bringing water from one of the creeks to Errick's sawmill.

706. And there are no other mining rights or privileges?—None whatever. There is a survey now in progress to see if they can bring any water from Randall's Creek to command Napoleon Hill, but that would be outside the block altogether.

707. Now, as to Block 69, dealing with that northern corner: Are there any mining rights or privileges there?—In that portion of the block there are no workings of any kind whatever. It is all what is called the Old Man reef—barren formation with timber on top; but there is no alluvial there at all.

708. Are there any water-races on that?—None at all. All the mining rights and privileges are confined in the portion left unhatched.

709. There is another portion of the eastern side, 3,200 acres. Are there any mining rights or privileges there?—I know for a fact that there are no workings there of any kind. I have been up the left-hand and right-hand branch, which run right through the block.

710. What is the nature of the workings in the rest of Block 69?—All the workings there are in Mosquito Creek and its branches.

711. Are they tunnelling or sluicing?—Some tunnelling, some sluicing.

712. If workings were going on in the rest of that block, would you expect to see traces of that? —They could not exist without leaving some sign of dirty water or tailings.

713. You saw none?—None whatever.

713A. The inference you draw from that is, what? Does it enable you to say whether that is wanted or is not wanted for mining purposes?—I say it is not wanted.

714. Do you recollect the rush a few years back at Granville?—Yes.

715. Was that on new ground or on the old ground?—On the old ground—on the continuation of the old Half-ounce lead. It is just where the bend of the Half-ounce lead is shown.

716. Would you call it a new find, or merely a piece of the old lead which, for some reason or another, had been slipped?—It was undoubtedly a piece of the old lead.

717. It did not open out any fresh country?—Not at all. It was simply a continuation of the old lead.

718. Could the Government have marked off these sections since 1879 in the same form and shape as you have done?—There would not be the least difficulty about it. Some thousands of men have been working there during the Napoleon's Hill rush, and all those rushes there. At one time it carried a population of eight to ten thousand people. The country has been traversed in all directions. Where the country was such that an experienced miner could tell there was no likelihood of alluvial wash, he did not sink a shaft.

719. And you think that part of the country has been thoroughly prospected?—Undoubtedly.

720. We will now take 65: what do you say as to that?—On that portion south of Snowy River, 4,234 acres, there are no workings of any kind if Mossy Creek is excepted. It is a small creek which has been thoroughly worked out and turned over by Chinese, who took out every speck of gold in the creek. There is no mining right of any kind there at the present time; so that that portion is not required for mining purposes. The place has been thoroughly well prospected. The same remarks

apply to the hatched portion of 66. The portion left I do not think should be reserved, but the slate country comes in, and some people thought it advisable to allow it; but there are no rights or privileges there of any kind.

721. You say that, with the exception of these pieces, there are no mining rights existing or mining going on?—There is no mining going on. The little patch at Mossy Creek has been worked out, and at Snowy Creek it has been worked out. There is no continuous lead of gold running across Blackwater, across the Grey, and through Napoleon Hill, Nelson Creek, and No Town to the Arnold, and then across the Arnold.

722. Have you found any evidence of a lead of any kind running in that country?—None whatever. If it existed it must have been found out, because it would cross the creek at right-angles. The run of that lead would be at right-angles to the watershed of the country. In the spurs dividing the creeks there is certainly no evidence of such a lead existing. There is not a creek there that has not been thoroughly prospected.

The Court rose at 5·45 p.m.

TUESDAY, 3RD DECEMBER, 1895.

The Court sat at 10 a.m.

Mr. DANIELL's examination by Mr. JONES resumed.

1. *Mr. Jones.*] Last night you admitted that you allow one portion of 65?—Yes; the Carriboo Creek is a very small creek running into Big River. It runs in about the north-western point of the block. It is a very small creek. There are three men working there and one woman. I think a small reservation should be made there. The Carriboo Creek is a small creek running at the north-western corner of Block 65, into what is called the Blackwater on the map, but which is really Big River. Three men are working on that creek, and at the mouth of the creek a woman is working, known as Mrs. Sailor Bill. I think a small reservation should be made there of 2 chains on either side of the creek, for about three-quarters of a mile in length.

2. With reference to Block 62 [Exhibit No. 93] on the south-east corner of it: what do you say to that?—On the south-east corner there is an area of 2,560 acres hatched here. It is the southerly portion of the block, to the south of Adamstown Creek. There are no gold-workings of any kind on that block, and the ground is not required for mining purposes. There is no indication of any lead going through it, and it is not intersected by any creeks carrying gold.

3. What class of ground is it?—It is terraced ground, well timbered, sloping towards the railway-line.

4. Is there any of it cultivated?—Yes; there are two or three freehold sections fronting the railway-line—between the railway-line and the western boundary of the reserve. It was originally birch land.

5. You say that that birch land has been cleared by settlers?—The whole of the eastern frontage of the block has been cleared.

6. Go up to Adamstown Creek: what do you say to that?—In Adamstown Creek the western portion of the ground for about a mile and a half should not be reserved. There are no workings there. The land is flat. It is the lower part of Adamstown Creek. The greater portion of it should not be reserved. There are no workings there nearer than a mile and a half from the railway-line, and there all the work is confined to about a mile of country.

7. Are you speaking now of a mile and a half from the railway-line, or from the boundary of the private property crossing Adamstown Creek?—I am not certain to a few chains. It is about two miles from the railway line.

8. Then, with reference to other portions of the creek—the eastern portion—you say that is properly reserved?—Yes.

9. We will travel north between the northern boundary until you come to Antonio's Creek: what do you say to that?—There is a block of 2,900 acres in extent there. That land is not required for mining purposes. It is high, terraced land, well timbered. The flat on the top is suitable for cultivation.

10. Are there any mining privileges in that block?—No; all the mining privileges are in the portion admitted by the general body of witnesses.

11. Hon. E. BLAKE.] You might ask whether they have hatched any portion in which there already existed a mining privilege. I understand that in no place where you find miners have you hatched it. Your plan was always to make some sort of allowance wherever you found actual mining going on?—That was the plan adopted.

12. *Mr. Jones.*] In Block 62 you have adopted that course?—Yes; that was the system upon which we acted, and intentionally we did not hatch any part in which they found any mining going on.

13. And that will apply to all the maps?—Yes. There are only two or three exceptions—Carriboo Creek is one of them.

14. Hon. E. BLAKE.] But that was done in error?—Yes.

15. *Mr. Jones.*] Then, as to north of Antonio's Creek?—There is a block of 3,600 acres. As a matter of fact another 700 acres should be taken in. There are no miners there. It is the same class of ground.

16. We will take the northern portion of 62?—The same remarks apply to that.

17. Now 63, crossing the Big River?—South of the Big River there are no miners on the ground, or mining-rights or privileges.

18. Crossing Antonio's Creek?—There is another block there of 940 acres on it. There are no mining rights or privileges there.

19. Which you say is properly hatched?—Yes.

20. You marked off about a mile and a half of Antonio's Creek? You say all the mining is confined to that particular area?—The whole population of Antonio's Creek amounts to nine or ten men, chiefly Chinamen.

21. Was there a large population there at one time?—I understand that at one time there were a great number of miners there. A good deal of work has been done in the creek and the immediate terraces.

22. What was your motive in leaving so much ground for the Government in Section 63, east of the two lines you have drawn?—I did not know sufficient of the ground to enable me to say it was not fit for mining purposes. The slate country exists in the Cumberland, and extends to the Merrijigs, which is marked on the boundary of 61 and 63. I believe it exists there, but how far west of that I do not know, not knowing the country.

23. We pass on to Block 59, and on the western portion of that you have a piece hatched?—About 1,550 acres is low-level flat—really excellent agricultural and pastoral country.

24. There are no miners working on it?—No; there has never been any mining upon it, and it is not required for mining. The railway tunnel runs through a portion of that block.

25. Dealing with the remainder of sections 59 and 61, you have allowed or reserved all that strip to the west of the hatched portion?—Yes.

26. That, you say, is the slate belt in which the quartz reefs are to be found?—Yes; running generally north and south. All that land on the eastern portion of Block 61, and the north-eastern portion of Block 59, hatched, consists either of coal formation or granite country. It is not required for mining purposes. There are no operations of any kind upon it. All the country to the west is good.

27. Is there coal formation lying between this and the hatched portion on the east side of the Block 63?—Yes; immediately to the south of the Progress Company, and about a mile further south, Breen has a coal-mine, which supplies Reefton with coal.

28. Down to Reefton, you think, with a careful survey, more land could be taken out?—Not having been over the land, I cannot say, but there might be.

[Exhibit No. 94 handed in—Section 54.]

29. In Section 54, do you say there is coal formation not required for gold-mining purposes?—I should say about 1,000 acres could be taken out of that block without interfering with the gold-mining industry.

30. Hon. E. Blake.] In which part?—In the north-western part.

31. *Mr. Jones.*] You have hatched that?—Yes.

32. But you say you might have taken out about twice as much more?—Yes; about 1,000 acres.

33. You have taken 380 acres?—Yes.

34. You say that is coal formation?—Yes.

35. Are there any miners at work there?—No.

36. What is the nature of this particular piece of country?—It is very low birch land. The frontage of it is nearly all freehold, occupied for paddocks and grazing purposes. It is the same class of land as the freehold already occupied.

37. Is that birch land?—Yes; there is birch upon it. The freehold has been pretty well cleared.

38. It is what you would call birch-bush land?—I would call it birch bush. It is land adjoining very fair grass land, which is used for fattening-paddocks. The grass is good. It is river-flat land.

39. You then pass Fryingpan north to Redman's and Boatman's Creek. You include that as properly reserved?—Yes. The remarks made about the other portion refer to this. There is more reserved than is actually required.

40. There has been considerable prospecting in some of these parts?—Yes. Tunnels have been brought in to the eastern portion a considerable distance. Some of the tunnels have been subsidised by Government.

41. Hon. E. Blake.] Do you mean recent prospecting?—There is one European on the portion of the block between Boatman's and the southern reserve portion. I think there is only one European, named Davy, prospecting there, and there are about seven or eight Chinamen.

42. You say there has been prospecting, within what date?—These prospecting-tunnels have been brought in, speaking from memory, about five or six years ago.

43. Do you know how many prospecting-tunnels the Government subsidised there?—Two, to my knowledge.

44. With what result?—The low-level tunnel was started close to the River Inangahua, but that was abandoned as they did not get good results. They brought in one at a higher level, but there was some mistake in the surveys, and that was abandoned.

45. Did they find any payable gold?—No.

46. The whole of the working has been abandoned?—Yes, with the exception of the one man, Davy, who was prospecting and trying to see if there was anything there.

47. Now we come to Boatman's Creek?—Nearly all that land, of course, is freehold land—all sold. It is outside the reserve. To the north of Boatman's Creek there is an area of 3,300 acres not required for mining purposes. At Yorkey's Creek gold-workings have been carried on, but abandoned. There have been two men there prospecting, but there is no claim at all, nor are there any water-races: there is just a small reserve. That reserve I do not personally agree with, because I look upon the creek as being wholly worked out.

48. Then we come across Larry's Creek. You have made the reserves there a quarter of a mile wide?—Yes; of course, it is nearly all freehold land.

49. That block of 2,640 acres at Larry's Creek?—Yes; there are no mining operations on the land. It is good land, and forms part of the Buller Valley.

50. Do you know a little creek at the south-eastern corner, close to Section 7, marked with a dotted line on the map? I think they call it Chinaman's Creek?—Yes; there was a small creek there where one Chinaman was prospecting, but he got no gold, and abandoned it. He prospected it for about three weeks, I think.

51. Now, take the next block, Landing Creek. There is a hatched portion of 1,560 acres. The other portion of 51 you say is an ample reserve for all mining requirements in the future. On the eastern portion of this block the county track is shown, and to the west of the county track, between that and the Inangahua River, there is not a single European working. I think there are about ten Chinamen prospecting and fossicking in what I think are called the Tim's and the St. Helena Creeks. That place has been thoroughly prospected by Europeans, and completely abandoned by them.

52. Is there anything characteristic about the land in Block 51?—It is valley land of good soil. There are several clearings about the river-beds where the land has been sold. There are large pakihis in the centre of the bush, where there are cattle grazing. I do not know who they belong to, but I think there must have been a hundred head of cattle thriving on the land when I was there.

53. Do you think the land fit for settlement, and that it would be readily taken up?—Yes; even in its present state the land supplies natural grass to fatten cattle.

54. Do you think the Government could have marked off these blocks in the same manner you have done? I am taking now the whole of the blocks from Arnold to Landing Creek?—I do not see the slightest difficulty in it. The nature of the country is easily seen, and the auriferous portions clearly defined, and I found no difficulty in making these hatchings.

55. The next block, I think, is the Westport Block [plan of block, Exhibit 95, put in]. Now Mr. Daniels, will you say what you think?—To the south of Fox's River there are no mining operations at all, and there are no rights existing. There are four men working on the beach, black-sanding. That is the whole population, and they are outside the block, on the beach reservation. North of Fox's River I think there is some working, but it is confined to old workings.

56. Would you kindly describe the nature of the old workings?—The old workings consist of beach lead.

57. At an elevation of?—Varying from 200ft. to 400ft. going up country from the level of the sea. By the general upheaval of the land the whole beach has been raised.

58. Is that where the men are at work—on that beach in Block 6?—The majority of the men are working on the present beach itself. Four or five men are working on the old beach; but the whole ground has been worked, and a considerable amount of gold has been taken from the land. That small stretch of country had a population of some thousands of miners, but in a very few months the ground was worked out.

59. Now we come to Block 5. We will deal with the hatched portion in one lump. Please describe the workings on the southern boundary of Block 5 on the Nile River?—The whole consists of old beach formation, and the back portion of the block—that is, the eastern portion of the old beach—is in the form of cement. The sand has been cemented together, and they are called "cement-workings." At present there are a number of light stampers at work crushing it. All the workings are within the western portion of the portion left unhatched. I might explain that, with the exception of the Argyle Water-race, which is taken from the 4-mile, there is no mining race inside the hatched portion. The Argyle Race is shown running through to the Government dam, now the County Council dam.

60. Hon. E. Blake.] Did you make any reservation of it?—There is no special reservation but it is shown as running through the hatched portion. The ordinary reserve is about 10ft. on each side. With the exception of that right, there are no mining rights in the hatched portion. There are 3,000 acres there not required for mining purposes.

61. *Mr. Jones.*] How many men would you say are mining on Block 5?—Between sixty and seventy.

62. You reserved in one long strip a piece of ground, 3,000 acres in Block 5 and 4,900 in 6?—Yes. The whole of that land is limestone, high-terraced land, but level on the top.

63. Is it higher or lower than the land which you have allowed as properly reserved for mining purposes?—Considerably higher.

64. Are there any portions of it cleared and in cultivation—I do not mean where it is marked down at the bottom of the map?—Within the hatched I do not know of any. At the back or left portion, at Fox's River, there are cleared areas.

65. Do you know of any clearings before you get to the White Horse Terrace?—I think that is in the ground admitted for gold-mining purposes, and I do not think it comes in the hatched portion. There are clearings all along there from Brighton—gardens and paddocks. I think this land is on the outside of the hatched or western portion.

66. You do not know of anything to the east of that line [indicated on map]?—No; it is cleared land.

67. Have you examined Block 4 carefully [Exhibit 96]?—Yes, very carefully.

68. Running up the coast-line where you have made reserves, will you give reasons for making them?—On the Shetland beach, a mile above the River Nile, there is a large settlement of Shetlanders, and I am glad to say that they appear to be doing very well. They work on the beach.

Hon. E. Blake: We do not want any evidence from you concerning the accuracy of the reservations. It is where you dispute the Government claim that we want to hear from you.

Witness: In the portion marked "hatched" I can state positively that there are no mining operations. There is one claim on the Virgin Flat, marked "John Collins." They have never got any gold, and it was abandoned years ago. That is the only mining right existing in the hatched portion in Block 4. A reservation has been allowed by me for the Shamrock lead, but I am not quite certain that the Shamrock lead is in this block. I think it is outside. On the plan it is shown on the block.

69. You say that portion should be reserved?—A reservation should be made around that claim. I am not quite certain whether it is properly placed on the map or not.

70. Within Block 4 what area did you say you have allowed?—This is a reserved block. I might mention that we have allowed ample reserve for Brown's Terrace in the southern portion of Block 4, and also at Croninville, where four or five men are working.

71. Hon. E. BLAKE.] There is a little rectangle at Croninville—is that intended to be reserved? —Yes. It is marked in a different colour to the other hatchings, and not in accordance with the general plan of marking all hatchings in the same colour.

72. *Mr. Jones.*] It is an omission? Notwithstanding the fact of the colouring of the hatching, you mean that that rectangle should be reserved, Mr. Daniel?—Yes. The rest of the land is not required for mining purposes.

73. What about Block 3?—On the western portion of this block, on the sea portion, there is a block of land of 4,500 acres in extent hatched here that is not required for mining purposes, and on the portion allowed by us there is very ample reservation for all possible mining requirements.

74. Is there anybody working on that portion so hatched?—There is nobody working on that portion of the block. There is one man working on the beach, outside the block altogether, and he has a water-race on the block.

75. Have you made a reservation of that?—I have not. There is one water-race on the block. It is a small race.

76. Hon. E. BLAKE.] Where would that be?—A little north of Virgin Flat, in Block 4. It would run through a portion of Block 3 to the sea. It would take its rise about the southern corner of Block 3. It is known as Ward's race. It runs to the sea-beach.

77. *Mr. Jones.*] Would that materially reduce your area?—It would not reduce the area by more than four or five acres.

78. We will come now to Block 2?—To the west of Wilson's lead there are no gold-workings of any kind. It is all limestone country, the frontage is all cleared, and it is excellent land.

79. Dealing with Blocks 2, 3, and 4 of the hatched portion along the sea-coast—what class of land is that?—It is light bush land, all limestone country.

80. Fit for agricultural purposes?—There are several farms already existing there. They are shown as leaseholds; they are all cleared, and it is an excellent class of land.

81. We will go across the Buller River?—There are a lot of workings at Bradshaw's Creek, but that is outside the block.

Hon. E. BLAKE: We do not want to know anything about workings outside the block.

Mr. Jones: Mr. Daniel only says that Bradshaw's Creek is a very prosperous little diggings to show that the Government have not reserved it.

Witness: On the western portion of this block [indicating Block 1] a prospecting tunnel is shown, close to where the 5,000 acres is marked. That is a tunnel subsidised by the Government, and a small company is bringing it in. The tunnel was in several hundred feet when I visited the block. I visited it on three occasions, but so far they have got nothing payable.

82. What is that tunnel being brought in for?—Outside the block, on the coal reserve, there are several abandoned workings, and they have yielded good gold. The tunnel was brought in in the first place to test that place.

83. Hon. E. BLAKE.] The workings were still going on when you examined it?—Yes.

Mr. Jones: I wish to show that it is not for the purpose of working ground in the reserve, but to show that it is a piece of ground outside the block, and that therefore no reservation is necessary.

Hon. E. BLAKE.] Some reservation should be made if necessary for the purpose of gold-mining in another part?

Mr. Jones: Yes.

Witness: The piece is outside the block. I really do not know whether there are any workings, but there is prospecting continually going on. It is a piece of ground outside the block that they want to test.

84. *Mr. Jones.*] Are there any other men working near that block?—Yes, on the sea-coast. There are about forty men black-sanding, and they make a bare livelihood.

85. Is there any necessity for a reserve there for water-rights or anything of that sort for these men working on the sea-beach?—No. There is a water-race running along the beach, but it is outside the reserve; that supplies the beach workers.

86. Have you made any allowance for residence-areas and timber purposes?—It is not required for timber purposes. The ground is only 3 or 4 chains in width. The men work when a storm throws the sand up on the beach, and then leave off work until the next storm takes place.

87. Have you made allowance for residence-sites?—There is no allowance in the block at all, because the men's huts are close to their claims on the beach.

88. Was it necessary to make any reservation?—No, I do not think so. I think nearly all the block has been sold or surveyed for selection.

89. Is any of the land of any practical good?—Some of it is under cultivation. Some of it seems to be swampy, and portions certainly want draining.

99. Is there a timber-belt on it?—No heavy timber. It is partly an open plain. There is timber on the beach coast.

[Exhibit 97 referred to, Block 85.]

91. What about this?—2,700 acres. The hatched portion here is all limestone country, and, if cleared, would be excellent grass-land. There are no miners' rights or privileges of any sort on it. All the workings have been allowed for. At Point Elizabeth there is another small portion—about 300 or 400 acres in area—which is not required for mining purposes. But that block may have a special value if ever they are able to make a port at Point Elizabeth, for it would be very valuable as a township, or for residence-sites.

92. You have allowed for all the mining going on, and think this block should not have been reserved?—Yes.

[Exhibit 98 referred to.]

93. We will take Block 93 by itself?—There are no miners' rights or privileges of any sort in that block.

93A. Are there any miners at all working in the block?—No.

94. Now, Block 94?—On the southern portion of Block 94 there is a reservation made for Baker's Creek. I do not consider it necessary. No one is working there, but still the reserve has been made.

95. Hon. E. BLAKE.] There is the Seventeen-mile Bluff. Your last witness expressly stated that there were miners there, and that it was necessary to make a reservation for them?—I may explain that I am under the impression that the Admiralty reserve goes right along the water-line. Of course, that reserve would not be included in the Government reserve.

96. You assume that that would be suitable for the beachcombers?—Yes.

97. It would be suitable for residence-areas and everthing which, in ordinary cases, would be required for the beachcombers?—Yes.

98. *Mr. Jones.*] You do not consider it necessary to make the reservation for Baker's Creek?—No. There is no one at the workings.

99. What is the nature of the country around Baker's Creek—Blocks 94 and 97?—There is the lead of gold known as the Barrytown Lead there. It is allowed for. It is probably 700ft. or 800ft. in width. It consists of a series of leads, but they are all contained in a strip of land about 600ft. wide. Sixty-four men are working there, and I think a reservation should be made there. I agree that this made is ample. It runs through a portion of 94—from Fagin's Creek—and the whole of 95 and 97.

100. Hon. E. BLAKE.] There is a narrow reserve in the frontage?—Yes; that is for the beachcombers. If the Admiralty piece is reserved, this piece is not required, in my opinion. At the back of this [indicating the Barrytown lead] there are four different water-races, taking their rise in creeks, and these should be allowed for in the hatched portion.

101. Are you speaking of 95 or 97?—95 and 97; there are four water-races there.

102. *Mr. Jones.*] Can you give the names of the creeks with which they are connected?—Only by referring to my note-book. One of the races is at the head of Lawson's Creek, and one from Maher's Creek.

103. What about Devery's Creek?—This extends about a mile into the hatched portion.

104. Hon. E. BLAKE.] The Government allow how much?—About 20ft. in width.

105. *Mr. Jones.*] Now we have done with that strip of blue. There is a piece hatched on the western portion of the blue. What is the nature of that piece of country round there—Blocks 94, 97, and 95?—That piece of country is known as the Barrytown Flats. It is about ten miles in length, with an average width of a mile. It is really good agricultural or pastoral land, and, in my opinion, is not required for mining purposes.

106. Has it been tested in any way?—Yes. Near Fagin's Creek—that is, about the north-western corner of 94—extensive workings have been carried on in years past, but the workings have been abandoned as non-payable. But the flats must have been crossed for about half a mile and cross-cuts taken. They were working for a considerable time there.

107. Will you describe that corner in Fagin's Creek?—Speaking from memory, the terrace or open cutting has been taken in about 11 chains in length.

108. Where does it start from?—From the sea-beach.

109. Going in what direction?—At right-angles to the sea-beach.

110. How far does it go in?—Perhaps about 16 chains in all, and from that they have taken cross-cuts north and south into the country.

111. What is the length across?—About 15 chains—about 24 chains north, forming a T.

112. Now, what is the depth of the cutting?—It is full of water, but as far as I could judge it is about 25ft. in depth.

113. They have been cutting on the bottom?—I cannot of my own opinion say, because it is full of water.

114. Could you not see whether they had been working?—Yes; there was lots of stuff taken out from the bottom.

115. Would you say that was a fair, or no test?—A thorough test.

116. Are you aware of there being any other prospecting on that mile-wide piece of country?—Yes; our party tried a considerable amount of prospecting, the particulars of which I have here.

117. Hon. E. BLAKE.] You mean when you were with these prospectors?—Yes; we brought prospecting plant with us.

118. Did you want to find gold, or to find that there were no indications of gold?—I would have been very glad to have found gold.

119. *Mr. Jones.*] First of all, describe the plant you used for the purpose of testing the ground?—In the wet ground we used a small tube, shod with steel at the bottom, pierced with holes, and drove it into the ground by means of a monkey. We pumped the sand by means of a Gould pump; and after testing that we drove the pipe down for another foot and took another prospect, and so on till we reached the bottom.

120. *Mr. Jones.*] Before we go on to the dry testing process, would it be a fair test or would it be a test in favour of the supposition that there was gold there?—Well, generally it is used in testing beaches, and it is the only means that could be used without going to the expense of damming back the sea and pumping the water out to keep it down.

121. Hon. E. BLAKE.] Do I understand that was generally of your own knowledge or from the knowledge of others in the locality?—Only by those in the locality.

122. *Mr. Jones.*] There is a contention among the miners there that it contains a lead of black sand, but it is down too deep to get at by the ordinary means, and they therefore adopted these. You pumped and then tried the sand?—Yes.

123. And when the ground was dry?—We simply drove an open pipe down by the monkey and withdrew it every 18in., and took out the core.

124. That would give the exact depth of the ground you went through?—Yes.

125. And the dry process, the dry sinking, and so forth, was it effective?—Yes. Of course, we had tempered some pipes that would cut through anything; for instance, this is a specimen of the gravel taken out. [Produced.]

126. You mean the pipe would dig into the cutting and show the gravel of that sort?

Hon. E. BLAKE: Are you really going seriously to ask me to try the question of the flats—the question whether there should be a reserve where there is a conflict of evidence as to others going out and making these tests, and that I am to hear their views and test that question?

Mr. Jones: I presume it will be narrowed down to that.

Hon. E. BLAKE: It is admitted that that is not the question. You must get as far as *mala fides*, I presume, otherwise I should not have admitted this testimony except as to *mala fides*. Then you come to the question here, after there has been a lot of things said by the witness, as to there being a lead. How in the world are you going to prove that, or when they put pipes down, &c.?

Mr. Jones: Would it not be fair to say that when we were taking over these lands set aside for the Midland Railway, what should be set aside, or any, or whether it is not done erroneously. Surely that would be *malâ fide*. If they showed any such taking as that it would have been equal almost to a crime.

Hon. E. BLAKE: If they did nothing worse than that it would not be much of a crime. I am trying to allow you to make this evidence, which you are giving me, apply. We are told, as from the witness himself, that there is a general impression among the mining fraternity, and you propose, as to about a mile of where they were along, to go into every particular prospect made by them. I think you propose an impossible task. I will take the rest of the evidence of this witness.

127. *Mr. Jones.*] Where the ground is dry you tried it and brought up a core of that kind. Did you make any inquiries before you went south as to the principal places to find gold?—Yes, I saw a number of the old residents there, and we offered, on behalf of the party, if the residents would show places, to put down bores and try it. The storekeeper is virtually the authority on gold-mining there. He is the king of the place: and he showed us a place, and we put in a bore and got on to the bottom. We found 6ft. of soil.

128. I do not think it is necessary to put in any of that—whether you did discover gold or not?—Personally I put in five, and the workmen with us put in several afterwards.

129. In the five holes did you open any favourable prospects at all?—No, we only got prospects in one on the sea-beach, but not favourable.

130. Were these bores put down at the request of the old residents?—Yes.

131. You say that this piece of ground is not wanted for mining purposes or purposes conducive thereto?—If the ground does not contain gold it is certainly not wanted for mining purposes—certainly not for purposes connected with the present lead. It has been thoroughly prospected, and the result of my experience, as far as I can say, is that there is no payable gold in the flat. There are no water-rights or any existing rights on the land.

132. Now, as to the nature of the country in 97, 95, and 94, east of the piece you mention?—Yes; I have been all over it.

133. What is the nature of the country?—It is rather broken, if anything. It is the same formation at the back of the piece, but there is a sedimentary formation on the block that is locally termed the blue reef; it is covered with soil, and a considerable amount of timber growing on it.

134. It is not wanted for gold-mining?—No; there is no alluvial wash at all, none whatever.

135. We will deal with 86 and 87 together?—In block 86 there are 4,200 acres shown here; that land is purely a coal country, and is not required for gold-mining purposes in any shape or form. There are no mining privileges on it. There is another block of 400 acres on Block 86, shown on the western corner, adjoining the river, and that should be taken with the 300 acres of Block 87, forming a rectangular piece; that is not required for mining purposes.

136. Hon. E. BLAKE.] It is the piece taken through these two streams?—Yes.

137. *Mr. Jones.*] Can you give any reason why that piece should be taken out in that particular shape?—Well, on the other portion of the land, Big Creek, in a south-easterly direction, there are a few men working. That is why the Crown demand a very ample reserve; but this portion is known not to carry gold, and it could be easily prospected, because it presents these three different sections. From Ford's Creek it could be thoroughly prospected.

Mr. Gully: I cannot understand whether what he is giving us is of his own knowledge or from repute.

Hon. E. BLAKE: I understood him to describe the topographical situation from his own knowledge. He has shown there are two falls, from the creek and from the river, and he was giving me all the information he was entitled to give of another of the falls, what there were, the facilities for prospecting of gold, and the signs of that prospect.

Witness: I was also there myself. I may explain that I know the country generally. I have been continually employed in examining it, and have been over it several times.

138. *Mr. Jones.*] Just shortly describe that?—It can be easily prospected. Block 87—1,687 acres—that is not wanted?

139. Hon. E. BLAKE.] The same evidence applies to that as to the 4,700 acres?—Yes. The Blackwall Coal Company are working in the reserve in Block 87; and to the south of Block 86 the Brunner Coal Company's workings come in. There is a continuous run of coal country right through, but there is no gold upon it.

140. *Mr. Jones.*] We do not object to 88. Now, we come to 89: what do you say to that block. You had better commence at the southern portion of it, and go right through?—The southern portion of that block is nearly all sold. It is all freehold cleared land. There are several settlers there. They have got farms varying from 100 to 400 acres in extent. All appear to be doing well. The whole frontage to the Big River and to the Grey Valley consists of that class of land. On the ground that is hatched there are certainly no workings of any kind. Granity Creek: I think there was one man prospecting there, but he had no claim or rights. The other witnesses have made a better examination of the creek.

141. Hon. E. BLAKE.] Do you say there was one man working in Granity Creek on the part hatched?—No. The creek should be allowed. One man was prospecting there when I was there, but he had no claim.

142. Is that in the part hatched?—Yes. In Slatey Creek there is a big reserve made here, which I do not think is necessary.

143. *Mr. Jones.*] At all events, in the part hatched there is no mining going on?—No.

144. Do you know Mr. Lee?—Yes.

145. Do you know whether he is actually clearing any of that land or not?—Yes, he is—one section.

146. You do not know the number of the section?—No; but I think it is either 6 or 7.

147. You have reserved a portion of Caledonia Creek?—That is not necessary; there are no workings there, but it has been allowed in the hatching.

148. I think that covers all the Grey Valley. Now, we come to the Buller. [Exhibit 89 referred to.] Will you kindly commence at Block 25, and describe the land at the mouth of the Maruia, where it joins with the Buller River, and describe the country up that line?—The whole of this Maruia reserve is of the same class, and I think it would simplify matters to take the whole lot together.

149. You are taking 25, 26, 27, and 28 now?—In 25 and 26 there is a total of fourteen men working. A number of them combine farming with gold-mining; but there are no workings which extend more than 40ft. or 50ft. from the bank of the river. The gold gives out there. There is really no necessity for half a mile reserve on either side. The land is really excellent agricultural land. There are a number of clearings there. Every miner has got more or less of a large garden and orchard attached to his place. Some of this birch land is good in places there, and seems to grow really excellent grass where it has been cleared. I have been thoroughly over this block. I spent pretty well a week in making a thorough examination of it.

150. Hon. E. BLAKE.] You say the half-mile is quite unnecessary. What have you allowed?—Personally 100ft. on each side.

151. Perhaps your judgment would be less than the collective judgment?—The collective judgment would not exceed 2 chains.

152. Would that allow space for gardens and orchards which the miners have there?—They are some distance back. There is one man who has 400 acres.

153. He is a man who farms, but who also does some mining?—Yes.

154. But I was dealing with the question of residence-areas. I was attracted by your own observation that many of the miners have large orchards and gardens. I was wondering whether there was room for them in the reservation made. I do not mean these particular men. It has been stated at the table that it is possible, under the law, to make a residence-area larger than 50 acres?—I am not a judge of the law.

Mr. Jones: The Acts of 1876, 1886, and 1891, and all the amendments, make it clear that no residence-area can exceed 1 acre in extent.

Hon. E. BLAKE: That is your contention. We will not fight that out just now. It is enough for me to know that it is a disputed point.

Witness: You would probably have to allow an acre or two to each man. A few of the miners do not require more than, I suppose, a quarter or an eighth of an acre. I do not know under what title the men hold the land. There are two or three freeholds. There are large areas there on which they grow fruit and raise cattle—up to Block 27, for instance, and above there. Mr. Walker has a station there, and he has one thousand head of cattle and four thousand sheep running on the land. In Blocks 27 and 28 there has never been an ounce of gold taken from them, and there is not a man working on the ground. There is no necessity whatever for the reservation of half a mile on either side.

156. *Mr. Jones.*] Is there any gold-digging beyond that bend in the river [indicating on map]—just above the junction of the Warwick River?

Hon. E. BLAKE: That was the line of demarcation which the last witness stated.

Mr. Jones: Yes.

Witness: I think where the men were working was near where section 5 is marked on the map.

157. Do you not recollect that immediately you found the men working here [indicating on map] you crossed the Warwick River?—Yes; there is a mistake in that bend. From there up there are no men working.

158. Do you recollect the man who was working there?—Yes.

159. He has a 50-acre farm cleared there?—He has got the land cleared. He has several magnificent horses. There is magnificent grass on the land. I noticed the five or six horses which he had were rolling in fat.

160. Is there any clearing here by Mr. Sullivan?—Yes.

161. Birch land?—Yes.

162. We will now come to the the top of Block 30. What have you to say to that reserve?—On this 2,560 acres I think no reserve should be made at all. None of the ground is required for mining purposes.

Mr. Gully: Are we to assume that the company are lead in evidence as to blocks the reservation of which affect the company, or merely upon the ground that they are unnecessary, whether they affect the company or not?

Hon. E. BLAKE: I suppose they all may be assumed theoretically to affect the company, inasmuch as the company have the right of selection of every single acre in the area, and they are prevented more or less——

Mr. Gully: I quite admit that theoretically that is so. I would suggest, however, that, unless there is really some substantial ground for supposing the land to affect the company, that it need not be referred to. I do not suppose it will be suggested that the reservation of the upper part of Maruia would substantially affect the company at all. I am only making the suggestion in the interests of saving time. I admit that, theoretically, they have the right to go into the whole thing.

163. *Mr. Jones.*] We will take Doughboy?—Through this block runs a small creek called Doughboy; it has been completely worked out. Two men were there at the time. They have a claim protected. They cannot make it pay. There was another man who was working there at this claim, but that claim was worked out within a fortnight after we saw him. It is all rich agricultural land, and there is a considerable amount of clearing going on at the mouth of the Doughboy.

164. Hon. E. BLAKE.] Still, there was a man actually working there, and was going to continue for a little time; but you think that was the last of it?—Everybody else has left the place. If any reservation at all were made, a reservation of a chain on each side of the creek would be ample.

165. *Mr. Jones.*] What is the character of the land in Doughboy?—A very rich loamy soil. In fact, we went right up to the ankles in the place. Where drained it is excellent land. It is heavily-timbered land, and extensive clearing is going on in the upper portion.

166. That covers all the Westland reserves. We now come to Exhibit No. 90, Westland group, and to Block 2B. What do you say about that?—None of Block 2B is required for mining purposes. I traversed that block in every direction; and the only mining operations I found going on were by two Chinamen who were fossicking. I saw one of them afterwards. They abandoned the ground. They worked for five weeks, and did not get a pennyweight of gold between them. There is nobody on the ground at the present time. It is very rich timber-land. I think, on the ground, we estimated it to give 20,000ft. to the acre on the average.

167. This is the old Waimea Diggings. You go to 1, 2, 3, and 4 terrace until you get to Chesterfield. Is that lower ground or higher ground than Block 2?—It is much higher ground.

168. Is this ground in Block 2 required for any purpose incidental to mining in Block 2A?—Not at all.

169. Is it required for the deposit of tailings from that block?—No.

170. There is a track which runs along this block?—Yes; the Chesterfield Track.

171. In any place did you see tailings falling through the higher ground into Block 2B?—No.

172. You say it is not required?—It is not.

173. Is it required for timber purposes—for miners working either in Block 2 or Block 2A?—No; because Block 2A is sufficiently timbered for mining purposes.

174. In Block 2A, following up the Chesterfield Track, on the southern side of that track, what do you say about the land there?—There is no mining of any sort going on there. It is timber country. There is not a single man working upon it. There is not a single right existing upon it.

175. There is a gully called Maori Gully?—Yes.

176. You traversed the gully?—Yes; I traversed the land in all directions.

177. And you say it is not required for mining purposes?—It is not.

178. I think Block 6 was the next we took. What about that?—Well, of course there is a small proportion of detached land there, which forms portion of Block 6. On this portion of Block 6 there is one claim of 50 acres extent, and four men are working there. I am sorry to say the 50-acre claim is not paying. Two Chinamen are prospecting there now. But a reservation should be made of 58 acres altogether for the rights existing. I do not think, myself, that it is required, but I am in favour of making a reserve of 58 acres in that block.

179. Is there not a race connected with the 50-acre block?—I think the race runs through the 50-acre block—I think, the whole way. I know for a fact that these rights exist in the block. I do not think they are required, but they exist. The existing rights should be protected.

180. We will go to the lower or western portion of the block?—The whole of that portion of the block is not required for mining purposes. There are no mining operations at all upon it. It is flat terrace land.

181. Then, as to Block 1?—All the gold-workings are confined to the western portions of the block there—Larrikin's, Dilman's, Kumara. The other portion of the block is not required for mining purposes.

182. Hon. E. BLAKE.] What do you say should be reserved?—1,000 acres at the outside would cover all the workings of Kumara on the western portion of the block. Of course, it fronts the Teremakau.

183. How much would that leave free?—4,250 acres. In that 4,250 acres the reservation should be allowed for the existing water-race—Holmes's Water-race—which runs through the block.

184. *Mr. Jones.*] Dealing with Block 1 and Block 6, it would be necessary for the Kumara people to have timber to work their ground, would it not?—Yes.

185. Have you, in computing what should be reserved and what should not, made any allowance for the requirements of timber for the future?—We have made ample allowance.

186. In which block?—In Block 5 and in Block 1; Block 1 chiefly, because the workings are there. The timber in Block 1 is ample provision for the requirements of the mining industry in Block 1.

187. And you also say they get timber from Block 5?—Yes.

188. You do not know anything about Block 5?—Not the upper portion of it. I know the general workings of the block.

189. Hon. E. BLAKE.] Block 11 is the next?—In my opinion, none of that is required for mining purposes with the exception of a small reservation at the Seven-mile Creek. There are seven men at work there, and I believe one is making fair wages. The others are not doing well.

190. *Mr. Jones.*] What about Block 11?—No reservation is necessary, with the exception of a strip of one chain in width at the Seven-mile Creek.

191. What distance do you say should be reserved up the Seven-mile Creek?—From a mile to a mile and a half of about 2 chains in width. None of the workings extend more than 5ft. or 6ft. into the bank.

192. What do you say about the land on the portion adjoining the Midland Railway?—Well, from the Teremakau about a mile back to the foot of the Kelly's Range there is about 1,000 acres of land. It is excellent land. It adjoins the Jackson Railway-station, and is practically the Township of Jackson. The same class of land adjoins on the Teremakau slope. It is a rolling flat, on which there are some excellent gardens and clearings. It is first-class agricultural land. Jackson's paddocks are adjoining. It is a similar class of land.

193. Do you know of any reefing about there?—I know of the Teremakau Company's operations; but they never had a reef. They had a small leader, and I think they spent about £15,000 upon it and got out 68 tons of stone. I think it went two grains or 4d. a ton or something like that for the one crushing. Nothing under £10 a ton would have paid for crushing it. The place is abandoned now, and the company is in liquidation.

194. Do you think it was necessary to reserve that block simply because of the Christchurch people who were prospecting?—I think that was all the more reason why it should not be reserved, because the operations of the Christchurch people had proved that the ground was not payable. A number of men were working there, and searching over the hills in all directions for reefs.

195. We come now to Block 8A, I think it is called?—I hold that none of that block should be reserved. There are no gold-workings upon it.

196. Is there any gold-mining anywhere near it?—The only gold-mining was in front of the railway-station; it is marked. It was a working on the banks of the Arnold River outside the block. I believe there are also two men working some distance outside the block. There is nobody working on the block at all now, I believe.

197. Is it required for any purposes connected with mining on Block 8?—No; a terrace runs in between the two places.

198. Has there ever been any mining on that block—No; there have been a number of shafts sunk, but nothing found.

199. Do you know where the railway-station is?—Yes.

200. Has there been any mining in that block?—There is one man working there by the Kaimata Railway-station. It is on the banks of the Arnold Creek. The nearest other workings I know of are at Brown's Terrace. That is away outside the block altogether. This block should not be reserved.

201. The same remarks would apply generally to all the blocks you went over in the northern part of the Nelson district, on the sea-coast, and the western blocks, that the Government could have made the blocks in a similar form?—There is not the least doubt of that in my mind. Our party found no difficulty in making these reserves, and with the few exceptions, to which the attention of the arbitrators has been called, in all those blocks not a single ounce of payable gold has been found, and no mining-rights at present exist—that is, upon the ground hatched.

202. Have you in every block allowed for the requirements of timber for the mining operations in any of the known goldfields?—Due allowance has been made for all timber requirements, for water-races, tailings, and everything connected with the mining industry.

203. *Mr. Gully.*] What are you by occupation?—A mining-engineer.

204. The manager of a mining company, I believe?—I am in private practice, but I am the legal manager of one or two companies.

205. You have not been engaged in that practice since your arrival on the Coast?—Oh, yes.

206 How long have you been on the West Coast?—Seven years.

207. Residing where?—In Greymouth, or Duffer's Creek, or Nelson Creek. Greymouth was my headquarters.

200. Where were you in the latter part of 1890 and the beginning of 1891?—In Greymouth, and on the West Coast generally.

209. Were you aware at the time that proposals were made by the Government with reference to the reserves for mining purposes on the West Coast?—In a general way, of course, through reading what the newspapers had said about it.

210. You were aware, then, that there was a proposal to make substantial reserves upon the west coast of the South Island?—Yes. I saw that in the papers.

211. Were you aware that the particulars had been submitted to a number of local bodies, such as the various County Councils, and Borough Councils, and miners' associations, sharebrokers' associations, and other bodies?—Personally, I was not aware; but I knew by common talk and rumour that such things had been done, or that similar things had been done.

212. Were you also aware that the Government had taken the opinion of the Crown Lands Commissioner in the Nelson and Westland Land District?—No.

213. Were you aware there was a consensus of opinion on the West Coast that the proposed

reservations by the Government were not too large; or, indeed, were not large enough?—I can only answer your question by saying I knew there was not a concensus of opinion.

214. Did you not, in point of fact, hold a view favourable to the proposed reservations by the Government until you were retained by the Company?—Oh dear no.

215. Did you offer your services to the Government?—No.

216. On no occasion?—No; Mr. Hannan, the Government counsel at Greymouth saw me——

217. Was it through Mr. Hannan, solicitor, of Greymouth, you offered your services to the Government?—No; Mr. Hannan saw me, and I agreed to go with the Government if I got a certain engagement.

218. Were you not first of all asked by Mr. Hannan to go through the Grey Valley reserves on behalf of the Government, without any terms being mentioned?—No; I told him what my terms were.

219. Did you not, before any terms were mentioned, undertake or agree to go through the Grey Valley reserves with Mr. Gordon, Government Mining Inspector?—Certainly not. Mr. Hannan saw me about the matter, and I gave him my terms. He partially agreed to them, but I would not go unless I got a proper engagement.

220. Then you were prepared, if you got your own terms, to give your services to the Government?—Certainly. Of course, it is my business to give my services if they want a truthful opinion on the reserves.

221. I ask you whether, provided you got your own terms, you did not offer to act on behalf of the Crown?—If they agreed to my terms, I offered to report.

222. Did you afterwards see Mr. Hannan and inform him that you had an offer from the company?—Yes; I saw Mr. Hannan.

223. Did you not then get Mr. Hannan to write out a telegram to Mr. Gordon, who was Mining Inspector on the West Coast, and then forward that telegram to him yourself?—Mr. Hannan wrote it and signed it, and I took it to the telegraph-office.

224. Did you tell Mr. Hannan before sending the telegram that the company had offered you three guineas a day, with a guarantee of three months, that the offer was open until four o'clock, and that you would rather stay with the Government?—I said if he paid us as good——

225. Was not a telegram sent by him to Mr. Gordon?—Mr. Hannan came to me and wished to secure me as a Government witness, as a Government expert. He asked me whether I was engaged by the company, and I said I had no engagement. He asked me if I had any objection to going on with the Government; and I said "Certainly not." It was simply a matter of business. I had to get employment at my profession. He asked me what my terms were, and I told him they were three guineas a day. He replied that he would have no objection to that. I gave him an indefinite answer, because I knew the company were wanting my services. Mr. Young and Mr. Jones saw me after a few hours, and I told Mr. Jones I had not made a definite agreement with the Government; that the Government had applied to me, and I could not give him a definite answer until I got a definite answer from the Government. I also made a stipulation that it was to be a time engagement.

226. Did not that telegram plainly indicate this, that you—it was a telegram to Mr. Gordon, Mining Inspector, who was on the coast, was it not?—Yes. Mr. Hannan wrote the telegram.

229. But you read it?—I saw it.

228. You suggest that you are not responsible for what was in it?—Certainly not; Mr. Hannan wrote it.

229. Was it not the fact that you intimated that you would go over to the company unless the Government were prepared to pay you the same sum that the company paid?—My terms were three guineas a day.

230. I ask you whether this telegram did not express plainly that you would go over to the company unless the Government were prepared to offer you as high terms, both as to the three guineas per day and the permanent engagement, as you were offered by the company?—The permanent engagement—that is the only thing affecting it.

231. Have you been in the permanent employ of the company ever since then?—Practically permanent employ.

232. Have you been receiving the regular remuneration?—Yes.

233. Practically, you are an employé of the company for this purpose?—Yes.

234. Hon. E. Blake.] Since what date?—2nd May I started the examination.

235. *Mr. Gully.*] You have been paid a regular salary and expenses?—Not a regular salary, but three guineas per diem.

236. I want to go a little more fully into detail as to the method in which you have tested these various reservations. First of all, can you tell us how many days in the aggregate you have been engaged on the work?—I suppose between six and seven months—every day engaged on the work, Sunday included.

237. Every day, Sundays included, you have been inspecting one or another of these mining reserves or travelling?—Yes.

238. Generally with a party?—Generally with a party.

239. The names of those persons you have given us already?—Yes.

240. Are they all practical miners?—Yes, or connected with mining, with the exception of Mr. Harper, who was not a practical miner. He was more a surveyor and explorer.

241. He is a surveyor?—I do not know that he is an authorised surveyor. He has been surveying in the Mount Cook district for the Government.

242. Do you wish us to understand that you went over substantially the whole of the ground of which you have spoken?—Yes.

243. Might I ask you how you picked up the boundaries by which you arrived at a decision as

to whether any particular area or particular locality was within the area of the block or not?—We had a prismatic compass with us. We were able to take the bearings more or less accurately. We judged our chainages, and we were fairly expert in judging distances.

244. You mean you decided them by your rate of progress on foot?—Yes, and by the eye.

245. By guessing with the eye?—And by taking the bearings with the prismatic compass. That is about all we could do. We had not a theodolite, and we did not chain the ground. In the first place, we were supplied from the office with maps, showing more or less certain information, and we knew when we came to a point that the boundary might be a mile or half a mile beyond it. We had not a theodolite on these surveys.

246. You had a distance on the maps, and some of them you could pick up?—Yes.

247. That would only apply in some cases?—Yes.

248. That is the information you had to enable you to decide whether particular workings were inside or outside the boundaries of particular blocks?—Yes.

249. Anything more?—We are fairly satisfied that the information on the maps are correct, and in accordance with the detailed survey of the country in the block areas.

250. I suppose it was not a detailed survey of the country, enabling the Government to lay off the kind of blocks you have suggested?—No; because we have taken only "features" chiefly. This work could be run at very little expense.

251. How long do you estimate it would have taken to run off all these boundaries which you have laid down as being sufficient?—I cannot answer that question. It is more one for a surveyor to answer.

252. The reason I ask is, that you had no difficulty in offering a positive opinion that there would be no difficulty in the Government doing what you have done?—Not the least.

253. As I understand your evidence, the principle upon which you have selected these reservations is, that you have made no reservations excepting where there was an existing area containing workings, or, at any rate, past workings, on the ground in some part of the reservation?—No, that is not so.

254. Will you give me a single instance—I have followed you pretty closely—of any reservation having been made which has not within its boundaries workings of more or less extent? Is there one?—I do not understand the question.

255. I ask, whether in the portions you have selected as proper reservations for the Government you have marked off one of those reserves that has within its boundaries workings, old or new?—We have in this way: there is not one mine that is omitted in our boundaries of the blocks.

256. Will you indicate one of your reserves, if I might call it so, which does not contain within its boundaries workings, past or present?—No, the blocks are there, and the patches of gold are more or less confined to narrow leads. In some cases we have allowed about 5,000 acres, and there may be two or three narrow leads in that 5,000. As I stated before, there may be 4,000 acres out of that 5,000 that are not required for mining purposes—that is, between the blocks.

257. That is to say you professed to allow a liberal margin. The principle upon which you located your reserves is that there are within the area workings either past or present?—Yes.

258. Would you like to say that there is no block reserved by the Government on the West Coast in which there is no working that is certain not to pay in the future?—I say that these are blocks that have been reserved by the Government, which, from the prospects and what I have seen of them, and my knowledge of likely land, will not, I am prepared to say, pay for working.

259. It comes to this: you say that there is no prospect, at least, any reasonable prospect of paying?—There is no indication of it.

260. You say no indication. There were no indications and no prospect of future payable workings?—Yes.

261. I will give you an example so as to make it quite clear. You considered wherever there had been old workings. There have been in the past, and still are, near the Township of Kumara, gold-workings, and there are some blocks reserved near to that township. Do you say you saw no indication, or practically no indication, of auriferous gold? Would you like to say that none of those blocks near Kumara will never afford a payable goldfield?—There is not the slightest indication to myself or to anybody that I have spoken to in Kumara at the present time, and the blocks have been thoroughly prospected.

262. I understand you to say that in no case where you have hatched portions of the sections is there any reasonable possibility of future workings?—What I said was, on the hatched portions there are no mining rights existing at the present time—that no payable gold is being taken from them, and that there are no men working there.

263. You entirely give your evidence on the basis of what is existing; now, I ask you to consider as to the future. Do you say that on the portions which have been hatched by you throughout there is no possibility—or no reasonable possibility—of future working?—If you put in the words "reasonable possibility" I will agree with you.

264. Are any of the blocks likely to be affected in the future for water-supply, so as to make these blocks which are not payable now payable in the future?—I will answer that question generally, that, so far as the hatched portions are concerned, there is no water to be obtained that would command them except at such an expense that they would not pay to work.

265. It is not practicable, then, in the future to make any of the hatched portions of these blocks payable even with an additional water-supply?—As far as I know, no.

266. Of course, the water-supply is the very life of the alluvial mining industry?—Yes.

267. Again, I put an illustration near Kumara: Taking the blocks of the company on the eastern side of Kumara, do you say if water-races were extended further towards the sea they would or would not open up any further auriferous country?—It is possible, but allowance has been made in the reserves for that. Towards the foot of Sandy's Hill, if they bring up water there, they may get payable gold; but ample allowance has been made for that.

268. You say that an extension of the water-supply from the present Kumara workings towards the sea would not open up any auriferous ground on the hatched portion of the reservation?—No; it would not affect the hatched portions of the reservations at all.

269. I understand that in your opinion, at all events it would be sufficient to reserve the creek-beds, and a reasonable margin on each side?—Yes; a few chains.

270. Does that apply to the whole of the reservations—the Grey Valley reservations?—Yes; the Grey Valley and the other reservations generally. I am speaking as to alluvial mining.

271. You say it would be sufficient if the Government had reserved only such portions of creeks and their banks as can be shown to be now payably auriferous?—You must take this into consideration, that wherever gold is known to exist, allowance has been made by us, and the ground is not hatched. Outside that, we admit that it should not be reserved, and that the creek-beds should be solely reserved. We have admitted that many thousands of acres in the Grey Valley have been rightly reserved.

272. Do you say you would propose the reservation of creek-beds within the hatched areas?—In cases where necessary.

273. What do you say is necessary?—In Jackson's, for instance, a reservation should be made there.

274. Do you say in all cases?—In country likely to carry gold. Some of the creeks are rapid mountain torrents, and you can see the bed-rock all the way.

275. With regard to the hatched areas, you say you would only suggest a reservation of such creeks and creek-beds as are payably auriferous?—As are likely to be auriferous. A creek may come from a coal-measure. It is not necessary to reserve that, because we know it does not carry gold.

276. You are not a geologist?—I am, so far as relates to mining matters.

277. You are a mining geologist, then?—Yes.

278. Have you any diploma?—No, except that I have attended the University classes, and my own experience of mining matters.

279. You say there are no leads of gold on the West Coast in any of those reservations which are not along the beds of creeks—no traverse leads or creeks not coinciding with other creeks?—I know of none that cannot be directly traced to existing creeks with the exception of Napoleon Hill.

280. That is the one exception?—Yes.

281. The lead you speak of is running through?—Yes; I dare say it is connected with the present creek formation, and that country I had admitted to be rightly reserved. But, generally speaking, all the known leads of the Coast are connected with the present water-courses.

282. This strikes one in rather a peculiar way, that reservations are to be made merely along the beds of creeks. For instance, how would you provide for water-races?—The water-races, in nine cases out of ten, would follow the sidling of the creek.

283. What is the longest of the water-races you know of on the West Coast?—I think the Nelson Creek race.

284. How many miles is that in length?—About seventeen miles.

285. Does that follow the course of the creek?—For a considerable distance it follows the course of the creek. It comes down on the right-hand branch from Lake Hochstetter here [map referred to]. It practically follows the course of the creek.

286. Are there not numbers of races on the West Coast which go, so to speak, across country?—They may take the water from one creek to another.

287. Is it not as common as possible to do so?—Yes.

288. How are you going to provide for races unless you reserve the land in blocks?—I think that the contract under which the company would get the land would be open to the consideration of mining rights.

289. I ask you, as a practical man, how can it be done?

Hon. E. Blake: His idea is that it is not necessary to make any reservation, because under the contract these rights would be protected.

290. *Mr. Gully.*] Supposing the land passes into the hands of a private person, how are you to provide for the tailings?—If you can point out any place where the water could be taken to command these hatched portions—if you could do that, because all the water obtainable is already brought in, except in one or two places, where the reservations have been made by us——

291. I am speaking of the possibility of future races to be constructed: Is it not evident that you cannot tell where any future races might be wanted?—Can you tell me where the future rivers are to come from? All the present rivers are occupied.

292. Hon. E. Blake.] All these diggings in respect of which they are occupied may be exhausted?—But all these hatched portions are at a high elevation.

293. *Mr. Gully.*] Do you say you do not know a single locality on the West Coast where—probably in the future—a water-race would not be required?—I would not say that. I know of one place. In the thousands of acres we have admitted to be properly reserved I sincerely hope there will be extensive mining operations.

293. Do you say you do not see any necessity for reserving any blocks with a view to providing for future water-races?—No.

294. Hon. E. Blake.] I understand you to say in your statement that the hatched portions are at a higher elevation, and it would require an enormous expense of an unremunerative character to pump the water up?—Yes.

295. Of course you have always to go to a higher place to get your fall?—You will see all the watercourses shown here on the plan, and most of the hatched land is above the level of these watercourses, in some of which you could only get a dribble.

296. *Mr Gully.*] You say you see no necessity for making any provision for that contingency

in the future?—For this reason: I do not know of any hatched portion in existence where the ground contains payable wash. No miner can point me out a single acre on the portions we have hatched; and, if there was any, it would be so much above the general run of the creek-beds that it would cost thousands of pounds to bring the water to it.

297. Hon E. BLAKE.] First you say there is nothing to sluice, and secondly, there is nothing to sluice it with?—Yes.

298. *Mr. Gully.*] There is no necessity to make any provision at all?—As far as I know, no; and as far as anybody I have spoken to about it on the Coast, no.

299. What is the largest area of land covered by tailings on any particular line?—I think the largest area would be down about Ross.

300. Could you give us any estimate of the area of the largest tailing-deposit there?—It is fairly large; but, of course, 50 or 60 or 100 acres look like an enormous amount of tailings. It depends upon the height of the wash.

301. You do not know what amount you want?—Yes, if you know the height of the wash. When you work an acre, the next acre fills the place you have worked out.

302. What do you consider is the lowest percentage of gold which would make the alluvial workings on the Coast payable?—It may depend upon the conditions. I am connected as a shareholder with two of the largest alluvial workings on the Coast at the present time.

303. Do you depend upon this?—Yes; and working on free water being given, and under generally favourable circumstances, you will find that 4d. a yard, or about two grains to the yard, pays ordinary working-expenses. That is, a cubic yard, or a little more than a ton, pays working-expenses, but allows nothing for interest or for the depreciation of plant—simply pays wages.

304. Now, is that less by proportion than would have been payable some years ago?—Three-halfpence a yard would pay under these conditions if you had a bank of about 150ft. or 200ft. in front, and if you had a clear fall and rapid clearance for tailings and an unlimited supply of water for which you had to pay nothing.

305. You mean under special circumstances?—Yes, you might make it pay working-expenses.

306. But what I am asking is as to the present moment. Is it not at present a fact there is a further percentage than was payable five years ago?—No, I do not think there is any alteration.

307. Ten years ago?—No, I do not think there is any alteration.

308. I am speaking of this: Is there any process, I do not say on the West Coast, known as to reefing as well as alluvial mining?—There is really no improvement, but there is a better application of processes.

309. I am speaking of alluvial mining?—In the principle there is not the slightest difference.

310. Then you say that the scientific improvements that apply to quartz-mining do not apply to alluvial mining?—No; of course the separation of the gold from the sand is purely a mechanical process. Of course they have in the larger claims to put more stuff through; but the process is the same as twenty years ago.

311. Has the cyanide process been applied here on the West Coast?—Not to the alluvial workings.

312. Not to sand?—Yes, so far as the quartz-mines, it has been applied.

313. To sand on the beach?—Not to my knowledge.

314. Then you do not make any allowance for alluvial deposits being payable which are not payable now, by reason of any improvement in the process?—The alluvial product is so very small that I do not think any possible improvement can take place to affect the question. For instance, under certain circumstances a grain of gold may, in some particular case, pay working-expenses, but I know no land at present not taken up, or that we have not allowed for, that shows more than —that shows 2d. a yard.

315. Do you say you have specially prospected the hatched area so that you are able to say that it does not show, say, 2d. a ton? Do you say that you have sufficiently prospected it to give that information decisively?—Yes. I want to explain.

316. *Mr. Gully.*] You want to explain to modify. You will be re-examined, and can explain at great length. Did you prospect over all that block?—It depends again on what you mean by prospecting.

317. Did you prospect every block?—I examined every block.

318. Did you prospect every block?—Well, will you allow me to ask a question? If I saw a piece of limestone I should not try it.

319. I ask you. You say you examined every block; that is begging the question. You might have walked over it. Do you not understand what prospecting is?—I want to know your sense.

320. It is the ordinary sense, and I have no doubt you see it in that sense?—No; some do not require it.

321. How many of them did you prospect: more than one?—Yes; more than one.

322. Perhaps two?—More than two.

323. Or even three?

Hon. E. BLAKE: As near as you can.

Witness: I know, probably, from twenty to twenty-five blocks. I am interested in them—know them thoroughly.

324. *Mr. Gully.*] I have been asking information as to the Midland Railway?—I did not require to prospect because I knew the returns, and that it was not necessary.

325. To be more positive: how many of these hatched areas did you prospect, and make your examination for the Midland Railway?—You would have to let me go over the maps to give the answer, there are so many hatched areas. We are only trying to get at the value.

Hon. E. BLAKE: It is not necessary for you to give the values of the hatched areas—only how much you prospected.

Witness: Subject to correction, about twenty-five or thirty.

326. *Mr. Gully.*] Then that includes numbers you previously inspected, and, having previously inspected, you did not think it necessary to make a fresh prospect?—Yes, exactly so.

327. There is a certain number you knew of in former days, and there were a certain number you prospected in this engagement—what counsel wishes is as to the number there?—Practically, I have prospected every block.

328. Do not you see how we are trying to test the value of their evidence? I have got to come back to exactly the same question: How many prospects did you make on the hatched areas for the examination of the Midland Railway; how many prospects did you make in all these hatched areas for the company?—We might say 300 or 400.

329. Just now you said twenty-five?—These are prospects; I was taking the blocks.

330. How many areas?—I think about twenty-five blocks.

331. But you tell us twenty-five was the number you included previously; how many did you prospect in course of the examination for the Midland Railway?—I am interested in about five or six blocks.

332. Hon. E. BLAKE.] That would be about nineteen or twenty?—Yes; nineteen or twenty.

333. *Mr. Gully.*] And generally, what was the nature of your prospecting operations?—That would depend entirely on the nature of the stuff. If it was limestone country I simply took a bit and put it through my fingers and threw it away; if coal grits, the same thing would be repeated. I examined it to satisfy myself as to the nature of the rock; if it was granite, I knew it would contain no gold, and also threw it away.

334. Why did you pick it up?—To see if it was coal, or to see if it was the Old Man reef or other formation, such as blue reef sandstone bottom, granite, or a variety of gravels that I knew from experience and from eye education did not contain payable gold.

335. Anything else you desire to suggest you did in the way of prospecting?—Well, of course, we have got evidence of the boring at Barrytown.

336. Was that the only case in which you acted?—Well, of course, we were continuously prospecting. Then, in Jackson's we got the quartz, and the position it cropped up, and tested it in every way to see if it contained gold.

337. Is that all?—That is practically all. I used the tin dish on several occasions when I thought it necessary.

338. How many times did you use the tin dish?—Probably, in six months, every second day. Personally I sank no shafts on these hatched portions.

339. That fairly describes your process of arriving at the conclusion you have done?—Oh, no! more than that. I take a general view of the country. Of course, I know the country fairly well. I have got an idea where the leads all run, and as to what course they are likely to take.

340. You have a personal knowledge of the country?—And personal knowledge of the runs of gold, and I have examined probably 1,500 or 2,000 different claims.

341. Hon. E. BLAKE.] In this region?—Yes.

342. *Mr. Gully.*] You did not take the claims for granted—you examined them?—I got from my examination of the claims my principal knowledge of the country.

343. As to quartz: are you competent to give an opinion on that?—Yes.

344. Do you make any allowance in your reserves for prospecting?—Where I considered it necessary, Yes.

345. Have you in any case made special allowance in respect of prospecting being considered advisable?—Yes, in numerous cases, notably in the Moonlight district. There is one block there admitted without any ground being objected to at all.

346. How do you mean objected to?—Objected to by us.

347. Hon. E. BLAKE.] What do you mean by the Moonlight district?—Block 88. In that block, from Healy's Creek to Moonlight, there are no workings of any kind. There is a block there of about 1,500 acres, I suppose. All that we have admitted; at least, I think it should be reserved for prospecting rights.

348. *Mr. Gully.*] Upon what ground do you make special reserves in respect of that future prospecting?—Gold has not been found there, but there is a chance, in my opinion, of gold being found there.

349. Let us understand the principle upon which you say that in some localities there is no chance, and in others there is a chance of future prospecting resulting in the discovery of gold?—Alluvial gold leads may be described as of three classes. First of all there are leads; and, by the way, I wish to correct a slight error which I made when you asked me as to the position of the leads in certain cases. I thought you were referring to the river-leads. On the beach, of course, they follow the line of the sea. Alluvial gold may be thrown up by the sea, or it may be found in old river-courses, or it may be placed in position by glacial action.

350. I am asking you simply this: Why have you in some cases allowed areas for prospecting operations in the future?—I considered that the natural features of the country are such that there is a possibility of gold existing in certain areas.

351. Only in the case where, in your opinion, the natural configuration of the country points to the probability of gold—or rather, you say, the possibility of gold. Have you allowed anything for prospecting?—In several cases I have allowed wherever I thought it necessary.

352. Are there not in many blocks considerable areas in respect to which it is doubtful—it has not been ascertained whether there is a probability of gold being found or not?—I do not think so—not in the hatched portions.

353. In making your reserves providing for mining purposes other than actual mining, what definition of that term have you acted upon? Have you acted upon the definition of the term in the

contract, or for all the purposes comprised in the Mines Act and regulations?—Of course, I have read the contract; and the word "conducive" in my opinion means "immediately conducive to the industry of mining." In the reserves allowed by me I have allowed what, in my opinion, is amply sufficient ground to cover all the requirements which alluvial mining is likely to need.

354. That is not the point. You have told us over and over again that you have satisfied your own judgment. On what interpretation of "mining purposes" have you acted?—In cases where I have thought there was a possibility—even a remote possibility—of payable gold being discovered, I have allowed for that. I have also allowed for water, and for tailings-sites to receive the tailing , and for timber.

355. Is that your definition—the definition upon which you have acted in allowing a margin for mining purposes?—Yes.

356. In some localities, at least, I understand you to say that you expect to find a population whose employment is of a mixed character—partly pastoral and partly gold-mining?—Yes..

356. Such as, for instance, the Maruia?—Yes; to a limited extent.

358. Matakitaki?—That, I admit altogether.

359. In estimating the areas of reserves in such localities, have you any principle upon which you go as to the area to be reserved?—The ground allowed by me would be sufficient for all mining purposes, outside the pastoral view of the question altogether.

360. Then your estimate is for pastoral purposes directly connected with mining?—Yes; and future development.

361. For instance, a miner has a right to take up a pastoral area of, say, 50 acres?—Yes; under the Mining Act.

362. Do you make any allowance for areas such as that to be taken up by mining settlers?

Mr. Jones: Before my learned friend proceeds any further, I desire to point out that a miner has no more right than anybody else to take up additional land for agricultural or horticultural purposes. The only right which a miner has, by virtue of his miner's right, is to take up one single acre, and to that he is confined by the Act.

Mr. Gully: Do you suggest that a miner has no right under the Mines Act in a mining district to take up any greater area for any purpose than the area of one acre?

Mr. Jones: I say he has no right arising out of the bare fact of him being a miner or the holder of a miner's right.

Hon. E. Blake: I understand your contention now. The witness seemed to be under a different impression. Of course he may not know.

Mr. Gully: My contention is simply this: that the miner cannot take up 50 acres under the Mines Act for pastoral purposes if it has passed into the hands of some other person or body.

Hon. E. Blake: Neither a miner or anybody else can. Do you allege that the miner *qua* miner has given him by the statute a special right to take up an area of 50 acres for pastoral purposes; or, simply because he is a miner and has a miner's right, that he still has the same right as any other individual would have to take up 50 acres?

Mr. Gully: Rather more as a matter of practice than as a strict matter of law. Under the Mines Act a miner may also obtain in a mining district 50 acres as a farmer. I say this, unreservedly, that you have to reserve sufficient land along the banks of the river—a sufficient quantity of land to let him take up under the Mines Act a certain area of land which is not strictly required for mining purposes. I am really only endeavouring to get at the basis on which the witness has come to his conclusion.

363. *Mr. Gully* (to witness).] I understood you to say that you made no allowances for purposes such as that, which are not directly connected with mining or with a miner's powers under his miner's right?—In making these reserves I did not take into consideration the fact that each miner might want 50 acres of pastoral land. But the land which I have thought necessary to be reserved, if totted up, would, I think, give more than 50 acres to every man.

364. Fifty acres of what—mountain bush?—No; of land that may not be auriferous.

365. But you have made no special allowance?—In making my estimate I did not take into consideration the fact that every man might want 50 or 100 acres of land; but the reservation allowed would even allow for that contingency an acreage sufficient.

366. Now, do you make any allowance for unexpected discoveries upon any of these hatched portions of the blocks?—Certainly not, because from my knowledge of the country I do not expect that gold will be discovered there.

367. Then I pin you down to this: You say that, in your opinion, there is no probability of any discovery within the hatched areas?—Yes.

368. Well, now, could you, as a resident of the Coast, give us any instance of unexpected discoveries upon land which, up to the time of discovery, was absolutely unknown to be auriferous?—Of course, my connection with the Coast lasts for seven years only, and positively during those seven years not to my knowledge has gold been found in any portion of land not known to be auriferous before.

369. Then you put it in this way: that there have been no new discoveries within the last six years?—I can speak of that with certainty.

370. Have you heard of any?—No.

371. But you are aware, at any rate, that previous to that a number of discoveries were made. It is obvious?—I do not think so.

372. Well, go a little further: are you not aware of discoveries that have been made on land that was known, and yet not known to be auriferous?—Not during the last seven years.

373. But before that?—No. The nearest approach to it, I think, was Kumara. Of course, that was before my time. I think it was in 1872 it was discovered.

374. Do you know anything about the circumstances under which the Kumara goldfield was discovered and worked?—I have heard many stories about it.

375. You know nothing of your own knowledge?—Not of my own knowledge. I believe they had a private still there, and searching for the still they found the gold.

376. Which seems to indicate that when you look for one thing you find another?—But they were digging for gold at the same time.

377. In a small way as well as a big one, has it not been the history of the Coast that new discoveries have been made sometimes on new and sometimes on old land?—I can only speak from positive knowledge, and my positive knowledge extends over seven years only.

378. Is it within your experience that new discoveries are made on or near ground which is supposed to have been worked out?—I know of no new discovery; but the old workings have been extended.

379. After they had been practically abandoned?—The district has not been abandoned. The only three instances I can call to mind in the Grey Valley in Block 86 was when Curtis discovered a reef, which I trust will pay well.

388. How long has there been working going on in that particular locality—since your time?—No; probably it is twenty years since they started. In Half-ounce, a tributary of Duffer's Creek, Block 69, close to the borders of 70, there was not a new discovery there; but a further extension of the Half-ounce lead was discovered about three years ago, and gave employment to a number of men for eighteen months or two years. The third case is Adamstown Creek, in Block 62. The head of Adamstown Creek had been worked and practically abandoned, but they knew that gold extended down, but it meant the putting in of a long drainage tunnel to get it. That they eventually did, and the gold was obtained. These are the only three discoveries in the Grey Valley district. In Craig's freehold gold was known to exist, but they could not come to terms with Craig to work it.

381. What about the Blue Spur? Do you know anything of that?—No.

382. Has not there been a small rush there in recent times?—Only one man got gold. Several put down shafts, but got no gold. I am now going simply by newspaper reports and general talk of the people.

383. You know of none but the three you have mentioned?—No.

384. *Mr. Gully.*] I should like to say, first of all, that this involves a further cross-examination with reference to timber, as to which I understand my friend is going to recall these witnesses; secondly, as to the detail of the mining reserves; and, thirdly, as to the damage.

Hon. E. Blake: That has not been opened at all.

Mr. Gully: The timber evidence has not been opened. I cannot examine on that. As to mining reserves, I hope to get the necessary information in a few days; and then as to the damage, I think it would be more convenient that something was formulated.

Hon. E. Blake: I made that suggestion the other day.

Mr. Gully: Damage runs through everything—the quantity of land; its capacity for settlement; its accessibility, &c.

Hon. E. Blake: It is very difficult to apply oneself to some phases of the evidence on the question of damages without knowing the principle, and I have been applying myself simply to the question how it is going to affect the *mala fides* of the Government in making the selections. I cannot apply it to anything else but that one question; but I should be able, of course, to do a little towards photographing the other view if I knew the principle on which damage is claimed.

Mr. Cooper: I shall be in a position to tender evidence on that subject to-morrow morning. These witnesses we will keep, so that, whenever Mr. Gully intends to resume his cross-examination, we shall produce them.

Mr. Gully: I have not yet got particulars of the timber claims. If there is anything inconsequent in the order of witnesses, or any delay, it is not in consequence of us.

Mr. Cooper: The delay with regard to the timber claims is getting the returns from Christchurch. We want to make them accurate. I understand these returns are now on the steamer.

Hon. E. Blake: May I ask what progress is being made as to further particulars on the second reference?

Mr. Cooper: Those particulars are coming up in the same way. We want to get the details of the several allotments.

Hon. E. Blake (to witness): Then, you are not discharged.

Mr. Jones: It will be better to take the re-examination altogether.

Witness: I wish to correct a portion of my evidence on the Kumara Block. I spoke of 4,000 acres not being required. What I meant to say was that the 4,000 acres are required not for mining purposes, but to make allowance for timber. It is wrongly hatched.

Hon. E. Blake: I think you had better restate your proposition, so that the reporter may take it down.

Witness: What I meant to say was that 4,000 acres was required for mining purposes and purposes conducive to mining; but the 1,250 acres is not required—that is, the 1,250 acres between the Teremakau and the main Christchurch road; that is not required. The rest is required for mining and timber purposes conducive to mining.

Mr. Fenton recalled, and cross-examined.

385. *Mr. Stringer.*] You have been a resident on the West Coast, for how many years?—About ten years.

386. And you remember when the reservation of these blocks was first proposed?—Yes.

387. There was a good deal of discussion on the Coast as to what areas the Government should reserve, I think?—The Coast people did not want any reserves at all. If any one applied for land

they would rather see it come before the County Council, and they would recommend it to be sold or not. That was the feeling on the Coast.

388. You mean some people?—I am speaking of the Reefton and Inangahua people.

389. You know, of course, that before making these reserves the Government sought information from the County Council, the Miners' Association, and other bodies interested in mining?—Yes.

390. And I suppose you know that a good many of those local bodies complained that sufficient had not been reserved?—The local bodies, such as the Inangahua County Council, wanted none at all of them reserved.

391. I think you told originally that you heard when the reserves were about to be made—when the Government were about to adopt the system of making reserves—did not the people complain that sufficient were not being reserved?—Some said, "Reserve the whole county," because they did not know much about it, or did not take any interest in it.

392. Did the Miners' Association make any recommendations?—They took very little interest in it.

393. Even the miners?—Even the miners.

394. Who did take an interest in it?—I could not say really, but I think very little interest was shown in the matter at all.

395. Will you say exactly how you investigated these various mining reserves that you have taken us over, and distinguish the processes you followed?—Take the Reefton mining reserves, for instance—Nos. 59 and 61. I went over the reserves carefully, and looked at the different portions in which there were any gold-workings, and I concluded that they were rightly reserved. The other portions, in which I could see there were no gold-workings, and in which there were not likely to be gold-workings in the future, I held, were not rightly reserved. I did the same thing in all the blocks I went over.

396. That is to say, first of all you sought for workings?—Yes, and for the kind of country it was, and for what kind of rocks there were in it; also, whether there was likely to be alluvial wash or quartz reefs, or anything that would tend to alluvial mining or reefing, and I came to my conclusions upon that.

397. Have you any idea, first of all, of the area in square miles these reserves contain?—I could not form an idea. I suppose I have been over two or three hundred thousand acres, and there are 640 acres to the square mile.

398. The reserves contain over four hundred thousand acres?—I was not over the southern reserves.

399. Do you think within that time you could be competent to form an exhaustive estimate of the auriferous nature or otherwise of the country?—I think I could form a very fair idea of the nature of the country in the time I have taken to go over it.

400. Now, as a matter of fact, are there not many local bodies which have parties of prospectors continually working over this area?—I do not know of any local body or prospecting association that has any one prospecting over the area hatched on the plains which I have given evidence about.

401. You think they keep off that hatched portion?—Most decidedly.

402. But I suppose prospectors are continually at work, even now?—Yes.

403. Then, at any rate, other people than yourself are continually in the hope of finding payable ground?—Of course, in some of the unhatched.

404. You still say they would confine their prospecting to the unhatched portion?—I do not know of any working going on in the hatched portion. There might be a solitary exception or two.

405. You draw the conclusion, I take it, that because you would not prospect on these hatched portions nobody else would do so?—When I was over it I could neither see nor hear of any one prospecting on the hatched portion.

405A. You did not know of anything of your own knowledge?—I did not know of any association prospecting, or any one else prospecting, with one or two exceptions, such as the Westport Block, next the Waimangaroa. There is prospecting there, or was when I was there.

406. You mentioned two blocks just now? You say you have been over them?—Yes.

407. How long did you take in the operation of going over them?—The last time I was over the ground I took a week, but I knew it for years before.

408. There are 20,000 acres in these two blocks?—Yes.

409. Do you think you thoroughly exhausted the possibilities of those two blocks in a week?—I am quite convinced that in the portions I have hatched there will never be payable gold. That is my firm impression, or I should not have hatched it.

410. We do not suppose that for a moment; but I want to know whether your investigations were exhaustive. Do you know who put the hatchings on these original plans?—We were all together, and we went over the maps. I drew some of the hatchings from the sketches, and then gave them to Mr. Young, the Midland Railway surveyor, to hatch them.

411. Then, you sketched on the map what you thought should be hatched, and from that sketch Mr. Young transferred it to the map?—Yes; from the exact copies.

412. Taking the Grey Valley reserves, is there any country there that is on the hatched portion which would be workable ground if a better supply of water were obtained?—I do not think there is one place in the whole of the Grey Valley that would pay, on the hatched portions. In most cases there is no alluvial wash. It would cost too much money to work, and water could not be brought upon it. There is one little place between the Big River and Carriboo upon which there were three men and women at work.

413. I do not think you need trouble about that. Have you computed the total of the hatched portion as compared with the hatched portion on these maps—approximately?—No; Mr. Young and Mr. Brett worked that out.

Mr. Jones: We can supply that.

415. *Mr. Stringer.*] During the time you have been on the Coast, have you known of any new discoveries of payable ground having been made, either alluvial ground or reefs?—Oh, yes; there have been several new discoveries of reefs. I do not remember any fresh discoveries of alluvial ground.

416. Do you mean there have been no fresh rushes at all within the last ten years?—Not to my knowledge.

417. Where have the reefs been discovered?—Fresh blocks of stone have been found, perhaps, on the Big River and different places since I have been on the Coast, all on the slate belt. No other payable reefs have been discovered.

418. Have any other auriferous reefs been discovered outside the belt?—Not to my knowledge.

419. I am referring to the whole of the reserves that you have been over?—There is nothing fresh that I know of.

Hon. E. Blake: If you could make a table of the blocks, Mr. Jones, with the amount you disallowed set opposite each one, it would be very convenient.

Mr. Jones: We have a tabulated form, and I will get one for you.

Gerald Joseph Perotti sworn and examined.

420. *Mr. Jones.*] What are you, Mr. Perotti?—I am a timber-merchant just now. I have been mining all my life.

421. Mining practically since when?—Since 1855.

422. In Victoria?—Yes; and in New South Wales and in New Zealand—Otago and West Coast.

423. I think you have also been very largely interested in quartz-reefing, both in Victoria and New Zealand, besides alluvial mining?—Yes.

424. And you held a great number of shares in many mining ventures?—Yes.

425. I think you were prospecting in Victoria, and discovered some reefs at the Ovens?—The Magenta Reef.

426. Did you discover any other payable reef in Victoria?—No. I worked, but I did not discover them.

427. Since 1855, practically you have spent all your life mining—either alluvial or quartz?—Yes.

428. I think you made an inspection and examination of the Midland Railway reserves already mentioned?—Yes.

429. With myself, Daniels, Fenton, Harper, and also part of the time with Dowling and party. Is that correct?—Yes.

430. Will you refer to this map [Exhibit 91] of Block 81, and in dealing with it I do not not wish you to confuse your mind between the timber evidence you may be called upon hereafter to give and the mining evidence, but confine yourself simply to the gold-mining. You made an inspection of Block 81?—I did.

431. Commencing at the southern end, and right up the block, what do you say is the nature of the country there?—I am perfectly satisfied, and I say distinctly that I inspected these reserves very carefully, and I have not seen any part of it showing any vestige of gold-mining in any way, excepting up the No Town Valley, starting from the Chinese Creek upwards. That is the only place where I could see any gold-mining of any class; and I do not see that there is any room for reserves there of any land for mining purposes, excepting that piece of ground between Chinese Creek and the eastern end of the reserve—a depth of 75 or 80 chains I suppose.

432. And the portion that is held should not have been reserved for gold-mining purposes?—No.

433. What is the nature of the country? Is it flat or hilly land?—It is mostly flat land. There are large areas of well-timbered land from the valley to the top.

434. Is there a dividing-range between the northern and southern branch?—Yes.

435. Where does that dividing-range run?—It is just north of Spring Creek.

436. Between Spring Creek and No Town Creek?—Yes.

437. On which fall of that range did you find the auriferous deposit?—On the No Town fall.

438. Is that the reason why you have divided it in that way—you have been there?—That is the reason I divided it. I could see nothing to indicate gold on the other fall.

439. Coming down the country from east to west, does the range run in a southerly direction or does it run in a northerly direction after you leave No Town Creek?—It skirts the road right away from the township of 12 Mile to No Town—right away up to No Town—and then along the other gullies that have been worked—Chinese Creek, Rough-and-Tumble, and some of the intermediate gullies.

440. We will pass on from that to Block 80. What have you to say about that?—I have not seen the whole lot of it. I only saw this one portion [indicating on map]—the south-western portion.

Hon. E. Blake: It is not necessary for you to refer to any portion that is stated as properly reserved.

441. *Mr. Jones.*] Did you cross to No Town, and go right along?—Yes.

442. Did you not cross the portion of the land that is hatched?—I did. I crossed this track here [indicating on map]. I went along that track.

443. What did you find there?—I found no vestige of gold-mining there.

444. There is a range running between this fall of the No Town Creek and that fall of Red Jack's?—Yes.

445. Does that track go over a high range?—It crosses over the low parts. The range runs across here [indicating on map], and is higher.

446. Then, it gets shallow, so to say, west towards the Grey River?—Yes.

447. You had to pass over a high range, you say. Did you see any mining?—No.

448. Could you say anything of the rest of the block?—I could not say anything.

449. Do you know anything about Block 79?—I know there is not a portion of land at the north-west corner which shows a vestige of mining, and, in view of the character of the country, I would not consider that it would be likely to be made a reserve for gold-mining.

450. Hon. E. BLAKE.] Is that creek [indicated on map] called the Kangaroo Creek?—The part in that north-west corner is the Kangaroo Creek. Of course, I always laid it down as a principle that the creeks must be protected.

451. *Mr. Jones.*] Kangaroo Creek is protected?—Yes.

452. But there is a part on each side which is hatched?—I did not find anything there to show that any mining was going on.

453. Did you go up the left-hand side of the branch?—I went three miles up.

454. Did you go up the right-hand branch of the Kangaroo?—Yes, only about a mile.

455. On the banks of either of these branches did you see any diggings or gold-mining going on?—I was close on a mile up the right-hand branch—that is, the southern branch.

456. On the creek or on the terrace?—On the terrace.

457. Far back from the creek?—I should say, 150ft. or 200ft.

458. Is that the terrace there [indicating on map] which they say is rightly reserved?—Yes, here [indicating on map].

459. Going up the creek further, do you know anything about that?—I did not go further up.

460. Did you see anything of that block [indicating on map]?—Yes.

461. What have you to say about the north-eastern portion of that block—the portion which is held as a reserve for gold-mining purposes?—I should say the bit of ground near the junction [indicating on map] should be reserved for gold-mining purposes. There is a reserve at the fork of the two branches.

Hon. E. BLAKE: That is already agreed upon as a proper reserve, and you need not refer to it.

Witness: On the left-hand side of the left branch, which I would call the north branch, there is no mining at all, none for a mile; but I think further up there is some mining.

462. In the creek?—Yes.

463. Then, do you say that that block is rightly rejected by the company?—I do not know what the width of the creek is.

464. Hon. E. BLAKE.] How much would you reserve?—Two chains on each side of the creek.

465. That would be the least you would ever reserve?—Yes.

466. What do you say would be proper for Kangaroo Creek?—I should say, 2 chains on each side.

467. *Mr. Jones.*] And the rest of the block?—There is no mining on the rest of the block.

468. Should it be reserved?—It should not be reserved.

469. You have been through the piece at the south-west corner of the block across the track to Frankpit store?—I did not see that.

470. What about Block 77; start from the boundary of No Town Creek and work up north?—I should say, first of all, along No Town Creek there should be a reserve made, as I do along all creeks. I would then certainly consider that the land between No Town Creek and O'Connor's Creek, verging on the south-west corner, should not be reserved. There is no mining of any kind there; it is rough country, no good for anything. There is no mining there.

471. Hon. E. BLAKE.] Would you make a reservation along the whole of the creek?—Yes.

472. Running through as far as No Town Creek runs through the block?—Yes; all the way along. Then, at O'Connor's Creek I would make a reserve. I would do the same along Deadman's Creek. Further along I would make a reserve at Kangaroo and Red Jack's.

473. And McLaughlan's?—Yes. Also Wyndham Creek. Then I would go up along the Nelson Creek, where it is approaching the reserve there. There is very little of it there—it is only about a mile in length.

474. *Mr. Jones.*] Would you go to Potts's Creek?—Then I would let it go for mining purposes from north of Potts's Creek.

475. And, with the exception of the creeks already mentioned, you think the pieces in between the hatched portions should not be reserved?—Yes. I cannot speak of Deadman's Creek. On the lower part I am satisfied there is no mining.

476. You think the hatched portions of that are pieces of land which should not have been reserved for mining purposes, or purposes incidental thereto?—Yes.

477. Now we will deal with Blocks 74 and 75. Take 74. What do you say about that?—All that, I say, should be reserved except two points—one along the strip of land running along the road, about two miles in length, on the south-westerly end of it. There is no mining there of any class. In fact, there is no mining at all on the west side of Larkin's Race. Up at Ahaura, at the west corner of it, there is no necessity for mining.

478. That is north of Callaghan's Creek?—Yes. About Riverview I should certainly reserve that little piece of ground dividing the country of Callaghan's Creek to Cinnamon Creek.

479. Hon. E. BLAKE.] Would you continue the Riverview reserve down to Callaghan's Creek?—Yes.

480. *Mr. Jones.*] In all other respects you agree with that map, with the exception of that little piece?—Yes.

481. Then, as to 75?—I have not visited that piece.

482. What about the north part of it?—I have not visited that either.

483. Hon. E. BLAKE.] You cannot speak of either the north or easterly part?—No.

484. *Mr. Jones.*] In reducing the area of the Government reserves mentioned, have you taken into consideration land which would be required for the future development of mining and purposes incidental and conducive thereto?—Yes.

485. In every case?—Yes.

486. Do you think there would have been any difficulty in the Government making the reserves smaller in size and shape, as you have shown to the Court?—I do not think there would have been any difficulty.

487. Hon. E. BLAKE.] You think the Government could do all you could do?—Yes.

[Exhibit 92 referred to.]

488. *Mr. Jones.*] Now, we will take Blocks 70, 69, and 71. Commence on the southern portion and work up?—On the plan placed before me here, I may say, I entirely approve of the alterations, that the land as put there to be reserved for mining is correct. There is no mining on the south-west portion that is hatched, except at Cocoa Creek, but that I think is outside. It is in private hands with the exception of a little digging there. Up at the top of Cocoa Creek there are some old diggings, but they have been abandoned.

489. Now, we will go on to the northern corner?—Before I go there I would say there is a creek called Barry's Creek, and another one—Hatter's. There has been a bit of gold-mining there, although it has been abandoned. Both have been worked, and may be worked again; and I consider that those two creeks, to a certain width, should be reserved. Although abandoned, it may be possible that miners may fossick there again.

490. Hon. E. BLAKE.] You think that all Barry's Creek and Hatter's Creek ought to have a chainage reserved?—Yes.

491. *Mr. Jones.*] Now, coming to 69?—On the hatched part to the north part no gold has been worked or found there. 71 and 69, as marked here as not reservable, is quite correct. There is no need to reserve those portions.

492. Hon. E. BLAKE.] There are some creeks there?—There is Waipuna Creek. No gold has ever been got in the left-hand branch.

493. *Mr. Jones.*] And Mosquito Creek?—There is Mosquito Creek too. That was worked; but in the Waipuna right branch gold was only worked in the lower portion.

494. And the rest of Blocks 71 and 69 should not have been reserved for mining purposes?—No.

495. Now, we will go across to Blocks 65 and 66?—Block 65 I would reserve all along Mossy Creek. It has been worked, but abandoned for some years; and I would take 5 chains on each side of that creek. Well, this Snowy River is all outside of the reserve, except up to the top end, and there I would certainly make a reserve on the banks of the creek on each side—from 6 to 10 chains on each side of the river.

496. Hon. E. BLAKE.] Did you extend that right across to 66?—I cannot say, Sir. I have not reached 66. Going, then, further up the Blackwater, I should say, at the very lowest, make a reserve of at least 30 chains all across the reserves.

497. That is, 15 chains on each side?—Yes, on each bank of the creek; that is all I would make for mining in that.

498. *Mr. Jones.*] Practically, then, that would reserve a chain in Blackwater; that would be about $\frac{3}{4}$in. in the Blackwater [Scale]. How far do you say you would make it?—15 chains to here, to the bed of the creek.

499. Fifteen chains on each side of the Blackwater; that would be less than 6$\frac{1}{2}$in.?—Yes; there is ample reserve there.

500. The reserves in Snowy River would be sufficient?—I only speak of where I went.

501. What do you say about 66?—I spoke about that.

502. It is all rightly reserved?—I did not go over it.

Mr. Gully: I am quite content that any question to be applied to the block should be applied generally.

[Exhibit 93.]

504. *Mr. Jones.*] This is Block 62; take 63 with it. What do you say, commencing at the southern portion of 62?—I should first of all make a reservation along the bank of the left-hand branch to the Blackwater, at the top, near the Big River, for a length of about 80 chains, where I see the river runs right along this reservation. I think it is necessary to make a reserve alongside the river for mining. I pass then on. I consider the work; it has never been worked, nor any gold got in it, nor any sign of there being very good paying country. It is rough. I do not know that there is much alluvial deposit there. I then reach Adamstown, and I certainly would put a reserve there, 20 chains wide, right throughout. Then, I pass on again northwards through 62, when I reach up to Antonio's Creek; and at the upper portion of Antonio's, just after passing a mile and a half up the creek, the workings begin, and they are pretty extensive there, although the population is very small there now. I should certainly make a reservation embracing all the creek. I have been up the two branches, and up to the east boundary to the reserve. I never went further. I could not speak as to section 63.

505. Hon. E. BLAKE.] The reserve is narrowed where you get on the other side of Antonio's Creek?—Yes. Then, there is Slab Hut Creek. I would extend the reservation further south-west at the corner, right away down at the junction of the Grey with the creek to the Little Grey. It is only a little block, but I would certainly do it for the purpose of protecting mining work along the bed of the creek; it would be only 50 or 60 acres more, but I would certainly start on that point connected with the other land. Otherwise, the reserve at Slab Hut is quite enough.

506. Then we pass to 59, approaching Reefton?—This piece of ground here in the north-west corner I have gone through, and there is no doubt there is no need of reserving it. I must say I know this block well, and I may say that the balance ought to be reserved.

507. Hon. E. BLAKE.] There is a part of the reserve on the east side, what of it?—I should say it should be reserved. It is in a belt of quartz-reefs. Section 61—I cannot speak of that.

508. From your general knowledge of the country you are not able to say whether, looking at the Inangahua River, the same conditions exist in section 61, along the line of the river, at this piece in the 1,300 acres?—From the knowledge I have of the ground there is a certain belt of quartz-bearing country there, extending right through up to here, and I fancy it would extend it almost to this creek, Yorky Creek. There is nothing at all in that that I know of, although I am not so particularly acquainted with the country as I am with the other portion. I must say I am, in my opinion, guided by the proximity of the quartz-lodes at Progress and Globe and by the bearings of the reefs.

509. Because it is contiguous to the Globe Mine?—Yes; that is my reason for saying that.

[Exhibit No. 94. No. 4.]

510. Did you go up Burke's Creek?—No.

511. We will have to go on to No. 53 then, which is across the left-hand branch of the Inangahua: what do you say to that, Mr. Perotti?—This is another section. This piece of land—that is, the southern portion of it—should certainly not be reserved; for the first mile of that reserve there is no gold-mining at all.

512. Is it rightly hatched, that piece?—Yes; from Frying Pan Creek and Due North Creek to south bank of Boatman's Creek the land requires reserving.

513. Hon. E. BLAKE.] You get another piece of 3,300 acres hatched?—As to the northern part of 53, there is no mining at all except at Yorkey's Creek. It requires a reserve.

514. *Mr. Jones.*] Do you agree with the hatching of the north portion of 53?—Yes.

515. Now, section 51, north of Larry's, that is in your opinion correct?—Yes. First of all, I should protect a reserve along Larry's Creek of 5 chains, at any rate.

516. That would be 10 chains wide, one-eighth of an inch. Now, to Larry's Creek, Section 51, on the south-western corner?—There is no mining there—no need of a reserve there.

517. That 2,640 acres?—No. And the balance up to the Landing Creek must be reserved, because it is covered over with patches of diggings here and there.

518. Now, we cross the Landing Creek, and get into that little block containing 650 acres?—I should certainly make a reservation along the Landing Creek first of all, at least 5 chains on each side. Outside that there is no need of reserving land; there is no mining there.

519. Do you agree that this reserve, as left here, is correctly made on the eastern side of 51? Is it correct it should be reserved?—Yes. I do not know much of that part.

520. We now come to the Buller District. [Exhibit No. 95—Buller District]. We will commence at the southernmost portion of Block 6. What do you say to Block 6?—There is no need to reserve what is marked here as not reservable. Brighton is a mile and a half further, and the mines begin there; that must be reserved. There is a strip of land between the proclaimed reserve and the beach, and it is nearly all sold. It is not shown here. It is all pretty well held under the Land Act, from what I am told by residents there. I cannot see it on the map, and that is why it confuses me.

521. Hon. E. BLAKE.] There is a portion running up from Brighton which is shown to be sold, and then that stops at Nos. 18, 17, and so on. From that on it looks as if there was nothing sold?—There is a strip all along which is not shown here.

522. You think inside of that strip there should be more reserved?—That strip of land is occupied by some miners as well. No gold has ever been found in it. From what I understand the reserve is at the back of that strip of land, and rises up from that point [indicating on map]. That should be reserved, for that is where the mines are. As I go along here [indicating on the map], I find it is very well marked for reserving. Those pieces marked 6A—4,900 and 3,000 acres—are not required for mining purposes. The country is not fit for gold. It is all limestone formation.

523. *Mr. Jones.*] Then, you agree with the hatching on that map—Sections 5 and 6?—Yes, both 5 and 6.

[Exhibit No. 96.]

524. What do you think of Block 4?—I think the reserve is pretty safely made for mining. There are only a few men working on this part now [indicating on map].

525. Then, you think this section is rightly hatched?—Yes.

526. Section 4 is correct?—Yes. As to Section 3, the land toward the sea has not been worked for gold. There is fully three miles and a half of country which bears no gold at all. The character of the ground would not lead any one to think there was gold there. Nos. 3 and 2 are properly hatched.

527. On the beach land, you say, there is nothing there?—There is nothing there.

528. Now we go to Block 1: What do you say to that?—I do not think any gold has been got there at all. I do not think there is any need to reserve it. The gold is further inland. A tail-race has been put into it, and it had gone nearly through the reserve when I was there. They never found any gold in it. I do not know that there is any reason for reserving it at all.

529. None of that land close to the beach should be reserved?—I do not think there is any need to hatch it, and I went right round it pretty well.

[Exhibit No. 97—Cobden group.]

530. What do you say as to that block?—I know it well, and I should say that that little fork at the top end—the north end—should be reserved, because I believe that the reserve should continue all along to the corner.

531. You say that the line to the west, and marked 30 chains, should be taken north to the end of the reserve?—Yes.

532. Hon. E. BLAKE.] What do you say as to the north-west corner—that little triangle there?—There is no gold there. The easterly line of that little square on the left should be continued right through to the northern corner,

533. *Mr. Jones.*] What do you say as to the rest?—The rest is all right.

534. Hon. E. BLAKE.] Is the proper width of this comparatively long strip about 10 chains—along the western limit of the reserve?—That is plenty and abundance. There is no alluvial there or place for quartz.

[Exhibit No. 98.]

535. What do you say about 93?—That is quite correct.

536. You see there is a little patch in 94, south of Baker's Creek—what do you say to that piece?—There is nothing there.

537. Between Baker's Creek and Fagan Creek?—There is nothing there. There is a pretty wide flat there, but there is no gold. They prospected it, but had to abandon it.

538. What sort of prospecting has been done there?—They brought a low-water tunnel—an open low-water tunnel—a few chains, and then they worked it. It was subsidised by subscription, I think; but eventually they had to give it up. I never saw any gold got in that flat.

539. That flat runs right through up to Section 97: what do you say is the width of it?—A mile pretty well.

540. You see it is hatched?—On the other side, at the base of the hills, and all along the terraces, the gold-bearing ground starts. The ground has been worked, and worked successfully, on the east side of the flat. As to that long strip [indicating on map] there are three leads of gold; but I do not think they extend to greater width at any point than 300 yards, but it is very provident to make a large provision for mining, and I think it should be reserved for a mile in width all along in 94, 95, and 97. Outside that strip there is no gold got. There are several water-races that extend beyond a mile, and they must naturally be protected by rights. The reserve should be a mile in width.

541. What do you say about the reserve along the beach?—There is plenty of reserve there.

542. Then there is the Grey Valley, No. 5 [Exhibit No. 99]. Let us deal with Sections 86 and 87 together?—This corresponds exactly with my views, that this land should be reserved as it is shown here. Beyond those places where that present reserve is shown it is a long way ahead of where any gold has been found. Going towards the north-west it is quite correct—I quite approve of Sections 86 and 87. When you go outside the reserved ground, as marked by me exactly as the hatching shows, the mining ceases. There has been no gold worked there, and there is no need of reserving it.

543. We will pass to 89, the Big River Block, Slatey Creek. What do you say about that?—That is quite correct up the Caledonian Creek until it reaches the point where the reserve spreads out. The reserve is exactly what I would make myself. On the other part along the Big River there is nothing. There has never been any gold got there.

544. You agree with that?—Yes.

545. Were you present when these maps were hatched by Young and Fenton?—No; I was not there. I have never seen these maps until I saw them here now. I was not present at the marking of any of these reserves. I supplied information, or part of it.

Hon. E. BLAKE: The witness supplied certain information, and these maps were prepared on his information and the information of others. In some cases they correspond with his views, and in others not.

546. *Mr. Jones.*] Will you mind looking round at the Maruia Block, Sections 25, 26, 27, and 28. Will you state to the Court, commencing at Section 25, what you consider should be reserved out of that block for gold-mining purposes?—I have gone up that river, and I am perfectly satisfied that, as far as regards the workings carried on for the first twenty miles, that if there is any gold in the river it is in the ordinary bank reserve. There is no working extending beyond 100ft. on each side of the river. I did not see myself, judging from the character of the country, that there is any need to reserve more than 100 yards on each side. That would carry you a good bit up the hill; and on the other side I do not suppose there is any reason to expect payable gold. There are very few people there. I do not think there is any reason to expect that gold will extend more than 100 yards on either side.

547. Starting at that end, where do you get the last gold-working?—At Thompson's, Warwick River.

548. Now, from Warwick River, going up to the head of the Maruia, are there any gold-workings?—No. Some people said there were gold-workings at a place reported to me, but I saw no vestige of it—I saw no trace of it.

549. And you think it was not at all necessary for the Government to make this reserve in the interests of gold-mining, present or future?—I do not think so. The land in many places is good for settlement. It would be useful to humanity in some other form.

550. But not for gold-mining?—No.

551. As to Doughboy, Section 30, what do you say?—There are no workings up the Doughboy for a mile and a half or two miles at least. Then it opens out a little bit above, and there is a certain portion of land, perhaps 15 chains on each side of the creek, which should be reserved. That would be abundant provision for gold-mining there. In the lower portion there is no gold-mining.

552. With that exception, the land should not have been reserved?—No.

553. I will now come to Westland [Exhibit No. 90, Westland group]. I will ask you about Block 2B: what have you say to that block?—I went through it and all round it, and I do not see the slightest reason for reserving that as a mining reserve at all. The gold-diggings are on the east side of it, but never extended beyond the Chesterfield track. No gold-mining ever extended beyond the Chesterfield track. It is not difficult ground to work. If there was gold there they would have found it.

554. We will now go to Block 6, the Kumara Block: will you state what you think about that?—The western portion, the bulk of the whole block, has never been worked. There has never been any work at all done in it. It is used for other purposes. It is very fit for agriculture, I should say, judging by the character of the timber growing on it, and I do not see any reason

why it should be reserved. From the Teremakau end it has been worked. There have been two parties there. One party has a big claim of 50 acres. There is work going on occasionally. Now and then somebody starts a bit of work, and leaves it again. There is nothing of any importance, but at any rate it is gold-mining. I can say 60 acres of that should be left. The ground is not difficult to prospect.

555. Hon. E. BLAKE.] That is 60 acres adjoining Kumara on the north?—Yes.

556. *Mr. Gully.*] Bordering on the Teremakau?—Yes. I should distinctly say that a couple of hundred acres of that should be left for timber purposes—that is, 200 acres on the easterly part of the western block.

557. *Mr. Jones.*] Then, as to Block 1, what have you to say to that?—I should let it go on, although there is no mining in certain portions of it. There is no mining on the eastern portion of it—1,000 acres—and I should certainly say that is not required for mining purposes. I should omit about 1,000 acres of the easterly corner, and I should reserve all the rest of Block 1.

558. That would be for the supply of timber for Kumara?—Yes.

559. Not because there is gold there?—No.

560. I think you will recollect you came along the track to the big dam, where there is some timber?—Yes.

561. Now, coming to Block 11, Jackson's, what do you think of that?—On a certain portion of it there was a reef found, but it did not prove payable. They put up a battery, which must be three-quarters of a mile and possibly a mile from the road, and from the battery down to the railway-station I should say there was no need to reserve land at all. There was no gold ever got there, but it is ground likely to be valuable for other purposes. I should say that a strip of land should be reserved where a reef was found and prospected, not less than 20 chains wide, with the quartz vein in the centre, for a distance of about three miles over the top of the hill to the fall of the Seven-mile Creek, and to the fall of the Taipo Creek. It follows the line north and south. I should certainly reserve that for the purpose of assisting anybody who might wish to prospect again.

562. *Mr. Gully.*] Would it be a straight line?—According as the reef goes, leaving the line of reef in the centre. There is no gold found anywhere else but at the Seven-mile Creek, which is a very narrow creek, and is only worked for a mile in length, but I should protect three miles in length.

563. With the exception of that reef the block should not be reserved?—No. The country is pretty rough, and no alluvial ground will ever be found there, by the look of it, but the line of quartz should be well protected.

564. Now, with reference to Block 8A, by the Kaimata Railway-station?—There is no gold there, and it should never have been reserved. There are just two little dams and a water-race about 10 or 11 chains long, which would not occupy an acre at the most.

565. Is that on the reserve?—[Question 564 answered this.]

566. Then, with the exception of that, you say, it should not be reserved?—No.

567. Then, with regard to this Block 9—that is, the block at the back of Greymouth, with the limestone range—what do you say to that?—The northern part of it should not be reserved at all down to a place called Deep Creek, on the line crossing the boundary of the Kakawa. With the exception of a place called Sawyer's Creek, where the banks should be protected for at least 5 chains on each side, the land need not be reserved at all.

568. Has there ever been any digging on it at all?—No.

569. It is close to the Town of Greymouth, is it not?—Yes.

570. There is one block—No. 12—of 2,000 acres, with the Cedar Creek reefs: what do you say to that block?—Some of it does not show any auriferous quality. From what I could see, the reef was running east and west. I prospected it. I had something to do with it to my sorrow. It does not extend all over. There are several tunnels put in, and a good bit of it should be reserved.

571. What part of it should be reserved?—The western portion of it should be reserved for at the very least two-thirds of the block.

572. Is there any hatching upon that?—No.

573. I think a company called the William Tell Company put up a battery there, and they put in tunnels and sunk shafts, and eventually the battery was sold?—Yes.

574. It was abandoned for some years, I think?—Yes.

575. After that again, was there any revival in the mining industry?—Yes; with the assistance of some men in Hokitika I formed another company, and prospected it again. We put a tunnel in with a Government subsidy, which we never got, but which we were supposed to get. The consequence was that we did not get anything. We put the tunnel in 150ft. Of course, the public were expecting that the Government would subsidise it, but they did not, and that made the thing collapse. Nothing was found in the tunnel. The quartz was found, but no gold was found in the quartz.

576. Did you run out the leader?—It went in and out, and there was nothing in it.

577. Yet you suggest that two-thirds of that should be reserved, with the chance of getting nothing?—Still, there has been gold got there.

578. *Mr. Gully.*] You have seen a good many ups and downs in the mining industry on the coast?—More downs than ups by large odds.

579. Do you think during the last twelve months things have been looking any better?—Reefton is looking better decidedly.

580. Is not the West Coast generally improving as a mining district?—No; except Reefton. There is another reef near Greymouth, which is supposed to be payable.

581. *Mr. Gully.*] You still hold interests in a number of ventures on the West Coast?—Unfortunately.

582. How long did you say you have been on the West Coast?—Thirty-one years.

583. You were down there in the palmy days?—Yes.

584. When there was a very large influx of miners, and large fortunes were made?—I do not know about large fortunes.

585. I did not say "kept." I said "made." In your experience it is apparently sometimes the case that old workings that have been abandoned are again attempted?—That is so.

586. That has happened pretty often in the mining on the West Coast, for the simple reason that when a further extension has taken place there has been a return of miners to ground that previously was utterly neglected?—Not in all instances, in one or two only. Still, there is always a little extension in the ordinary runs of the old leads where little patches of gold are found. That is how the population is kept going.

587. It would be difficult to say, probably, that any particular locality was entirely played out?—Very difficult.

588. You think, at any rate, that some allowance should be made for the possibility of old workings been revived?—I have acted on that principle.

589. Were you accompanied by other persons when you examined these blocks?—Yes.

590. The same persons who accompanied the last two witnesses? Is that so?—Yes.

591. In fact, there was a party of you who investigated a portion of these blocks on behalf of the company?—Yes.

592. And, no doubt, you compared notes from time to time as you went along?—Yes.

593. How many of you were there altogether?—Sometimes six, sometimes four, and sometimes eight.

594. You say in all cases you would reserve the creeks for a reasonable distance on each side, and that reasonable distance should vary between 2 chains up to 20 chains or more?—If you were to ask me a particular thing, I would refer to my notes, and I could tell you. I cannot say what distance otherwise.

595. It would vary according to circumstances—I will put it that way?—Yes.

596. If you were cutting out the reservation areas, you would not reserve any flats: that is to say, in all rectangular blocks you would follow the course of the country and the gold-workings?—Yes.

596A. And you would only reserve the precise areas you thought it was reasonable to expect that there would be gold-workings?—Exactly, where there has been any possible indication of extension.

597. Judging by what you saw in making your inspection?—Yes.

598. And that only after you had made a complete prospecting of the ground in the whole locality, because you would have to take what would be gold-bearing land what would not?—That is it.

599. Speaking generally, are there portions of those blocks which have not been prospected, and which have been hatched by you?—Yes.

600. I suppose there are portions of some of those rougher blocks which have not been explored?—I could not say that. I have gone pretty well through all parts of those I have been in.

601. There seems to have been some difference of opinion between you and the others?—Very slight.

602. Take, for instance, the large discrepancy. You put in a reserve of 1,300 acres in Block 59, which has been hatched, and some of the others say it ought not to have been reserved?—Block 59.

603. It is on Plan 3. You told us that you would strike out, or rather put in, a reservation of 1,300 acres, did you not?—Yes.

604. You said you had reasons for that?—The proximity to the line of reefs.

605. You would not feel safe in excluding that 1,300 acres from the reserve?—No.

606. Because it is in close proximity to other workings?—Yes.

607. Would you extend that 1,300 acres, on the same principle, to the south of the line in Block 29 into 61?—I would have to see what the country and formation was like before I would do that, as I do not know what formation and country I would have to deal with.

608. In the 1,300 acres?—I have been here [indicated on map], but not there [indicated on map].

609. Your opinion is that you would not carry the reservation any further without knowing more about the country?—I have not been there.

610. Apparently, the gold-workings in Block 61 come quite as close to the hatched portion as they do in Block 59. What do you say as to that? Is it not probable that it would be safer to admit the whole of the reserves in Block 61?—I would not care to express an opinion on that subject unless I saw the whole of the reserves.

611. On what principle would you define a hard-and-fast boundary in a case like that?—By the way the reefs run, and by the formation and character of the country—whether it is of a sand-stone character or solid country—schist, granite, or limestone. I would judge in that way.

612. How could you see anything like all of these lines without thoroughly exploring and prospecting the country on both sides of that line?—I do not say I could. I would have to see the country before I could do so.

613. Have you any knowledge of any auriferous ground—I do not want you to state any secrets if you have a good thing on—within the hatched portion of Lot 59?—No; I am only going by the bearing of the reefs.

614. You know the country and bearing of the reefs, and think they may run in the 1,300 acres?—Yes.

JOSEPH CASOLANI sworn and examined.

615. *Mr. Jones.*] What are you, Mr. Casolani?—I am a settler.

616. Where?—At the Maruia.

617. How long have you been on the Maruia?—Eighteen years.
618. Were you digging at all on the Maruia?—I was.
619. How many years were you working?—On and off, for eighteen years.
620. You were mining in Victoria?—Yes.
621. And in Otago?—Yes
622. And in New South Wales?—Yes.
623. Do you understand the map produced?—I do not think I do. [By permission of the Court, the map of the West Coast reserves was explained to witness.]
624. Section 40 is where you live?—Yes.
625. Do you know the Maruia River, from the mouth up?—Yes.
626. Up above the Alfred River?—No. I have been as far as Walker's Station.
627. Where have you been digging on the Maruia River?—I have been digging not far from my freehold place.
628. Near the river-bank?—Yes, close to the river-bank.
629. How far did you go back from your workings to the water's edge?—About 2 chains.
630. Did the flat run in from the hills?—Yes.
631. Why did you not continue to work?—Because it did not pay. There was no more gold.
632. Do you know any of the other miners working on the river?—Yes.
633. Where are the works confined to?—All along the river.
634. Did you go in further than anybody else?—Not more than 2 chains.
635. Has anybody working on the river ever gone back a greater distance from the water's edge than you did to dig?—Not that I know of.
636. You have been up the river to Walker's Station?—Yes.
637. Do you know the Warwick River?—Yes.
638. Do you know of two men working up at the Warwick River?—Yes.
639. What are their names?—I have forgotten.
640. Is there anybody working up above those two men at the Warwick River?—There was another man there.
641. How long ago?—About ten years ago.
642. Is there any one at the present time?—No.
643. Between the place where the two men are working and the lower end of the river, how many men are mining?—About twenty-three men.
644. I suppose you know them all intimately?—I am not well acquainted with them, but I have seen them working.
645. Do you know anything like what their average earnings are?—From £1 10s. to £1 a week.
646. I think you have cleared a piece of land there?—Yes, I did.
647. What is the area of the piece you first cleared?—About 150 chains from the river-bed.
648. What is the area of it—how many acres are there in your freehold section?—About 60 acres.
649. That is, the first bit you cleared?—Yes, it is in grass.
650. Is it fit for the plough?—Some of it is.
651. Have you ploughed any of that land?—No.
652. Have you sown any oats?—A little.
653. Does it grow oats?—Yes, it does.
654. Is the land any good for anything else besides oats?—I cannot say, because I have not tried anything else.
655. Have you any grass?—Yes.
656. Does it grow good grass?—Yes.
657. Any fruit-trees?—Yes.
658. Were those grapes you gave me produced there?—Yes.
659. It grows good grapes?—Yes.
660. Then, the land is fit for agricultural purposes?—Oh, yes.
661. Is your land an exception generally from the land up as far as Walker's Station? Is the land about there all the same—is it like your land?—I dare say it is; I cannot say.
662. Are you clearing another piece of land?—Yes.
663. Have you any title to it?—I have.
664. Did you apply in the Warden's Court at Murchison for it, or did you send in an application to Nelson?—To Nelson.
665. You have merely the application in—you have no grant or lease for it?—There is no lease; it is only for twelve months.
666. You are clearing under that title one hundred acres?—Yes.
667. What sort of land is that?—The land is good birch land; it grows good grass.
668. Up above you there are other sections, 5, 6, and 7, owned by some man who is an absentee?—Yes; but the man is dead long ago.
669. But the land is held?—There is one section.
670. That is birch land, is it not?—Yes.
671. That is 100 acres?—Yes.
672. Do you recollect trying to buy Hislop's land in my presence?—Yes.
673. What did you offer him?—£100.
674. Was it cleared?—No.
675. It was in its virgin state, was it not?—Yes.
676. Going down the river, do you know where Sullivan is clearing a lot of land?—Yes.
677. That is rather a large piece of that terrace?—Yes.

678. Is that birch land?—Yes.
679. Very much of the same character as the land around yours?—Yes.
679A. How far does the timber country run from the mouth of the river going up in the direction of Walker's Station?—As far as thirty miles.
680. Are there any flats or anything of the sort on the south bank of the river in that thirty miles fit for settlement?—Oh, there are flat bits all over, but not very wide.
681. They run along the edge of the river, do they not?—Yes, they do.
682. Have any of the miners there little homesteads?—Yes.
683. And a little garden?—Yes.
684. How far are their homesteads away from the river-edge generally?—About 3 chains from the river.
685. And do their gardens grow anything like good fruit and grass?—Yes.
686. And vegetables?—Oh, yes.
687. Then, from your knowledge of that country, do you say it is all agricultural and pastoral country as far up as Walker's Station?—Yes.
688. With reference to gold again, have you done any prospecting outside the actual piece of ground you worked?—Yes; on one side of the river—on the side I live on.
689. Did you go back into the flats and prospect?—I did.
690. And did you try the gullies?—I tried the flats.
691. Did you get any gold?—No.
692. *Dr. Findlay.*] How long do you say you have been on the West Caost?—Eighteen years.
693. And you have been mining pretty well all that time?—Yes, pretty well.
694. You have seen a good few rushes in that time?—Yes.
695. How many rushes have you seen in that time do you think?—Three rushes.
696. Where were they?—Up the river I referred to.
697. Up the Maruia River?—Yes.
698. Three or four, do you say, up the Maruia River?—Three.
699. Since you were there?—Yes.
700. How many men would engage in one of these rushes, that is, a big number?—One was about two hundred. On the others hardly any; the biggest was two hundred.
701. What happened in this Maruia River happens all over the West Coast—there are rushes from time to time to better places where gold is found?—Yes; but these last years there have been no rushes.
702. You have been sticking to your place, but you know from your practical knowledge that rushes leave one place and gather round another?—Yes.
703. That is constantly taking place on the big goldfields?—Yes.
704. These rushes that take place up the river, what leads to them, do you know where they started?—They got a bit of a prospect and thought it would pay, and, of course, the people were talking about it, and they rushed the places. They found that it was no good.
705. Before these rushes took place the whole of that country had been prospected?—Yes.
706. And rushes very often took place to ground that has been previously prospected. Somebody is smarter than another?—Yes.
707. Because a piece of ground has been prospected, that is no reason why there might not be a rush there?—I do not know.
708. You have given an illustration of it. I put it to you that, because a man has not a prospect, gold will not be found there, does it follow?—It is pretty well prospected.
709. I will put this question to you as a practical miner who can answer: Because gold has been found by one, it does not follow that it will not be found by somebody else?—That might be; I cannot say.
710. The population of any mining district is always changing—some come and some may go?—Oh, yes.
710A. Were you on the West Coast when the Kumara started?—No; I was in Nelson. I did not go to Kumara at all. I went up to where I am now about that time.
711. But your knowledge of the West Coast must begin about eighteen years ago?—Yes.
712. You did not prospect further back than 2 chains from the river?—That is all.
713. You did not go into any of the valleys or gullies back from the river?—Yes; but I did no good.
714. To all of them?—I prospected about where I am.
715. Not further up the river than where you are?—Not in every place.
716. With regard to this land where you grow grapes, and so on, I suppose you chose the best piece of land you could find along the river?—Well, it is, of course, good land; it is not the pick; there is plenty more along the river of good quality.
717. Has it been settled?—No; there is no settlement there.
718. You have taken up more and are clearing it, and have no title to it?—The title I have got is only for twelve months. It is an occupation license for twelve months.
719. What are you clearing it for; is it to buy it, or what?—I clear it to buy or lease it.
720. These flats you refer to, how wide are they along the river-bed?—Some places very wide, and some places very narrow.
721. What is the greatest width?—The widest place is about 30 chains.
722. *Mr. Jones.*] Do you recollect Mr. Buller, the Government surveyor, being up in that district?—Yes.
723. Do you remember that the whole of that valley was laid off in sections of 50 and 100 acres each, for contemplated sale?—Yes; I remember that.
724. How long is that ago?—About six years.

725. And the Government proposed selling the whole of that valley in sections; did they not —Yes.

726. I think you misunderstood Dr. Findlay; you said you only prospected the land 2 chains back; you went forward towards the hills. You did not confine yourself to that?—No.

727. How long did those 200 men stay on that place?—They stayed about six months.

728. And that is how long ago?—About six years, I think.

729. And then the population dwindled down; what is it at the present time?—It dwindled down to nothing.

730. You know nothing of any rushes except on the Maruia?—No.

[Hokitika Blocks.]

GUSTAVE HAUSSMAN sworn, examined by Mr. Jones.

731. What are you?—I am a valuer of mining property.

732. For what property?—For the County Council of Westland; I am now acting as such.

733. Have you any other appointment of a similar kind to that?—I have filled appointments under the Government, as valuer of lands on the West Coast under the Property-Tax Department.

734. For the County of Westland?—No; for the Government.

735. Yes, but for the land in Westland?—Yes.

736. Are you a practical miner?—No.

737. When you speak of this reservation, you can only speak of what you actually saw in travelling the country, not from a practical knowledge of mining?—I am not actually a miner.

738. Commence first of all at Block 2B [Exhibit 90], that is where your Westland country is?—Yes.

739. Did you go over that at all?—I did, repeatedly.

740. Did you find any miners on the block?—Not on the block itself, it is outside that patch they are working, what we call beach-combing. Griffen and party are working that patch outside the mining block.

741. Do you know the terraces there, numbers 3, 4, 5, and 6 terraces?—I do.

742. The Lamplough and Chesterfield diggings?—Yes.

743. The Chesterfield track, have you been along it?—Yes.

744. Are there any diggings on the east side of the Chesterfield track?—There are.

745. Are they at a higher altitude than the track?—Yes.

746. Is that land, 2B, required for any purpose incidental or conducive to the mining which is now going on on Block 2A on the higher land, and on Block 2?—Not in any shape or form.

747. Did you take any notice where the tailings and *débris* from those workings on 2A were being deposited?—All on the creek; none of them going on Block 2B.

748. From what you saw, would you say that block is required for mining, or any purpose incidental or conducive thereto?—I should not think it. There is no mining carried on there, nor any *débris* deposited there.

749. How long have you been on the West Coast?—Over fourteen years.

750. Do you remember Block 2, in the Waimea District, and all through there: there used to be a much larger population there?—Yes; a great deal larger. Where there is one person now there used to be fifty before.

751. When you find a block like that, contiguous to well-known workings and a densely-populated district, and when that block is not worked, what is the inference drawn from those facts?—That it is not wanted for mining purposes.

752. Did you find any evidences in the bush of prospecting: any shafts sunk?—It has been prospected.

753. From all the evidences you discovered, it is not wanted?—In the terraces adjoining, innumerable shafts have been sunk and tunnels driven. I do not think there has been a speck of gold got there.

754. Coming to Block 2A, running along the Chesterfield track?—There is one man working there. Another man was at work, but he has given it up.

755. Coming through that Block 2A, how much of it is required for mining purposes?——

Mr. Stringer: I submit whether there can be any value as to this gentleman's theoretical knowledge, when he is not a mining man, but a land-valuer.

Witness: I am a mining-valuer too.

Hon. E. BLAKE (to Mr. Jones): It is evidence of an inferior grade to that which you have already given.

Mr. Jones: I admit that. But this witness can certainly give evidence as to what he saw on the ground.

Mr. Stringer: He is now giving theoretical evidence as to the probability of certain land being auriferous.

Hon. E. BLAKE: If he limits himself to telling us what he saw—that certain land was thoroughly prospected, and has been abandoned—we can all draw an inference. It does not require an expert to draw it. I am quite willing to draw it unless I hear something to the contrary myself.

756. *Mr. Jones.*] We will still go on with 2A. Did you traverse that country?—I did.

757. Carefully?—Yes.

758. What did you see as evidence of mining?—A few scattered fossickers—about six or seve altogether.

759. Where were they fossicking?—On that creek [indicating on map].

760. Could you find any other evidence of mining?—It has all been abandoned.

761. Were there any shafts sunk or tunnels driven?—Innumerable shafts have been sunk and tunnels driven in that block.

762. Did you see any evidences of a tail-race or things of that sort?—Yes.

762A. And they have been abandoned?—Yes.

763. There were no traces of continuous workings of any kind?—Not now.

764. Until you come to what portion of the block?—This portion, near Callaghan's [indicating on map].

765. You mean where Hindmans and others are working?—Yes.

766. From that point down to how far south of Chesterfield do you say there are no evidences of men working at the present time?—I should say from just about here [indicating on map] there is no mining.

767. You say that on the north-western corner there is a block there of about two miles by one on which there is no mining?—Yes; with the exception of one man.

768. We will take Block 6, Kumara Block. We will deal first with all this large area where the surveyed sections are. What do you say to that?—The greater portion, or nearly all of it, has been prospected. On what is called the Upper Teremakau there has been a little gold got there on the terraces verging into the river, but generally no gold has been got. It is only used for saw-milling purposes.

769. You say there is no evidence of mining on this north block—on all the block west of the Kumara—below the endowment?—There is no evidence.

770. Are there any evidences of prospecting of any kind, and, if so, where?—At Acre Creek a rush took place in 1888 or 1889, and a good many men worked there, but they could not get a living.

771. Are there any other places where you saw evidences?—On the north-western boundary there were evidences of there having been workings in years gone by, but at the present time there is nothing doing.

772. You say that is all the evidence you could find of gold-mining on it?—Yes.

773. As to the balance of Block 6—adjoining the Township of Kumara?—There is a 50-acre lease and another special claim.

774. Hon. E. BLAKE.] About 60 acres altogether?—Yes; 50 acres held by one party; and there is another holding of 10 acres.

775. *Mr. Jones.*] Is that in the piece there is working on?—Two Chinamen were working there a few years ago, but they have left it now.

776. There is a race at one place; there is that evidence of gold-mining; is that the only race?—Yes.

777. We travel now up to Block I. Where is there any digging on that block?—On the western side—called Dillman's Diggings.

778. That is really what is known as the Kumara Diggings?—Yes, Kumara and Dillman's Diggings.

779. What area would you estimate?—I should say about 1,200 acres.

780. What do you say to the eastern portion of the south portion?—There is a water-race belonging to Mr. James Holmes running through it. That is the only evidence of mining. Several attempts have been made in several creeks. A little gold was got in one place a few years ago; but that place has been totally abandoned.

781. Is there any evidence of mining in this south-western piece?—Only that close to the Government water-race and dam. There is no actual mining carried on there.

782. Can you tell me where the miners engaged on the Kumara Goldfield obtain the timber which they require for mining and domestic purposes?—Just adjoining their holdings there is a sawmill near there.

783. They get it out of Block 1?—Yes.

784. Is there a large quantity of timber in the block?—Yes.

785. Will the supply of timber be equal to the continuous longevity of the goldfield?—Yes, if No. 5 channel is carried through.

786. If No. 5 channel is not carried through it will last a great deal longer than the goldfield?—Yes. Unless it is carried through I do not think Kumara will be up to much.

787. Block 5: have you been there?—Yes.

788. Where did you see the first evidences of mining in that block?—Starting from the Kumara boundary I went up to Cape Terrace and down further. In Cape Terrace there is a population of seventy men. All round between Cape Terrace, Fuschia Creek, Big Fuschia Creek, and Greenstone Creek there is a population of about seventy miners.

789. Travelling further up, what did you find there?—Coming down to Candlelight, it has been completely abandoned.

790. Before we get any further, do you recollect about three years ago a little rush to Cameron's?—Yes.

791. How long did it last?—A very short time.

792. Was there any discovery of gold there of any importance?—Men who were on the ground tell me that no gold was got.

793. Were there actual workings?—There were shafts sunk and abandoned—from all appearances recent shafts.

794. What do you know about the other portions of that block? Did you go on the northern side of it?—We did.

795. What did you find there?—We found a mining population scattered in a few places.

796. Going on up the Greenstone Creek you come to the Blackwater, and go further up. Did you find any digging there?—We found a few men scattered about.

797. Right up to Maori Gully?—Yes.

798. You found diggers all along there?—A few scattered miners all along.

799. And coming down again, did you find diggers on the southern side of Greenstone Creek? We did.

800. Far away from the Greenstone?—No; quite close to it.

801. You see that map is hatched on the northern side, and hatched on the southern side. Did you see any miners within either of those two hatchings at work?—As far as I could see, there were no miners in the north-eastern portion. There is no mining going on there at the present time. There is no mining on the south-western boundary.

802. Did you go up to Block 11—Jackson's Block?—Yes.

803. What have you to say about Jackson's Block?—We did not go over the range.

804. What did you make out of Jackson's side of the range?—A claim has been started by the Teremakau Gold-mining Company, and that has been a dismal failure. There is no mining of any kind there.

805. Did you inspect Block A?—There are two men sluicing in one corner, near the tunnel. They are outside the area.

806. That is all you saw there?—Yes.

807. Did you go over Block 9?—Only a portion of it.

808. Do you know anything about Block 12, Cedar Creek?—I visited it seven years ago.

809. You have not been there since?—No.

810. *Mr. Stringer.*] You have never done any mining yourself?—Not actual mining, but I have had a great deal to do with mining while I have been on the Coast. I have often been employed by parties to make valuations of mining claims.

811. That is, gold-mines that have been opened and to a certain extent tested, you mean?—I think I have done more than that. I have often been asked to go out with others to see whether it was advisable to begin there, and by very experienced men, too.

812. And I suppose the mines have proved failures under those circumstances—I should imagine so?—Perhaps you imagine wrong. In one case it turned out very well.

813. You probably had some others with you on that occasion?—Certainly, I had.

814. Do you consider yourself a competent man to go on to a piece of ground and decide as to its possible auriferous character or not, apart from workings?—I do not suppose there is anybody properly qualified. I reckon the Government Geologist is about the last man qualified. Wherever he says there is no gold, gold has been repeatedly struck there.

815. You say the Government Geologist is the worst?—No; I said, "about the worst." Gold has been repeatedly found where the Government Geologist has indicated that no gold could be got.

816. The conclusion to be arrived at from that is that gold crops up in all sorts of unexpected places?—That is quite true.

817. And I suppose you draw the conclusion from the fact of so many shafts being sunk in those different places that experienced miners thought they might drop upon gold in those places?—Yes.

818. And is it not a fact that gold will be found within a few yards of shafts that have been sunk and abandoned?—It has so happened, but nevertheless there have been in some places in Block 2B eighty or ninety tunnels driven, and only a speck of gold got. The tunnels are there, and have been abandoned.

819. I just want to take you to Block 5. You have spoken particularly of Block 5—that is, I think, the greater part of Block 5. At any rate, a considerable portion of that is now about one of the most flourishing of the gold-mining places on the West Coast?—I should not think so. With the exception of Cape Terrace, which is fairly flourishing, I think all the rest of it has got a very dilapidated appearance.

820. That whole block has been very extensively mined?—Along the creeks, but not on the terraces.

821. I suppose you remember when the reserves were first spoken of being made?—Yes.

822. Were you connected with the County Council at that time?—Yes; I think I was a valuer for the Council.

823. You remember, probably, a conference of the Councils—of the Borough and County Councils—and Mining Associations?—Yes; I was a reporter then.

824. In addition to the other occupations you described, you were a newspaper reporter?—I have been.

825. And you were present at this conference?—I was.

826. I think the conference decided that they wanted at least 300,000 acres for the Westland District?—They wanted everything.

827. And I think the consensus at the meeting was that that quantity of auriferous land was required to be set apart in the Westland District—I do not say it was right; you say it was wrong—that was their opinion?—To a very great extent it was.

828. *Mr. Jones.*] You have been valuer. You have been traversing that country for the last five or six years?—For the last fourteen years.

829. Can you tell me if there is any great alteration in the Westland District since 1891—between the population in 1891 and 1895?—It has dropped off.

830. Much?—Considerably.

831. What percentage would you say?—That is rather difficult to answer.

832. I do not want to bind you to a half per cent.?—I should say, in 1890 there were 164 miners at Rimu, in Block 4, and I should think there are now only sixty left there.

833. And as to Block 2A?—There are about forty or fifty men left out of 120 that were here.

834. Now as to Block 6: Has there been much alteration there?—Yes; a great many men have left the Kumara goldfields.

835. And Block 5?—Yes; especially Candlelight, and other places, have been deserted where men used to be.

Mr. Hutchison: Mr. Wilson has seen the first day's evidence, and there are some corrections he wishes to make. For instance, there is 3,000ft. instead of 300ft., and 340 instead of 240, the big block instead of Block B, and so on. I will hand them in to you, sir, to look at and see whether these corrections were properly made.

Hon. E. Blake: I would rather not take that responsibility; but if there are palpable errors of that kind they may be adjusted by counsel. It ought not to be put to me unless you come to me amongst yourselves. There may be printers' errors, and reporters' errors in transcription, and so on, which you might easily settle.

The Court rose at 5.30 p.m.

Wednesday, 4th December, 1895.

The Court sat at 10 a.m.

Fergus Barrowman sworn and examined.

1. *Mr. Jones.*] How long have you been on the West Coast, Mr. Barrowman?—Thirty years.

2. Out of that time, how many years have you spent in actual mining and digging?—Twenty-five years.

3. And the balance of that time?—I was inspector for the Midland Railway Company on the Midland Railway works.

4. I think that you were in company with Mr. Hope and Mr. Haussman?—Yes.

5. We will commence from Block 2B, Westland group, Exhibit No. 90: do you know this block?—Yes; I have gone over it.

6. What is your opinion of the block—is it necessary or not necessary for mining?—I should say it was not necessary.

7. Why?—Because the only men working on that block are on a strip along the beach. There are a few men working there. There is one man working on the north-western corner, near Chesterfield.

8. There are workings on Block 2A and Block 2, are there not?—Yes; there are scattered workings.

9. Is this Block 2B required for any purposes incidental or conducive to the mining that has been going on in Blocks 2 and 2A?—No, it is not required.

10. Were you ever on the Waimea diggings at all?—No; but I have been there.

11. During your experience of the last thirty years?—Yes; frequently.

12. Was that a densely-populated district at one time?—Yes; at one time there was a good population there.

13. Has it dwindled down?—Yes; it is very small compared with what it used to be.

14. Does this Block 2B present any difficulties for prospecting?—No; there is a good track at the back of it, and you can get at it from the sea-beach, so that it is not inaccessible.

15. Hon. E. Blake.] How near would the Waimea diggings be to it?—They would not be more than three miles distant with a good road.

16. *Mr. Jones.*] Do you know the first, second, third, and fourth terraces of the Lamplough?—Yes.

17. Do you mean to say they are three miles from that?—I am talking of the diggings. They are diggings probably within about three-quarters of a mile.

18. What we want to know is whether there are a large number of people close to Block 2B?—Yes; they are on a series of terraces runing towards the beach.

19. Those terraces run along Chesterfield track?—Yes.

20. And the Chesterfield track divides Blocks 2A and 2B?—Yes.

21. Has there been any very great alteration since 1891 in the number of diggers and population or extension of mining ground in that district?—I am not so conversant with 1891, but previous to 1891 I know of my own knowledge that there was a large population, and when I visited it in connection with the Midland Company the population was very small indeed.

22. I want to know from 1891 to 1895?—I only know from hearsay.

23. Then you do not know about that? We will now pass over to Block 2A. Did you visit that block? Did you find any portion of that block not required for mining purposes?—Yes; as nearly as possible, half of that block had no men at work at all upon it.

25. Which half of the block do you refer to?—The northern portion.

26. You mean the hatched part?—Yes.

27. And is the block required for mining purposes or for purposes incidental to mining?—There are scattered miners in about half, but in the northern portion of the block we could not find any mining.

28. Now we will take Block 6, Kumara. What do you say to that?—Unless immediately at the Town of Kumara, there are no diggings whatever.

29. Immediately in the eastern portion of that block?—Yes.

30. Will you say what diggings there are there?—There is a 50-acre lease held there, but on our first visit I do not think there was any one working on it.

31. You say, save in the 50 acres, the block should not be reserved?—It should not.

32. Is that making any allowance for Pearn's water-right which goes through that block?—Yes; it takes in that water-right.

33. What have you to say to this other portion of the block on the western side of the Kumara borough endowment?—A great portion of that block is taken up with sawmill leases.

34. We do not want timber: what about mining?—We found no mining.

35. Do you think it is required for *bonâ fide* mining or for any purpose incidental or conducive thereto?—Not so far as mining development has gone. There is a good deal of prospecting done, but no one seems to be profitably employed at mining.

36. Is that area required for timber purposes for the Kumara diggings?—It is convenient to Kumara, but there are plenty of other blocks to supply the timber that would only be within a short distance of Kumara.

37. We go now into Block 1. I think you were mining in Kumara?—Yes; for about twelve or thirteen years.

38. What do you say is required for mining in Block 1?—I should say, for half a mile beyond the boundary of the present workings. I know that various attempts have been tried to extend the workings up to the head of Larrikins. There are a great many shafts and tunnels.

39. On the eastern side of Larrikins?—Yes; half a mile beyond the present workings would include the probable country suitable for gold-mining.

40. And it has been thoroughly prospected?—Yes. I would extend the line about a mile from the Township of Dillmanstown along the Christchurch road to the eastward.

41. As to the rest of the block?—From the eastward several attempts have been made to get payable gold in that block, but, so far as I know, there has been nothing got. I do not know of any workings in other parts of the block.

42. Do you think the portion of the block you are now talking on is required for timber purposes for the Kumara mines?—Some of it might be required, because Kumara consumes a good deal of timber, and seeing that it is situated near it might be useful; I should think that it would be half a mile from the workings. A great deal of timber is cut and exported.

43. How much would you allow of that block for timbering purposes for the goldfields?—I should think half a mile from McConnell's mill.

44. That is the mill along the road?—Yes.

45. That would take you more than half a mile away from the block?—Yes. I would not include the whole width of that block; I would include the points easy of access to the road.

46. How many acres of the western portion of that block would you allow for timber for mining purposes?—A square mile.

47. Outside of Larrikin's diggings?—Yes.

48. And the rest of the block you say is not wanted for mining?—Not wanted.

49. Now we come to Block 5, Greenstone district. Just commence at the south-western corner, traverse the creek up to the northern corner, and come down the other side. What have you to say about that?—There are individual miners working at Big Fuschia, Little Fuschia, and one man at Paddy's Gully, until you get within the Three-mile. There is a large corner behind Duke's Terrace running up along the road to Lake Brunner. I should say that going from the Greenstone Creek half a mile on each side includes all the known workings.

50. Do you see this portion which is hatched?—I agree that that is not required for gold-mining.

51. What do you say to the other side of this block, containing 1,850 acres, part of the block we are speaking of?—I agree with the hatchings.

52. You told us you have been at Kumara ten or twelve years. Are those goldfields extending, or are they practically reducing the area of the known auriferous country every year?—I should say that the place, as a whole, is being rapidly worked out.

53. Do you know of your own knowledge whether there is any probability of that run of gold extending in any particular direction?—I do not know.

54. On the other hand do you know it has been prospected in all directions all round?—Yes. I took part in some prospecting myself.

55. Going up in a north-westerly direction, approaching the Township of Kumara—has it been prospected there?—Yes.

56. Any gold discovered?—I do not know of any.

57. Were you in Block 9, Mr. Barrowman?—I was not in the Grey district. I was in the portion south of the New River.

58. We do not want that. What have you to say about Block 8A, up the Arnold—the Kaimata Block?—There were two parties of two men each near the Midland Railway. We could not exactly ascertain whether they were on the block or not. We found no others on the block.

59. Where did you find them sluicing?—About 150 yards from the Midland Railway.

60. Whereabouts?—Near the Kaimata Station.

61. Is there not a tunnel there?—There is a railway-tunnel at this point [indicating on map].

62. Hon. E. BLAKE.] Is the tunnel inside or outside of the block?—I should say, if this tunnel is correctly marked on the map, that those men were outside the block altogether.

63. *Mr. Jones.*] What do you say about the block itself?—We could find no other miners on the block.

64. Is it required for gold-mining or purposes incidental thereto?—I should say not. I agree with the hatchings.

65. Were you at Block 11?—Up at Jackson's?

66. Yes?—Yes. I examined the portion between the range and the Christchurch Road. I have been on the other portion of the block, but not for the purpose of examination.

67. Have you been there recently?—Within the last two years.

68. Hon. E. BLAKE: What block?

69. *Mr. Jones.*] Block 11, called Jackson's Block. (To witness): What do you say to that block?—A party is sluicing up at Seven-mile Creek. I believe the results are very poor. There is another party fossicking.

70. Do you agree that that block should not be reserved by the Government as hatched?

Mr. Gully: That is outside the coloured area of the plan, the company's selection. [Contract map referred to.]

Mr. Jones: Certainly, by this map it is not included.

Hon. E. BLAKE (to counsel for the Government): You have raised the point, and it can be settled after the examination of this witness, and before you call another witness.

71. *Mr. Jones* (to witness).] You say if that creek is reserved that is the only portion which should be kept for mining on that block—that is, Seven-mile Creek?—Yes; that is, in the light of the prospecting which has been done. There has been a lot of prospecting for reefing, and that has been a complete failure.

72. Hon. E. BLAKE.] Unless something more is found, you think it is enough?—Yes.

73. *Mr. Gully.*] You are in the employ of the Midland Company?—I was for about five years.

74. Have you been in their employ recently?—Only in connection with these reserves.

75. That is what I mean; for how long?—I was out on one occasion for six weeks, and afterwards for four weeks.

76. Hon. E. BLAKE.] You were employed about ten weeks altogether?—Yes.

77. *Mr. Gully.*] May I ask what you were paid?—On the first occasion I got two guineas a day.

78. And expenses?—No; I had to pay my own expenses.

79. And on the second occasion?—£1 a day.

80. Did you receive any other payment in the meantime, or at any other time?—No, none whatever.

81. Hon. E. BLAKE.] Did the £1 a day also include expenses?—Yes.

82. *Mr. Gully.*] Who accompanied you on the first occasion?—Mr. Houstman and Mr. Hope.

83. And on the second?—Mr. Hope alone.

84. Do you give us to understand that on those two occasions you went over the whole of those blocks to which you have spoken?—Yes.

85. Both the hatched and the unhatched portions?—Yes; we traversed the blocks backward and forward.

86. Did you do any prospecting yourself?—No.

87. You trusted to your knowledge as a miner, and to your power of observation?—Yes; I had been digging on some of the blocks.

88. And apparently the system on which you acted was only to allow as reservations those portions of the block where there had been or were workings?—Yes.

89. Do you admit all that Mr. Perotti did—that where there are old workings there is always a chance of miners coming back to those workings again?—It is a very faint one, because they are overrun with Chinamen.

90. Did you make any allowance, in coming to a conclusion about these reservations, for old workings or abandoned workings?—Yes.

91. You do admit that old workings may be fairly considered as coming within a reserved area?—Not in all cases. We went on this principle: that where the Government reserved three-fourths more land than was required it was an unjustifiable reserve; but the present workings are so interspersed that it was awkward to cut the blocks up—awkward for us.

92. Do you mean to tell the Court that it would be possible to cut out the reservations exactly contiguous with the workings or actual possible workings? I ask you whether it would not be absurd to cut out the reserves so as to keep the actual boundaries of the gold-mining areas?—I do not think that would be fair. There must always be a margin for possible contingencies.

93. I ask you whether it would not be absurd?—I do not exactly understand what scope your remarks take in.

94. I ask you whether it would be reasonable to expect the Government to cut out the reservations coinciding with the actual boundaries of existing gold-workings?—On the Kumara, where the field is well defined, it would not be absurd; but where the country is interspersed with tableland between it would be very difficult.

95. You consider that, like all the witnesses, you made a liberal allowance for these reservations?—Yes, very liberal.

96. Did you make any allowance for new discoveries?—No; we did not consider new discoveries.

97. Do you give it as your prophetic opinion that there never will be new discoveries of gold within the Nelson and West Coast district?—It is only people who know nothing about diggings who could say so.

98. *Mr. Gully.*] In point of fact, the whole of the West Coast district is gold-bearing, but it is only here and there that it is payable?—Yes.

99. Now, do you say that there is no likelihood of gold being found at a different level to that at which it has been worked on the blocks which you have inspected up to the present time?—Well, in some instances in the old workings there may be, such as Kumara.

100. Do you say whether there is not also a possibility of the level of the gold-workings being extended on the blocks to which you have spoken if an additional supply of water could be obtained?—Well, on some of the diggings that are at present worked at starvation rates, such as 8s. and 10s. a week, the return could be largely increased.

101. With more water?—Yes.

102. And, by extension of water-races, could not the area of the gold-workings in some cases be extended?—The provision made, in our opinion, was ample to meet existing workings and probable extensions.

103. For instance—I will put it generally—on the inland side of Kumara, going close up to the township, could they not have extended seaward if an additional supply of water was brought in?—In my opinion, the trial given at Pearn's lease has been sufficient to settle that.

104. Then, your answer is that experiments have been made and failed?—Yes.

105. Do you say, in your opinion, that that is from want of gold in the soil, or from want of economical appliances?—Well, in Kumara I think they worked very economically. They have the best methods known, and where they have a sufficient supply of water I do not think they could improve it.

106. I will put it still more emphatically. Do you say that it is impossible that there will be extended gold-workings at Kumara if there was enough additional water brought in?—I might say so, because men on the diggings would rather work for bare tucker than go to other work.

107. Then, they are entitled, if they choose to work in the manner you say, just as much entitled as men making £5 a week?—More so, I say.

108. In point of fact, I might ask you, what everybody knows, if it is true that the West Coast miners do prefer an independent life, working on very small wages, to employment on other work?—Well, the hope always exists that they will improve—hanging on independently at small wages with the hope of something better.

109. That is the feature on the West Coast at the present time?—Yes; the people only live on hope up to a certain point. Sometimes that point is the point of death when hope ceases.

110. Do you make any allowance in your reservations for water-races?—Yes.

111. Did you protect the water-races, first of all, existing water-races?—They are protected by law; there is a margin of so many feet.

112. They are protected already?—Yes.

113. What do you say about future water-races?—Well, I should think it would be a matter for some one else to decide. I do not know whether there is provision made by the Government.

114. Hon. E. Blake.] Did you make an allowance for possible and future water-races being required, or assume that the law would provide?—We did not provide outside of the blocks that we thought were properly reserved.

115. *Mr. Gully.*] Do you think it reasonable to suppose that water-races might be required outside these reservations?—In some instances they might.

116. In your investigation did you act at all on any geological theory, or merely as you have told us, upon the observation of an experienced man?—On my observation, my own practical knowledge. Geological theories have been found wanting on the West Coast.

117. Hon. E. Blake.] We have had it already by evidence that the Government Geologist was always wrong?—You may always assume that.

118. *Mr. Gully.*] We will give you an opportunity of examination to explain that. Are there any of these blocks you have spoken of (I think only one) that is entirely without reservations on it cut out by you?—The Westland Block, with the exception of that one man's fossicking place.

Mr. Jones: 2B., and Taranaki.

119. *Mr. Gully.*] You assume, in your examination—your test of the blocks—that you test the question of reservation as to what alluvial deposits are to be found which are now payable?—Yes.

120. You make no allowance for the low ground not payable at present being made possibly payable in the future by more improved processes or by any other means?—We met so many men that were working for 8s. and 10s. a week that we did not think they could get any lower.

121. I cannot see, if men can get 8s. a week now at the rate of 5dwt. to the ton, I cannot see why it should not have altered your views if, when they have a better process, it would surely give them——?—It would apply to quartz-reefing interests, not alluvial.

Hon. E. Blake: It has been already raised as to mechanical processes.

122. *Mr. Gully:* Have you made any allowance in your test for prospecting areas where there is at present no gold discovered?—No. We went to determine the things that existed, not what might be.

123. That applies to the other persons who were with you in the party, I presume?—I believe so.

124. Hon. E. Blake.] You say you went on things existing, not on things coming into existence in the future. Did you get any written instructions as to what you were to do in making the examination?—Yes; but not in detail.

124A. As to the general working?—We made ourselves acquainted from the officers of the company.

125. And was this what you understood to be their instructions?—Yes, the actual workings that existed.

126. That was what you were told to inquire into?—Yes; and the boundaries and extensions of the reserves.

127. *Mr. Jones:* Do you think it as well to put in these written instructions?

Hon. E. Blake: You must judge for yourself.

128. *Mr. Jones:* We could put in the letter. You have not the instructions?—No.

Hon. E. Blake: He understands these instructions. He says that he had interviews with the company; he understood that was what he had to do. If the instructions were put in they would not affect it, because it was the understanding that affects this purpose.

HENRY BALSHAW HOPE sworn and examined.

129. *Mr. Jones.*] How long have you been mining, Mr. Hope?—Since the 10th May, 1864.

130. That would be on some other goldfields besides the West Coast?—Wakamarina.

131. When did you first come to the West Coast?—November, 1864.

132. When were you at Wakamarina?—May, 1864.

133. You have been off the Coast, but came back at the time of the Kumara rush?—Yes.
134. Have you been prospecting much during your life?—Yes.
135. Have you ever opened any land?—Yes; I opened Larrikin Terrace.
136. Have you opened any other ground about the West Coast?—I opened what is now known as Cape Terrace; it was called Liverpool Terrace when I opened it.
137. I think for the last two or three years you have been engaged as a mining agent?—Yes.
138. Registered under "The Mining Act, 1891?"—Yes.
139. In company with Mr. Haussman and Mr. Barrowman I think you made an inspection of certain reserves?—Yes.
140. Take Block 2B. You see the hatching across it in several places. Where it is hatched it is supposed that the land is not required for mining purposes or purposes incidental or conducive thereto. If you agree with the hatching you can say so, and we will know what you mean?—There is no mining whatever in that block, with the exception of a portion at the north-west corner near Chesterfield—one man.
141. With reference to Block 2A: What do you say about that block?—I agree with that.
142. Do you recollect the Waimea district?—Yes.
143. In prosperous times?—Yes.
144. And do you recollect that there was anything like a large population there then?—Yes, there was.
145. Taking those two blocks, do you think if there was any gold there the population would have found it?—Yes. The whole of this country had been prospected previous to the reserves being made.
146. Is there any difficulty in prospecting 2B?—None whatever.
147. Is there any material alteration in the number of people in and about 2, 2A, and 2B, 91 to 95?—There are not so many people on the block now.
148. In other respects, is the land very much in the same condition as it was in 1891?—It is in the same condition.
149. Block 6: what do you say to that?—There is no mining on that block, with the exception of one corner.
150. Hon. E. BLAKE.] Is this Kumara again?
Mr. Jones: Yes.
Hon. E. BLAKE: We have heard enough about that.
151. *Mr. Jones* (to witness).] Do you agree with the other witnesses, that about six more acres would be about enough to reserve?—Yes.
152. Coming to the western portion, all west of the Kumara Borough endowment, what do you say of that block?—Wrongly reserved.
153. Any prospecting on it?—Yes.
153A. Much?—Yes.
154. Do you think it has been tested pretty well to see if there is any gold in it?—Yes, and rushed several times.
155. Hon. E. BLAKE.] But, you think, for the last time?—Yes, I think so.
156. *Mr. Jones.*] You agree with the hatching, and therefore think it is not wanted for mining purposes?—Yes.
157. What do you say about Block 1, Kumara Block?—The only portion of the block where there is mining is a portion of about 700 or 800 acres, including the Kumara, Dillmans, and Larrikins Block workings, and Mignonette Flat.
158. You say that the strip of that block which is on the western side of Kapitea Creek has been prospected?—Yes.
159. And what about the ground on the eastern side of Kapitea Creek, and Larrikins?—It has been prospected.
160. When you say ground has been prospected, do you mean fairly tested, or just merely a prospecting shaft put down?—Prospecting areas have been granted, and the ground has been tested.
161. You think it has been fairly well tested, as a practical miner?—Yes; shafts have been sunk, and they have driven a certain distance in different directions from the shaft.
162. There has been, I think, a shaft or so sunk with the purpose of going down through the blue reef?—Yes.
163. Where were those shafts sunk?—On the Mignonette Flat.
164. At whose suggestion were those shafts put down?—I think Mr. Gordon's, but I am not sure of it.
165. Did they sink through the blue reef?—They sank on to it.
166. Did they get any gold?—No payable gold.
167. How many of those deep prospecting shafts were sunk?—Only one.
168. When was that?—About two years ago.
Mr. Gully: At the very time when the reservations were being considered.
Mr. Jones: No; this was proclaimed before that.
169. *Mr. Jones.*] (To witness): Do you agree with the hatching on Block 1?—Yes.
170. If you say the whole of the area should not be reserved, where are the people on Larrikins, Dillman's, and all about there to get their timber for mining and household purposes?—There is a large quantity of timber on the Crown land to the south.
171. Do you think there is sufficient timber on that Crown land to supply the requirements of the miners at Larrikins?—No.
172. Where are they to get their timber?—From the mining reserve.
173. Have you made any provision for that in your hatching?—I think there should be a thousand acres of that block.

174. You think there should be a thousand acres taken out of this block for timber purposes? Yes.

175. Hon. E. Blake.] What part?—On the flat.

176. *Mr. Jones.*] You say it should be taken from the north-west corner of the block and from the south-west corner?—Yes.

177. *Mr. Gully.*] Is that the same position as the other witnesses have stated?

Mr. Jones: No.

Witness: It would be handier to get it there.

178. Hon. E. Blake.] You differ from the hatching to that extent?—Yes.

179. Have there been any new rushes at all in that district, or in the Waimea District, for many years past?—There was a rush at Callaghan's Gully lately—Italians Gully, Callaghan's.

180. There has been nothing new of any importance in this block for many years past?—No.

181. Did you go over Block 9—alongside Greymouth?—Yes.

182. As to Block 5, Greenstone District, start at the north-west corner, and run up that boundary to the north-east corner, traverse down the eastern side, and then down the southern side. Just look at the hatching?—I agree with the hatching following up the northern side of the block.

183. What do you say to the southern portion of the block?—I agree with the hatching there, too.

184. Now we come to Block No. 9. Were you on No. 9 Block, near to Greymouth?—No; I was not on that block.

185. No. 8A, at Kaimata: what have you to say to that?—There are no workings on that block that I can discover, except one man working on the bank of the Arnold.

186. What do you say about that hatching?—It is rightly done; it is correct.

187. I do not think you went through any of the Grey reserves?—No.

188. During the last nineteen years, Mr. Hope, do you know of any new rushes in any part of that western district—new rushes of any consequence: I do not mean just a rumour that there was gold, and a rush of people going there, and leaving it next day—I mean any permanent rush?—Yes; there was the Rimu rush, about twelve or fourteen years ago; Back Creek rush, in the same locality as Rimu, eight or ten years ago; Seddon's Terrace, in the same locality, six years ago, to the best of my recollection. There was also a rush at Drake's Terrace, Block 6.

189. How long is that ago?—Fifteen or sixteen years ago.

190. Any others?—The Three-mile Flat, Block 5, about fifteen years ago, and Cape Terrace, eighteen years ago. There has also been a rush at Big Paddock.

191. Do you know of any new ground having been discovered; Yes; there was the Bluespur rush lately, on Block 3. It was this year.

192. Do you know that Mr. Boyes was the prospector of this?—I have heard so, but do not know of my own knowledge.

193. Do you know that eight years ago he commenced driving a tunnel, and has been continually driving to get this gold?—Yes.

194. How many claims are there now?—I think there is only one, to my knowledge; that is Boyes's. There is a man named Harcourt supposed to be getting payable gold, but I cannot speak of my own knowledge.

195. Are the other people there, or have they abandoned the ground?—There is a large number of shafts all abandoned.

196. Do you know Craig's freehold?—No; I never was over that.

197. Now, as to all these rushes that have taken place in this district: if you had been asked to mark out a map the same as you have been doing for the Midland Railway Company now, would your lines have included all those marked out as ground which should be reserved for mining. Taking the Rimu or Cape Terrace, would that ground to a digger suggest the probability of its being payably auriferous by some slight inspection of it in its virgin state? Supposing you had your pick and shovel and tin-dish, and came upon Cape Terrace in its virgin state, would you be induced by the look of the country to prospect for gold?—Yes.

198. Why?—Because I generally get a little gold on the points of the terraces in any gold-bearing country.

199. If you had been asked to lay off those parts of the country as probably payable, would you have marked them off as you have done?—Yes.

200. Have you left any ground in the hatched portions which is of a similar character to that which is in the unhatched portions?—No.

201. *Mr. Stringer.*] I understand, Mr. Hope, that like Mr. Barrowman, you have no theoretical knowledge—that you depend entirely on your practical experience?—Yes.

202. And I suppose you agree that gold is constantly being discovered in all sorts of unexpected localities?—No. A person who has been mining in a rock-bound country will generally see where there is likely to be gold.

203. Do you mean to say you always know where to find gold?—I say nothing of the sort.

204. Or that you know where to look for it?—I look naturally at the edge of the terraces.

205. Do you mean to tell me that gold is only to be found in terraces?—Most of the gold has been found on the edge of terraces.

206. And then followed in?—Very seldom followed in.

207. You say, then, it only exists on the terraces?—No; it exists in the creeks.

208. And in the terraces of those creeks?—That is where it has been found on the Coast.

209. Where do people sink the shafts?—They sink in the terraces.

210. Only on the edge of the terraces?—No; the gold might run right through the terrace.

211. From one terrace to another?—Yes.

212. Hon. E. BLAKE.] Would that be for some kind of cross lead?—Yes.

213. *Mr. Stringer.*] Would your idea be that there was some old river-bed?—Yes; or old sea-bottom.

214. Which runs north and south, with the creeks intercepting, so that it is of course obvious that the leads would run right through the terraces probably?—Yes.

215. When you say you only sink at the terraces for the gold, you do that because it is more convenient a place to prospect?—Yes; it is a better place, and you get better gold.

216. Now, in speaking of these recent rushes you have mentioned, they have all been in the neighbourhood, have they not, of old workings?—Yes.

217. And in places where at one time very large populations existed?—Yes.

218. Then, these particular spots you have mentioned, such as Rimu, Cape Terrace, and Drake's Terrace—there has been nothing payable ever discovered in them?—No; Drake's Terrace.

219. Although there was a rush, they were not payable. How long did that continue?—For a week or a fortnight.

220. How long did the Rimu last?—They are working there now.

221. That was in the neighbourhood of old workings?—Yes.

222. That had been missed by the Kanieri diggers?—Yes. Cape Terrace was payable also.

223. Hon. E. BLAKE.] Was that also in the neighbourhood of old diggings?—Previous to my finding gold, Cape Terrace had been worked for eight or nine years.

224. And you made a new find quite close to that?—Within half a mile; but it seemed to be a longer distance at that time, because it was bush-country.

225. Then, I suppose, in most of these blocks you have been speaking of to-day it is mostly bush-country?—Yes.

226. I think you spoke of the Blue Spur. Is that within any reservations—where the gold has been found?—I do not think so.

227. Is that near some old diggings?—Yes, it is very near what they call Blue Spur itself.

228. Hon. E. BLAKE.] It is a new find near old diggings, and, as you say, a man has been prospecting there for eight years to get what he seems now to have discovered—this lead?—Yes.

229. I think you said there was another man named Harcourt, who was supposed to have got payable gold?—Yes; he has got some men or boys working there.

230. *Mr. Stringer.*] Although it has taken this man eight years to prospect one little spot, you think you and your friends could go and prospect the whole of that large area in a few weeks?—I do not know whether that man has got gold, but I believe he has.

231. Have you not been there and seen that he has got gold?—I did not see the gold, I only saw the surface where he was working.

232. Are you satisfied that he has got good gold as the result of his labour?—I believe so from what I have heard, but I have not seen it.

233. I suppose you made inquiries about it?—Yes.

234. And you are satisfied in your mind that the man has got into something good?—Yes, if I believe what I hear.

235. Then his eight years' labour has not been in vain. Did you say it was on the reserve?—At the time of my visit it was not on the reserve.

236. That is to say, as the result of that man's find, a small rush set in, and that rush was outside the reservation?—Yes.

237. So the Government surveyors had missed this particular piece?—Yes.

238. Now, coming back to the question I put to you just now, you admit yourself that this man was prospecting for eight years, and at last arrived at good results, and how do you pretend to have made anything like an exhaustive examination of this very large area of ground in a few weeks?—It has been prospected to my knowledge scores of times, and shafts have been put down. There might be a little dab of gold coming off a slip in the spur, as I told you in my evidence about Drake's.

239. I understand from that that a man may find good gold in the neighbourhood. Did you make any prospects or sink any shafts? You simply traversed the ground?—I sank no shafts.

240. I am only speaking of the time when you went round with Mr. Barrowman and the others. You sank no shafts nor did any prospecting on that occasion?—I simply traversed the ground.

241. In fact, as Mr. Barrowman told us, you simply ascertained where the old workings were, and where the existing workings were?—Yes; on the blocks I was not perfectly well acquainted with.

JOHN DOWLING sworn and examined.

242. *Mr. Jones.*] When did you commence gold-mining, Mr. Dowling?—In 1858.

243. Where?—In Victoria.

244. When did you leave Victoria for any new field?—I left Victoria in 1861.

245. Then, you were in Victoria for three years. What did you do then?—I came over to Gabriel's Gully.

246. Still gold-mining?—Yes.

246A. How long did you remain there?—I remained in Otago until the next April, and then I left for the Frazer River, British Columbia, in the Carriboo diggings. After that I went to Sydney.

247. You have been digging all the time?—Yes.

248. How long have you been on the Coast?—Since the early days of the Greenstone. That was, I think, about Christmas, 1864.

249. And you have been on the Coast ever since?—Yes, with the exception of a trip I took to Queensland.

250. You have always been following the occupation of mining?—Yes.

251. In company with Messrs. Kane, Kyle, and Wisdom—that was your party, I think, originally—with whom you made an exploration of the several blocks, and then subsequently you went with Mr. Fenton and his party?—Yes.

252. Now, commencing at Block 81, Exhibit 91. I should like you to take all the blocks one by one and say which lands should be reserved for gold-mining purposes and which should not?—Block 81, from the inspection I made of the watershed, is properly hatched; from the dividing-range into the Arnold the reservation is not required.

253. That dividing-range runs where?—It commences about a mile and a half from the station and rises immediately, and then goes right up the adjoining Block 80.

254. It runs a little distance south of the No Town Creek, and it is the dividing-range between all these gullies and the flat of the Arnold. Is that so?—All these gullies [indicating on map] take their rise from that range, and empty into the No Town Creek.

255. Where are the auriferous deposits?—On the northern slope.

256. You agree with the hatchings on the map?—Yes.

257. Well, go now into Block 80: what do you say of that?—I did not inspect any portion of Block 80, excepting immediately to the south-east of the No Town Township, up the left-hand branch of the creek. I agree with the rest of the hatchings. I did not inspect the eastern portion; but the western portion hatchings are perfectly shown.

258. Then we come to Block 79; is the corner-piece in the south-west corner of the block rightly hatched?—Yes; the portion going into the Glasgow Creek.

259. What about the piece in the south-east corner?—I have not inspected that. I only inspected the south-west corner.

260. What have you to say to Block 77?—I did not inspect the portion north of Kangaroo, between Callaghan's and Nelson Creek. I only inspected the hill near Possum's Gully, on the northern side of No Town. The portion between Connor's and No Town is properly hatched.

261. Now, we can go from that into the Nelson Creek Block—take Blocks 74 and 75 together—what part do you agree with?—I inspected the portion to the south of the Ahaura from here [indicating on map] right into the beach north of Callaghan's; that is properly hatched.

262. Did you inspect Larkin's Race?—Yes, along the Grey Valley Road, between 39 and 44—that is properly hatched.

263. Did you inspect that part, and this [indicating on map]?—No.

264. Hon. E. Blake.] You agree with the part north of Larrikins, and the strip at the west?—Yes.

265. The rest you did not inspect?—No.

266. *Mr. Jones.*] What is the nature of this country?—The ground that is hatched is low ground, and very level, and underneath the ranges; it is probably formed by water. The main ranges are at a high elevation, and the gold all crosses the range and makes its way to the north-east or sunny side of the range, and falls into the creek. The whole of the opposite side is barren.

267. Is it good timber land or arable land?—Yes; a portion of the hatched land is good timber land, and would make reasonably good grass land if cleared.

268. Do you know of any settlement?—There is settlement there all round. It looks very fair land.

269. Please look at the next—Blocks 71, 70, and 69 [Exhibit No. 92]—that takes in Orwell Creek, Duffer's, Granville, &c.: what have you to say about those blocks?—I did not inspect any portion of 71. With regard to 70, that is properly hatched; 69 is properly hatched.

270. You say the north-western part is properly hatched?—Yes.

271. Hon. E. Blake.] You did not inspect the eastern portion?—I did not.

272. *Mr. Jones.*] We can go on from there to Blocks 65 and 66. What have you to say to these—that is, the Snowy Creek district and the Blackwater?—I inspected the whole of 65 and the north-east of 66A on two different occasions. I say the hatching is right, from my point of view.

273. Did you find any miners on that block?—No. It was worked about twenty-one years ago.

274. You think that this piece at the corner of the block is rightly reserved?—Yes. It would be a supposed line of reefs.

275. Now, take Block 62 [Exhibit No. 93]?—I did not inspect that block.

276. You did not go any further north than the block you saw?—No.

277. You inspected the Cobden Block?—No.

278. Did you inspect Blocks 86 and 87 [Exhibit No. 99]?—I inspected that part lying between the Blackwater and Ford's Creek. That is rightly hatched; that is 700 acres. I did not inspect the other two portions.

279. Did you inspect the Big River Block, Block 89, opposite Lees's Ferry?—That part is properly hatched. It is all settled.

280. Is it properly hatched?—Yes, it is properly hatched, to the best of my knowledge.

281. Hon. E. Blake.] You inspected it?—Yes.

[Exhibit No. 98 referred to.]

282. *Mr. Jones.*] Begin at 93: that is the 10-mile?—I did not inspect that.

283. Well, take 94, 95, and 97; we will deal with these together. What do you say to the hatching there? The beach is reserved all along the seaboard?—Yes. That hatching is correct.

284. Hon. E. Blake.] You inspected it all?—Yes; every bit of it.

285. *Mr. Jones.*] There are some water-rights there?—Yes.

286. How do you provide for them?—They are all in the backbone of the dividing range, and occupy a large area of land. There are three or four of them coming from one source. There are

only a few chains between them—a low saddle with a creek on each side. They start from the same locality, but on different sides of this backbone range.

287. Hon. E. BLAKE.] Did you or did you not make any reserves in respect of the water-races?—Only in relation to the by-laws—10ft. on each side.

288. You assumed that the law protected them?—Yes; I assumed that the law protected the races.

289. *Mr. Jones.*] You were one of a party which prospected that narrow strip on the western side of the golden country which you have allowed for—that flat piece of land?—Yes.

290. Can you tell me from your pocketbook the number of shafts you put down, the positions you marked, and the result of each shaft?—I can tell you from memory. We put down eleven holes in all with the pipes on this patch of ground between Canoe Creek and the road to Barrytown on the flats.

291. You put down eleven bores?—Yes. When we went from 3 chains or 3½ chains from high-water mark we could not find any gold. We could find nothing to the east of it, and we went 12 chains to the east. We sunk five shafts to the mica-sand bottom and found no gold.

292. Hon. E. BLAKE.] How many were sunk out of the eleven at the 3½ chains?—About half outside. We sunk intermediate shafts between the 3 chains and 12 chains.

293. *Mr. Jones.*] You say you got no payable gold in any of them?—No, not in any of them.

294. Hon. E. BLAKE.] In the ground outside the 3½ chains?—In all of them. The difference was that there was no payable gold inside, and none at all outside. We got plenty of good black sand, and everybody thought there would be gold got there.

295. *Mr. Jones.*] Were you told or requested by any residents to put down holes in particular spots, as in all probability gold would be found?—A man named Davis requested us to sink near where he was living, and we put down two shafts about a mile on the east side of the road to Razor-back, between that and the terrace.

296. Was that a likely place for gold?—I did not think it would be.

297. Davis thought so?—Yes, he lived there, and thought so.

298. I think you put some down at a creek where an old miner had said gold had been got in sinking sills for the bridge?—Yes; that was Taylor.

299. Hon. E. BLAKE.] When was this sinking done?

Mr Jones: About July or August last.

Hon. E. BLAKE: I do not think this is proving your case. It does not affect the position of the Government, who were acting on opinions given years before.

Mr. Jones: You can bring hundreds of miners who think they should be reserved.

Hon. E. BLAKE: That is, as to particular spots thought to be auriferous by those living on the spot, and, perhaps, who were best qualified to judge, up to July last. It is not a question whether they were right or wrong—it is a question of opinion.

Mr. Jones: It is our contention that the Government have been acting with so much carelessness as to amount to *mala fides*. This is part which has been inspected.

Hon. E. BLAKE: I did not understand that this was part of your inspection. You argue that the Government ought to have actually tested these places before reserving them?

Mr. Jones: Yes; we say they undertook to do so.

Hon. E. BLAKE: It is rather a large order to allege that they did undertake it.

300. *Mr. Jones* (to witness).] What is the nature of that country?—From high-water mark up to the road is all the same formation. It is very swampy in parts.

301. Is there any land there fit for settlement?—If it was all cleared and drained it would make excellent grass-land for cattle. It would be bad land for sheep, because it is too wet. There is no timber on it, scarcely.

[Exhibit No. 95 referred to.]

302. Take Blocks 5 and 6?—I went over Block 6, but not over 5.

303. Well, what about that?—That hatching is very correct in my opinion, but there are some water-races there.

304. Hon. E. BLAKE.] You apply the same principle to the water-races there as you did before. I understood that to be general?—Yes. With regard to Woodpecker Bay, that had been an old workings, but nobody is working there at present. Two men are residing there who worked on the beach, Mackintosh and another; and there is one man down in Big Bay. He works on the beach also.

305. You would carry the line through till it strikes the coast in a southerly direction?—Yes. The reason why is that at the south end there was an extraordinarily rich patch got, but none further south.

306. You were not up to the Charleston blocks?—No.

307. What other blocks did you visit in the Nelson part?—That is all I did in the Nelson part.

308. You have been a long time on the coast: what new rushes have you known in the Nelson portion of the district during the last ten or fifteen years?—The only rush of any importance was the Blackball that I am aware of. This is, of course, in existence.

309. What Blackball?—The Blackball to the north side of the Grey River, and east of Brunnerton.

310. When was that rushed?—I think it would be twelve or thirteen years ago.

311. You mean before you came to Blackball?—Yes, where the water-race is working now. A reaction took place where they are reconstructing.

312. Can you recollect any other in that district?—Yes, Barrytown. I have it in my notes. It would be about sixteen or seventeen years ago.

313. That is the date of the rush in that direction?—It was a very good one.

314. Any other?—Not that I know of.

315. Do you know of the rush at Cameron's, Cape Terrace?—That is in Westland.
316. Do you know of a rush at Grey Valley, at Sunday Creek?—I know nothing of it.
317. Granville?—No.
318. Half-ounce?—That would be about twenty years ago, and I do not know.
319. I suppose the general remark would apply to all the places—the population has gradually, gradually decreased for a good many years?—I am sorry to say, yes.
320. Even the most flourishing places—even Kumara?—Yes.
321. And is not the decrease of population continuing, Mr. Dowling?—Well, yes. The fact is that the population at present are all old men like myself, and may be a good deal older. I do not think that, in all my travels in the country, I would meet twenty young men from fifteen to thirty years of age. They are all old people, and, I regret very much to say it, getting very little.
322. There is a gradual decline in the yield of gold, and a falling-off in the population?—Yes.
323. Now as to Westland Block: take Block 2B, Chesterfield?—I inspected the whole of that. I worked in Blake's Terrace (67), a mining claim. It is the railway reserve at the present time.
324. Hon. E. Blake.] We do not want details at present. It is hatched: do you agree with the hatching?—Yes, I agree; but on the margin running along the ridge of the eastern boundary a small margin of 5 chains should be reserved.
325. *Mr. Jones.*] So there ought to be a reserve of 5 chains along the Chesterfield track?—Yes; south as far as the south-east corner of the block.
326. With this exception, you agree to the hatching?—Yes.
327. What do you say to Block 2A?—I did not inspect that.
328. What about Block 6, Kumara Block? There is a little piece from alongside the township below Fearn's claim—I know it is not hatched?—I would not have anything to do with that; I would leave that intact for mining purposes.
329. Hon. E. Blake.] Fearn's leasehold?—Yes.
Hon. E. Blake: That is what the others have said.
330. *Mr. Jones.*] Now the other portion of Block 6?—To the north I would properly hatch it, with the exception of all along the bank of the Teremakau. There is a little break there.
331. How much would you take off for the Teremakau?—I should think that 12 chains would be a very good reserve along the bank down to the Teremakau Bridge, all the way down, 12 chains from the top of the terrace. The river is miles away in some places: I take the terraces.
332. Hon. E. Blake.] On each of the terraces, 12 chains back?—Yes.
333. That is, between the tramway and the terrace?—The remainder is properly hatched.
334. Do you think it is required for mining purposes—the Kumara and Dillman's?—They have taken some timber off there for the Kumara and Dillman's for many years, and are taking it still from there.
335. Do not they want a reserve for it there?
336. *Mr. Jones.*] Do you think that any part should be reserved for timber purposes?—I think that some portion of it near the township—they should have access to it.
337. That side near the edge, and down?—I should not make it with clearness what area should be required.
Hon. E. Blake: That is enough—he has not thought it out: we have got it from others.
338. *Mr. Jones.*] In other respects that is right?—Yes.
339. Now Block 1, Dillmanstown?—Where it is all hatched would be too much. I should be in favour of taking that piece north. It is the south-eastern portion of the block also.
340. How much of an area?—I should think it would be close on 1,000 acres.
341. Hon. E. Blake.] That ought to be reserved?—No, that is not required.
342. You are dealing with what is hatched—taken away—not required. You say there is too much?
343. *Mr. Jones.*] That is what he does say, that there is too much—1,000 acres hatched?—Yes, that portion is not required for mining purposes, but the remainder is.
344. What we want is the remainder. All the 1,000 acres is not required?—Yes.
345. In other respects the block is right?—Yes, in other respects.
346. You have marked it with your pencil?—No, I have not. I have thoroughly gone through the whole of that block, every inch of it.
346A. We leave Block 1 and come to 5: what do you say about that?—That is Greenstone. About half a mile is my calculation. It should be about 5,000 acres.
347. Hon. E. Blake.] That is hatched?—Take it into Little Fuchsia Creek, and three-quarters of a mile to the terrace to be reserved.
348. You get those that differ from the hatching, Mr. Jones?—We had better adopt the same principle.
349. *Mr. Jones.*] It is taken in a reserve or what?—As not required? It is very little, I would enlarge the hatched portion slightly near Payn's Gully, at the Teremakau side.
350. What do you do for these?—It is properly hatched. I do not agree to this portion to the north of Little Fuchsia, I should not come further north than that.
351. He would take off the piece hatched, north-west of Little Fuchsia Creek?—Yes.
352. Hon. E. Blake.] You are to understand you are not to take a reserve only, the whole block is to be reserved. What you are proposing to do is to take something out of the reserve. We want to know whether you would take more or less than the other witnesses have said in each case. Now, would you propose to add to the reservation?—A little to the east of this side; but on this north-western side there is too much taken away for the reserve, Little Fuchsia Creek to Cape Terrace; it should be reserved for mining purposes.
353. *Mr. Jones.*] Now, the next block you were up, the Kaimata Block?—No.
354. Not up the Arnold?—No.

355. *Mr. Gully.*] You were at the Paeroa at one time?—Yes; and I reside there at the present time.

356. Whereabouts?

Mr. Jones: No. 7.

358. *Mr. Gully.*] Is that objected to?

Mr. Jones: No.

359. *Mr. Jones.*] Do you know the reason of that?—why is Block 7 not objected to?—Because it is all a freehold there.

360. *Mr. Gully.*] Would you mind looking at that block on the reservation?—I know it very little from Martin Road to the sea-beach westward.

361. You have been living on Block 7 for years. Do you say that the whole of that block ought to be reserved?—No; there is a small piece to the south-west of that block—Montague's farm; there is no gold there.

362. Is it the part which is hatched which you say ought not to be reserved—is that about the area which you say ought to be cut out from the reservation?—The south part of the hatched piece, I think, ought to be reserved.

363. The south-west portion—about half?—Yes, about that.

364. About the rest of the block?—There is another small piece between Cameron's Track and Montague's.

365. How much of the south-west corner, roughly, ought not to be reserved?—Between 200 and 300 acres.

366. About how many acres, do you reckon, in the south-west part hatched do you say ought to be cut out of the reserve?—I think about 150 or 200 acres.

367. The rest of the block you say ought to be reserved?—Yes; there is digging all over it.

368. How many do you reckon there are on the block at the present time?—It is the best district on the whole of the coast, with the exception of Kumara.

369. Are the workings going on all over the block, excluding what you say ought to be cut out of the reserve?—Yes, everywhere, more or less.

370. Did you ever petition the Minister of Mines against an application for a hundred-acre dredging-claim taken up in any part of that block?—Yes.

371. What part of the block was it?—It would be about half a mile from

372. On the New River Lagoon, south of Saltwater River?—Yes.

373. You also objected to that 100 acres being granted before the Warden's Court?—Yes.

374. On what ground?—The contention was that it would interfere with the natural channel of the New River, and prevent mining on this block.

375. That giving this dredging area would interfere with the gold-mining on the rest of the block?—Yes.

376. In the course of your visits to the various blocks on behalf of the company, did you make inquiries in all cases where there were residents as to where the best places were to look out for gold?—Yes.

377. Did you in all cases get localities pointed out to you as being the most likely for finding gold—picking out the best?—I am sorry to say they could not tell us where there was any payable gold.

378. Did you get recommendations to try any particular places? Were you recommended by the resident miners to try any particular places?—The only place I was requested to try was between Barrytown Road and the Terrace.

379. Nos. 94, 95, 96, and 97—are those the blocks on which you say the men were?—Yes.

380. It was only on those blocks you got information as to the best places to try?—Yes; they asked us to do so.

381. You say that the gold industry on the West Coast has declined, and no doubt it has. Within your knowledge, were frequent applications made to the Government to assist the gold-mining industry on the West Coast?—Yes.

382. Quite a common thing from all parts of the West Coast?—Yes; we made applications, but we never got any assistance. The promises were not *bona fide*.

383. You think the gold-mining industry would be assisted if a subsidy were given by the Government?—In my experience of such matters—and it has been a long one—the Government usually happens to pick the worst men; and when local bodies get hold of the money from the Government they give it to Tom, Dick, and Harry.

384. These applications, so far as you know, are *bona fide*?—Yes.

385. They are honest applications for assistance?—Yes.

386. Assistance is asked for from the Government because it is really wanted?—Assistance is wanted to try and develop a reaction on the old goldfields, but not outside.

387. You say it is reasonable to ask the Government for money in order to develop again the old gold-mining areas?— Yes; in a great many cases.

388. And in marking off your reserves you stuck to that idea?—Certainly, when it was quite likely there was a second bottom.

389. You made no allowance in marking off your areas for anything outside old or existing gold-workings?—A great margin.

390. But no separate areas?—Kumara does not occupy 1,000 acres, even taking in the township.

391. You have allowed in Block 1 a portion for timber?—Yes.

392. Is that the only instance in which you have allowed a certain area for timber to be cut off a block and taken elsewhere to be used?—That was not the only block that is required actually for timber for mining purposes.

393. In all other cases the timber for gold-mining purposes is to be found on the blocks themselves?—Yes.

394. In making your reservations you would stick to the areas where there have been old workings, or where there are workings now. You would not allow anything for outside prospecting—it is not worth while?—Yes; if there was any reasonable chance of getting gold. My idea would be to conserve the mining interests as much as possible.

395. How long have you been employed altogether by the company on this business?—I started on the 2nd of May.

396. Have you been continuously engaged ever since?—Not continuously. I have been mining since.

397. How have you been paid—by the day?—Yes.

398. How much a day?—A pound a day, and I got my cash.

399. Right through?—Right through; every day I worked, unless they give me a bonus at the end.

400. Has anything been said about a bonus at the end?—No; and I shall not expect it.

401. You have been getting £1 a day for all working-days?—Yes. I have been mining since, and doing other things.

402. How long has it taken you altogether on your expeditions?—I could not give the details of the time.

403. Hon. E. Blake.] How many days have you been working for the company?—At a rough guess, I have been working eighty days more or less.

Mr. Jones: I may say that he has been working about one hundred days.

Martin Kane sworn and examined.

404. *Mr. Jones.*] You are a miner, I think?—Yes.

405. How long have you been digging?—It is close on thirty years since I first started to dig.

406. On the West Coast of New Zealand?—Yes.

407. And have you been there all the time?—I have been on the West Coast all the time digging, off and on.

408. I think you were in company with Dowling and the others when they made a certain inspection.

409. Do you understand maps?—Not very well. I know the run of the country very well.

410. But you can understand this map [map 1, Exhibit No. 91]. I think this morning is the first time you saw these blue maps?—Yes.

411. Do you see the red lines on this map?—Yes.

412. These show the size of the block, and this hatching across here represents ground which we contend should not have been reserved for gold-mining purposes?—I understand that.

413. Have you been over Block 81?—Yes.

414. You see where that is hatched, from the southern boundary right up to the Chinese Creek, and from there to the top of the range?—Yes.

415. Do you think that is rightly hatched?—It is rightly hatched.

416. Do you know Block 80—that is, the other side of No Town?—Yes.

417. There is No Town Township, and here is No Town Creek, running up with the several gullies, and so on?—I have been over it.

418. What do you say about that block?—I say it is properly hatched.

419. And were you over any portion of Block 79? There is Frank Pitt's store, and here is the Blackwater and Red Jack's Creek?—I was only along Red Jack's Creek in that block.

420. Then, as to Block 77: what portion of that do you know?—I was through most of this, but not through Kangaroo.

421. Were you through this block from the north of No Town to Deadman's?—Yes.

422. Is that rightly hatched?—It is.

423. Then, from the north of Deadman's to McLaughlan's Creek, what about that?—That is rightly hatched.

424. You were not through this block containing Wyndham Creek?—No.

425. Were you through that little piece between Kangaroo and Red Jack's?—No; I was not on that block.

426. These portions you have mentioned are rightly reserved?—Yes.

427. I think you know No Town District remarkably well?—Yes; I worked a long time there.

428. And you have been up there a great many times during the last four years?—Scores of times.

429. Is there any material alteration in that place as to population, or prosperity, or depression since 1891?—Yes.

430. Has the population fallen off since then?—Certainly it has, every year.

431. Do you know of any part of that district where there has been any new find within the last eight or ten years?—No, none.

432. You were there in the very early days of No Town Creek?—I was there over twenty years ago.

433. Has the mining spread further down the creek, or to any extent higher up the creek, than it was twenty years ago?—No.

434. Then, where has the ground been worked there to keep the population going?—It is generally confined to the bed of the creek and a few chains on each side.

435. You say it has not extended from one end of the creek to the other, but that there has been a population always working there?—Yes.

436. Where have they been working?—Along the banks of the creek.
437. Is it on the banks of the creek that the workings have been gradually extending?—Yes both sides of the creek; but in actual length the diggings are not extended.
438. Did you know Nelson Creek in the early days?—Yes.
439. Twenty years ago?—More than that.
440. Did you know Red Jack's and Kangaroo Creek in the early days?—I knew Red Jack's, but not Kangaroo.
441. Do the same remarks apply to Red Jack's as you made before—that the diggings have not extended in length, but have in width?—Yes.
442. Because the diggers have been driven into the terraces?—That is what I say.
443. Then we come to Block 75, Nelson Creek, towards the lake?—I was all through that portion—the eastern little block of 3,500 acres by Lake Hochstetter.
444. You were through that portion of the block which is hatched?—I was.
445. And you say it is properly hatched?—Yes.
446. You were in all these gullies?—Yes.
447. And you have seen no evidence of mining going on?—None.
448. Were you in that piece, 74, on the western side of Larkin's Race?—Yes, up along the Grey Valley Road.
449. What do you say to that?—I say that is properly hatched.
450. Were you in Callaghan's Creek?—Yes; I went up to the head of it.
451. Which side did you inspect?—The Ahaura side. There is no sign of any workings or of gold being found there.
452. What do you say about it?—I say it is properly hatched.
453. Now, in 75 there is a little bit of 1,090 acres. Were you through that?—I did not go to Riverview. Some of the others went there.
454. Then, you were only on the western portion of that block?—Yes. The others did the eastern part.
455. You know nothing about 75?—No.
456. And I suppose the same remark you made about No Town Creek and Kangaroo Creek will apply to Nelson Creek?—Yes.
457. In the deep ground at No Town, and also in Nelson Creek, down to the lower end of the workings, have there not been several trials made to find payable gold?—I tried it myself.
458. What did you find?—No payable gold.
459. Do you know Antonio's Creek?—Yes.
460. It was prospected by Mr. Russell, and Mr. Parfitt, and others?—Yes.
461. It is abandoned now?—Yes—that is the claim that had the machinery on it four or five years ago.
462. In Nelson Creek, do you know where Mr. Roache and others, and Mr. Morris O'Connor, and others, had some machinery, and tried to work the ground?—Yes.
463. That is all abandoned now?—Yes.
464. Now, we come to Block 2 [Map 2, Exhibit 92]. What portion of Block 70 were you over?—The only portion I was over was Orwell Creek, right over the hill to Duffer's Creek.
465. Then you know nothing about Block 70?—No.
466. Then, as to Block 69, were you in that piece of country which lies between Waipuna and Duffer's Creek?—Yes.
467. What about it?—There is no gold found in it.
468. Do you agree with the hatching?—I do.
469. Do you know anything about Block 71?—No.
470. Were you on Blocks 65 and 66—that is, between Big Creek and Snowy River?—Yes; I was over the whole of that.
471. What do you say about it?—There is no gold on that.
472. Are they rightly hatched?—They are.
473. I do not think you went further north than that, and you did not go to Antonio's Flat?—No.
474. Did you go through Langdon's blocks, Blackball and Moonlight?—Yes.
475. Were you in Blocks 86 and 87?—No.
476. Were you in Block 89, Big River Block?—Yes.
477. What have you to say about that?—I have never seen a man working there in the part that is hatched, and I say it is rightly hatched.
478. I do not think you went over Cobden?—No.
479. The next is Block 93, the Ten-mile [Map 8, Exhibit 98]. What do you say to that?—I did not inspect it.
480. We will now take Blocks 94, 95, and 97 together. Did you inspect all these blocks?—Yes.
481. What do you say about those three blocks?—I say it has been well prospected, and there has been no payable gold found there.
482. Did you work in the Barrytown district?—No, not gold-mining. I only prospected it, but I got no gold.
483. Do you think the unhatched portion is sufficient to cover all the gold workings in the Barrytown district?—Yes.
484. You were among the party, Mr. Kane, who put down some bores, and you also put down some shafts; did you obtain any gold?—No, nothing payable, just culls.
485. What depth did you go?—23ft. or 24ft. I think was the deepest.
486. Where did you put them down?—Along the beach, between Barrytown and Canoe Creek.

487. Did you put any down yourself?—Yes, two at the foot of the terrace and at Davis Creek.
488. Was there any gold in those?—There was no payable gold.
489. You have been over the Brighton Block, Block 9 [Exhibit 95] ?—Yes.
490. What do you say about it?—There is no gold being got there, and it is properly hatched.
491. I think you spent a good few days over this block?—Yes; I think eight days.
492. You did not go any further north?—No; not above the White Horse.
493. Now, we will take the Chesterfield Block, Nos. 2 and 26, what have you to say about that?—I travelled all over it in different directions, and there is nobody working in that block, except two Chinamen, who are working in one corner of it.
494. Do you say the hatching is correct?—Yes; with the exception of a few chains along by Lamplough, that would be at the north and north-east end of it. There might be a few chains required there for future prospecting.
495. How many chains?—Four or five, I think.
496. In all other reepects you agree with the hatchings?—Yes.
497. Have you been over Block 2A?—No; I do not think I have been over that.
498. What do you think of Block No. 6?—There is not a single man working on that block.
499. That is on the western side of the Borough Endowment?—Yes.
500. Do you think that ought to be reserved?—No.
501. Now we go into Block 1. That contains all the Kumara, Larrikin's, Dillmanstown, and Mignonette Flat diggings. What do you say about that block?—We have been all over the eastern portion of this block, along the Christchurch Road. There is no sign of any gold being found there; neither is there any prospecting.
502. Do you say some of the eastern portion ought not to be reserved?—This portion at the corner of the Christchurch Road should not be reserved.
503. You agree with Mr. Dowling as to the portion that should be reserved?—Yes.
504. Were you over Block 5—that is, the Greenstone?—Yes.
505. There is a piece hatched on the north side of the Greenstone Creek: what do you think of that?—I think it is properly hatched.
506. What about this piece of 1,850 acres on the southern side of the Greenstone Creek?—That is properly hatched.
507. Were you on Block 9—the Greymouth Block—behind the township?—No.
508. Were you on what is known as the Kaimata Block?—No.
509. *Mr. Stringer.*] You have not been actually engaged in mining for some time?—Not lately.
510. How long is it since you were doing any practical mining yourself?—Not for the last seven or eight years.
511. What have you being doing since then?—Contracting and working anywhere I could get work.
512. You were engaged by the company to go over this country?—Yes.
513. Were you engaged for any term?—No.
514. Paid by the day?—Yes.
515. And how many days were you employed?—Really, I could not tell you.
516. How much a day were you receiving?—£1.
517. With any understanding that when you found gold your employment was to cease?—There was no agreement of that kind.
518. I suppose you knew that you were not expected to find gold?—No. I would have been very glad if I had found it.
519. I gather from the evidence that the reserves that have been made are in the right localities, but that they have been too large, in your opinion?—Yes.
520. In no case are the reserves made in an improper place; it is only as to the amount that has been taken?——
Hon. E. Blake: The witness has not disputed the propriety of a certain portion of the reserves, but has only disputed a part; therefore the rest is admitted.
521. *Mr. Stringer.*] I suppose it is the fact that you can get colours of gold in almost any part of the West Coast?—Yes.
522. When you were prospecting at Barrytown a few years ago, in what portion of that block did you prospect?—Where the good gold was got, all along the lead.
523. But had not that been prospected before?—I was prospecting at the time the rush was there.
524. Was your prospecting on the beach?—No.
525. In the unhatched portion in the centre of the several blocks?—Yes.
526. How long has it been a known gold-working, that unhatched portion?—Seventeen or eighteen years; since the rush was there.
527. When were you last prospecting there?—Not since then.
528. I understood that you were prospecting more recently?—Oh, no; not in Barrytown.
529. I suppose you remember when the reserves were first proposed to be made by the Government?—I never took notice of the date. I paid no attention to it.
530. Where were you at that time?—I could not say where I was when they were first proposed.
531. You do not remember 1890-1891?—I do, but I paid no attention at all to the reserves.
532. You were taking no interest in mining, I suppose, at that time?—No.
533. Do you not know that there was a good deal of interest being taken in the matter by the miners at that time?—I did not. I was not mining then.

JOHN KYLE sworn and examined.

534. *Mr. Jones.*] How long have you been on the Coast?—About thirty-one years.

535. You know pretty well all the rushes and workings in the Grey Valley district?—I have been in the surveying over the country, more so than in digging.

536. Have you been digging?—I have, at the Karamea.

537. You were principally in the survey?—Yes.

538. You made an inspection along with Dowling, Kane, and Wisdom of certain blocks?—Yes.

539. Were you over Block 81 [Exhibit No. 91] ?—Yes.

540. What have you to say of Block 81?—I have been over about half of it, and I agree with the hatched portion on the western side.

541. Block 79: were you over that piece in the south-east corner—820 acres, about?—I have been.

542. Is it rightly hatched or not?—Yes, it is.

543. What other portion of Block 79 did you go over? What do you say to that little piece between Sunday Creek and Kangaroo Creek? Have you been there?—I cannot recollect that by memory.

544. Were you over this piece on the north—the left-hand branch of Kangaroo Creek?—No.

545. Were you over this south-west corner on the right-hand branch?—No.

546. What portions of Block 77 were you over?—I was over the piece between No Town and Deadman's.

547. Is that rightly hatched?—Yes, rightly.

548. Were you over a piece between Deadman's, or McLaughlan's, or Kangaroo Creek?—No.

549. Were you over the piece between Kangaroo and Nelson Creeks?—No.

550. Well, now as to Blocks 74 and 77, on the same map: were you over that piece west of Larkin's Race?—No. Dowling and Kane were.

551. Were you over a portion of the block between Callaghan's and Ahaura?—Just passing over the track.

552. Were you in 75, at the head of Callaghan's Creek?—Yes, on a small portion.

553. Between there and Ahaura?—No.

554. Did you go as far as Riverview?—No.

555. Did you do that corner block of 75?—No.

556. Did you do this piece of 75, near Lake Hochstetter?—No. I cannot say unless I get the names.

557. What part of 74 and 75 were you over?—I remember being on the greater portion of the two blocks.

558. You did not go up to Nelson Creek?—Yes.

559. Then, where were you at Nelson Creek?—In a few of the gullies on the north side—Gow's Creek and Claughesy's Creek.

560. Then, you have just been over the worked portions?—Yes.

[Exhibit No. 92 referred to.]

561. Blocks 70, 69, and 71: what portions of these three blocks were you over?

562. Hon. E. BLAKE.] Do you remember Orwell Creek?—Yes.

563. *Mr. Jones.*] It runs in the southern part of this, near Ahaura?—I have been in Orwell Creek. We have been there, but did not do any work. We merely passed through. We crossed over to Mackley's, and over Napoleon Hill into the Waipuna and Mackley's. We passed through Orwell Creek and over the range.

564. You went down to Brandy Jack's, and from Brandy Jack's to Mackley's?—Yes. We went along the Grey Valley Road.

565. Hon. E. BLAKE.] You say "we." Who went with you?—Kane, Wisdom, and Dowling—four of us.

566. Then, did they leave you?—No. We all proceeded from there to inspect the block Mackley's way.

567. It seems that you did not make a very efficient inspection?—We went there a second time.

568. *Mr. Jones.*] You say you do not know any part of this except the country you have indicated?—My sight is bad, and I am confused, and really I cannot answer as I should do. It is only within the last three months that my sight has been bad, after I got influenza, and I am a little nervous.

Hon. E. BLAKE: There is nothing to get nervous about. Take your time.

569. *Mr. Jones.*] Do you recollect the Snowy River, in Blocks 65 and 66?—Yes, I do.

570. And Mossy Creek?—Yes.

571. Where were you over that block?—I have been all over that block.

572. Do you agree with the hatching of Block 65 and 66?—I do. I was all over Block 65.

573. And 66: do you agree with that? Brown's Creek is at the bottom there?—Yes; I cut a track five miles through.

574. What do you say about it?—I agree with what is hatched there.

575. Did you go up to Adickson's sawmill, on the Orwell Creek track?—Not quite so far.

576. You have never been in that portion?—Not officially.

577. Can you recollect going through the other portions of 70 and 69, to the west of Orwell Creek Township?—I remember passing when we went to Orwell Creek and over the range, inspecting Brandy Jack's on our way. The last inspection was to see the quantity of miners there, and that kept us in the workings.

578. Did you inspect Langdon's block?—No; only on going on our way up to Moonlight.

579. Did you inspect the Big River Block?—Slatey, yes; a portion of it. [Number 5.]

[Exhibit No. 89.]

580. Did you inspect that block?—Down the Big River? Yes.

581. Do you agree with the hatching?—Yes.

582. *Mr. Jones.*] Now, this is Ten Mile Creek [No. 8]: do you know that?—We did not inspect that.

583. You also say that of 93—that you know nothing of it. Baker's Creek: your inspection began there?—Yes; that is right.

584. You see that strip of hatched country down there?—Yes.

585. That flat lying eastward of the high terraces, on which the gold-workings were. That piece of blue represents the gold-workings, and that is hatched country; outside again is more to the eastward on the gold-workings, and then there is a little reserve all down the sea-beach for people who live there and are beachcombing: do you understand that?—Yes.

586. That is Baker's Creek, and that Ford's Creek, and both are reserved. Do you think that country is rightly hatched?—That is the margin from this line of the gold country.

587. *Mr. Jones.*] 70 chains. It appears to be close to the end, and runs at the top from 90 to 70?—That is Razorback. That is ample. I agree with the hatching.

588. I think you are one of the parties who put down some prospecting?—Yes.

589. How many prospects?—Eleven on the lower place and two near Davis's, and five shafts, North Canoe Creek.

590. Hon. E. Blake.] That is given by one witness specifically, and I do not think there will be any one to contradict it.

591. *Mr. Jones.*] Very well. That is all you know of these three parts; you covered all these?—Yes; I went over them and through them.

[Exhibit 95.]

592. Now, as to Brighton: that is Fox's River coming down here, and you went to White Horse Creek?—Yes; we have been up there.

593. You went up White Horse Creek, or Six Mile Creek. Do you think that is rightly hatched?—Yes; I do. I understand it well—that portion. It is confined to the sea-coast.

594. Now we come to this block in Westland, 90—that is, 2B—that is what you would understand as Chesterfield, or the Westland Sawmill Block: either of these names. What do you say to that block? Should it be reserved or not?—No; that should not be reserved. We looked upon that as improperly reserved. We were inclined to allow 5 chains along that bridle-track.

595. You have been misunderstanding me. Should it have been reserved for gold-mining purposes, or should it not?—No. We found certain shafts abandoned in all the creeks we tried.

Hon. E. Blake: You said you and your companions were inclined to allow 3 chains on the bridle track. If it is not hatched you had better confirm that statement.

598. *Mr. Jones.*] You would allow 3 chains along Chesterfield Track; is that what you mean?—Yes.

Mr. Jones: It is in from the Waimea to the Lamplough.

600. *Mr. Gully:* The witness did not suggest that.

601. *Mr. Jones.*] No; two others did. I do not think you went beyond Chesterfield Track going along the Kumara Road; you did not go through Block A at all?—No.

602. Then, come to the Kumara Block: do you know it?—From the bridge leading to the Teremakau?

603. No, from Kumara. You know the railway?—We have inspected all that block.

604. Is it rightly hatched?—That portion is taken off.

Mr. Jones: There is nothing taken off, it is all hatched.

605. Hon. E. Blake.] Then it is not taken off?—I am under the impression there should be 6 chains along the banks of the Teremakau River as far as up to Block 6 up to the settlement track.

606. *Mr. Jones.*] You cannot go further up to the end of 6. The eastern end, you would take 5 chains along the bed in from the river from the terrace. What do you say about the rest of the block?—We inspected that block, and could find indications of old workings, but no recent workings. To the best of my belief, no. We inspected it thoroughly.

607. What do you say?—With the exception of that 5 chains I think it should not be reserved.

608. *Mr. Jones:* Now come to Block 1. That is still up the river. There is the Teremakau, and up to here you have Dillman's, &c. I have described it to you. Will you give me your opinion of it?

609. Hon. E. Blake.] First of all, did you go over it?—Yes, I went over that.

610. *Mr. Jones.*] What is your opinion of it?—Well, there is a portion of that block that I suppose I would be inclined to hatch off.

611. What portion would you take off? Do you mean towards Harris's house—is that the piece you mean?

612. Hon. E. Blake.] Try and describe it by your knowledge of the country so that we can identify it?—The eastern portion crossing Holmes's water-race that would be.

613. Could you give any idea of the margin that you reserved?—No, I could not.

614. *Mr. Jones.*] We can estimate it. How far along from the boundary of the road would you draw your line—where would it intersect? We are running along the river right through. Where would it cross the road—how far from here to the line across?—I cannot say with certainty.

615. There should be a piece reserved there?—I cannot say how much.

616. Now we come to Block 5: what do you say to that?—I really cannot give an opinion upon that.

Mr. Gully: The whole system, where a series of witnesses——

Hon. E. Blake: I think it is a misfortune under the circumstances; it renders his evidence not of very great value. He said just now he could not give an opinion.

617. *Mr. Jones.*] You have been over it?—I have.

618. *Mr. Gully.*] You have had no experience as a miner at all?—Not much.

619. In fact, your occupation is that of a gardener?—Of late years.

620. And before that, what were you?—About thirty-one years ago I was on the goldfields, south of Grey.

621. That is the only experience you have had of actual *bonâ fide* mining?—I was a short time there. I had a store afterwards.

622. How long did you work at mining thirty-one years ago?—I think, about two months.

623. How long have you been a gardener?—Somewhere about eight or nine years.

624. Did you really exercise any independent opinion in making your observations, or did you go by the general voice of your companions?—No one would lead me. I must go according to my own judgment.

625. Well, I do not mean anything offensive by the word "lead." Would you not take the opinion of a man better competent to judge than yourself if he differed from your opinion?—I looked upon my own judgment as equal to the others regarding the timber or the land. And though I have had little or no experience in digging, yet I have been on the field for a long time store-keeping, and on the survey for many years.

626. Then you rely on your qualifications as an expert—on your experience as a storekeeper?—Not as a storekeeper.

627. And as a surveyor's assistant—a chainman, I suppose you were—not a qualified assistant?—Not a qualified assistant.

628. On what ground do you give your opinion that there should be a reserve made along this track in Block 2B?—

Mr. Gully: In Block 2B the track is hatched over, but you give as your opinion—as some other witnesses have done—that there ought to be a reservation along that track.

Hon. E. Blake: The Chesterfield track, Lamplough lead.

629. *Mr. Gully.*] Give your own reasons?—Along tracks, creeks, or rivers we are always inclined to have a little margin. The principal reason was that two Chinamen were working close by that track.

630. Whereabouts were they working?—Close to the edge of the reservation.

631. How long was the track you proposed to assist by reservation?—I should think, about one mile, but I do not know exactly.

632. Did I understand you to say just now that, according to your professional opinion, you treat tracks the same as river-courses, and that you generally make a reserve along tracks as well as river-courses?—That is only my opinion.

633. As a matter of ordinary practice, would you advise a reservation along every track?—Along a bridle-track.

634. Along every bridle-track, and for gold-mining purposes?—Yes; for roads in the future.

635. You really suggest that you recommend a reservation along that bridle-track with the view of there being a road in the future?—Yes.

636. Then, you expect very considerable gold-mining operations on that block. In your journey, how many miles do you think you got over at the longest?—We have travelled as much as twenty and twenty-five miles in a day.

637. Sometimes less, I presume?—In the bush you could not travel a quarter of that.

638. Would that be a fair estimate of what you travelled in the bush?—There are portions where we did not do two miles, perhaps, or four miles in a day.

639. It would depend on the roughness of the country?—Yes.

640. Do you really suggest that your party effectually prospected the whole of these hatched portions of the blocks you went over?—We looked upon the work as done correctly.

641. Will you adopt my language or not? Did you consider that the prospecting work was thoroughly done or not?—Yes.

642. You say it was?—Yes.

643. Not scamped?—Not scamped.

644. In your professional opinion—not as a gardener—do you really suggest that it is possible to efficiently prospect country in the way in which you describe?—I reckon we did it correctly as far as we went.

645. Did you take any special tools with you?—Pick and shovel.

646. And tin dish?—Yes.

647. Is that all?—Bill-hooks.

648. I mean for prospecting?—Yes.

649. Do you happen to know from your mining experience what is the prospecting area granted under the mining regulations?—No.

650. The prospecting area granted under the mining regulations for a party not exceeding three months, and to be worked continuously by two men, is 600yds. by 400yds. Do you say that is too small an area to enable two men to effectually prospect?—I could not give an opinion upon that.

651. You have given one already. If you do not know, say so; do you say from your own experience on the goldfields—do you say it is a reasonable or unreasonable area to be prescribed by the regulations?—I had better not answer that question, because I do not quite catch it.

652. You understand the area I mentioned?—Yes.

653. You understand that it is a condition that two men at least should be continuously engaged on that area?—Yes.

654. And that it is for three months?—Yes.

655. Do you say that is a reasonable area, or that they ought to have more?—I should think that is reasonable.

656. And yet you could prospect at the rate of anything from four to twenty-five miles a day?—Creeks.

657. Oh! just what I thought—only creeks?—Of course, we tried old workings; but the creeks were the principal prospects we tried.

658. You reckoned they were the only thing worth trying?—I did not. If we found indications in the creeks we would have tried the banks, but we found no indications.

659. You did not prospect anywhere really except in the creeks?—Yes; some old workings.

660. I mean away from the water. How could you travel away from the water with your apparatus?—You could not travel on the West Coast far without getting to water.

661. Did you prospect any distance at all from water?—No.

662. You did not?—No.

663. You could not, because you had no apparatus for carrying water; you had only pick, shovel, and tin dish?—Yes.

664. Therefore it comes to this: You conducted your prospecting practically near the beds of creeks?—And old workings and gullies were tried.

665. Were the old workings as a rule in the beds of creeks?—No.

666. Some of them were elsewhere?—Yes.

667. At a distance?—Yes.

668. You did not try any other places at a distance excepting old workings at a distance from the beds of creeks?—Not that I can remember.

ALONZ WISDOM sworn and examined.

669. *Mr. Jones.*] How long is it since you first went mining?—About twenty-five years ago.

670. Where were you mining then?—On the North Beach, Port Elizabeth.

671. Were you not mining in Nova Scotia?—Yes; about 1860 or 1869.

672. And from there you came to the Coast?—Yes.

673. And you were mining on the North Beach about twenty-five years ago?—Yes.

674. I think you are a carpenter by trade?—Yes.

675. And lately you have been following your occupation as a carpenter?—Yes. I have been mining sometimes, and carpentering sometimes, according to what I thought best. When there was nothing doing in my trade I followed mining.

676. You were one of the party called Dowling's party?—Yes.

677. Subsequently you joined Fenton and his party?—Yes; we did latterly.

678. Have you seen these plans before?—I have seen plans like them.

679. We will come to Section 81, map 1 [Exhibit 91]: do you know what these hatchings represent?—Yes; they represent the land marked off not required for mining purposes.

680. Take Block 81?—I have been over it.

681. You agree with the hatching?—Yes.

682. Take Block 80?—I agree with that, too.

683. You have been all over that block?—Yes.

684. Take 79?—The two lower pieces—the south-east and south-west portions—have been properly hatched. I have been over it.

685. Take 77?—I have been over that. The hatching is correct.

686. Go on to 74 and 75. What portions of those were you over?—I have been over that portion of the block between Callaghan's and the Ahaura, but not in the upper part of 75.

687. You have been in 74? Is that rightly hatched?—Yes.

688. What do you say about that little strip on the west of Larkin's race?—That is correct.

689. Have you been at Lake Hochstetter, in Block 75?—Yes. There is one portion I consider should be reserved up Sutherland's Creek.

690. You say a portion of that should be reserved?—Yes.

691. And, with that exception, you think that reserve is properly hatched?—Yes. I have been all through the upper part of it.

692. Now we come to the Ahaura River, Blocks 70, 69, and 71?—We passed through 70, but did not do anything on that block.

693. Did you do anything on Block 69?—We went through that. We passed over that part between Duffer's and Waipuna. We examined it, and there was no gold-workings of any kind there. It is all flat, plain country.

694. You did not go past Orwell Creek at all?—Yes.

695. Go on to 65 and 66: what do you say to this Snowy Creek and Blackwater?—I think that is correct in both blocks. Both have been properly hatched.

696. Were you up the Big River?—We just went up the Slatey and Big Rivers.

697. Do you know anything about it?—Most of the workings up there have been deserted.

698. We come now to 94 [Exhibit 98]. We commence at Baker's Creek—94, 95, and 97; what do you say about these?—I have been all through these blocks. The hatching is correct.

699. And you agree with the way it is marked off?—Yes.

700. Now, take Block 6 on Plan 9 [Exhibit 95]. What do you say to that?—I have been over Block 6.

701. Is that hatching correct?—Yes.

702. We will now take Block 2B, Chesterfield Block [Exhibit 90]. What do you think of it?—I think there should be a little ground reserved on the western side of the track, between Blocks 2A and 2B, at the Lamplough.

703. What width of reserve would you make?—5 or 6 chains.

704. In other respects, do you agree with the hatchings?—Yes.

705. Then we come to Block 6, Kumara?—I have not been over the lower portion of that block facing the sea, from where the line of railway runs through it.

706. You can only speak of the land east of the railway-line?—Yes. I think there should be a few chains reserved along the banks of the Teremakau—about 10 chains. The rest of it is correct.

707. Now we come to Block 1—from there up to where Dillman's and Larrikins diggings are: what do you think of that?—I think there should be a reserve along the bank of the Teremakau as far as the track leading down to the settlement—say, about 10 chains. I am satisfied with the rest of the hatchings.

708. With the whole of it except Larrikins?—Yes.

709. What do you think of Block 5 of the other side of the river?—I think the low portion near the Teremakau should be all reserved.

710. Then, you differ from the hatching of about two miles and a half from the north-west corner of that block in a straight line at right angles to the southern boundary of the block, which you think should be reserved for gold-mining purposes?—Yes.

711. The other portion is rightly hatched?—Yes.

712. Were you through the No. 9 Block?—No.

713. *Dr. Findlay.*] Can you give me an idea of how many miles you travelled in making these prospects?—I could not tell.

714. Can you not give me a rough estimate?—I have it in my notes at home, but I could not say from memory.

715. Cannot you tell me roughly: did you travel over 200 miles?—I suppose, about 500 miles.

716. How many days were you employed?—I could not say correctly, but about 110 days.

717. An average of about five miles a day?—Yes; some days more.

718. Some days you would do a great deal more, and some days perhaps you would not do more than a mile?—Yes, and some days over twenty miles.

719. You were employed by the company, of course?—Yes.

720. What pay did they give you?—£1 a day.

721. What have you done for the last twenty years?—I have been working at my trade—carpentering; and, off and on, at mining.

722. How much out of that twenty years have you been actually mining?—I could not say.

723. Have you been mining a year?—I suppose about five years out of that twenty years—that is, during the last twenty-five years.

724. But for the last twenty years you have been chiefly carpentering?—I have been mining off and on all through that time.

725. Now, on much of this ground there is a thick undergrowth, I believe?—Yes; it is bush land.

726. But there is a thick undergrowth to get through which is impenetrable sometimes, so that it would take you several hours to get through half a mile of it in some cases where the undergrowth is very thick?—Where it was thick we cut our way through with billhooks.

727. You would make a track of your own, as a rule?—Where it was convenient to do so.

728. Then, you would go off in certain ways, and would have to cut your way through this undergrowth often, I suppose?—Yes.

729. And yet you did an average of five miles a day?—In some places.

730. What did you take with you for mining purposes?—We had a pick, a dish, and a shovel.

731. Did you stop to prospect as you went through, where you were going through tracks?—Not in all cases.

732. You only prospected near where there was water?—In creeks.

733. Then, your prospecting was chiefly confined to creeks?—Yes.

734. You repeatedly said, in answer to Mr. Jones, that you examined and found no workings of any kind; you were guided as to the places where you would prospect by seeing workings, and if there were no workings apparent you would not wait to prospect?—We did prospect in some places where there were no workings.

735. And the main rule you worked on was that if you saw no workings of any kind you inferred that there was no gold to be got there?—I could not say that there was no gold to be got there. The way I formed my opinion about the ground was whether there had been prospecting before and deserted.

736. You said, in answer to Mr. Jones, that you examined and found no workings in some places. I want to know whether you did not stop to prospect where you saw no workings?—Yes; I prospected where we saw no workings. As a rule, we did not do much prospecting. We were not sent out to prospect, excepting in some cases.

737. Then, you were not sent out to prospect?—We had the opportunity to prospect if we liked.

738. And if you did not like you need not?—Certainly not.

739. I suppose you did not do much prospecting?—Not a great deal.

740. To do those journeys you had not the time to stop prospecting?—Not to carry on what I would call proper prospecting.

WILLIAM FRASER sworn and examined.

741. *Mr. Jones.*] I think you made an examination of some of the blocks on these reserves?—Yes.

742. What one?—88 and 89 [Exhibit No. 99].

743. How long have you been digging?—I was digging two or three years.

744. I think you were sent out principally to find out the exact number of dams, head-races, and water-rights?—Yes.

745. Have you got a return of all those dams and water-races that you found on Blocks 88 and 89?—I made up a report of the whole lot of dams and water-rights.

746. I suppose you have not got the report here?—I have got my diary.
Hon. E. Blake: There is no use saying anything about Block 88, as you admit the whole of it.
747. *Mr. Jones.*] Did you examine 89 carefully?—Yes.
748. You see this hatched part?—Yes.
749. Do you know the meaning of the hatching?—Yes.
750. Do you agree with it?—Certainly.
751. Is any required?—No.
752. Do you know anything about any other part of the goldfields in the Grey Valley?—Yes; parts of it. I have been in the Grey Valley for the last twenty years.
753. Do you know of any new rushes within the last ten years in the Grey Valley?—No.
Mr. Jones: I want to put in the list of the dams and water-races and special claims taken up on these blocks, but I have not a spare list.
Hon. E. Blake: Have you gone over it in the print, Mr. Fraser?—Since the book has been published I have had a general run over it.
Mr. Jones: Perhaps it would be better for the witness to examine the printed list outside, and be recalled afterwards for further examination.
Hon. E. Blake: The witness had better go over it with his notes first, so as to enable him to speak on it.
[Mr. Cooper put in a statement of principles on which damages are claimed in respect of mining reserves.]
The Court rose at 4.30 p.m.

Thursday, 5th December, 1895.

The Court sat at 10 a.m.

Frank Bird sworn and examined.

[Exhibit.98. Map 8.]
1. *Mr Jones.*] Your name is Frank Bird?—Yes.
2. At the present time you are mining agent and commission agent, residing in Westport?—Yes.
3. How long have you been on the Coast, Mr. Bird?—For twenty-nine years.
4. Formerly, for a long while, you lived in the southern portion of the diggings, I think?—Yes, for sixteen years.
5. Then, after that, you received a Government appointment, did you not?—Yes.
5a. What as?—Warden on the goldfields.
6. And Resident Magistrate?—Yes.
7. Stationed at what place?—Okarito, Hokitika, Greymouth, and Westport.
8. As Warden, your duties would enable you to form and to gather a very fair knowledge of the different portions of land that you had to administer?—Yes.
8a. Do you know what we call Westport Blocks; you have seen the maps, and know them?—Yes.
9. That is extending from 92 and 93, part of the Ten-mile Creek?—No, I know nothing of that. I do not know much of that between Fox's and Barrytown.
10. Do you know from Brighton?—Yes.
Mr. Jones: Very well, I will take you on to Map 9, Block 6.
10a. Hon. E. Blake: Nos. 5 and 6: Do you understand that map?—Yes. I know that well.
11. *Mr. Jones.*] You are well acquainted with the land in these two Proclamations?—Yes.
12. You see this part hatched?—Yes.
13. That represents the piece of land which the Midland Railway contend should not have been reserved for gold-mining purposes, or purposes incidental thereto; that which remains in white represents the piece of land which it says is correctly reserved. Look at the map carefully, and say whether you agree with that marking-off?—I quite agree with that; only south of Brighton, there are three or four men working as beach-combers on the beach, that is the only portion which is hatched.
14. It is below the junction with Brighton?—Yes.
15. By Seal Island?—There are four men working there.
16. You think there should be a little reserve made there?—Well, they are really beach-combers.
17. There might be a residence area reserved?—There might be a few chains reserved.
18. In other respects you agree with the marking?—Yes.
19. Are you aware of any dams, water-rights, privileges, &c., in that block in the hatched part?—There is one there; I think the Four-mile water-race takes its rise within that boundary, the Argyle. I think the Four-mile rises about three-quarters of a mile from the western boundary of the hatched portion.
19a. That is what you mean?—Yes.
20. How many years is it since you went down there as Warden?—To Charleston?
21. Yes?—Eleven years next January.
22. Has the population in that district fallen off materially during that period, or has it increased?—Fallen off greatly.
23. Were you consulted by the Government in any way as to these reservations being marked off for gold-mining purposes? Was your opinion sought?—No.
24. It was just after you left the service?—Yes.
25. Who was your successor?—Mr. Kenny.
26. Was the district unknown to Mr. Kenny entirely when he took office?—Entirely.

Hon. E. BLAKE: Are you going to enter into the question of conflict of evidence as to Kenny's knowledge?

27. *Mr. Jones.*] No. (*To witness*): Would there be any difficulty in marking off those two reserves in any way—those marked off in the plan. Would the Government have any difficulty without making an accurate survey?—I should think not as to the quantity.

28. It is not as to the quantity; but would it have been necessary for the Government to have made an accurate survey in order to mark it off?—I should say, certainly not. A glance would almost show it to any surveyor who knew the district.

[Map 10, Exhibit 96.]

29. *Mr. Jones.*] We will take 2 and 3 and 4 together, Mr. Bird. Just look at that map and see what you think of it, and say whether it is rightly hatched or not. If any portion should not be hatched, say so; and if any portion should be hatched, also say so?—Block 4: I think this portion between Barrytown and the flat, the portion lying between that and the Shamrock Lead might have been left out.

30. Should have been reserved?—Yes.

31. That is, at the junction of the line there—the white line where it joins on the 4—the north boundary?—You carry the line from No. 3 to the southern boundary of the Block 4.

Hon. E. BLAKE: So that it will construct a rectangle that will include Croninville?

Witness: There is one claim on Virgin Flat which may become workable. It has been taken up several times, and been abandoned. It has been taken up again, but whether it is payable or not I cannot say.

32. *Mr. Jones.*] Do you see any alterations in these three sections that you would like?—I think those portions in 2 and 3 are correct. No mining rights have been applied for or granted, nor have there been indications of gold in those portions hatched.

33. Hon. E. BLAKE.] And that remark would apply to the remaining hatched portions of 4?—Yes.

34. *Mr. Jones.*] Does your remark apply to those three sections—that they could have been marked off without survey by the Government if they had liked?

Hon. E. BLAKE: You see it almost follows, because these gentlemen have all done it without a survey. You are only proving that that is possible which they say they have done.

Witness: My idea was that the reserves ought to be marked from east to west, taking a long strip parallel to the coast.

35. *Mr. Jones.*] The original Proclamation of the reserves, you think, should have been made parallel to the coast, instead of at right angles?—Yes.

36. Do you know how many men are working on those three blocks—roughly speaking?—Eighty-one men, and that includes the ten working at Croninville.

37. You see that blue triangular piece that runs into Block 3: that is the Buller Coalfield Reserve, is it not?—Yes.

38. I suppose you have included the men working there in the number you have given?—No; they are outside. There are thirty-three men working on that corner.

39. The lead runs across there, does it not?—Yes; that is the principal part of the goldfield.

40. That triangular block of land running into Reserve 3 is the principal part of Addison's Flat goldfield?—It is as good as any other part, according to the acreage. There are thirty-three men working there, as against eighty-one on all the other blocks.

41. Has the population decreased or increased on those blocks since you have known them?—It may have fluctuated a little—sometimes four or five less or more.

42. About the same for the last twelve years?—It may be rather more now, because there are eighteen men working on the Shamrock Lead and the New Venture.

43. Are there any water-races on any of those blocks which are not shown?—Nothing of any importance.

44. What about the Shannon Water-race?—Yes; that is marked.

45. Are there any dams which should have been marked on any portion of the hatched part?—There are several dams not marked. They are very small, and it would be rather difficult to put them on.

46. Are there any in the hatched portion?—Not one, except on that portion I mentioned—Virgin Flat—there is one small dam.

47. Is it occupied now, or owned by anybody?

48. Hon. E. BLAKE.] No matter; it is in the part he thinks ought to be reserved?—There is one dam there.

49. *Mr. Jones.*] This Shamrock lead, Fair Maid, New Venture, &c., are worked, I think, with a tunnel tail-race, most of them?—Yes.

50. Where do the tunnel tail-races which are used for working the Addison's Flat claims discharge?—Some into Mountain Creek and the O'Cary River.

51. Do they discharge within the area which you say is rightly reserved?—Yes.

52. Are there any tailings-sites, or anything of that sort, within the hatched portions?—None.

53. Go to Block 1, east of the Buller: what do you say to that block?—I could never find out any reason why it should have been reserved for mining. There never has been any mining there. No application was ever made in my time. I have examined the books, and cannot find any registration since the early days.

54. Is there any tunnel race coming in through that block?—A prospecting tunnel has been driven lately.

55. How far has that tunnel been driven?—2,100ft. up to last week.

56. *Mr. Gully.*] Do you say it is on the block?—Yes, it is within the block, but I think they have no right to it; they have never applied to the Warden.

57. *Mr. Jones.*] Do you know if they have found any gold in that tunnel of your own knowledge?—Not of my own knowledge, but the contractors who were working there told me they had not. I may mention that some little time back one water-race was applied for just on the edge of Section 16—near Deadman's Creek. That is private property. The water-race takes its rise in Deadman's Creek.

58. You were Warden, I think, for the Grey Valley District for some time?—Yes; five or six years.

59. How long is it since you have been over any of that country—the Grey Valley?—It is six years since I was there.

[Exhibit No. 91.]

60. *Mr. Jones.*] We will take it all, from the River Arnold, up the River Ahaura—Blocks 74 to 81: go carefully through the whole of that?—I have not been through these blocks to see the exact nature of the country.

61. I ask you to speak from your knowledge as a Warden?

62. Hon. E. Blake.] You say you have not been through them?—I have not traversed them. What I remember, from the number of miners who have been in these localities, I should say there is a great amount reserved that is not required.

63. *Mr. Jones.*] If you cannot give me any details I will not trouble you. There are just one or two general questions that I wish to ask. You also were Warden at Murchison, Upper Buller?—Yes, for five years.

64. During the time you were Warden there, were there any applications made for mining rights or privileges in the Maruia District [Exhibit 89, Maruia District]?—I do not think there were any miners' privileges applied for.

65. Hon. E. Blake.] What five years were you there?—From 1885 to 1890.

66. And during that time there were no applications in these blocks—from 25 to 28?—I do not believe there were ever any rights applied for there.

67. *Mr. Jones.*] Is it a long time since you were up there?—I was up there about three years ago—right up the Maruia.

68. Was there any material alteration in the number of miners working there then and when you were Warden?—I did not see the sign of a miner when I was there; I did not see any workings wherever I went up the river.

69. Have you been up Doughboy lately?—No.

70. Have you ever been up Doughboy?—No, never. I know there were rights granted up there.

71. I want to ask you a few general questions about the mining registration. Do the mining registers show at all an accurate return of the properties held by miners in the several districts?—No.

72. Would they be in excess or under the number of rights held?—In excess.

73. Will you explain to me why?—Many rights are applied for, and perhaps the works are constructed and then abandoned, and, without being cancelled on the books, some other party applies and takes them up. Therefore that right will appear for the second time on the book.

74. And that might occur more than twice, might it not?—Oh, yes.

75. How is the right cancelled under the Mining Act?—The miner takes the right to the Warden and asks to get it cancelled, or it is cancelled on complaint.

76. Hon. E. Blake.] You do not make it a rule to cancel one right on the books before you grant another right?—There is no description of area. Often a water-race is applied for. The man names a very small creek himself, and calls it some name, and the next man may call it a different name, not knowing there is any registration in existence.

77. *Mr. Jones.*] But as a matter of law you would say a right granted over a subsisting right would be void if it could be proved to be the same race?—Yes.

78. But the books would show a greater number of races and dams than are really in occupation?—Yes.

79. And that would apply generally to all mining rights and privileges, would it not?—Yes; except licensed holdings that had been surveyed.

80. We will say a man has a registered extended claim. When he has worked out that ground is there anything compulsory on him to surrender his title and leave the land Crown land again?—He is supposed to, but very seldom does.

81. Did you ever know a man, in your experience of five years, to surrender his rights unless he wished in some way to take up new ones?—In a few instances, to avoid the collector.

82. Now, as a general rule, with reference to water-races, are these races confined pretty well—with some exceptions, of course—to the banks of the creeks they are used for, or do they run across country? Do they generally take the courses of the creeks?—They often do. At other times they cross country.

83. Do you know of any races crossing country for any great distance?—No; not in any of the blocks I have gone through.

84. Can you tell me how many races in Block 1 are crossing the country?—No; generally they follow the course of the creek.

85. Do you know Larkin's race?—Yes.

86. That crosses the country, does it not?—(No answer).

87. Do you recollect the Government race?—Yes; I remember the Government race, but I cannot say I remember how it runs.

88. Do you know anything about the Westland reserve down south of Grey, Ross way, Waimea, and all those districts?—I was Warden there a number of years, before I came to Westport.

89. Does your knowledge as Warden go sufficiently far to have an accurate knowledge of the ground?—No.

90. Do you know anything about that block at Cedar Creek?—Yes.

90A. How long is it since you were there?—I have not been there since 1884.

91. *Mr. Gully.*] When did you leave the Government service, Mr. Bird?—In May or June, 1890.

92. Did you know after that the proposal which the Government were making as to reservations?—I suppose I heard through the Press.

93. Did you take an unfavourable view then of the Government proposals, or did you know enough about it to take any view at all?—I was not asked for any opinion. I did not take any great interest in it at the time.

94. You are unfavourable, as a matter of fact, to the Government?—No, I am not.

95. You parted from them not on the best of terms?—Not on the best of terms.

96. Or, rather, they parted with you?—Yes.

96A. However, you say you formed no particular impression about the matter at that time?—Yes.

97. We will leave out all this evidence about miners' rights, and I want you to confine yourself to your personal knowledge. Now, what personal knowledge had you of the condition of any of these blocks in 1890 and 1891—I mean, by personal knowledge, knowledge derived from your own actual observation?—I have been all over the blocks.

98. I am confining you to the years 1890 and 1891?—I knew the blocks then, I suppose, as well as I do now.

99. Were you in any of those blocks in the years 1890 and 1891?—Yes; upon all of them in the Westport district at different times. I have not been further south.

100. Had you anything to do with any of the prospecting operations on these blocks?—No; I was never a miner.

101. What are you?—I am a mining advocate, and I know every claim in the district.

102. Then, you gathered your views more from a general observation when travelling about on these blocks in the course of your business. Is that a fair way of putting it?—Yes.

103. Have you yourself made any test as to whether any portions of these blocks were likely to be auriferous?—No.

104. You gathered your information, then, entirely from the existing position of things, as you say it?—Yes, and the appearance of the country.

105. As to the other blocks, you say you were not on any of them at all during those days?—No, except once up in the Maruia in 1892.

106. Were you going up the Maruia upon business connected with mining?—No, not at that time.

107. Have you made any special inspection of any of those blocks for the purpose of giving evidence in this case?—I have been all round: Yes.

108. When were you first employed for that purpose by the company?—I think it was in April last.

109. May I ask how you were remunerated, and in what way?—I was allowed a certain amount per day.

110. All the time or only while actually at work on the company's business?—Only while at work.

111. What rate were you getting per day?—Three guineas.

112. Hon. E. BLAKE.] Was that including your expenses?—Yes; I had to find my own horse, and so on.

113. *Mr. Gully.*] It was three guineas a day gross?—Yes.

114. I suppose on a good many of these reserves neither a horse nor a mule would be of much assistance to you?—It is pretty rough.

115. Do you say that you only went over those portions of the reserves that you could travel on horseback?—I had to take my horse to Charleston, Brighton, and such places, but I would have to go on foot on some portions.

116. Is there any arrangement that you are to get any further remuneration when the proceedings are over, or is there any suggestion to that effect?—No.

117. How long were you engaged in making this investigation of yours?—About twelve days altogether.

118. What blocks did you visit in that long space of time?—I visited them all.

119. Hon. E. BLAKE.] That is, all the blocks of which you gave an account?—Yes.

120. *Mr. Gully.*] I want to ask you this—and I have no doubt you will answer it with a due sense of responsibility—do you suggest it is possible to make anything like an efficient examination of these blocks in twelve days?—I think so, after the knowledge I have had of the district for so many years, having previously visited every nook and corner.

121. Did your knowledge of the district generally enable you to say whether there was gold on the untried portions of the blocks?—Only from the fact that there was no mining done.

122. You think because there was no mining done on the untried portions of the blocks that, *ipso facto*, showed they were not auriferous?—Partly so, and by the lay of the country.

123. How many miles do you suppose you travelled during those twelve days in going to and fro over those blocks?—I am sure I cannot say.

124. You cannot surely say you made an efficient examination during that period?—Only with the knowledge I had before.

WILLIAM SPLAINE sworn and examined.

125. *Mr. Jones.*] What are you?—I am a gold-miner.

126. How long have you followed that occupation?—Off and on for the last thirty-one years.

127. And in what district particularly?—In the Grey district.

128. I think you, in company with Mr. Fraser, made an examination of certain blocks?—Yes.

129. We will take first Block 89?—These are the notes I have made in this book. It is not exactly the field-book, but the notes have been taken from the notes we made as we went along. They have been written up every night while they were fresh in our memory.

130. You are conversant with this Block 89, and you know what this hatching means?—Yes.

131. Will you tell me whether you agree with it?—I quite agree with it, and the reasons are these: that in all this locality about Slatey Creek, Baxter's Creek, and Black Sand Creek, right down to Johnston's Creek, there is no one working. There have been some hundreds of pounds expended upon dams and races, and the whole place is now deserted; there is no one there at all now, and the conclusion we came to was, that if men had commenced digging, cutting races, built dams, and made homes for themselves, it would not be at all likely that they would leave the district if there was gold in it. We therefore came to the conclusion that there was no gold in this locality, and we considered it was very suitable for agricultural and grazing purposes. That is our reason for hatching out these portions.

132. Now, as a practical miner, Mr. Splaine, after having taken that as a sample of the country, if you had a claim there, do you think it would be necessary for you to put down more shafts or dams or water-races in the same locality?—No; I do not think so, from the simple fact that these men having already done that and abandoned it, showed that there could not be payable ground there. The races run parallel within the creeks, and then there are little branch races into the different workings.

133. And you say that ground is not required for *bonâ fide* mining?—That is the conclusion I came to, and for the very simple reason that everything is abandoned—homes, outhouses, and everything. Even the Chinamen's huts are all burned down, and I do not think there can be any gold left if the Chinamen have left the place.

134. Hon. E. Blake.] Do you say there is no one working on the hatchings?—No one. There is a man living there named Lewis Simpson, but he was working for Johnson, and working out a bad debt. He is working on the farm.

135. He is not working at mining?—No.

136. *Mr. Jones.*] We will pass on to Block 89. Do you agree with the hatchings?—There are a lot of workings at Johnson's Creek, going from the east. The men are working on the west boundary of section 6, but Johnson's Creek on this map is shown as going too much to the east. It is more to the westward.

137. Hon. E. Blake.] That is, in the hatched part?—The hatched part here comes on to it [indicating on map].

138. *Mr Jones.*] You say Johnson's Creek should not be shown on the hatched part?—No, for the very simple fact that it is about 65 chains from this road to the creek-crossing, and it is about 30 chains from the creek-crossing to Charley Larson's claim.

139. Hon. E. Blake.] Do I understand that Johnston's Creek is shown here out of place on the reserve?—No.

140. You want us to assume that the reserve did not cover Johnston's Creek?—Johnston's Creek is intended to be included in the resorve.

141. *Mr. Jones.*] It really runs through the south of the corner of the part reserved?—Yes.

142. And there are a few men working there?—Yes; and there is one race and two dams abandoned.

143. Do you know anything about Sections 86 and 87?—Yes.

144. What have you to say about them?—There is no gold got at what they call Langdon's Claim—not sufficient to warrant their putting a plant on it. It is now called Julian's Claim. I happened unfortunately to be a shareholder in that claim, and dropped more money than I care for. There is a trig. station on this track.

145. You say that very nearly in the centre of this block, running north and south, there is a trig. station?—The lower trig. West of that, towards the Brunnerton side of the country and the coal country, we have never got any gold. We have got nothing out of the Antimony Claim. We have got antimony there. On Boese's Bonanza there was a battery erected; but the whole thing collapsed, and went "bung."

146. To the west, you say, is coal formation?—Yes.

147. What is there to the north?—I have never gone along to the northward; but when you come to the head of Blackball there is gold in the creek—in the Big Creek. There has been a little gold got, but not in payable quantities.

148. Do you agree with the hatchings?—Yes. It is all in the coal country.

149. You see a piece hatched here of 403 acres [indicating on map]. What about that?—I will not say anything much about this place indicated on map. I have prospected there, but did not get anything to pay me.

150. Hon. E. Blake.] You cannot say anything about the 300 acres or the 400 acres there?—No. I have been there, but never got gold sufficient to warrant me in saying anything about it.

151. We will go now to the Cobden district [Exhibit No. 97]. Do you know anything about Block 85?—Yes. I have been over this ground, and know a little about it. Our reason for hatching this portion is because the beach extends away out from the road-line—outside of this plan of the workings indicated on the map. It is a sort of beachcombing country. There are a few claims inside of the road-line at Ben Hurst's. While we were there he washed up a paddock, and I think he is very sorry, as I was told by one of the men helping him to clean up that he did not get anything. The reason we hatched that piece was because we considered that 10 chains from this line would include all the country that was really worth looking at for gold. The place has been prospected, but the whole of the works have been done on the flat.

151A. Do you agree with the hatchings?—I quite agree with them. We allowed 30 chains here, taking in Spencer's old claim.

151B. That is, the rectangular block into the hatchings?—Yes. Spencer's race comes along here [indicated on map], and that is already protected. We allowed him 30ft. for the race.

152. You have been thirty years in the Grey district?—Going on for thirty-two now.

153. Do you recollect the No Town district, Nelson Creek, O'Callaghan's, Orwell Creek, Half-ounce, Duffer's, Napoleon's, and Waituna?—I cannot say I have been to Waituna; I know about the others.

154. Moonlight?—A little; and Blackball.

155. Do you recollect all those places in the palmy days?—Yes. At that time they were lively places; now they are dead and buried, and the houses are monuments, in a manner.

156. Hon. E. BLAKE.] Are you living there?—I am living in Greymouth.

157. *Mr. Jones.*] The population in those days was very large, was it not?—Very large in the Grey Valley in those days.

158. As a practical miner, you know the unworked portion of the Grey Valley district?—I have a fair knowledge of it; for instance, the Arnold Flat has been prospected several times and nothing got out of it, in fact, the conclusion I have come to is that there is really nothing in the valley to make it payable for gold-mining purposes. In the past the storekeepers have been standing by the men until they have become bankrupt or nearly so, and the whole place is cleared out in a manner. If the capital spent in the mining had been spent in agricultural pursuits the people would have been in a far better position than they are at the present time.

159. I suppose these remarks pretty well apply to the Grey Valley?—Yes; to those portions of it.

160. Do you think it necessary, in order to give an opinion as to the payable nature of the country in the Grey Valley, that you should prospect over every few yards of the country?—Not at all.

161. Why not?—We generally look for gold in leads, and when we get to a lead it generally runs parallel with another, and if we work that and see that there is no gold, what is the use of prospecting it?

162. What do you think of the leads in the Grey Valley?—They have run out, and men have been trying to pick them up again, but have not succeeded.

163. And they have done that for years?—Yes; for years and years.

164. Have you known any new ground outside old workings which has been discovered in the Grey Valley during the last ten or fifteen years?—I really do not know of any except Ahaura Flat, somewhere near Riverview. There has been a bit of a rush there I have heard, and that is the only piece of new ground that I know of.

165. Do you know that part of the country well?—Yes; I know a little about it.

166. In company with Mr. Fraser you made a detailed statement, as accurate as you could, of the dams and water-races, with the owners' names?—As far as we could get them.

167. Yes; in Block 89?—Yes.

168. And portions of Block 88?—Yes.

168A. Have you compared that printed tabulated form with your note-book with Mr. Fraser?—So far as Block 88, yes. There are printers' errors in it. In one place they have 30 chains in place of 30ft.

169. Have you not been through them?—Yes, up to the North Beach, which I have not completed.

[By permission of the Court, it was arranged that this part of the witness's evidence should be postponed, in order to allow errors in the printed form to be corrected and compared.]

170. *Mr. Stringer.*] You have been living in Greymouth, have you not?—Yes.

171. For how long?—Since July, 1865, round and about. My home is in Greymouth.

172. You spoke of being a miner on and off for the last thirty years?—Yes.

173. What have you been doing in the way of mining of recent years?—I have not been mining within about six or seven years.

174. For the last six or seven years you have not done any mining?—No.

175. What has been your occupation during the last few years?—Whatever came in my way. I was open for anything that came along.

176. And the Midland Railway came along, and you were engaged on their behalf?—Well, quite naturally I should work for them if they offered me a situation. If the Government had come along I should have done the same thing. I have no interest in the Midland Railway Company—none whatever.

177. You were put on on the same terms as the others—£1 a day—while engaged working for the company?—Yes.

178. What is the usual current rate of wages in Greymouth?—I really could not tell you the current rate of wages. I work at various things.

179. You are Jack of all trades and master of none?—I am a perfect master of some.

180. Well, what is the current rate of wages for ordinary labouring men employed at mining? I really could not tell you.

181. If I said 8s. a day, would that be fair remuneration?—We have always been trying for 10s. We have carpenters contracting for less, but that is a matter of cut-throat work.

182. You knew, of course, in starting work for the company that they wished to prove that the reservations made by the Crown were all lands which were not auriferous, or likely to be so?—My instructions were only to look after the dams and races. I had nothing to do with the claims.

183. Your instructions were simply and solely to look after water-races and dams?—Yes; and anything we might see. But that was verbal.

184. Your main purpose was to take note of all races and dams, and the other matter you observed was merely incidental?—Incidental; that is to say, in Blocks 88 and 89.

185. Hon. E. BLAKE.] And in the other block?—The instructions for 85 were to look to the dams and water-races, and also to claims.

186. *Mr. Stringer.*] That is, existing claims?—Yes; existing claims.

187. And possibly abandoned claims?—Yes; possibly abandoned. We looked for races and dams, but did not look for claims, because there was no necessity.

188. You were not instructed to make prospects, and did not do so?—No, we had no occasion to do so. We did not prospect anywhere.

189. I understood you to say that in places which had been deserted it was not necessary to make reservations?—Yes.

190. In your experience, have not miners gone back to deserted diggings and worked them?—Oh, yes; it is quite a common thing. On this very ground we have been speaking of men have been there from time to time.

191. And may go again from time to time?—Yes, from time to time to eternity.

192. You think, I suppose, that the mining prospects are so bad there that they ought not to have an opportunity of going back?—I do not think that at all.

193. Then, why should it not be put on the mining reserve?—For the simple fact I have stated—because the ground is worked out.

194. But you have told us that men go back from time to time?—I do not want to prevent them going back. I was instructed by the company to give the miners all the ground they wanted, as all the company wanted was traffic for their line.

195. Why, then, object to these reserves if the men go back to work there?—Simply because these are deserted places, and the money spent on them has been thrown away and the ground thrown up.

196. You think the ground is so bad that the men should not have an opportunity of spending any more time there?—Yes; they would be better off if they did not go there.

197. And that has governed you all through in these places?—No, not at all. It is in a place that has been totally deserted that I think would be better inhabited, no matter who inhabits it.

198. Let me ask you, with reference to Block 85, would you admit that hatching of Spenser's?—Yes.

199. Do you agree with that triangular piece there?—Yes; there has been nothing got, and there is no water to command the place even if it was full of gold.

200. Even if it was full of gold you would consider it was rightly hatched because there is no water to command it?—I would not say anything of the sort. If gold was there I should be as anxious to get it as anybody else.

201. When you found no people on a piece of ground, did you accept that as an intimation that it was not required for mining purposes?—Oh, no.

202. On what principle did you go?—Where nothing has been done on the ground to come to a successful issue. Where work has been done, and nothing has been got. There has really been nothing done on this place to pay.

203. Is it because nothing has been done on a place that you hold it is not required for mining purposes?——

204. Hon. E. Blake.] It has been tried, with negative results; not because it was worked, but because they found nothing to pay?—Yes; that is so.

205. Then, on the other part, do you say here along this part that there have been no trials?—Oh, yes; the London Terrace has been tried.

206. On this ground that is hatched?—No, just on the edge of it.

207. I am asking you about that?—Nothing has been got there to pay.

208. I ask if it has been tried?—Yes; all these gullies and creeks have been tried. Every one all along there.

209. You say this hatched portion has been tried?—It has been tried.

Hon. E. Blake: Would you try to attend to the answer, and not answer something else.

210. *Mr. Stringer.*] Block 85?—In the first of Darkey's Terrace, I think.

211. I mean the hatched part?—No.

212. You have never tried the hatched part yourself?—No.

213. Now, has any person tried it?—No.

214. How do you know?—Have known persons working there.

215. How do you know?—They have told me.

216. Have you seen them working?—No, I have not.

217. You only know from what you have been told?—Yes.

218. You spoke of having lost some money in one of those places?—

Mr. Jones: Langdon's Block.

219. *Mr. Stringer.*] Was that on the hatched portion that you tried?—No.

220. Not on the hatched portion?—No.

Charles Schwerer sworn and examined.

221. *Mr. Jones.*] You are a miner, residing at Addison's Flat, I think?—Yes.

222. How long have you been in the Westport district?—Since 1867.

223. Have you been engaged in mining about that district all the time?—Ever since.

224. You have a pretty accurate knowledge of the country then?—Yes.

224A. Do you know this block [Exhibit No. 96]? I know you are not acquainted with all of it, but generally. You see that block called No. 1, Deadman's Creek?—I have been there frequently.

225. There are the old workings and the tunnel going through, do you know that?—Yes.

226. You say you have been there frequently?—Yes, but not lately, not this last three or four weeks.

227. Never mind that. You have been there frequently up to three or four weeks ago?—Yes.

228. Do you think that block, in the interest of the miners, should be included as required for *bonâ fide* gold-mining purposes and purposes incidental thereto?—I do not.

229. Not the whole of it?—No.

230. And why not?—I do not think there is any gold—not payable.

231. Is any portion of it required?—I do not know how far it goes back to the hill. It is on the hill-side.

232. You will see it marked on the map; here is the railway-line, and the map is drawn to 80 chains (scale) to the inch. Can you judge how far the line is from the hills you are speaking of?—I know the railway-line. I know the place very well. I have been there often.

233. And can you say, in your opinion, there is not any probability of payable gold being found there?—No; the gold has been on the terrace further up.

234. Do you know if that block has been prospected at all?—There have been several shafts sunk. It is very wet.

235. Any other reasons, in your opinion, why that block should not be reserved for gold-mining?—Well, I think it is not required for gold-mining.

236. You have said that?—I do not think there is payable gold.

237. You yourself have never personally inspected it?—No.

238. Do you know the tunnel which is going in there from Deadman's Creek?—Yes.

239. Of your own knowledge, do you know anything about it?—There is a young man driving there that was working for me for twelve months.

240. You have not seen it?—I have seen the shafts and the railway, that is all.

241. We will go to Block No. 2, Addison's Flat way. Here is Bradshaw's, here is Wilson's lead, and the dams, &c.?—I know that block.

242. You know it, do you?—Yes.

242A. *Mr. Jones.*] Is your house situated there (pointing to map)?—

243. Hon. E. BLAKE.] Where?—It is down on the border of 3.

Mr. Jones: You know that block. I will take your opinion about it. Begin on Block 2.

Mr. Gully: I would suggest that it would be better to leave the witness to pick out the places, and not suggest.

Hon. E. BLAKE: The witness occupies a different position from some of the others whose evidence has been taken. Although it is very natural for you to go on in that way, it may be better not.

Mr. Gully: I do not think the witness should be examined by suggesting the answer, which these plans obviously do. It is, of course, a short way to do.

Hon. E. BLAKE: We will see how we get on without it, even if the proceedings are lengthened.

[Mr. Jones having substituted another map,]

Hon. E. BLAKE: What plan is that now?

Mr. Jones: One that Mr. Young proved in the very beginning.

Hon. E. BLAKE: 89—that is one that represents this same block, 2, 3, 4.

[Exhibit No. 89.]

244. Are you acquainted with Block 2?—Yes.

245. Do you think that it is necessary to reserve for mining purposes the area of 10,000 acres as included within those four lines?—I do not think it necessary to reserve anything to the west of Wilson's lead.

246. Have you been through that country?—Frequently, and lately.

247. Has there at any time been any gold-mining on that line to the west of Wilson's lead?—There has been a lot of prospecting, and I myself have been prospecting.

248. With what result?—I have never got anything payable, and no one else has that I know of.

249. Does the land rise from Wilson's lead to the sea, or does it fall?—It rises and falls; it is a little hilly.

250. Are the hills higher than Wilson's lead?—I do not think so.

251. Are there any water-rights or dams, or anything of that sort, on that piece of ground to the west of Wilson's lead which are used for any workings about there?—There are one or two dams that were built some years ago, about 3 or 4 chains to the west of Wilson's lead.

252. And outside of that the water is not used?—No; not for mining purposes.

253. From Wilson's lead to the eastern boundary, you say, should be reserved?—Yes; for mining purposes.

254. Is that where Addison's lead comes?—That includes the whole of the leads.

255. On Block 3 there is a piece of land which Dr. Gaze took up?—Yes; I worked there many years ago, and opened it up. I worked at the north end.

256. It is close to the fork of the River Okeri?—Yes.

257. Is the whole of that block required for gold-mining purposes?—No.

258. Which portion do you say is not required for gold-mining purposes?—From Piper's Flat—Dr. Gaze's—towards the sea.

259. What are your reasons?—I have prospected there.

260. Was your prospecting successful or unsuccessful?—Unsuccessful.

261. Are there any other evidences in that block of prospecting of a more recent date than at the time you were prospecting?—I think there has been some, but I could not say.

262. You are satisfied, as a practical miner, that it is not required to the west of Dr. Gaze's?—Quite satisfied.

263. Can you tell me where your tunnels, with which you work out Addison's Flat, discharge the tailings into?—Into what is called Mountain Creek.

264. That is within the area you say should be reserved for gold-mining?—Yes.

265. What would you say it is necessary to reserve in the bed of Mountain Creek, and so on down to the sea, with the water-channel, in order to conserve the mining industry, and allow them to have plenty of room to discharge their tailings?—I do not think there is any reserve required.

266. Why not?—Because, if any one takes up land there, they will have the river.
267. How do you work your ground?—With a water-balance.
268. And what do you do with the tailings after you have washed them and extracted the gold from them?—They go down the tunnel and into the creek.
269. What portion of the tailings?—The iron plate is perforated with half-inch holes, and anything that goes through those holes runs through the tunnel. The coarser stuff we raise with water-power.
270. And where do you deposit it—on the excavation which you have previously made?—Yes.
271. The stuff that goes through the half-inch hopper-plate would be very light material?—Yes.
272. What effect would a flood have upon the river-bed?—It would not affect the river.
273. Would a flood sweep it all out to sea, or would it be sufficiently heavy and in such a large quantity as to raise the bed of the river?—It all goes away.
274. You have been there a good many years: you speak from practical experience of perhaps thirty years' sluicing?—Sluicing never interferes with the bed of the river.
275. There has been no necessity for reserving the river further than the bare river-bed. The right to foul the water—that is all that is required?—Yes.
276. Would you show me on that map what you think should not be reserved?—A line from Virgin's Flat, running to the west of Brown's Terrace, running to the corner of Section 30.
277. You think that is the piece that should be taken out?—Yes; I do not see that it is any good myself. It is not required.
278. I suppose you prospected it, and know it all?—Yes; I have been often on it.
279. I think you can only give me general information about Section 5: you have not the intimate knowledge about that block that you have about 2, 3, and 4?—I have not.
280. What do you say to that block?—I have looked through it, and it seems to me that the diggings are pretty well all worked out.
281. And do you know anything about this ground on the eastern portion of Block 5?—No; I do not.
282. Do you know anything of Block 6, towards Brighton?—Very little.
283. *Mr. Gully.*] Have you been employed by the company, Mr. Schwerer, to go over the ground?—No.
284. You are speaking from your experience and past knowledge?—Yes.
285. With reference to Block 4, I may tell you that you differ very considerably from some of the other witnesses, and they differ between themselves. I suppose you are satisfied that you are right?—Well, I think I am right.
286. I have no doubt you do. You think there is room for difference of opinion as to exactly where the reserves should be or should not be. I mean there is room for an honest difference of opinion between men?—Some men would allow a few chains more than I do.
287. For reservation—is that what you mean?—That is what I mean.
288. What is your idea, supposing you were making the reservation—would you only reserve where you were satisfied there was payable gold? Those are the only localities you would reserve, I suppose?—These are the only localities I would reserve, and even then not all of them. I wanted land there and could not get it, and many more wanted land and could not get it.
289. Hon. E. Blake.] You had a difficulty in getting a section for agricultural purposes?—Yes.
290. You think the reserves ought to be restricted?—Yes.
291. *Mr. Gully.*] You would cut them down a bit if you thought land was required for agricultural purposes; in that case you would cut mining reserves down to the lowest possible area?—I would.
292. And in some cases you would not reserve what you might think payable because you think the land would be more useful for agricultural purposes?—Yes; those pieces which come in between the leads.
293. You would map it out, just reserving the actual leads, and then using the pieces of land in between the leads for agricultural purposes?—That is what I should do.
294. So that you could carry on the two occupations together?—Yes.
295. That is what a great many men do on the coast?—Yes; if they did not they could not live.
296. I suppose fifty acres would be enough in most cases for agricultural purposes?—Less; ten or twelve acres, as a rule, would be sufficient. A man would not require more than that, as a rule.
297. Now, supposing you wanted a reserve for prospecting purposes—I am assuming a piece of land which had not been prospected—how much land, do you think, would be a fair amount for a prospecting license?—I could not say.
298. Of course, it depends on the country a great deal, no doubt; but supposing Blocks 3 and 4 had not been prospected, what area would you think would be a fair amount for a man to thoroughly prospect in—say three months?—He would not want more than, perhaps, a couple of acres.
299. That is, to do it thoroughly?—That is what I mean.
300. I mean so as to prove thoroughly whether there was gold there or not?—Yes.
301. Of course, you do not make any allowance for prospecting pure and simple here?—No; i is already prospected.
302. Your opinion is it has been prospected already?—Yes; that is my opinion.

William Wilson sworn and examined.

303. *Mr. Jones.*] Have you been gold-mining?—Yes.
304. How long?—Since 1886.

305. Where do you live now?—At Sergeant's Hill, near Westport.

306. What are you engaged in now?—Well, I am farming, and am connected with mining as well.

307. And you have a pretty accurate knowledge, I suppose, of most of the goldfields in the Westland District, at all events?—Yes.

308. Will you be kind enough to look at this map. This is what we call the No. 1 Block. It is east of Westport, and there is the railway-line running up through it. The block reserved for gold-mining purposes is marked red. Do you know that piece of ground, Mr. Wilson?—I do.

309. Have you ever been over it?—Yes.

310. Often?—I have been over it often, and quite recently.

311. Have you ever prospected it?—No, not myself.

312. Do you know whether it has been prospected with payable or non-payable results?—With non-payable results; it is non-payable ground.

313. And you say, from your observation as a practical miner, the results were nil?—Yes.

314. When was it prospected?—There was a prospecting-shaft put down twenty-five or twenty-six years ago, somewhere about the southern corner.

315. Was there any other prospecting done on the ground?—There was a prospecting tunnel somewhere near the railway-line.

316. How far is that tunnel in?—I could not exactly say; but I should say, roughly, about 2,000ft.

317. And have they got any gold?—Nothing payable.

318. Do you think that piece of land is required for gold-mining purposes?—No; I do not think so.

319. Do you know Block 2?—Yes.

320. This is Wilson's lead running along there; that is Bradshaw's Creek, where there is some working going on, and these are the other leads. What do you think of that area—is that or any portion of it required for gold-mining? Will you point out that portion of it which you think is not required for gold-mining?—This block has been well prospected below Wilson's lead to the west of Wilson's lead; it has been all well prospected.

321. That you know of your own knowledge, Mr. Wilson?—Yes.

322. Then, I may say that a line put down in that way, coming a few chains to the west of Wilson's lead, would be quite sufficient to protect all the gold-mining interest there?—Yes.

323. Is there any difficulty in the way of prospecting this ground on the sea-coast?—No; there is no difficulty.

324. Is it shallow or deep ground?—It is mostly shallow ground.

325. Is it alluvial or sea formation?—It is of a sea formation.

326. Is Addison's Flat the same?—Yes.

327. Is the ground very wet?—The ground was originally very wet, but it is getting dry now that the tunnels have been put in to work it.

328. I am speaking of the ground to the west?—The ground to the west towards the sea might be wet—some of it.

329. There are no insuperable difficulties in the way of prospecting it?—No.

330. We come now to Block 3. Will you look at that block and tell me if any of it is not required for gold-mining purposes?—All that towards Piper's Flat I do not think is required for gold-mining purposes. It has been well prospected for years, and nothing has been found on it.

331. Is that land to the west of Piper's Flat ever required for tailings, or dams, or water-rights of any kind for the men who are mining on Addison's Flat?—No; the tailings go down the creeks.

332. Does the way in which they bring the tailings down the creek impede the flow of the water, or create floods in any way?—I do not think so. Of course, the creek is, to a certain extent, becoming filled up with tailings at the lower end.

333. Is there any necessity to make a reserve for the deposit of tailings below the mouths of the tunnels, or would the creek-bed be sufficient?—The creek-bed would be sufficient.

334. Then we go on from there to Block 4. Is there any portion of that block not required for gold-mining purposes?—I would leave as being required for gold-mining purposes that piece of land from Brown's Terrace to Croninsville on the eastern side.

335. Have you been over that ground?—Yes.

336. Has it been prospected?—It requires no prospecting. Behind Brown's Terrace you get into the limestone.

337. Now we come to Block 5, Charleston District. Do you know that district?—Yes.

338. Look carefully at the map and say what you think about that block?—From about Candlelight there is a wide strip of ground skirting the dam, and drawing a line down to the Whitehorse, about three-quarters of a mile in from the shore, it might be reserved.

339. What is the nature of the country to the east of the line you have drawn?—It is principally limestone.

340. Have there been any deposits of gold found there?—No.

341. Has the country been prospected?—Yes.

342. What have you to say about Block 6?—From the Whitehorse Creek, as you go along the beach towards Brighton, on a strip of about 3 or 4 chains wide, is all the mining that has been done or is likely to be done.

343. That is, 3 or 4 chains on the terrace?—Yes; the terrace is a few chains from the sea-beach.

344. How many chains would it be on the level from the sea-beach to the 3 or 4 chains at the back of the terrace?—About 10 or 12 chains.

345. Then, you say 10 or 12 chains of the sea-beach further down to the Brighton River or Fox's River would take in all the gold necessary for gold-mining?—Yes; except a bit of ground near Seal Island.

346. You would suggest that should be reserved?—It would be as well to reserve it, I think.

347. And that would be all you would want to reserve out of Block 6?—Yes; that is all.

348. What is the nature of the country to the east of that line in Block 6?—It is principally limestone. I have not been much over the lower portion, but I believe it is principally limestone.

349. Do you think you could find any man mad enough to sink for gold in limestone country?—No.

350. Hon. E. Blake.] I think you said a good deal of this limestone country had been prospected?—They might have prospected the creeks which run through the limestone.

351. *Mr. Jones.*] It is useless to put holes in the limestone. You might explain to the Bench whether you think limestone country is likely to carry payable gold?—I do not profess to be a geologist.

352. Have you known it in your experience carrying payable gold?—No.

353. I think you were mining in those blocks in the early days, were you not?—Yes.

354. On what blocks were you working?—I was mining about Charleston for a long time.

455. Is it not Addison's Flat where you were working?—I assisted to start the Venture gold-mine.

356. You have been working also on Blocks 5 and 3?—Yes.

357. Any other parts of the block?—No. I am connected with a company that is putting a tunnel into Garvey's lead.

358. That is in the ground you say is properly reserved?—Yes.

359. Addison's, Charleston, and Brighton: do you recollect them in their former days?. What would be the population of Addison's in those days?—Between two and three thousand; Charleston, seven or eight thousand; and Brighton about two thousand.

360. Do you think at the present time the population within the last two or three years has been increasing or decreasing?—Decreasing.

361. And the cause is?—The ground is getting worked out; but Addison's I do not think is decreasing—in fact, it might have increased for the last few years. All the others are decreasing.

362. How many years ago is it since you worked on that ground—I do not mean any further development of the old lead, or in between the old leads, but I ask if there has been any absolutely new ground discovered in Blocks 2, 3, 4, and 6?—There has been no new ground discovered whatever.

363. For how long?—The last twenty years.

364. I think at one time you were a member of the Buller County Council?—Yes.

365. And Chairman of it?—I was Chairman for three years.

366. Were you Chairman at the time these reserves were proposed to be made?—No.

367. Were you in the County Council?—I was out of it.

368. I do not think you know anything about the Grey Valley blocks?—No.

369. *Mr. Stringer.*] You say you are a farmer, as well as a miner?—Yes.

370. Where are you farming?—About three miles out of Westport, at Sergeant's Hill.

271. And how long have you had your farm?—Fourteen years.

372. During the last fourteen years, have you done farming principally?—Farming and mining.

373. Which have you been attending to chiefly?—I have divided my time. Although I have been connected with mining pretty well all the time; since the last three years I have done more mining than farming.

374. Why was your farming not paying?—I have boys who could look after the farm. I could do very well at mining. I was at the Venture claim for about three years, looking after it.

375. So you went back to mining?—Yes.

376. Notwithstanding you think the prospects of mining are so hopeless on the West Coast within the last three years?—This was an exception. I would not go to many other places for mining on Addison's.

377. Where was the place you said you were at?—At the Venture, in the Buller Coal Reserve.

378. It is not in any portion of the mining reserves?—No.

379. The claim is on a portion of land which you think should have been reserved?—Oh, yes.

380. Is there much auriferous ground there that has been omitted from the reservation, do you think?—No.

381. Is it a piece of alluvial flat you worked?—It is cement and sand.

382. And when was it first discovered?—It was discovered at the first of the rushes, and only the cemented blocks were left unworked.

383. The cement blocks were left, being unpayable?—They required machinery.

384. And now the people are going back to them?—Yes.

385. I suppose that would apply to a good many other places where the ground that had been left as being unpayable, with improved methods and machinery and more capital, will probably pay to work?—It is only on the known leads where that ground is found. It has been left, as it could not be worked. It is found in leads that have been known for about twenty-five years.

386. And abandoned for the time being?—It has been abandoned for the want of machinery.

387. You say that applies only to places where there is a known lead?—That is all.

388. You mean to say that there is no chance of discovering such ground in other places?—No.

389. No chance at all?—The chances are remote. I might almost say there is no chance at all.

390. Looking at this block, there are a succession of leads. There is, first of all, a cement lead, then Callaghan's Lead, then somebody else's lead, Wilson's Lead, and other leads, which, I

suppose, have been discovered at different times: What about them?—Those leads were all discovered when there was a large population there. They were worked partially, from end to end, at that time.

391. You say there is no possibility of the discovery of any more leads further west towards the sea?—I do not think it is likely.

392. Will you tell me what is the ground of your belief, that it is not likely?—Because the ground has been so well prospected.

393. Have you prospected this portion yourself?—No; but I know people who have.

394. You have been told by people who have been over it?—Yes.

395. You do not know anything of your own knowledge?—No.

395A. And what you say is only from what you have heard?—That is all.

396. At any rate, we may take it, if it is ground that has been so well prospected, that it is such ground as miners thought would probably have leads running through it?—Oh, yes.

397. Do you think the early prospectors have exhausted its possibilities?—Yes.

398. Have there been any people prospecting there to your knowledge quite recently?—About twelve months ago.

399. You say that twelve months ago people have been prospecting over that same ground?—Yes.

400. Then, they are not all like yourself, without hope, apparently?—No.

401. Let me go back to Block 1. You said, first of all, that you did not think there was any payable gold there. Is it what you would call auriferous ground?—You will get a colour.

402. All over it?—Pretty well over it.

403. Now, there is a tunnel, you have told us, which is going on at the present time?—I think so.

404. At any rate, it was going on until quite recently?—Yes.

405. And it is in about 2,000ft.?—Yes.

406. I suppose it is rather an expensive job?——

407. Hon. E. BLAKE.] I understand you to say, Mr. Wilson, that it was one of those subsidised tunnels?—Yes.

408. *Mr. Stringer.*] By public subscription?—Yes; and the Government subsidy.

409. I suppose the way it is done is that the Government give something, the public give something, and the persons working at the tunnel give a portion of their labour for nothing?—No; it has been tendered for at 5s. 6d. a foot.

410. I suppose a great many people think that something payable would be found by putting in this tunnel?—Yes; some people still think that if a tunnel is put in here [indicating on map] there is a lead of gold it will cut.

411. Were you a subscriber?—I do subscribe 1s. a week.

411A. You pay 1s. a week towards this very tunnel?—Yes. Mr. McKenzie and two or three of our townsmen——

412. Do not apologise, Mr. Wilson?—I am giving you the reason. Our member and two or three men in Westport went out asking for subscriptions, and I could not refuse to give something, although I do not believe in it. I was doing some prospecting at the time on Addison's Flat on my own account, but I told them I would give them 1s. a week. That is the reason.

412A. At any rate, you contributed to this tunnel?—I did.

413. I suppose you did not regard it as a hopeless task?—I looked upon it as thrown away, unless the tunnel was run up a longer distance.

414. Have you any idea of how many subscribers there are to that tunnel?—No.

415. Do you know how much it is costing?—I think 5s. 6d. a foot, but I have no idea of how many are subscribing.

416. Your objection is not so much to the tunnel being driven, but you consider it is not being driven in the best direction to take up the lead?—It is going straight to prospecting shaft.

417. You think they should drive a little further?—Yes; a longer distance.

418. You want them to go on with the tunnel?—The only way to get gold is to go to the shaft. It is supposed by some that there is payable gold there.

419. Where is the shaft?—At the top of this reserve.

420. Hon. E. BLAKE.] Was that the original notion? Were they aiming at the shaft?—Yes.

421. And the notion was to go on if they could get the money?—Yes.

422. *Mr. Stringer.*] Has any other prospecting been done recently on the block that you know of?—No.

423. That is the only instance you know?—Yes.

424. You say it has been prospected before?—Yes.

425. Have you prospected it?—No. I never sank any shafts, but I have seen them sunk years ago.

426. I would like you just to look at Block 4 for a moment; you have given us a description of how you would reserve that land. I gather roughly from what you have marked out that you think that about half that block should be reserved for mining purposes, say, roughly?—Half of that would be ample.

427. Why do you draw the line in that particular way? What is your reason for excluding that triangle over to the north-west? You have told us you would draw a line from Virgin Flat to Brown's Terrace. Why do you leave that piece out at the north-west corner?—I cannot understand you.

428. You draw a line from Virgin's Flat to Brown's Terrace?—Yes.

429. That leaves a certain quantity of land to the north and west of that; why do you leave that out of the reserve?—Because I do not think there is any gold there.

430. Is the land of the same character as other portions of the block?—Some of it certainly is.

431. Why should not gold be found there as well as any other part which is of the same character?—Some of these are large flats, where the level of the leads are denuded and washed away.

432. I want to know on what principle you exclude that portion to the north-west?—Because I do not think it contains payable gold.

433. What reason have you for that belief?—It does not follow that because the ground is of the same nature that there would be payable gold there.

434. But I want your reason?—The reason is that the miners have been looking for gold there, because if there was any there it would be easily got.

435. Then, we may take it generally from you that all land which has been, in your opinion, prospected and payable gold not found should be excluded from the mining reservations?—Yes, all land that has been well prospected.

436. In fact, to put it concisely, you hold that where gold has not been found it will not be found?—If it has been prospected. I look upon it that the surface is better than the gold where ground has been well prospected.

437. Do you say it is good soil on 2, 3, and 4?—Perhaps it is not a good soil.

438. Is it not absolutely barren?—It is no good for gold, that which I have excluded.

439. I am speaking of the soil on 2, 3, and 4?—There are some blocks of good soil—limestone.

440. Pieces that have not been taken up?—There are some blocks, and I dare say it would have been taken up if the company——

441. First of all, generally, is not the character of that land on 2, 3, and 4, apart from its fitness for gold-mining purposes, exceedingly barren swampy land?—Yes; it is not first-class land.

442. I am not asking you whether it is first-class land; but is it not swampy and barren, as a rule?—Yes.

443. And is not the greater portion of it utterly worthless for either pastoral or agricultural purposes?—It is not exactly worthless, but it is not worth much.

444. How much is it worth an acre, apart from the gold—as a whole, not special pieces—for agricultural and pastoral purposes?—That would be very hard to say.

445. Would you buy it for 10s. an acre?—Some of it is worth 10s. an acre.

446. And some is worth, what?—Some of it is worth less.

447. Hon. E. Blake.] Is any of it worthless?—No, none of it is worthless.

448. *Mr. Stringer.*] How much would it average all round—would 7s. 6d. an acre be a fair average price to take the lot?—I dare say it would be a fair average price.

449. Seven shillings and sixpence an acre all round?—Yes.

450. You would not like to buy it, even at that price, would you?—I would not care to buy it.

451. You speak of limestone as if the fact of finding the country to be limestone was quite enough to demonstrate that the land is not auriferous?—I think so.

452. Is it not a fact that gold is associated with limestone?—I believe it is; but I have never seen it in my experience.

453. I undertand you to act on the theory that, when you come to limestone country, there is nothing in it, and that you ought to pass it?—Yes.

454. Do you not know as a fact that down south they have limestone in which they are working?—No.

455. And if it be so, you have been working on a wrong theory all your life?—Well, if they find it down there I shall be glad. It has got to be found first.

William Spry Harris sworn and examined.

456. *Mr. Jones.*] What are you?—A miner.

457. A gold-miner?—Yes.

458. How long have you been gold-mining?—In New Zealand?

459. Yes, in New Zealand?—Thirty years.

460. Were you gold-mining before?—Yes.

461. Where?—In Victoria.

462. How long in Victoria?—Ten years.

463. So you have been practically mining forty years?—Yes.

464. Have you been in the Westland District at all?—I have been living there since 1870.

465. And you know Anderson's district, on the Westport Block?—Yes.

466. Do you know this block [No. 1] above the Buller?—No; I cannot cross the Buller.

467. You know No. 2?—Yes; I am perfectly acquainted with that block.

468. Now, can you tell me if there is any portion of that block which you say is not required for gold-mining purposes or purposes incidental thereto?—Only a small portion; I do not think there is any gold in it.

469. Show me on the map?—That is Wilson's lead, and I draw a line from half a mile. There is no gold found on the coast side of Wilson's lead. I draw a line across the block. I do not think it is required for half a mile or a mile—no gold. There has been none found; and Wilson's lead was passed before I came to Addison's. The only gold lead is where there is a company on the road, and the miners brought the water in. That is the old lead [indicating]. It is the old lead that is paying.

470. And to the west you say it is not required for mining purposes?—No gold has been found.

471. Have you been there at all?—Yes.

472. You speak of your own knowledge?—Yes.

473. With reference to No. 2 you have given your answer. I will go to No. 3. You understand that map? That is Piper's, and there is the road. There is Schwerer's house on the road. Go across here. Look at that plan, and tell me if any portion of that is required for gold-mining purposes?—Yes, to Piper's and this comes in together.

474. Hon. E. BLAKE.] Block 3 first, and go below Piper's afterwards?—There ought to be a little reserve.

475. *Mr. Jones.*] You say, about three-quarters of a mile from Piper's?—From Piper's, coming this way, three-quarters, or a mile.

476. You know Dr. Gage's—would it be three-quarters of a mile from the boundary?

477. Hon. E. BLAKE.] Three-quarters of a mile west of Gage's?—Yes.

478. Then, a line drawn from that position to the two boundaries—a straight line at right angles passing through Dr. Gage's, three-quarters or a mile—would represent the piece you would take of the land?—Yes.

479. And that to the western side—do you say it is required for gold-mining purposes or not?—I do not think it. I have never heard of men getting it. I have been there myself. Dr. Gage has taken it up since I tried it.

480. *Mr. Jones.*] I am talking of this block on this side—that is the piece I ask you?—There is a party there.

481. You prospected it?—Never: I never prospected it further than Piper's.

482. Hon. E. BLAKE.] But you say you know men have prospected it towards the sea and you never heard of men getting anything?—No.

483. Have you been there by yourself at all?—No, not lately. I have been there at several times. I did not bother about going over it again.

484. *Mr. Jones.*] Now we will go into Block 4, Mr. Harris. That is Virgin Flat, Croninville, and Brown's, the Shamrock lead: with these land-marks you should be able to tell me if any portions of that land should be reserved for mining purposes?—There is a piece that is required for mining purposes from Virgin's Flat to the Shamrock.

485. *Mr. Jones.*] I want to see the piece that is not wanted.

486. Hon. E. BLAKE.] What you would throw out as not wanted?—There is a piece here not taken out [No. 4].

487. *Mr. Jones.*] How far beyond where you see, after Virgin's Flat, would you fix?—I would commence within half a mile to three-quarters of a mile from Virgin's Flat, and take it out then within half a mile of Croninville, west of Virgin's Flat, to the Totara side of Croninville.

488. You would come out, where?

Hon. E. BLAKE: I do not think he understands.

[Mr. Jones here sketched a plan, and asked the witness to point out the place, but witness said he could not make anything of the position.]

Witness: Here on the map, from Virgin's Flat up to the Shamrock, that is the piece of land to be reserved. There is a piece of ground I consider should be reserved for mining purposes. Now, from Virgin's Flat, within half a mile of Croninville, I do not think there is anything in it.

489. *Mr. Jones.*] Then, you take another line from Virgin's Flat, within half a mile of Croninville?—I consider there is a piece of ground here up to Virgin's Flat not required.

490. Where else is there any not required?—Then, come from Croninville to Brown's Terrace; take 1, this is 2. From Brown's Terrace there is a block lying between these two; the river comes between. I think that is not required.

491. And what about all the land on the west of where you are marking?—There is a piece of land there not required for mining; and there is a piece also along in here, on the coast, I think.

Mr. Jones: You next come from Virgin's Flat line, a line straight across to the eastern boundary, and also along the boundary there, till you come within three-quarters of a mile of Croninville; it is going up the main road, and he says there is a piece between here and Brown's Terrace, and from there out to the sea.

Hon. E. BLAKE: I suppose we may take our choice between all these varying opinions as to this Block 6.

494. *Mr. Jones.*] That is your opinion of the block?—That is my opinion.

495. Now, I will put a question to you, and take a straight line 20 or 30 chains to the west of Virgin's Flat to Brown's Terrace. Do you think that piece is not wanted for gold-mining purposes—towards the sea?—No; it cuts a corner off. That is not wanted.

496. Passing on to Charleston, do you know anything of the block?—Yes, I know Charleston Basin. I worked in it three years and a half, on the Argyle.

497. Look at Charleston?—Yes.

498. There is the Argyle, the little farms are up there. Is there any portion of that required for gold-mining?—Charleston is a basin; the gold lies right on to the township to the sea-board, and I suppose it will stretch inland. I dare say it will be about two miles square; but it is very well defined, the gold all lying in the basin. About two miles lower a little more.

499. Is there any part of that block which is not required for gold-mining?—Here is the town; there is land out here on the eastern side of the block. I have been out four miles looking for water.

500. South of the Argyle dam, what do you say of that piece of land?—There is no ground there that I know of till you get to Four-mile.

501. How far back does the gold run in from the sea-board?—3 or 4 chains.

502. How far would you reserve down towards the edge of the boundary and White Horse Creek?—From White Horse Creek up to Six-mile Diggings.

503. How far do you want to go inland from the reserve?—I should not think you would want to go in more than half or three-quarters of a mile.

504. Would you go a little further than two miles?—Yes. I would take about a mile outside these workings.

Hon. E. BLAKE: That shows that he would reserve everything in the block at that end.

505. *Mr. Jones.*] Do you not know the Argyle Race?—Yes.

506. How much further would you go inland than the Argyle Race?—I would go a quarter or half a mile inside of that race.

507. Block 6, Brighton: what do you say about that?—There is a narrow strip from Brighton to the White Horse.

508. What width would you say should be properly reserved?—I think half a mile wide would cover the whole of it.

509. As to the rest of the block?—I do not think there is any gold on it. There never was any found.

510. Where are you living now?—Addison's.

511. You are mining there?—Yes.

512. Have you been a member of the County Council?—No.

513. *Mr. Gully.*] Your evidence amounts to this: that you think a good patch ought to have been left out of the reservations in these blocks—1, 2, 3, and 4?—I know nothing about No. 1.

514. Nos. 2, 3, and 4—you say a good patch ought to have been left out there?—No. 2—there is very little to be left out there.

515. Your opinion is that a considerable area ought not to have been reserved from Blocks 3 and 4?—Yes.

516. Your reason is that, in your opinion, there is no gold in those areas which you say should not have been reserved?—Yes.

517. You have prospected those parts which you say should have been left out, or do you go simply upon the fact that no gold has been discovered there?—No gold has been discovered; parties have been prospecting.

518. What area of these blocks could a man prospect, supposing he had a prospecting license, in, say, a month?—It all depends on the weather.

Hon. E. Blake: The usual weather and usual conditions.

519. *Mr. Gully.*] About what would a man who had a prospecting license do in a period of a month—prospecting thoroughly?—It would depend upon the depth he would have to sink.

520. What area would he go over in a month—how many acres?—He might go over 200 acres in that time, or 300 acres. He would see places where he would think there was certainly nothing in.

521. Do you know what the area is in a prospecting license?—I do not know what it is now.

522. 400 yards by 600 yards for three months for two men. Do you think that is unreasonable?—No; if we had had it years ago it would have been far better for us.

523. Of your own knowledge, and from what you have heard, how many pennyweights—or less—to the cubic yard do you know of as having been payable?—It would take 4dwt. to the yard if you have got any deep stripping to do. If you had anything like sand or slatey stripping, 2s. and 2s. 6d. would pay.

524. What is the lowest percentage that you know of, or have heard of, that would pay?—In any mining less than 2s. 6d. a yard would not pay.

525. How many pennyweights?—It is not a pennyweight at all.

526. About these reserves: I suppose your idea was only to reserve where there is a fair chance now of getting payable gold, that would be your way of looking at it?—Yes; I consider that there is no gold in portions of what I stated.

527. Not payable?—Yes.

528. There is colour of gold everywhere on the West Coast?—Yes; all over the country there is colour of gold.

529. I did not quite understand as to Block 2: how far back from the eastern side do you say you put reserves? Look at this hatched plan?—I adopt the line on that plan.

530. Would you not put it further back than that?—No.

531. How far do you say you would put pnt back the line of reservation from the eastern boundary of the reserve—about how far in distance? You say you adopt that line: what is about the distance, from your observation, from the line there, or the line of reservation, back to this line where the hatched land begins? How deep, from your own knowledge, should the reserve be towards the sea?—I would not go more than a quarter of a mile from Wilson's lead.

532. Hon. E. Blake.] How far is that from the edge of the block?—I do not know exactly where the survey block comes in.

533. *Mr. Gully.*] You place it by what is called Wilson's lead?—Yes.

534. Do you say that the portion of the reserves which you say ought not to be reserved is any good for agricultural purposes. I refer to 1, 2, 3, and 4?—There is no doubt about that. I have never been far in the block.

535. Are you prepared to say those portions which you say ought not to be reserved are good for agricultural purposes?—Some of them would.

536. But are you able to say from your own knowledge; do you know of your own knowledge that any portion of this which you say should not be reserved is any good for agricultural purposes?—I could not say, because you go into the bush after leaving Wilson's. I have never been far in.

537. And, in point of fact, it is difficult country to traverse—tangled bush and rough country?—Yes; tangled bush and difficult to travel. You will not travel more than you are forced to.

538. Now, would you suggest that in races it would be necessary, or may be necessary in the future, to cross the land which you say should not be reserved?—No; there are no races on this side.

539. Do you say there is no possibility in the future of races being required across this land, which you cut out of the reservation?—It is too hard to say anything about any possibility.

540. You would not say it is not quite possible?—It might be; but a man could not say there would or would not.

541. There may be a great deal of difference of opinion about that?—I do not think there would, but could not say there would not.

542. Now, in this locality, what direction do the known leads take?—They take a northerly course.

543. North and south, about?—Yes; about north and south.

544. Then they do not run parallel, or alongside the beds of the creeks?—No.

545. Does that apply to all the blocks you have mentioned?—Yes; all the leads run across all the creeks. The creeks run about east and west, within a point or two.

546. They are supposed to be old sea-beaches: that is the miners' theory?—Yes, that is their theory about them. We find logs with our dirt near 70ft. No doubt it has been the bed of a river, or sea-wash.

JOHN THOMAS DELANEY sworn and examined.

547. *Mr. Jones.*] Where do you reside?—At Twelve-mile, twelve miles from Greymouth.

548. What are you?—I am a farmer, collector of revenue for the Grey County Council, inspector of acre-licenses, &c.

549. Have you been digging?—Yes.

550. And farming also in the Grey Valley?—Yes.

551. I think you have lived there all your life, and that you were born there?—Yes.

552. Do you know this block of land, 81?—Yes.

553. I will take you generally through it as quickly as I can. This is the River Arnold running along there, and this dotted line is the railway. There is No Town Creek, and so on. We will take Block 81: Do you think the whole of that block there, where it is coloured red, is required for gold-mining purposes?—No.

554. Which portion do you say is not required?—The south-eastern portion is not required.

555. Is any of it required at all?—I do not think so.

556. Just look at the names of the creeks. There is No Town.

557. Hon. E. BLAKE.] Do you know No Town Creek?—Yes.

558. It bounds the top of the block?—Yes.

559. *Mr. Jones.*] Do you think there is any land required for gold-mining on No Town Creek?—Yes, there might be on the banks of the creek. A mile from the railway should not be reserved.

560. How far inland would you say is required from the bed of the creek for gold-mining?—About 30 chains.

561. Is there any gold-mining or any necessity for gold-mining reserves on this western boundary of 81?—I do not think so.

562. Do you think in the Arnold Flat there is any necessity, for gold-mining?—That flat may contain a little gold.

563. Have you done any prospecting there?—Yes, on the banks of No Town Creek and Spring Creek. I never got any gold there.

564. I think there has been prospecting; some workings, somewhere near your place on the Twelve-mile Road?—Yes.

565. Your father's section is No. 12?—Yes.

566. Have there been attempts to work the terraces?—There have been a few holes sunk there, but never any gold got.

567. What sort of land is it along that road?—Not bad land.

568. Will it grow anything?—Yes; good grass.

569. Any of it cleared?—Yes; we have got a piece cleared further, between Section 12 and No Town.

570. Is that birch land?—Yes; not heavily timbered.

571. But it is birch land?—Yes.

572. And grows good grass?—Yes.

573. And is covered with rushes?—Yes, slightly; they do not grow to any extent.

574. Now we will come to Block 77, with Kangaroo Creek. Are there any diggings in Block 77—is there any mining going on?—Not in the gully at the present time.

575. Have they all left there?—Yes.

576. When were you there last?—About a fortnight ago.

577. In Deadman's are there any workings?—Not within three miles of the road.

578. Beyond that again there are workings?—Yes.

579. And in Block 77, Red Jack's Creek, there are no workings?—No.

580. Nor any in Kangaroo Creek, Block 77?—No.

581. Are there any miners working between Kangaroo Creek and Nelson Creek, or are there any diggings at all?—Not that I am aware of.

582. Did you ever go over the ground?—Yes; I have been through it two or three times.

583. Lately?—Within the last twelve months.

584. What did you go there for?—After stock.

585. Then, it is ground that will carry stock?—Yes.

586. Do they fatten there?—I have never seen them very fat upon it, but still they live upon it.

587. Then, you go to drive them from there on to the cultivated land?—Yes.

588. What portion of that block should be reserved for gold-mining?—I have never seen any indication of gold upon it, and I have seen holes sunk in it in my travels.

589. Do you think the whole of that block is wanted for gold-mining?—No.

590. What about Block 80? What sort of country is it between the Six-mile and the gullies leading into the Kangaroo and Red Jack's?—It is broken, hilly country.

591. Is there any mining going on in that country?—I have not noticed any outside of the gullies.

591A. After you leave the gullies in the No Town Creek, where do you find the next gold-mining?—In the Red Jack's, and those other creeks over two miles from the railway-line.

592. Is any portion of Block 80 required for gold-mining purposes?—I could not say, but it might be.

593. Have you been over Block 79 at all?—I have been through it once. I have only just passed through it.

594. Do you know anything about Nelson Creek?—Yes; I have been up two of the branches, one being up to Lake Hochstetter.

595. Then, you know nothing about the mining?—Not much.

596. Do you know where the Grey Valley Road goes from Stillwater up to the Ahaura?—Yes.

597. Do you know the terraces, say, within a mile of the road inland? I am just taking the whole of the roadside—what class of land is it generally along there?—It is of a stony, hilly nature, with deep soil in some parts of it.

598. In the parts you are acquainted with, what sort of grass grows upon it?—Very fair grass grows on it.

599. Do you know of large areas put in grass by Mr. Garth?—Yes.

600. Do you know an orchard owned by a man named Smith, near Callaghan's Creek?—Yes.

601. Is it good fruit-growing country?—Yes; they used to get good apples upon it.

602. There are other portions cleared?—Yes; Ryan has some portion cleared.

603. Is that good grass-land?—Yes.

604. What do you think that land is worth for agricultural or pastoral purposes—anything at all? I mean the land generally?—I think it is worth something for pastoral purposes.

605. Will it grow good grass?—Yes; I have seen good grass growing in Smith's orchard and in Ryan's ground; also in Garth's and Craig's places.

606. Now I will take you to the Kangaroo Creek and the Red Jack's. What sort of ground is that between there and Deadman's?—It is hilly country—something the same sort of country as that where Smith's orchard is.

607. What sort is it between Red Jack's and the flats?—Good land.

608. What width of flats are there?—About three-quarters of a mile to half a mile.

609. What sort of land?—Fair land.

610. Is it better than the terrace-land?—Yes.

611. Did you apply for land up there?—I applied for Sections 4 and 5, Block 77.

612. How long is that ago?—I suppose it is between four and five years ago.

613. Did you apply to purchase it?—Three of us applied to get an occupation-license of it.

614. Was it for cultivation purposes?—Yes.

615. Is there any patch of good land in Spring Creek?—Yes.

616. It is well worth cultivating?—Yes; it runs three or four miles up.

617. And the birch-terraces if cleared would grow good grass?—Yes.

618. *Mr. Stringer.*] You are principally a farmer, and do not do much mining?—I have done mining, to my great sorrow.

619. I understood you to say that you thought the Arnold Flat might have gold?—A portion of it.

620. Would you reserve that?—A portion of it.

621. How much of it?—I could not give any exact extent of what I would reserve.

622. Would you reserve a mile square?—That would be 640 acres. Well, I would reserve two square miles.

623. Hon. E. BLAKE.] Do you mean two square miles or two miles square?

624. *Mr. Stringer.*] Do you mean two miles each way?—Yes.

625. You would reserve land at the Arnold Flat and the creeks you spoke of, such as the Spring Creek, No Town Creek, Deadman's Creek, and Kangaroo, for mining purposes? Would you include any flat land?—No; it would not include any flat land. I have never known of any gold being found in Spring Creek.

626. But in the other places—No Town, Kangaroo, and Deadman's?—I have never known of any gold being got at Deadman's Creek for three miles up from the main Grey Road.

627. Not for three miles up?—No.

628. We will take Red Jack's: would you reserve that piece along the creek for a mile?—No; not from where Sunday Creek joins in.

629. From that point where to?—From where it joins the Kangaroo upwards.

630. What would you do?—I think it ought to be reserved upwards. There is gold got there.

631. Not down towards the creek?—No, not towards the Grey Road.

632. Would you explain what these flats are you talk about—is it good land? I suppose they extend from a quarter to half a mile on each side of the creek?—Yes.

633. So that, contrary to everybody else who has given evidence since the inquiry opened, you would exclude these flats from the mining reserves?—Yes; I do not think they would carry gold.

634. Now, I have to ask you questions about the land you say your father took up on Block 12; how long ago was it?—Close on twenty years, or as long as I can remember.

635. Was it bush land?—Yes.

636. I suppose you do not remember very much further back than twenty years?—No.

637. Then, your father has simply retained that one block, of how many acres?—Fifty-two acres.

638. And he has been farming the whole of those years?—Yes.

639. And he has never extended his holding?—No; we have more land than 52 acres.

640. Towards the Grey on the other side?—Yes.

641. But your father has never extended his holding; has he had the whole of the land he has got there all these years?—The 52 acres.

642. How much other land has he got?—Fifty acres on the opposite side of the road.

643. That is, nearer the Grey River?—Yes; on the other side of the main Grey Road.
644. Is that all?—There is a block of 24 acres adjoining Section 12—a piece of Crown land between the two.
645. And that was all bush when your father took it up?—Yes.
646. But he has never taken up any of the terraces he has spoken of?—Yes; a portion of the terrace, on Section 13, I think it is.
647. Do you know what it costs to clear this terrace land?—We get it felled for £1 10s. and some of it for £1 an acre.
648. Are you speaking of your own knowledge?—Yes.
649. When was it cleared?—A portion of Section 24 was cleared recently, and a portion is being cleared now. A man is felling it at £1 an acre.
650. It is not easily burned, is it?—Not if it is done in very bad weather. You want dry weather, when you can put a running fire through it.
651. What is it worth when it is cleared?—The upset price is £2 from the Crown, and I reckon it to be worth £6 an acre when it is cleared.
652. What would be the total cost of clearing and burning and making the land suitable for growing grass?—The cost of felling is £1, and burning is another £1 an acre. We do not fell any timber over a foot in diameter—that is to say, we do not fell the very large trees.
653. I want you to total all the charges: how much does it cost per acre for felling, burning, and clearing?—The burning and felling costs about £2 an acre.
654. Are there any other expenses?—There is the putting-in of the seed—about £2 10s. is, I dare say, the cost of clearing an acre of it.
655. You say when that is done it is worth £6 an acre?—Yes.
656. You think £2 an acre would be what your father paid originally?—I think so.
657. What extent of this terrace land besides your father's has been cultivated—only these three blocks?—Kelly cultivates a piece. I do not exactly know the number of the section; it is on the same continuation.
658. How much does he cultivate?—About 8 acres. I applied for a piece, but did not get it.
659. Why?—I do not know the reason. I applied for it, intending to get it; but it was reserved.
660. To whom did you apply?—To the Midland Railway Office, in Greymouth.
661. That was when?—It is less than twelve months ago.
662. Do you say that the piece you applied for was in the mining reserve?—I was told that it was in the mining reserve, in their letter.
663. This other man you say got half a section?—Yes, to the best of my belief.
664. Was that in the mining reserve?—I do not exactly know, but it is a piece of cleared land on the reserve between my father's sections.
665. You say this man cultivates this section?—About 8 acres.
666. Whose was it?—Kelly's.
667. Can you tell us of anybody else you know?—There is no person further on until you get to Red Jack's. McLaughlin is cultivating a small portion.
668. How much—a quarter of an acre?—From that to half an acre.
669. Are there any other persons?—No, excepting at Ngaere. There is a little cultivation there; they are small gardens.
670. I do not want half-an-acre blocks; are there any blocks of 25 or 50 acres?—Not close to us.
671. You see the three Blocks—81, 77, and 74; do you know the nature of the terrace land you have spoken of—the hilly terrace land and timbered land? Has any of that been taken up to any extent?—Yes; there is a large block that Mitchell has the other side of Nelson Creek. He has cleared it; I do not know the number of the section. It is on the main Grey Road; on the same road where we have been clearing.
672. How long has that been taken up?—Within the last twelve months. There is a cemetery on the same ground.
673. You mean that he has taken it up recently?—I do not know how long he has taken it up, but the clearing has been done recently.
674. Do you know if he has had it for some years?—No; but he started to clear it.
675. Cannot you say how many years he has held it?—No.
676. Did he purchase the land on the terrace?—Yes.
677. Is it not on the flat?—No; it is on the terrace across Nelson Creek.
678. Is it on the stony terrace you have been speaking of?—Yes; if you cross Nelson Creek, the creek keeps on to the terrace, and you cross over going on the road to Ahaura.
679. How many acres are there on Mitchell's block?—I do not know.
680. Give us a rough estimate of the number?—There might be twenty.
680A. He is just clearing it now, is he not?—Yes.
681. Are there any other places?—Ryan's and Smith's orchards.
682. Is that a terrace land?—It is all terrace land.
683. How much have they?—I dare say he has 4 acres of an orchard there, planted on the left-hand side of Callaghan's Creek, on the Grey Road, on the left-hand side of the Grey Road. And there is Garth's section. They are growing English grass.
684. Is it still on terrace land?—Yes.
685. How many acres?—About 50 acres.
686. When was that cleared?—Within the last two years.
687. Do you know how long it has been held?—I do not know.
688. He has held it some years?—I could not state.
689. No idea at all?—No.

690. Do you know of any other clearings?—Yes; there is Mackley's freehold clearing.
691. Are there any others?—I do not know of any other.
692. You know, of course, that all this land in these different blocks was for many years open for selection from the Government before these mining reserves were made, and before this Midland Railway was started?—Yes.
693. Can you tell us why the people did not take that land up?—They might not have been in a position.
694. That is your idea?—Yes.
695. You say they were not in a position to take up this land?—No; my father was not in a position to take up any more of that land at Spring Creek.
696. Produce fetched a very high price in that valley at one time, did it not?— I believe so.
697. And yet people did not clear the land?—No.
698. You think it was because they had not the means to do so?—I think that is the reason.
699. It was because it was not a payable thing to do?—Some seem to make it pay. I got 13s. 6d. for lambs in the Greymouth yards. That is a very fair price.
700. What is your experience of the effect of the railway on the price of produce in the Grey Valley?—I do not think it made much of a difference.
701. Has it improved the price?—Yes. You can get your stuff delivered cheaper.
702. But has it improved the price of produce?—Generally, I could not say; but I do not think it has done anything against the settlers.
703. Is it not a fact that it has caused produce to be cheaper and the price lowered generally?—We do not seem to get our stuff any cheaper. The freight is a little cheaper.

FRANCIS ROGERS sworn and examined.

704. *Mr. Jones.*] What are you—a miner, I think?—Yes.
705. You have been all your life mining since you were able to work?—Yes.
706. And a great deal of your life has been spent in the Boatman's district?—All the time.
707. That is within Block 53?—Yes. [Features of the map explained to witness.]
708. Will you look at Block 53 and tell me if you think it is necessary to reserve the whole of that block for gold-mining purposes or purposes incidental or conducive thereto?—I do not.
709. We will commence from the left-hand branch of the Inangahua River. What portion of that should be reserved and what not, going as far as Boatman's first?—I do not think any part should be reserved except the small tributaries, which have been pretty well worked out already.
710. Take Frying-pan Creek, and the next one to it—Due North?—I do not think there is anything there fit to reserve.
711. Have you ever worked there?— I have prospected it.
712. And what about Due North?—I spent a good time there prospecting. I spent between six and seven months there. One hundred and twenty days' work was done, but it was broken time.
713. Did you get anything?—We could not pay the liabilities in regard to it. There was expense in getting the water—in pumping. We brought a tail-race into it for 10 chains.
714. You prospected the ground, and thought it would pay?—Yes.
715. What do you think of the ground outside the hills?—I do not think they are auriferous. They are auriferous to a certain extent, but not to pay.
716. Have you tried them?—Yes; I have sunk holes in them.
717. And they are not payable?—No.
718. Now, we will start at Boatman's, taking in the whole of the creek: is there any necessity for any reserves to be made up Boatman's Creek? Is there more land than is required, and, if so, what portion?—I think the land reserved there already is ample for prospecting.
[Map further referred to.]
719. I ask if this land on the south side—Redman's Creek and Flower's Creek—if any of that land is not required for gold-mining purposes?—I do not think so. I have not prospected all that land.
720. Have you prospected any of it?—Flower's Creek I have.
721. But outside Flower's Creek is this land required for *bonâ fide* mining?—No; nothing outside the creek.
722. Coming up to Capleston again, going to the east of Capleston, and also north, what do you say about that land? It goes about a mile and a half to the east of Capleston; what part do you think is rightly reserved?—I think Welcome and Fiery Creeks are rightly reserved.
723. And what else, if any?—It should go through Specimen Hill. I think that should be rightly reserved—I think the whole of it right through.
724. What portion of that block is not required for mining purposes?—From Raglan's Hill down the main road you do not require.
725. Have you prospected at all in that block?—Yes.
726. Where?—On the north side of Larry's Creek I have prospected.
727. During the time you have been residing there have you ever known any payable gold to be obtained in alluvial ground?—No.
728. Block 51—do you know anything about that?—Yes; I prospected for a few months there on the north side.
729. On the north side of Larry's Creek you have prospected?—Yes.
730. Did you find any gold?—No; not payable.
731. *Dr. Findlay.*] You have been mining all your life, you say?—Yes.
732. I suppose you know as much about ground that promises to yield anything as anybody?—Yes; I think so.
733. *Dr. Findlay.*] When you came to prospect in Block 53 the prospects seemed very good, I suppose?—Well, they seemed payable.

734. And how long did you spend working there?—About 120 days. I was prospecting one place.

735. What area would you prospect in that time?—Five or seven or ten acres. About five acres. We had ten acres.

736. Hon. E. Blake.] What was the number of the party?—Ten workers.

737. You prospected pretty thoroughly in that time?—Yes.

738. You required all that time, I suppose?—Digging out the ground to prove it.

739. You were prospecting by doing so, were you not?—I suppose so.

740. Now, these reefs in this locality: do they run at right angles to these creeks or parallel to the creeks?—I fancy they run at right angles. I could not say for certain—I am not a surveyor.

741. They run across the creek transversely?—Some of them.

742. And some run down the creeks?—Yes.

743. Much of this district is a quartz reef?—Yes; to the east—53—part of Raglan Creek. It is rough country, yes.

744. And for that country you want capital, I suppose?—I expect so.

745. You therefore would look chiefly for alluvial ground?—Yes, I expect so.

746. And do you mean to say, Mr. Rogers, that, if you had a considerable supply of capital, and a thorough search was made in 53, this part, a likely creek, that any possible reef could have been discovered there? It is the part that is hatched?—[Piece pointed out to witness by Mr. Jones.]

747. *Dr. Findlay.*] I want to know whether in that part hatched there is any likelihood?—I do not think so.

748. Have you tried for reefs?—I am pretty well sure there is no reef there.

749. Have you tried for them?—Yes.

750. Did you try them at all well; thoroughly try them for quartz purposes?—Not exactly. If you looked for one you would pick up the other.

751. You say that, if you had capital to thoroughly prospect, you would not try there?—I would not go and look for reefs there.

752. Are you satisfied, from the nature of the reefs there, that it would not pay?—I think I can answer, yes.

753. From your knowledge yourself?—From my experience.

754. Looking at the country and guessing the reef?—It is not in the reefing-belt.

755. What is the reef country you find gold in chiefly?—What kind of gold? It all depends on what gold you are looking for.

756. You tried it for mica-schist, did you not?—Yes.

757. In blue slate you find gold?—A very small percentage.

758. It is to be found in small quantities in blue slate?—Not in our district.

759. Your experience is that, in Block 53?—Yes.

760. Is it found in limestone?—I do not think so. I do not know.

761. Is it found in rotten granite?—I have not found it.

762. Or what you know as moraine matter?—I cannot answer that question.

763. Is not much of this formation which you say should not be reserved—does it not consist of the formation I have mentioned?—A mixture of everything.

764. Then, it is all gold-bearing country of a lesser or greater degree?—Yes; it is auriferous to a certain extent.

765. The question is, whether it is payable or not?—It is not payable so far.

766. It is all gold-bearing—you will get the colour, any way?—Yes.

767. You are working at Frying-pan?—Due North and Frying-pan.

768. Were you assisted by the Government in working it?—No.

769. You got no assistance from the Government?—No.

770. Were you working at Try Fluke at all?—I do not know; I never heard the name.

771. And do you know as a matter of fact that payable gold is being found in some of these portions which you say are not reserved? Can you swear that on Block 53, which you say should not be reserved?—There is no payable gold there.

772. Can you say so of your own knowledge?—Yes; there is no payable gold there.

Hon. E. Blake: You can re-examine this witness if you wish to.

773. *Mr. Jones.*] Mr. Rogers, you were asked about that little belt there to the east, on Section 53, as to its containing quartz reefs. Is that an alluvial formation, or is it a slate country, or a granity country?—To the east?

774. *Mr. Jones.*] To the west?—It is the Old Man formation to the west.

775. Well, that is alluvial formation?—Yes.

776. You mean the Old Man Reef?—Yes.

777. Would any man like a digger that is sane look in the Old Man Reef for quartz-reefs?—No.

778. Therefore, you are quite positive in saying that you did not dream of looking for the quartz reef in that block?—No.

779. You were asked about prospecting that piece in Due North, and its taking you 120 days to prospect a piece of 5 acres. What were you really doing in that 120 days—were you prospecting or working the ground?—Working the ground.

780. Have you put up machinery?—Yes.

781. You were not prospecting in the sense of prospecting, then?—We were working taking out the face.

782. Would that come at all within the definition or the meaning of the term "prospecting" in the mind of any digger in the world?—We call it working.

783. It would not take you 120 days to prospect a piece of ground so as to say whether there was any gold or not?—No.

784. It is not prospecting process, but the fact of working when you prospect a piece of ground, and then set in to work afterwards?—Yes.

785. Then, the prospecting was all done before you commenced that 120 days' work?—Yes.

WILLIAM SPLAINE recalled.

786. *Mr. Jones.*] You made a careful examination, along with Mr. Fraser, of Block 89 and portion of Block 88, is that so?—Yes.

787. For water-races, dams, and those things? —Yes.

788. Have you got me the correct list?—It is only done where there are printers' errors.

789. Have you compared these printed lists with your diary?—Yes, to the best of my knowledge.

790. And, as altered, are they correct?—Yes, to the best of my knowledge.

791. You have been through them?—Yes.

792. You have visited every one of these mining rights?—Every one that is mentioned in the tabulated forms.

793. And these are the only rights in the district which you could see?—The only rights I could find in the district.

794. And the remarks which are made on these papers are true and correct in every particular to the best of your knowledge?—Yes.

795. You have estimated the cost of construction?—Yes.

796. The area and ground covered?—Yes.

797. The number of men actually at work and engaged on them?—Not quite the number of men. I think it is stated as Mr. So-and-So and party.

798. You have got the number of men here?—Yes.

Hon. E. BLAKE: There are four pages.

Mr. Jones: They run from 345 to 348 consecutively.

Hon. E. BLAKE: This will be Exhibit No. 100.

799. *Mr. Jones* (to witness).] Wherever you have put "abandoned" you could find nobody at work, or any one owning or claiming it?—Yes.

800. And old rights?—Yes.

801. Though they may have been found on the register, yet there is nobody there?—No one there to represent them.

802. *Mr. Stringer.*] What is the meaning in this column of "lifts, 5 per cent.—equal £47"?—That is the lift in the creek to turn the water into the race we mentioned in connection with it. [On looking at the printed table, witness continued.] The cost of the lift is £5—that is what we estimated the cost of it—and the total cost of the race and lift is £47.

803. The race and the lift?—Yes.

804. This is a list, as you say, of all water-races in existence or abandoned?—In occupation and abandoned.

805. The whole of them?—Yes.

WILLIAM FRASER recalled.

806. *Mr. Jones.*] I think, Mr. Fraser, you were with Mr. Splaine when you went over the ground and took the notes from which these four sheets of paper are compiled?—Yes.

807. Have you compared these papers with your notes?—Yes.

808. And are they correct?—Yes, the correction is correct.

809. And the information you obtained is honestly and truly given to the best of your ability?—Yes.

810. These papers are practically a true record of your daily diary?—Yes.

811. *Mr. Stringer.*] Are there any men working on Block 89 at all?—Yes.

812. How many men—roughly?—I should say about sixteen or eighteen men.

813. In different parts?—Yes; chiefly all in the creeks.

814. You and Mr. Splaine went round together, I suppose, to total up these water-races?—Yes.

815. How long were you engaged in doing so?—We went up on the 13th of September and returned on the 30th September.

816. Seventeen days?—Yes.

817. Were you engaged the whole time?—Yes.

818. On this one business of finding out the water-races, and so on?—Yes.

819. You were doing nothing else during the whole of that time?—No.

The Court rose at 5.45 p.m.

FRIDAY, 6TH DECEMBER, 1895.

The Court sat at 10 a.m.

Mr Gully: We have decided, sir, not, perhaps, to absolutely waive our right of cross-examination altogether, but to cross-examine shortly where we deem it to be necessary. However, I desire to say that it must not be assumed that we acquiesce in the evidence which has been given by some of the company's witnesses.

Mr. Hutchison: This difficulty might present itself: The evidence of our witnesses has been given somewhat shortly on certain points in the expectation that the Crown would call evidence on them.

Hon. E. BLAKE: You examined at length with perhaps the exception of the first two or three witnesses. I should hold that you attach the same degree of credence to that evidence as if you had gone into it in detail.

Mr. Hutchison: There are points on which we might have examined, but refrained because we thought the evidence might have been brought out by the Crown's witnesses.

Mr. Gully: I adopt this plan because I think it would save a great deal of time. All I desire to indicate is that the absence of cross-examination must not be taken as acquiescence in the evidence given.

Hon. E. Blake (to Mr. Hutchison): It cannot be taken from them, nor from me, as acquiescence. I may say that from the demeanour, intelligence, and knowledge of a witness perhaps no great weight would be attached to his evidence.

Mr. Gully: It seems to be obvious that any cross-examination in some cases would not be of any great assistance to the Court. The witnesses have spoken to a certain number of alleged facts, therefore I do not think the cross-examination will assist you, sir, to any appreciable extent.

Hon. E. Blake: You take your own course. I cannot see that it involves any admission of yours to the other side. I do not think Mr. Hutchison can complain of your not cross-examining.

Mr. Hutchison: We may ask your Honour for permission to recall a witness on a certain point.

Hon. E. Blake: Do I understand that if the other side does not cross-examine therefore you will desire to recall a witness.

Mr. Hutchison: Where the evidence has been given short.

Hon. E. Blake: It has been given at some length, and is subject to all the usual grades of testimony with reference to fairness, intelligence, and capacity of judging evidence. I think the fair assumption is that the witness, if he had given it at length, would have given it in the same strain. That is the inference I should have drawn.

Mr. Gully: I do not think I shall be called upon to contest that inference. I might suggest that perhaps we ought to have agreed in the first instance where the witnesses were speaking of a certain set of facts which we might have accepted.

Hon. E. Blake: I do not think either side has reason to complain. You are best able to judge of your witnesses, and must take the risk.

Mr. Gully: I desire again to say that we have had no particulars, either under clause 33 or as to the timber-claims. I have endeavoured during the course of this inquiry—and I am sure you will agree with me that I have—to facilitate the proceedings of the other side. We have throughout, not only before these proceedings began but up to the present time. I do not say we have met with intentional obstruction, but we have not been accorded the reasonable grounds upon which the company comes here with anything like particularity. Here we are at this stage of the sitting without any indication whatever of the details upon these timber-claims, or those under clause 33. I must say this: that I think we might be excused if we are to some extent, I may say, exasperated by the utter absence of reasonable notice with reference to the matters now before you. I apprehend that it is probable my friends will to-day give evidence under the timber-rights. And whether they do so or not we might surely have had something like a detail of the claim we had to meet. We have not had the least notice as to why they claim under this head; as to where the locality is in respect of which they claim to make the Crown liable; nor even as to the ground of the claim—that is to say, where it is suggested, as I put it before, whether the licensees of the Crown had been going beyond their rights, or that the Crown itself has become a trespasser. I take leave to say at this stage that we have endeavoured to meet the other side as far as possible; and I also take leave to say that not only are we embarrassed, but the Court must be embarrassed, and I think it is a matter that we ought to put emphatically to the Court, that we have not received anything approaching the notices we ought to receive of the various grounds of claim which have been handed in from time to time, not before but during the course of this inquiry.

Mr. Hutchison: I understood that there are only two requisitions outstanding—that is, the timber particulars and the particulars in one of the paragraphs under the second reference as to the block for which the titles were withheld. We have given particulars as to clause 33. We have given particulars of those.

Mr. Gully: I was not aware of it.

Mr. Hutchison: Then, my friend was speaking without knowledge. As to the timber, we were all last night engaged in getting out particulars of the blocks, and the names of persons, and so on, and I regret that the list is not in my friend's hands. It is being written out; and the same may be said as to the particulars of blocks in reference to which the titles are withheld. When these two things are done he will have no grievance left, for which, I am sure, he will be sorry.

Hon. E. Blake: Well, I hope there will be no occasion for any exasperation to be shown. I must say that I am very strongly impressed with the idea that there might have been greater diligence, not since the witnesses came here, but to give some general appreciation of what was to be considered by the other side. I shall have to consider the consequences of that when the matter comes before me. But everything does point to the necessity of this information being supplied by the company at the earliest possible moment. Do not wait if you have three-fourths of the information this morning, but let me have the other fourth this afternoon, so that the other side can begin at once on the evidence you have to present to them. We are now, I understand, to be engaged on the cross-examination of witnesses whose evidence has been deferred.

Thomas Frederick Fenton cross-examined.

1. *Mr. Stringer.*] I wish to ask you a question or two about the land in the hatched portions of this plan that you have shown us. You have told us in respect of certain portions that it is fairly good land on the hatched portions in parts?—Yes.

2. Can you give us an opinion as to the description of the land in reference to the hatched portion?—Taking the greater portion of it, it is bush land.

3. On terraces, I suppose?—Yes, on terraces.

4. And with mountainous parts?—Some of it is mountainous, but it is mostly hills and terraces. Along the rivers there are flats.

5. But you, I suppose, agree with what we have heard before—that the flats along the river sides should be reserved for mining purposes?—Not in some of the flats. Take Arnold Flat, for instance, that is a very large flat, and there is no mining at all going on. Some of the other flats we have allowed.

6. But generally the river-flats should be reserved for mining purposes, I think?—Not in the hatched portions.

7. Tell me where there are any river-flats in the hatched portions that you think should not be reserved for mining purposes?—If you would show me the plan I would point them out.

8. You take, for instance, the Maruia?—In the Maruia it is all flat country, and I consider the whole of the lands in the Maruia are not required for the purpose.

9. Have you formed any idea of the extent of this Maruia space?—I suppose there are some thousands of acres of flats.

10. Well, any others?—The Ahaura Flat. There are hundreds of sheep and cattle grazing there; it is nice open country. The flats up along the Big River and Slatey River.

11. Yes?—Barrytown Flat, which contains about 7,000 acres, I think.

12. You are keeping to land in that hatched portion?—Yes, in the hatched portion.

12A. Hon. E. BLAKE.] You are cross-examined as to the flat lands being opened by you being in the hatched portion?—Yes; do you want me to go further than that?

13. *Mr. Stringer.*] I want you to tell me the good lands you include which are in the hatched portion?—There is very fair land along the Kangaroo River, a fair block there. In Block 74, near Larkin's water-race, there is a flat portion there of very fair land. There is a flat portion again near the Ahaura South Railway-station, near where Hand's sawmill is—very fair land.

14. That is the small block of 370 acres, you mean?—Yes; and north of that again, toward the Ahaura River.

15. Hon. E. BLAKE: You mentioned the Ahaura Flat generally, you know?—They are both sides of the river. That land, again, up near Mackley's, on Block 69; and Snowy Creek—in the creek there are some very fair flats. That small block of 380 acres on Block 54.

16. What is it near—what river or creek?—The left-hand branch of the Inangahua—fair flat land. North of Larkin's Creek, Block 54; very fair land there.

17. *Mr. Stringer.*] What acreage?—The block is 2,040 acres; that is fair land.

18. Hon. E. BLAKE.] Is it the flat portion you refer to?—No; it is not all flat, but there is a good deal of fair land on it. Some of the land on Blocks 2, 3, and 4, in Westland, down near Westport; some of that is fair land.

18A. *Mr. Stringer.*] You have been through, now, all the maps—the small maps?

Hon. E. BLAKE: Yes.

19. *Mr. Stringer.*] I am taking the land you mentioned—2, 3, and 4. Do you really say that some of that is good land?—Yes; some portions of it, along the limestone terrace.

20. What extent of land, and nature, there?—I could not estimate the extent.

21. What would be the average value of the whole of the hatched portions in 2, 3, and 4? We have had a farmer, farming in the neighbourhood, and he has told us that all the portions would be worth 7s. 6d. an acre. Is that a fair price?—I should think it ought to be worth more than that.

22. What do you say?—Some parts would be very little, and some parts more.

23. I am asking you to take the average?—I would put it at a low average.

24. Lower than 7s. 6d.?—No, I do not mean that; perhaps 10s.

25. You think it would average 10s. 6d. per acre—that is, the hatched portions?—Yes.

26. Have you formed any idea of the proportion of fair, good land on the whole of these hatched pieces?—No, I could not.

27. I suppose I would be right in saying it would be a small proportion of the whole?—Yes.

28. The major part of it, I dare say it is timber and stony land that would not be useful for settlement?—I think all of it would grow grass if the hills were cleared. Perhaps in time it will be, and sheep and things on it.

29. You think the whole of it?—I think, in time.

30. In the course of what time?—I think it will be cleared.

Hon. E. BLAKE: That is not evidence.

31. *Mr. Stringer.*] You are on the coast for a long time?—Yes.

32. And I suppose you were on the Coast when all this land was opened for settlement?—I could not say whether it was opened for settlement or not.

33. You do not know that the Crown lands, taking the Grey Valley, for instance, were opened for settlement in the same way as other Crown lands?—I do not know much about the land-laws.

34. Hon. E. BLAKE.] Then, for all you know, it was never opened for settlement; it was not reserved, that spot, so far as you know?—No.

35. *Mr. Stringer.*] Do I understand that if it was open for settlement for many years that you are surprised that people did not take it up?—Some portions of it.

36. What portions?—Portions where there is good land.

37. You say, more or less, you are susprised it was not taken up?—The lands you have mentioned do you mean? Yes.

38. What would you suppose the land you have mentioned as being good land would be worth an acre to buy in its native state?—Some of it 10s., some £1, some £2, some £3, and some £4.

39. I suppose the £4 block that you speak of would be a very exceptional block?—Yes; it would be a very exceptional block.

40. Where was that?—Some of it at Arnold's Flat.

41. What area?—Oh, perhaps a thousand acres or so there.

42. In which of the hatched portions do you say that is?—In 81.

43. If you were told, Mr. Fenton, that the Arnold Flat was open for years for selection at £1 an acre the upset price, would you be somewhat astonished that it never had been taken up?—I should like to buy it for £1 an acre.

44. You do not know, I suppose, that it is tried for years?—No; I do not know.

Hon. E. BLAKE: You did not prospect that line?

45. Have you any knowledge of the cost of clearing this bush land?—Yes.

46. Of your own experience?—Yes.
47. You have cleared land?—I have cleared land up north, and have let contracts for clearing.
48. In the North Island?—Yes.
49. Have you ever cleared, or had cleared for you, any land in the Grey Valley?—No.
50. Then, you have had no experience of that?—I know what the value of clearing land is.
51. You say that it is the same kind of bush and land as the North Island land?—The same class of bush.
52. And the same kind of land?—Something the same class of land.
53. You seriously mean that?—The same kind of land, and it would cost about the same to clear it, as in the North Island.
54. Hon. E. Blake.] Would you say the same kind of bush and the same kind of land, or do you say something the same kind?—Something the same kind.
55. *Mr. Stringer.*] How long did you say you had lived in the Grey?—About ten years.
56. *Mr. Cooper.*] Taking Block 81: you say a good deal of that land would be worth a considerable sum—£1 an acre, I think, you said?—I would like to buy a lot of it for £1 an acre.
57. What gives it that value, in your opinion?—Such valuable silver-pine bush.
58. Have you been there for the purpose of inspecting the value of the bush, as well as the nature of the land for gold-mining purposes?—Yes.
59. Are there any sawmills on that block?—Yes, Feary has a sawmill on that block.
60. Do you know when that sawmill was erected on that block?—I think about three years ago.
61. Since the railway has been there?—Yes.
62. Are there any other mills?—Feary has another mill adjoining, but it is on a freehold section.
63. There is one sawmill owned by Feary on the block, and another sawmill adjoining?—Yes.
64. Are they cutting timber on that block?—Yes, cutting silver-pine timber from it now. I saw several thousand feet of timber being cut there.
65. When was that?—Last September.
66, Do you know for what purpose they are cutting that timber?—For railway-sleepers.
67. They are shipping it?—Yes.
68. Do you know from what port they ship it?—Greymouth.
69. Do you know of any one else who is cutting timber on that block?—Yes; Mortenson and party, and another party.
70. We will deal with Mortenson first. What are they cutting?—Silver-pine sleepers.
71. You know this of your own knowledge?—Yes; I saw them cutting.
72. What are they doing with their sleepers?—They are shipping them from Greymouth.
73. Can you give us any estimate of the number of acres that have been denuded of timber by Feary Brothers on 81?—It might be between 100 and 200 acres.
74. Did you form any estimate of the number of sleepers that could be taken per acre?—Yes.
75. What estimate?—About 280 sleepers per acre they were cutting; but they were destroying a lot more bush.
76. Hon. E. Blake.] You say 280 sleepers per acre were being cut by Feary Brothers?—Yes; by Mortenson.
77. *Mr. Cooper.*] Supposing you owned a freehold, and you gave the right of cutting sleepers to any one, what royalty would you expect fairly from that bush?—If I owned a bush, I would not let it; the timber is too valuable. They are the best railway sleepers, I suppose, in the world—silver-pine—and there is not a very large quantity on the West Coast.
78. You think that the timber should be conserved at present?—Yes; it is very valuable timber.
79. Do I understand that, by cutting the bush in this way, there is a great deal destroyed, as well as taken for sleepers?—Yes; sleepers must be a certain size to be delivered to the Government by contract, and if they are a shade small, they are condemned and left behind, and if there is the least knot in them they are condemned.
80. Hon. E. Blake.] They are inspected by a Government inspector on the ground?—Yes, even if they are the eighth of an inch small they are condemned; it is very hard to square them the exact size. They are not sawn; they are squared.
81. *Mr. Cooper.*] There is a considerable loss in that respect?—Yes; a terrible waste.
82. I believe you visited Feary Brothers' sawmill, I think you said in September?—Yes.
83. Can you state what logs you saw there, at the sawmill on the block?—I saw, I think, about 5,000ft. lying at the mill, cut timber.
84. All silver-pine?—Yes.
85. Is there any one else cutting timber on Block 81?—There is another party of Swedes, near Mortenson's.
86. Were they cutting silver-pine sleepers?—Yes.
87. For export?—Yes.
88. What other timber is there upon that block besides the silver-pine?—Close to the hills there is a very valuable bush of red-pine.
89. Red-pine is what we call rimu?—Yes.
90. White-pine is kahikatea?—Yes.
91. What is silver-pine?—They call it swampy-pine.
91A. Is that a kahikatea?—No.
92. Is there any other class of timber there?—Birch.
93. Is that of value?—Yes.
94. So that your estimate of the value of Block 81 at per acre is based upon the timber which is upon it?—Yes; I inspected the part along the hills, closer to the hills than where the silver-pine is, and I am sure you would get 20,000ft. of timber to the acre on it.

95. My friend Mr. Gully says the timber was there before 1891, but I think the railway was not?—The railway was not.

96. Has the railway improved the value of the land for timber purposes?—Yes; the railway has given access to it.

97. We are dealing with Block 80. Is there timber upon that block, on the hatched portion?—Yes; there is timber on that Block 80.

98. Of what kind?—Different kinds of timber; most of it birch.

99. That is not such a good class of bush as on Block 81?—No; there is a splendid bush in Block 80, where Livingston's shafts are marked, and where you see Spring Gully, Mud Gully, and so on.

100. Is that silver-pine bush?—No; that is a red-pine bush.

101. Is the timber you have spoken about on the hatched portion of Block 80 marketable timber? Does it add to the value of the land in your opinion?—It is not a good bush.

102. In Block 77—the one above 81—what timber is there there?—Near Ngahere Railway-station there is a very fair bush, on a terrace there, worked by Algie.

103. Silver-pine bush?—Yes; some of it; some of it red-pine bush—different classes. It is a bush I should estimate about 6,000ft. to the acre of different timbers.

104. How long has Algie been cutting there?—He has been cutting for a very long time.

105. You say it would run about 6,000ft. to the acre?—Yes.

106. And how much do you think has been cut out by Algie?—About 600 acres.

107. That would be about 3,500,000ft.?—Yes, somewhere about 3,500,000ft.

108. Is there any one else cutting timber on that block?—No, I do not know of any one else cutting timber on that block. On the block between Windham Creek and down towards Ngahere Station there are three or four tramways running in all directions to the station.

109. Is his mill near the station?—His mill is at the station.

110. In your opinion, what is the value per acre of that timber on Block 77, assuming that the timber was not cut—with the railway there, of course?—It would give you an idea of the value if you take 6,000ft. to the acre, and the royalty allowed on that.

111. I want you to give me an idea, not me to give you one.

112. *Mr. Stringer:* What is the royalty?—Threepence a hundred.

113. *Mr. Cooper:* That would be 15s. an acre for the timber alone?—Yes.

114. Have you formed any estimate as to the quantity of timber there is on Block 77—that portion, say, north of Kangaroo Creek?—In Sections 4 and 5, in the hatched portion of Block 77, south of Kangaroo Creek at the corner, there is another splendid bush. That is a splendid piece of land, with a splendid bush upon it.

115. What kind of bush?—A birch bush.

116. Could you give us any estimate of the value of it per acre? How many acres are there?—There might be about 100 acres of very good flat land and bush down at that corner.

117. That is birch bush, you say?—Yes.

118. What do you consider the value of that bush per acre under the present conditions, with the railway adjacent?—That would contain about 20,000ft. of saleable timber to the acre.

119. Hon. E. Blake.] What would your notion of royalty be?—About £2 10s. to the acre, at 3d. per hundred.

120. Is there any other timber on that portion, for instance, between Kangaroo Creek and Deadman's Creek?—Yes, that is timbered country, too.

121. What kind of timber?—The timber is not so good on that portion.

122. What class of timber is it?—Birch.

123. Is it marketable?—Yes; it is marketable. It is a mixed bush.

124. Could you suggest any value? You say it is not so good as the timber in that triangular piece?—I do not think that would be so valuable for timber purposes.

125. Between Dilman's Creek and Deadman's Creek, is there timber there?—Yes.

126. What kind?—The same as between Kangaroo and Deadman's, but it would not be so valuable as the other.

127. Do you know of any cutting going on between Deadman's and Kangaroo, and No Town and Deadman's?—No.

128. Is there any cutting going on there?—No.

129. I understand the only timber-cutting that is going on, as far as you are aware, is on Blocks 77, 80, and 81—Algie, Mortenson's, and Sweed's?—Yes.

130. Now, dealing with Block 79?—That is mixed West Coast bush, but I should not consider it available for timber purposes; it is rather out of the way.

131. What kind of timber is there upon the hatched portions of Block 79?—The usual mixed West Coast bush. It is birch, and not very valuable.

132. Now, on 74, Mr. Fenton, what do you say about the bush upon that?—Hahn has a saw-mill on Section 71, adjoining that. He gets his timber from the hatched portion between Callaghan's Creek and Ahaura.

133. What kind of timber?—Birch and pine.

134. How long has he been working there?—I could not say.

135. Has he any trams running through that bush?—Yes, in different directions.

Mr. Gully here wished to raise an objection to the admission of this evidence on the ground that it was irrelevant. He contended that the particular subject-matter of the examination was the claim not for loss of land by the reservations, but a claim for loss of timber. Clause 18 of the contract showed that if the land was outside the reservations then the right of the company was not infringed. Whether the timber was on the land within or without the reservations, they had the right to select it; and how could it be said therefore that the reservations in any way infringed the company's right to the timber?

Mr. Cooper said the principle upon which that evidence was adduced was this: The contract gave no power to the Government to grant any licenses for the cutting of timber. The company contended that these blocks had been improperly reserved, but the Government had, nevertheless, granted licenses to cut timber upon them. The authority which the Government had given had been a breach of contract, and they had interfered with and reduced the value of the lands from which the company were entitled to select. They also contended that these licenses had been granted for purposes which did not come within the power of the Government under section 18. This was a claim more for the depreciation of the value of lands from which they were entitled to select. He submitted that any act of the Governor which was a wrongful act, and which resulted in the depreciation of an acre of land within the authorised area, was a technical breach of the contract, and he asked that the evidence might be admitted on the question of how far it would affect damages, assuming they were entitled to damages.

Hon. E. BLAKE allowed the evidence to be taken, subject to objection.

136. *Mr. Cooper* (to witness).] With regard to 74, you say a man named Hahn was cutting timber?—Yes.

137. What is the class of timber?—Birch and pine.

138. Hon. E. BLAKE.] Yes; and you say there were five or six trams there?—Yes.

139. *Mr. Cooper.*] Now 75. There is a portion of that timber, the 1,090 acres in the north-eastern corner?—Yes; it is bush land, but not of very good quality.

140. Is the timber in that portion up by Lake Hochstetter timbered land?—Yes.

141. What kind of timber?—I do not know much about it. I have not been over that portion.

142. Take Plan No. 2, on Block 70, up the Orwell Creek there is a hatched portion?—Yes.

143. Is there any timber on that?—Near the Ahaura River there is a belt of timber about half a mile wide.

144. What class of timber?—Red-pine. It is about half a mile back from the Ahaura River.

145. Do you know any one who is cutting there?—I think there are two timber-rights.

146. And in 71?—That is where Ericksen's sawmill is. It is pine and birch.

147. What class of bush is it?—It is a medium bush, about 6,000ft. or 7,000ft. to the acre.

148. When you say that, do you mean it is a marketable-timber?—Yes.

149. In Block 69—follow up the upper portions, that is the hatched portion extending into Block 71?—Yes, that is a timbered country too.

150. What class?—The same as the lower portion.

151. Is any one cutting there that you know of?—No one is cutting there.

152. And the western portion?—No one is cutting there. It is bush country.

153. All bush country, but it is not a marketable timber country?—No.

154. What kind of bush country is that?—Medium quality; rather poor.

155. And the class of timber?—Mixed bush.

156. There is a portion of 66 to the east of Mackley's: is that bush country—between the southern boundary of 66 and Brown's Creek?—That is bush country, too.

157. What kind of bush?—Something the same as that of Block 69—medium to poor.

158. Is any one cutting there?—No.

159. Now as to the other portion of 66 that is hatched—that is, the western portion?—That is what I allude to—the whole of 66.

160. Well, 65?—65 is near Mossy Creek—near the Ikamatua Plains.

161. There is a portion of that 4,000 odd acres; Mossy Creek runs through it?—Yes.

162. What class of bush is that?—Birch and pine.

163. Is any cutting going on there?—About 600 acres is cut out.

164. By whom?—Stratford and Blair.

165. What would that run to the acre—the 600 acres cut?—5,000ft. or 6,000ft. That is a marketable timber.

166. Can you tell us as to the rest of the block?—A good portion of that block is about the same. It is cut in the most convenient part first. It is the nearest place to the railway.

167. Hon. E. BLAKE.] It is the most valuable because it saves haulage?—Yes, it saves haulage.

168. Now, as to the other portion, from Snowy Creek upwards?—The bush is not so valuable there.

169. Turn over to the next plan, No. 3: 62 we will take first?—You can take the whole of the hatched portion of that map. It is nearly all bush land of not very good quality. There are little patches very good.

170. Is there any cutting on these blocks going on?—Little patches. It is about the same as I have been describing.

171. Now come to the blocks above Reefton [Plan 4]. Block 54, 380 acres?—That is a very good timber.

172. What kind of timber?—The bush on that is mostly birch.

173. That is near to Reefton?—Yes.

174. Has there been any cutting there?—Not for sawmilling purposes, but it has been cut by people for palings for fences.

175. There are 1,600 acres in Block 53?—Some parts of that are open and some parts bush country.

176. You mean ordinary bush?—Yes.

177. Has there been any cutting there?—No; no cutting in all the other hatched portions. There are no mills.

178. The bush you say is of the same description—birch and pine?—Yes.

179. Plan 5: what do you say about these blocks?—The bush in the hatched portion of 86 and 87 is no good. It is bush country, but on the southern portion it is open country, and the bush is no good. Block 89 is very fair bush up along the Big River—mostly birch. There is no cutting.

180. The next is 85—these are the Cobden blocks?—That is timbered, but the timber is of no value. There is coal.

181. Blocks 97, 94, and 93, Map 8, what do you say about that?—Some of it is timber country and some open country. It is of no special value for timber purposes.

182. Then Plan 9—5 and 6, those are the Brighton sections?—That hatched portion is bush country.

183. Is it of value for marketable purposes?—I do not think so.

184. Now, plan 10?—The hatched portion towards the sea is timbered land.

185. Hon. E. BLAKE.] That is 2, 3, and 4?—Yes; and the eastward portion is open pakihis, not very valuable timber.

186. *Mr. Cooper:* The other blocks?—A little timber along the sea-coast, not valuable.

187. Can you speak of any of the Westland timber country?—Yes; Block 2B. That comes to C. The Westland Sawmilling Company have a mill there, and they are cutting timber on that block. It is very good bush. The usual West Coast timber, 12,000ft. to 15,000ft. to the acre, not all over it; the northern part of it is, a good deal of it, silver-pine, which has been cut pretty well out.

188. Do you know when it was cut out?—I saw the silver-pine sleepers lying along the railway when I was there. It has been cut recently.

189. Any other blocks?—Block 6, at Kumara.

190. What do you say to that?—That is a very good block of timber land. It contains about 4,000ft. to 15,000ft. to the acre.

191. What class of timber?—The usual kind, birch and pine.

192. Hon. E. BLAKE.] Am I not correct in thinking that there was a portion of the hatched land which your witnesses said ought to be reserved on the Kumara Block, or was it on the other side?——

193. *Mr. Cooper.*] I think it was on the other side?—On Block 1 we left a large reserve.

Mr. Cooper: There is some discrepancy there.

Hon. E. BLAKE: It does not apply to this; we are on Block 6 now.

194. *Mr. Cooper.*] Is there any cutting on it?—Yes; I think Morris is cutting on it. Several others have timber-licenses on the top of the cutting.

195. What about the other blocks? Just tell us what you specially know?—At the Kumara, Block 1, there are either two or three sawmills; but we have allowed a large quantity for mining purposes.

196. Those are all the blocks you can speak of?—Yes.

197. That is all you can say about timber, then?—Yes.

198. *Mr. Stringer.*] I gather from what you said with regard to the hatched portions in the Grey Valley, Mr. Fenton, that there is only a small portion of first-class timber amongst it?—Above Ahaura.

199. You mentioned this part of the Ahaura specifically?—There are some fair and some not.

200. I say a small proportion. I understand you to say that the best timbered land will go about 10,000ft. to the acre?—Some of it will go more—some 20,000ft.

201. What would you consider the fair average on the best timbered land you have spoken of—from 10,000ft. to 20,000ft?—Yes; from 10,000ft. to 20,000ft. I would consider the average.

202. And the royalty at 3d. per 100ft.?—I think that is the royalty the Government charge.

202A. And what would second-class land average per acre?—About 5,000ft. to 10,000ft.

203. You spoke of Messrs. Blair and Strafford cutting some timber?—Yes.

204. Do you know whether or not they were cutting with licenses of the company?—I do not know.

205. I will refer to Block 6 for a moment. What kind of timber is on that?—Pine.

206. All pine?—Well, mostly pine.

207. Is there any birch there?—Not so much birch.

208. Is there any birch at all?—Yes, I think some of it; but it is mostly pine.

Hon. E. BLAKE: You do not propose to cross-examine the other witnesses whom you reserved.

Mr. Gully: No; we do not desire to cross-examine.

Hon. E. BLAKE: No cross-examination proposed to be made of any of the other witnesses whose cross-examination was proposed to be reserved.

JOHN HUGH MACGREGOR sworn and examined.

209. *Mr. Jones.*] I think you are a gold-miner, are you not?—I am.

210. Where have you been mining principally on the West Coast?—No Town, in the Grey Valley.

211. How long have you been there?—Twenty-five years.

212. Mining all the time?—Principally; mostly all the time.

213. You are still mining there now?—Yes.

214. Will you look at that map; you have already seen it. You know this portion hatched; that represents land which the company contends is not required for gold-mining purposes or purposes incidental thereto. Now, in Block 81, just look at it carefully, and from your experience there tell me what is not required for gold-mining purposes?—Well, in my opinion, you cross from No Town to the Westland Fall into the Arnold Flat and down to the Arnold River, and that block is not auriferous.

215. *Mr. Jones.*] I will go into more detail. What do you mean by the Westland Fall?—It is the fall from the range that divides No Town from the Arnold Flat.

216. Do you see that place called Spring Creek? The other witnesses said there is a range from No Town to the Springfield Creek. Is that correct? If you take the fall of the Westland Range

between Spring Creek and No Town, that piece of land is not required for gold-mining purposes?—Not in my opinion.

217. Where would be your starting-point?—Up Chinese Gully—about a mile or so from the Twelve-mile.

218. I think you know the district thoroughly?—I am very well acquainted with the district. I have done a lot of prospecting in it.

219. How far back does the gold run in that little bit of blue you see marked in Section 81?—I should fancy it runs from the No Town Creek itself to the summit of the range.

220. But you do not know the exact distance?—No.

221. Has there ever been any gold discovered in Block 81, on the western slope of that range?—Not to my knowledge.

222. To finish No Town Creek: you see a small portion marked on the eastern side of No Town Creek, what about that?—I should say about half a mile on the other side of that creek would be the extent of the auriferous ground.

223. You say that is correctly laid off in Block 87?—Yes; as far as I can see.

224. As to Block 80: what do you say to that?—The auriferous belt follows from No Town right up to about a mile or so: I should fancy to Bell's, on the track following the No Town Creek. Bell's is running into No Town Creek at the northern extremity.

225. As to the northern extremity, do you think this portion hatched is required for gold-mining purposes?—It is very broken, abrupt country. I have been prospecting there, but I have never got any payable gold. It is very bare wash. It is composed chiefly of conglomerate—what we call the "old-man reef." It is a very broken stretch of country—parts of it.

226. I think you are at the present moment mining close to No Town Township?—About half a mile below No Town Township—at Opossum Terrace.

227. Do you think that if there was any ground within the hatched portion of these blocks which would pay £1 a week, that it would not have been worked years ago?—I fancy so; at one time there was a large population there, I should say over a couple of thousand people. I fancy if there had been gold there it would have been found.

228. Does the country present any peculiar features to prevent prospecting?—Nothing beyond what I have stated; it is a bit rough.

229. In which direction have any gold-workings extended since you have been in No Town Creek?—Since I have been in the district they have extended very little. Nearly all these creeks and gullies were workings when I came into it. They extended a very short distance down Chinese Creek.

230. They have never extended that way beyond a chain or so?—Very little.

231. How far do they extend going up the creek—the actual workings?—They extend a little beyond Bell's Gully.

232. Was that the known auriferous belt or ground twenty-five years ago when you were there?—Yes; there has been very little fresh country discovered there.

233. During the twenty-five years they have been engaged working there, what have the miners been working at?—They have simply been working the creeks, sluicing, and driving tunnels.

234. In the known auriferous belts?—Yes.

235. What is the population of No Town district proper?—I should fancy there are only about eighty miners working there.

236. That is the whole population?—The whole mining population.

237. With reference to the water-races that are used in this district, is all the available water occupied in that district?—Yes.

238. All taken up and being used by the miners?—Yes.

239. Do those water-races run pretty well with the course of the creek, or do they run across country at right angles, as a rule?—As a rule they follow the course of the creek.

240. Do you know of any races in the hatched portions of 80 and 81?—I could not exactly say.

241. *Mr. Gully.*] You are working near No Town?—Yes.

242. May I ask about how much a week you are making from gold-mining?—The average would be almost impossible to tell. Sometimes you make a little gold; at other times you get less. You may be for two years in a district sometimes, and never get any gold.

243. Would you be making an average of £1 a week?—No.

244. How much are you getting out of the other mine—the company? Are you getting £1 a day?—I am getting two guineas a day.

245. Have you been over the ground for the company?—No.

246. You have not prospected any of these hatched portions of the block of which you have been speaking—that is, with the view of giving evidence here?—No.

247. You are relying for the ground of your opinion solely upon your previous experience?—Yes.

248. How do you get at the conclusion that there is no gold to be found on these hatched portions?—There has been a lot of prospecting done in the district.

249. Not by you, but by others?—By others and by myself.

250. You say this because you believe there has been a good deal of prospecting and no gold has been found; therefore you come to the conclusion that these hatched portions are not auriferous?—Just so.

251. I suppose, then, it is quite an unknown thing in this locality for a new lead to be discovered?—There has been hardly any discovered within the last ten or twelve years.

252. Is there any work going on, or has there recently been, at Sunday Creek? Do you know Sunday Creek?—Yes.

253. Are there persons working there?—Yes.

254. How long have they been working there?—They have been prospecting there, I think, for the last two or three years.

255. There is gold there; is there not?—Yes; a little.

256. That is a new discovery, then?—That creek was discovered over twenty-five years ago.

257. Is it not true that there is work being done there, owing to gold being found within the last couple of years?—Yes; that is correct.

258. You say this is easy country to prospect—80 and 81?—It is not more difficult to prospect than other portions of the West Coast.

259. Than other portions, which are equally easy?——

Hon. E. Blake.] He said it was pretty rough, broken country.

260. *Mr. Gully.*] Well, how much do you reckon of this country could a man prospect in, say, a period of three months—that is, prospect thoroughly?—Well, that is a question. To prospect thoroughly—some people could run over it, and others would take some time.

261. What I mean is, if you had a prospecting license, say, the full regulation size, 400 yards by 600 yards, and you really wanted thoroughly to prospect that area, how long do you reckon you could do it in?—It depends on the nature of the country.

262. I am asking you about 80 and 81. You know the nature of that country?—The nature of that country is conglomerate, very little wash, and very easy to run over, whereas, if it were deep ground, it would be very difficult to prospect.

263. Give us your estimate?—It might take a little while.

264. I will put it to you in this way: Do you think you could work out a full prospecting area by yourself in three months, to do justice to it?—Prospecting it is not working it out. If the ground was shallow ground, that you could run over and try the different creeks and gullies, there would be no trouble, I think, in doing it in three months.

265. Some of the witnesses have told us, with reference to this particular locality, that they would, if prospecting, only prospect in the creeks; is that your idea?—Not as a prospector. If any gold was to be found in the creeks there would be very likely gold found in the terraces and the hills.

266. Therefore you say that you would prospect on the hills as well as in the gullies; is that correct?—Yes.

267. In point of fact, is it not the common experience that where you find gold in these creeks and gullies you may find gold on the terraces between the different creeks?—It depends on how the gold runs. The gold, as a rule, does not run right down the creeks, but runs very often at right angles.

268. Hon. E. Blake.] When you find gold in the creek you would very likely find it on the terraces and hills on the side of the creek?—Yes.

269. *Mr. Gully.*] If you were making the reservations you would not follow out the plan of simply reserving gullies and a small area on each side?—I am not an expert in that, and could not give a decided answer to the question.

270. You have told us that you would go outside the creek, beds, and, perhaps, expect to find the gold at right angles to the creeks. Are you really prepared to say there is no payable gold in this hatched area?—I am prepared to say that, in my opinion, there is no payable gold to be found in these two blocks. No one can say where gold may or may not be found; but a miner, as a rule, will try and prospect, and follows where he fancies the gold is likely to be found.

271. I suppose he would be a very rash man who would venture to say that payable gold would not be found in any of these areas?—Yes; in fact, in the Town of Greymouth they may find gold.

272. Now, what would you call payable ground on these terraces for sluicing?—I should reckon, at the present rate of wages, £3 per week.

273. How much to the cubic yard?—I could give you no estimate with reference to a cubic yard.

274. Could not you give an estimate of what would pay, supposing you had plenty of water on this ground?—It depends upon the height of the wash.

275. What do you say? Are you prepared to give any estimate at all?—As a miner, I say it depends in sluicing upon the height of gravel you have got.

276. But supposing you received a severe shock, and struck payable gold on the hatched portion of section 81, what amount do you think would pay?—I told you before, £3 a week. It depends on the height of wash you have got, and the fall. There are certain grounds in which you can make it pay although there is very little gold in it.

277. If you cannot give us any estimate at all say so?—I say so.

278. Therefore you are unable to say what amount of gold will be payable on any portion of this hatched block, Is that so?—Yes.

279. And how on earth can you say it ought not to be reserved? If you cannot say how many grains to the load it would take to pay, how can you say the land ought to be reserved or not?—I have answered the question.

280. Now, you agree generally with that plan, do you not?—Yes.

281. Have you discussed the matter with any of the other witnesses?—No.

282. Or seen the plans before?—I have seen the plans before.

283. You know Block 77?—Are you prepared to say that there are no workings at the present time on any portion of Block 77? Do you say that there are no workings on any part of Block 77 that is hatched between Deadman's Creek and Kangaroo? It is all hatched between these two streams. There is a terrace, is there not, between these two streams, between Deadman's and Kangaroo?—Not as far as I am aware of.

284. There is a terrace, is there not, a pretty high terrace?—Yes.

285. Are there no workings there?—As I say, I am not very well acquainted with this 77 block; only I was there many years ago.

286. How many years ago?—About 1868 I was there; I have no local knowledge of 77.

287. Then, you do know 80 and 81. These are the blocks you are specially acquainted with? —Yes.

288. Continuing on in this same terrace I have referred to between Deadman's and Kangaroo, does not that terrace extend into Block 80, taking a curve round rather a little bit to the south? Are you alluding to betwixt Deadman's and No Town?

289. No, the other one. Is not there a terrace running into Block 80, between Red Jack's and Deadman's Creek? Does that terrace run into 80? I mean the terrace between Deadman's and Red Jack's?—Deadman's Creek is a very level creek running out across the road into the Grey River.

290. I am asking you about terraces. I suggested one on the north-western part of Block 80? —There is a terrace running into the upper portion of Deadman's, but none that I know of in the lower. It is all rough ground running into both falls.

291. Is there not working going on now on the hatched portion of Block 80, somewhere near the north-west corner? Are you prepared to say there is not?

292. Is there any one working there at the present time? I refer to Block 80?—There is no one working there that I know of.

293. Let me suggest that there is somebody that you do not know of. Have you been on that portion of the block lately?—Yes.

294. Is there nobody working on that hatched portion at all, or on the hatched corner of the south-western part of Block 79?—So far as I am acquainted there is nobody. There might be people travelling continually about the country, but I am not aware of anybody being there.

295. In making these reservations did you make any allowance for water-races?—I do not know anything about water-races; I am simply talking about the country.

295A. Then you are going to make reservations without knowing anything about water-races. You make no allowance for water-races being required across any portion of this hatched country? —No, I do not make any allowance.

296. Do you make any allowance for future discovery of gold, or do you suggest there is not going to be any?—It is not within human power to tell that. I am only speaking from the knowledge I have had after having been a good many years in the district.

297. Your idea then, is simply to reserve what has proved payably auriferous up to the present time?—Yes; and there is a large extent of country around——

298. Will you look at Block 81, and tell me whether you are prepared to say that there is nobody working on the hatched portion of Block 81. I want to know how far you are prepared to pledge yourself?—There is no one there to my knowledge.

299. Might there not be people working there?—I do not know?

300. There might, for instance, be somebody working near Delaney's?—No, I do not know of anybody.

301. Would you be prepared, if witnesses came here and said there were persons working on the hatched portions of Block 81—do you know enough to be able to contradict them?—There might be people working there after I left.

302. Would you be surprised to find that there were people working on those hatched portions?—I should be surprised.

303. The fact is that there is a good deal of prospecting going on?—There is not a great deal.

304. There is always a little prospecting all over those blocks?—I do not know about "all over those blocks," but in the old workings.

305. How long it it since you were on Block 81?—About five or six years. I have been several times on the block near Red Jack's. I mean the lower portion of the hatching in Block 81.

306. How long is it since you were over the northern part of Block 80 which is hatched?— It is not so long; I am over it every now and then.

307. What do you go there for?—We go over to Red Jack's.

308. Have you done any prospecting on the hatched portions?—Yes.

309. It is good enough to prospect, then?—We must try. A miner has to look for gold.

310. You look for gold where you do not find it. Then it is good enough to prospect?—It is good enough to prospect, of course.

311. I suppose it would be beautiful country for farms?—There might be good timber in it.

312. But you do not think it would be much of a place for smiling homesteads?—People might not care to select homesteads upon it, but people go to curious places sometimes.

313. *Mr. Jones.*] You said a little while ago that there might be people working on Block 80 since you left. Now, prospecting and working are two distinct things, are they not?—Yes.

314. What do you understand by prospecting?—Looking for gold. It might be tunnelling into the hills, or trying with a tin dish, or it might be scraping about here and there looking for gold in the places where you might naturally expect to get it.

315. What is the first thing you do when you are out looking for gold in new country?—We go and look over the gravel.

316. Can you be guided in any measure by the nature of the gravel you see in front of you?— Say there is a bluff with about 50ft. of wash under it: if we see nice heavy gravel with a few boulders in it we should think it was a good place to look for gold.

317. Supposing you are going into an entirely new country—not that about No Town—what would you do?—You would have to look for the water in the country, and you would have to sink a shaft, or tunnel, or you would have to try the faces of the terraces.

318. As a prospector, how long would it take you to satisfy your mind that an area of 400yds. by 600yds. was not payable?—It would not take long if the ground was shallow.

319. What do you mean by the word "long"—a few days?—A few days, or a week or two, I could not say exactly.

320. Are there any leads in the No Town district?—There are what you might call runs and patches, but I do not known of any defined lead; it is broken country.

321. As a matter of fact, does not the lie of the gold-bearing country follow the creek-beds and the terraces on the other side of the creek in that country?—Yes; to a certain extent, when you get out of a certain part of it. As far as I can see, the auriferous country in the No Town lies between Chinese Gully and Bell's.

322. Then, in that portion of the country, the leads follow down the creeks?—Yes; but there are angles now and again.

323. Would not these creeks give an indication of gold being in the district?—Yes.

324. Do they not act as nature's sluice-boxes for the higher country above them?—Yes.

325. Supposing there was a lead running parallel with the creek, do you think you would still find traces of gold in the creek, although it was not intersecting the payable portion of that lead?—If there were a run of gold, and if the creek did not intersect, you would find it.

326. If it does not intersect the payable terrace also?—As a rule, you will find colour in the creek if there is gold there.

327. A lead that is running parallel with the creek, and is not intersected by the creek at all—I ask you, as a practical miner, if you would expect to find traces of gold in the bed of the creek: I am talking of where it never crosses the payable portion of the lead?—There is what they call deep grounds and shallow grounds, and if the water has been going down these levels you will find occasional gold in the creeek.

328. Supposing a lead which is running parallel with the creek were at a deeper level than the creek-bed itself, and had a covering of gravel 50ft. or 200ft. above it, would you not expect to find in that creek some traces of gold?—Yes; you might find traces where there are no leads about.

329. Is it a fair thing to say, if you prospected the West Coast and you found no traces of gold in the creeks, that you could have very little hope of finding any on the terraces?—From my own knowledge as an old prospector I should look for gold in the creeks first, and then trace it from the creeks into the terraces.

330. Can you tell me of any diggings, either in Westland or the Grey County, where gold has been found in the terraces and not in the creeks?—I could not.

331. In reply to Mr. Gully you said that you considered payable ground worth £3 a week?—Yes.

332. When you gave your evidence with reference to the hatched portion of Blocks 80 and 81, you said there was no payable ground in it. Do you mean that there was no payable ground in those two blocks which would pay £3 a week?—Yes.

333. Is there ground in it that would pay, say, only £1 a week?—Not to my knowledge.

334. Will miners work ground that will only pay £1 a week?—They will work it in the hope of its improving and getting better.

335. You were pressed a little hard to say what would be a payable prospect. Does not the payable nature of ground depend entirely upon conditions and circumstances surrounding it?—Certainly. It depends upon the method of working it.

336. Just look at this map a moment: you told Mr. Gully you made no allowance for water-races. I ask you distinctly if you know of any water-races in the hatched portions of Blocks 80 and 81?—To the best of my knowledge there are no water-races in Block 81. I cannot say if there are any in the other block.

337. You recollect you told me in your examination in chief that all the water is engaged at the present time in the blue area on this map of Blocks 80 and 81. Is there any other water that can be brought into the block?—It would cost an abnormal expense to bring more water in through that block, as the configuration of the country would not allow it. It would cost over £100,000.

338. *Mr. Gully.*] Upon what do you base your estimate?—The fact that this country is high, and you would have to go an immense distance back to bring it from the ranges.

339. *Mr Jones.*] Where would you have to go for it?—Very likely to the head of Deep Creek.

340. Do you mean Bell Hill?—Yes; towards Bell Hill.

341. If gold were discovered of a payable nature in either of those hatched portions of 80 and 81 could the water in Notown Creek be utilised for working that ground?—Not from what I would call the limit of Bell's Gully.

342. I suppose you know that every day men are roaming the country prospecting?—Yes; with their swags on their backs. They are always prospecting.

343. Hon. E. Blake.] For how long have you been paid these two guineas a day?—I received a telegram from the company to proceed to Wellington.

344. You receive it just during your attendance?—Yes.

345. *Mr. Jones.*] That covers expenses?—It covers my hotel expenses and travelling expenses.

346. *Mr. Gully.*] Is it two guineas a day, or fourteen guineas a week?——

Mr. Jones: Two guineas a day.

Mr. Gully: I am bound to say, I shall ask the Court to consider that.

Mr. Jones: It might be expedient to say what the profit on two guineas really amounts to these men.

Hon. Sir E. Blake: The witness has proved that he is making on an average under £1 a week, and you pay him £2 2s. a day. Of course, he has to live at greater expense here.

Mr. Jones: That is not a fair test, because a man may be making nothing a day at mining, and the very next day have £1,000.

Hon. E. Blake: He says £1 a day on the average.

Mr. Jones: It would be fairer to calculate from the time the man has been digging.

Mr. Gully: I am very glad to hear that there is a chance of his getting £1,000.

Hon. E. Blake: It strikes me that, in the absence of any special expert knowledge, that the payment of two guineas a day demands some sort of explanation. It seems very extravagant at the moment.

Edward Thomas Gadd sworn and examined.

Mr. Jones; This evidence is to prove the water-races and dams in Block 7, the southern portion of Block 9, and the whole of Block 8, in the Westland District.

[Exhibit No. 90 referred to.]

347. Are these the printed sheets you went through and compared with your notes?—Yes.

348. You, in company with Mr Cocks, went through the blocks I have mentioned—Blocks 7, the southern portion of 9, and Block 8; is that return correct?—Yes.

349. For the purpose of finding the registered and unregistered persons occupying the ground under mining-rights?—Yes.

350. You were in Mr. Cocks's company all the time?—Yes.

351. Did you make an absolutely correct return of these matters in the districts mentioned?—To the best of my knowledge and ability, I have.

352. You went wherever you saw or heard of anybody working?—Where we saw any one working at the time, and to some places where there was no one working.

353. Did you follow up the creeks?—Yes.

354. Have you taken account of all the water-races and dams?—It was impossible in some places, because they were worked away—washed away.

355. As far as you can say, this is an accurate return of the number of dams and water-races, with the names of the persons, in this district?—Yes.

356. Hon. E. Blake.] The print is an accurate reproduction of your notes?—Yes. [Return of water-rights put in.]

357. *Mr. Stringer.*] What are you, Mr. Gadd?—A miner at present.

358. How long have you been mining recently?—Thirty-two or thirty-three years, off and on.

359. But you have not been mining principally during the last fourteen or fifteen years?—About fourteen or fifteen years continuously. I have been on the tram-line until within the last two years.

360. And the last two years you have been mining?—Yes.

361. When were you employed by the company to go and count up all these water-races and water-rights, roughly speaking?—In October last, I think about the 13th.

362. How many days were you employed in getting the information?—Forty-three days.

363. And you went over those blocks you think thoroughly?—I do.

364. What wages were you receiving?—£1 a day.

365. Was anything allowed you for expenses in addition?—No.

366. That covered everything?—Yes, that covered everything.

367. You would, I suppose, put up with the miners on the different places on the blocks?—I put up at hotels. The miners have nothing to give just now.

368. Mining is very poor work now?—Very poor, as a rule.

369. You were precious glad to get employment at £1 a day, I suppose?—I do not know that I was.

370. What were you making at mining?—I have not been making anything latterly; it has been principally prospecting.

371. Where have you been prospecting?—About the South Beach, and between the South Beach and Marsden.

372. Over new country, I suppose?—No.

373. What country were you prospecting?—On the cement lead.

374. You have been prospecting old ground?—Yes.

375. In the hope of getting something that has been overlooked?—Yes.

376. It is a common occurrence, I suppose, for miners to do that?—A very common occurrence there.

377. You think the whole of the country has been prospected there?—I do.

378. Do you say that the whole of that country is likely to be prospected again in the hope of picking up a lead?—Possibly it might, but not very probable.

379. But, notwithstanding its improbability, you have been engaged for the last two years in doing that?—Simply because there has been nothing else to do.

380. What arrangement has been made with you as to payment while you are away from your home?—I have had a little money.

381. What expenses are you getting—two guineas a day?—No; I am getting £1.

382. And expenses paid here?—Well, I expect so.

John Frederick Cocks sworn and examined.

383. *Mr. Jones.*] What are you?—Latterly I have been working as an upholsterer, but I have been a miner off and on for the last twenty-five years.

384. You say you have been mining?—I have.

385. I think you accompanied Mr. Gadd over these Blocks—7, part of 9, and 8?

Mr. Stringer: Is this witness to corroborate what Mr. Gadd said as to the water-rights on these blocks?

Mr. Jones: Yes.

Mr. Stringer: Well, we do not cross-examine on that.

Hon. E. Blake: I shall certainly assume that Mr. Gadd's evidence is correct as to the printed return put in.

386. *Mr. Gully.*] How much are you getting a day for this work?—£1 a day.
387. That is, while you are engaged in making investigation?—Yes.
388. And anything by way of expenses?—While in Wellington we get expenses as well.
389. £1 a day clear?—Yes.
390. What were you making at the cabinetmaking before you were called upon?—I was making £3 12s. a week as a workman in the workshop.
391. At what sort of work?—Upholstery work. Weekly wages.
392. You were not working when you took this particular employment?—No; I had just left.
393. I thought you had given up mining?—I had not time to go to anything better. I did not make up my mind to go.
394. You had a better thing on; but you were not working at the time you undertook this job?—I was not in want of employment. When I am out of weekly employment I work for myself.
395. May I ask, without being impertinent, how much you were making a few weeks before you undertook this job?—I do not know. If I knew I was to be asked a question of this sort I should have been prepared for it.
396. Hon. E. Blake.] How long have you been out of employment?—A fortnight. With my engagement here and working otherwise my earnings would be rather more than the weekly earnings.
397. How many days were you getting this very useful information?—About something over forty days.
398. In the wilderness?—I did not count it, but you may put it a little over forty days.
399. You were not as long as the last witness?—Yes; we went together.
400. He made it forty-three, is that a mistake?—He is correct, I think.
401. You were over forty days in the wilderness?—Yes.
402. Did you live pretty cheap in the wilderness?—No, not by any means; we had to put up at a hotel.
403. Are there many hotels in the fastnesses of these blocks?—There are accommodation-houses, and, as we were constantly travelling, we could not carry things with us.
404. Then, you probably received £43 for this information?—Yes.
405. And, in addition to that £1 a day, expenses while you are looking after the company's interests in Wellington?—Yes.
406. Are you anxious to go back to the cabinetmaking business again?—(No answer.)

John Thompson sworn and examined.

407. *Mr. Jones.*] What are you?—I am a farmer and butcher.
408. Where do you reside?—Maruia.
409. Do you know the Maruia well?—Yes, very well.
410. How long have you been there?—Thirteen years.
411. You have traversed that district very often?—Yes, very often.
412. How often?—Well, for years I used to pack, and be twice and three times a week from top to bottom.
413. Do you know the settlers and miners in that district?—Every one.
414. Are you acquainted with the places in which the other miners have been working?—Yes, I am, every point and corner.
415. How far from the river-beds does the gold extend back into terraces at the furthest distance that you can recollect?—At the furthest point, I would say, 3 chains; very little more than that. I used to mine as well.
416. I only ask of your own knowledge?—Three chains back at the furthest from the river-edge.
417. Can you tell me whereabouts that piece of land is worked?—That is what is called Maori Jack's, away below my house.
418. Point it out?—Seven miles from the junction of the Warwick, down the river.
419. Also, of your own knowledge, are you aware whether any prospecting has been done in that valley?—Oh, yes; on the river-banks and the terraces.
420. Has it ever been a rich diggings?—That was the richest I saw here, seven miles below the junction—that was the richest. They sought it out years and years ago.
421. How many miners are there working there now?—I would want to count them. [After doing so]—Sixteen in all: that is the lot.
422. What is the biggest population you have known there?—It is the biggest now.
423. Has there ever been a big rush there?—Never.
424. Do you ever recollect a rush of two hundred men?—That is about Station Creek.
425. That is outside the reserve, at Walker's place. Have you any idea of the earnings of these men?—Yes; pretty fair.
426. You think you can give that idea?—From a good deal of experience.
427. How?—I am not paid for half of what I take out.
428. What do you supply them with?—I had to knock it off. I supplied them with meat, butter, and potatoes, and, many a time, stores; and, of course, the men actually told me themselves what they were making.
429. And you could not get paid for what you left?—A little over half of it.
430. From what you say, they were not making money?—Not making as much as would pay their way, or tucker.
431. Where do they get the gold?—It is along the very edge of the river generally, in the beaches and crossing the banks of the river.
431A. Can they work in wet weather?—In floods? No.

432. It is only in dry weather that they can get to it?—Yes. The rains are very light rains. Men who are anxious to work will do so.

433. At all events, it is sufficient for my purpose to know that they can only work when the river is down low?—Yes, or half down—half-flood.

434. And do you know the length of the river?—From top to bottom?

435. Yes?—I could get an estimate. I have never measured it. From top to bottom, I should say, roughly, about close on fifty to fifty-seven miles from the head. I could not say exactly.

436. Do you understand this map?—I do.

437. Do you know this portion which is coloured yellow on Blocks 25 to 28?—I know it, on the Maruia.

438. It is all reserved for gold-mining purposes, running right through Walker's Station and past it? Do you think it is necessary, in the interests of gold-mining, that the whole of that area should be reserved?—No; I objected to it at the time it was allowed off.

439. Who did you object to?—I went to the County Council buildings at Reefton. I got a very poor reception there. I went then to Mr. Bell, who represents the Riding of Hampden, or Murchison, rather. I objected to him that it was not right. I thought it was done for a purpose.

440. At all events, in spite of your protest against it, it was done?—Yes.

441. And did you give reasons to the County Council why it should be reserved?—I was scarcely allowed to speak.

442. Hon. E. Blake.] Did you attend a meeting?—No; it was to the County Clerk I went. The map was stretched out on the table.

443. *Mr. Jones.*] Do you know the object of the map being stretched out?—Yes.

444. Was it open for the inspection of any people?—It was open to my inspection, because the County Clerk took me in and showed it to me.

445. It was then you objected to it?—Yes; that was the reason I rode right into Reefton, to object to it.

446. What area do you think would be sufficient to protect the mining interest?—I should say, 3 chains on each side of the river.

447. That would be ample?—Yes.

448. We will deal now with the class of land. Start from the mouth of the river, where it joins the Buller, and tell me how far up you get one class of land, and what it is like?—Starting from the mouth of the river, it is all fair land on both sides. It is very good land on both sides right up Castellani's side, up to the Shenandoah. There is a piece of land just at the Shenandoah that is good. On either side of that it is good. It is fairish land about six or seven miles above the junction of the Shenandoah to the Maruia. There are good flats four miles before you come to the Warwick, on both sides. Above the Warwick you come to fairish land. There is a very good flat immediately where the Warwick falls into the Maruia. Then you come to high terraces—it is poorer land above the terraces. For seven miles up to Walker's Station is fourth-class land. This is the worst land. For a couple of miles after you pass Walker's Station there is good land. After that again you come to fourth-class land for another four miles. After that there is really good land for another three miles. I am only guessing the distances, but those would be my estimates. From the paddock to the end of the reserve is fair land.

449. What sort of timber is it?—Birch.

450. How far does the timber extend up the river?—The whole way on either side.

451. Are there not large areas on some portions untimbered?—Yes; this is all open country we have been talking about.

452. Hon. E. Blake.] Is it timbered country or is it open country—the part marked yellow?—That is open land.

453. When you said it was chiefly birch, you meant further back?—Yes, further back on each side.

454. *Mr. Jones.*] Do you know Castellani's?—Yes.

455. Was that timbered country before it was cleared?—Yes.

456. Do you know of any other timbered portions cleared or commenced to be cleared in the Maruia?—Yes, above that; but there has not been anything done to it for a few years.

457. Where is Dillon's clearing?—About seven miles below the Warwick.

458. Do you know Mr. Sullivan?—Yes.

459. Has he cleared any?—Yes.

460. Where?—Up the Buller from the junction.

461. Has he cleared anything on the Maruia?—Yes, about forty or fifty acres, about three miles up.

462. Are there any men working at all above Walker's Station?—No, not in the Maruia.

463. Do you know a large flat further up the river, on the same side as Castellani's, where there is some timber?—Yes.

464. Do you know if there is any valuable timber country there?—Yes.

465. What kind of bush is it?—Pine and birch.

466. What sort of pine?—Red-pine; and there are a few totaras.

467. Can you speak from actual experience whether that land is good for grazing cattle or not—the land that is cleared?—Yes.

468. Have you cleared any?—Yes, my own ground.

469. How much have you cleared?—I suppose about 100 acres.

470. But yours is not really on the Maruia River?—No; on the Warwick.

471. But is it the same class as that on the Maruia?—Pretty well the same.

472. Is it good for grazing purposes?—First-class.

473. Will it grow any crops?—Any crops you like.

474. What sort?—Wheat, oats, or potatoes, or anything.
475. Have you grown those things yourself?—Yes, everything I have mentioned—all sorts of crops I can grow.
476. We hear a good deal about not being able to burn the bush up there. Have you found that difficulty after it is fallen?—No; unless it is a very wet season.
477. You can easily burn what you fall?—Yes, as a rule.
478. Do you know anything about Station Creek?—Yes.
479. Do you know whether within the last few weeks Mr. Caples and another settler have taken up some areas there?—Yes.
480. Is that inside or outside that area?—Inside.
481. Whereabouts?—Just on the south-east corner of Block 27.
482. Can you give me any idea of the proportion of ground they have taken up of that piece? I could not say.
483. Do you know what the notice was on them—as to what the area was taken up for?—The notice was that they were taken up for gold, tin, and silver prospecting.
484. That has only very recently been taken up?—Yes; in fact, it is not granted yet.
485. Applied for, but not granted?—Yes; there are three blocks of 640 acres taken up.
486. *Mr. Stringer.*] How long did you say you had lived in the Maruia district?—About thirteen years.
487. You are familiar, then, with the history of the Maruia for the last thirteen years?—Yes.
488. Do you know anything about the "lost tribes" of Maruia?—There are no "lost tribes" there. Matakitaki is where the "lost tribes" are.
489. Amongst others, you mentioned a man named Ritchie and party on the Maruia?—They are not there.
490. Where are they?—They are at Matakitaki.
491. You have reckoned up the whole of the population in that Maruia district?—Yes.
492. You have not told us the average width of these flats along the Maruia. You have told us about certain river-flats that are on these reserves. Now, does not the river run through a great deal of gorge?—No, very little gorge.
493. Do the hills come down to near the water's edge in many places?—Away at the very top.
494. Is it not gorge down below?—In parts, say half a mile.
495. Just look at Block 25—the first one. You see the boundary of 25. Is not that a very narrow valley there? What is the average width of the valley? You see the northern boundary of Block 25?—I would say, going right back into the foot of the hill, on this side here I would reckon it would run very nearly a mile and a half in width.
496. All along?—No.
497. What is the width on the other side?—There are undulating terraces. In some places the flat might be a mile broad, in some places half a mile, and in some places a mile and a half, before you come to the undulating terraces.
498. Then, I understand most of the flat land is on one side, and not on the other?—Yes.
499. On the other side the mountains come down very close to the river?—Not very close. The whole of this would be good grass-bearing country.
500. Take the next block—26. Is that not steep and gorgey in a great many places?—No; the only place that is gorgey is a mile above the Shenandoah. Then there are undulating hills on each side.
501. How much of the land was taken up by settlers before the Midland Railway was instituted?—About 300 acres. There were three parties who had taken up about 300 acres before the Midland Railway was started. I am not sure about some more.
502. What land was taken up before the Midland Railway was started right along up to Walker's land? What settlers had taken up land before these reserves were made?—Four or five, I think, had land there.
503. And can you tell me roughly about what were their holdings?—They averaged 100 acres each.
504. That was all the land that was taken up before these reserves were made?—Yes.
505. And you took your land up the Warwick?—Yes.
506. When did you take up your land?—150 acres two years ago. The application had been in close on fifteen years, and it was only granted or surveyed about three years ago. The first rent I paid was on the 1st January last year.
507. Hon. E. BLAKE.] You have been occupying it longer?—Yes; it was bush-land.
508. *Mr. Stringer.*] You took up that land on the Warwick in preference to the Maruia?—It was my home. I would have preferred the land in the Maruia, but being nearer my home I took land up there.
509. It is a place very difficult of access?—No; roads can be easily made to it.
510. As a matter of fact, are there any roads to it?—Yes, there is a fair track down the Shenandoah.
511. And then you go, how?—You follow the track down the Maruia.
512. Is it a pack-track?—Yes.
513. You could not take a dray up?—No; not vehicles.
514. And I suppose, when the railway through the Buller Gorge is made, it will probably be valuable land?—It is valuable land; one of the best valleys in the Inangahua.
515. What do you grow?—Sheep, cattle, and crops of all descriptions.
516. How do you get your crops to market?—I drive my sheep.
517. You cannot drive your potatoes?—I feed my pigs on potatoes.

518. If you did not do that, you would not be able to get them into market?—Yes; I can pack them for ten miles, and take them the rest by road. I take my butter—from twenty-two to thirty kegs—into Reefton every year.

519. Do you take potatoes to market?—No, I do not; I feed pigs on them, and take the pigs into market.

520. I suppose as the thing stands at present it is not very likely people will go there to raise produce to carry it into market as you do?—They would be very foolish if they did not follow my footsteps and do it.

521. They have been very foolish, then, for a good many years, have they not?—Yes.

522. What did you pay for your land?—I paid £700 for it.

523. Give it to me per acre?—I got 150 acres, and there were seven years paid on it.

524. I want to know what you paid for the land which is freehold. It was improved land when you bought it?—There were very little improvements on it when I bought it. I paid £350 for the 150 acres of freehold.

525. Will you tell me what the Government price of the land was in its original state?—I do not know what the Government price was; I bought it from a party.

526. Do you know what the Government price of the land was before the reserves were made in the neighbourhood and along the Maruia Valley?—All land in the Inangahua Valley was £1 per acre.

527. And, to your knowledge, it was open for a great many years at that price?—Yes.

528. Are you sure it was not less?—I cannot say.

529. It did not interest you sufficiently to find out what the value was?—No.

530. Now, these flat lands that you have been speaking of: do you say they would not be of any service in any way for mining purposes?—No.

531. Not at all?—No; unless for about 3 chains back from the river.

532. You think that would cover everything necessary for mining purposes, or anything connected with mining, water-races, tail-races, and everything connected with mining?—Yes.

533. Now, is it not always looked upon as an axiom of mining to keep for the purposes of mining all the flats along an auriferous river?—Well, they like all the big valuable flats for farming. I do not see why they should be kept for mining. They do not appear to me to be good enough to be kept for mining purposes. They are not sufficiently good to be reserved for mining.

534. You have not done any mining for some years past?—I do a little prospecting every year, more or less.

535. Where do you prospect?—In the various creeks.

536. Then, all that country round about there is promising land for prospecting?—Well, it was never very promising to me, because I never got much of a prospect.

537. And yet you continued to go on prospecting?—Yes; it was amusement, if it was nothing else.

538. The terraces of the Maruia River have been worked only on the banks?—Yes.

539. Have you any knowledge whether or not the gold extends far into the terraces?—It does not extend.

540. Have you tried?—I have been trying for a long time. I know the river particularly well, and all the ins and outs of it.

541. And you think the gold does not extend in there at all?—No.

542. But, notwithstanding that, you say that within the last few years there have been rushes to that river?—No; not rushes.

543. You said rushes, I think?—No. Never a rush, except at Station Creek.

544. How many men were there in the rush to Station Creek?—At the very outside, thirty.

545. Were they long there?—No.

546. It turned out a duffer?—Yes.

547. Are there any shafts sunk at a greater distance than 3 chains from the river?—Yes.

548. How far back have the shafts been sunk?—At the very most, 4 chains.

549. You have known it to be that distance?—Yes.

550. You have told us about Mr. Ziman and Mr. Caples having taken up large prospecting areas in the neighbourhood of Maruia. Well, assuming that they had discovered payable stuff, which I assume is possible—you know that is possible?—They might.

551. Assuming they did, will you tell me where the tailings would go to, probably. What would be the natural outlet for the tailings?—I do not know.

552. Would it not be down the Maruia?—No.

553. How would they be disposed of?—They would be put into Station Creek, of course.

554. Does not the Station Creek go into the Maruia River?—Yes.

555. I want to deal with the possibility of the Maruia being used for tailings. You admit it might be used?—Yes.

556. In that event, would it not be necessary to preserve the flats from alienation, so as to keep people from acquiring them as freeholds?—I do not think it would help them.

587. Do you not know that it constantly happens on the West Coast that litigation and loss has been occasioned to miners on account of flats such as these having been taken up as freeholds, and having had tailings sent down upon them?—It does occasionally happen.

558. Looking at it from a mining point of view, not as a farmer, would it be a prudent thing to keep these flats, so that the miners would not run the risk of having lawsuits brought against them?—I could not answer that.

559. I am putting it to you broadly: seeing there is a possibility of the tailings coming down there, would it not be in the mining interest to keep these flats for the purpose of receiving the tailings, if necessary?—I do not see how it could injure the flats.

560. Would it not injure the flats to pour tailings over them?—Yes, if you poured tailings over them.

561. Would it not be a prudent thing to keep these flats, in case tailings were poured over them?—I do not think they ought to be kept for that.

562. Why?—Because they ought to be cultivated.

563. Now, you are looking at it from a farmer's point of view. I want to know whether or not, looking at it from a miner's point of view, it would not be better and more prudent to keep these flats, so as not to let the farmer have them at all?—If you are going to run tailings over them, I should say do not let the farmers have them, because you would destroy them by running tailings over them.

564. You know that sending tailings down a river-bed raises the stream and floods the flat lands?—Most decidedly.

565. With regard to Mr. Ziman's party, do you know how much per acre they have to spend under the terms of their licence on this 1,840 acres?—They have to put down something like £100 for every square mile, and then they have to employ ten men for every square mile of country.

566. It runs into about £3 an acre they have to pay?—I could not say, as I have never reckoned it up.

567. What is the nature of the country Mr. Ziman has taken up?—Very poor country; it is conglomerate.

568. In that country, would the tailings that would come down into the Station Creek have to be crushed?—Yes, it would all have to be crushed.

569. Then, the tailings would be all confined to the creek?—Yes, and would easily be swept away.

570. Having that in view, do you think it possible that, in using the bed of the Station Creek for the tailings, it would hurt the Maruia Plain?—No.

571. Are there reefs in this district?—No; the gold is supposed to be in the conglomerate.

572. There is no body-wash there?—No.

573. You know that land has been opened, somewhere about there, for selection?—Yes.

574. Can you state whether people are more anxious to settle on the land than they were a few years ago?—They are more anxious now.

575. Why?—I do not know whether it is because there are more people there.

576. Are the miners in the district anxious to take up land?—Yes.

577. What has really deterred the Maruia district from going forward, both previous to the Midland Railway contract and afterwards?—Bad roads is one thing.

578. Are there not good patches of undulating country along these flats?—I would not say it was actually good.

579. If you were the owner of hilly land back from the river, would you now take a flat in order to work your undulating land?—Yes.

JOHN DAVID NORRIS sworn and examined.

580. *Mr. Jones.*] What are you, Mr. Norris?—A miner at present.

581. Have you been mining any length of time?—About twenty years, off and on.

582. Do you know the Maruia River?—Yes.

583. What portion of that river are you acquainted with?—From the Shenandoah up to the Alfred River, which is close to the boundary of Block 28.

584. How long is it since you were there?—Six years.

585. Can you tell us the nature of the country from the Shenandoah?—It is bush from the Shenandoah to the Warwick, and from there to above the river are grass flats.

586. What sort of land is it from the Shenandoah to the Warwick?—Terraced land, and grazeable land.

587. Above that, is the land of better quality?—Parts of it.

588. Where is the best portion of the land?—On the lower flats. The best is from Walker's station to Horseshoe Bend.

589. Just above Walker's station is the best part of the land, you say?—On the other side of the river to Walker's station—what is called Bull Ferry—is good land.

590. Is the land good on both sides of the river?—No: it is drier on one side than on the other.

591. What is the land like at the bend of the river?—Just average.

592. As a miner, do you think there is payable gold to be found in that river above the Warwick?—Not above the Horseshoe Bend.

593. Have you prospected it?—Yes.

594. Six years ago?—Yes.

595. You are satisfied there is no payable gold to be found in the ground above the Warwick?—Yes.

596. *Mr. Gully.*] Where are you working now, Mr. Norris?—In the Owen.

597. What as?—A miner.

598. What are you making, on an average?—If I had been working all the time I have been on the Owen, I would have averaged only 15s. a week.

599. But you are doing a little better just now?—At the present moment. I wish it would last.

600. Then, it is six years since you were on the Maruia?—Yes.

601. With the exception of the small flats you have spoken of, the hills on either side of the Maruia are steep and high, are they not?—Yes.

602. In fact, they run something like 2,000ft. and 4,000ft.?—On one side. On the other side they are not so high.

603. Would you call it undulating country like the last witness?—I do not understand you.

604. How many men do you suppose there are settled on the banks of the Maruia?—Do you mean the part from the gorge up?

605. You know it all, do you not?—There are six parties now, sometimes less.

606. From the Shenandoah down to the Alfred?—I think there are about six parties on it now. Some of my brothers are working on it.

607. Is there any man you know who is exclusively engaged in farming operations?—There is Mr. Thompson, the last witness.

608. Anybody else?—No.

609. There is nobody who has been particularly anxious during the last twenty years to take up a farm on the Maruia?—No one I know of.

610. What size are these small flats on the river side; do they run up to 50 acres?—Yes.

611. Just about the right size for a miner to take up on occupation license?—Yes.

612. Therefore it is essentially a place for miners, and not a place for men who are farming?—Yes.

613. *Mr. Jones.*] As to these 50 acre flats, is that the maximum size the flats run to?—That is the nearest estimate I can make.

614. What is the biggest flat you know of?—There are several of them 50 acres, and that is the average.

615. What is the size of the flats going up the river?—When Mr. Gully spoke to me I thought he was referring to the mining part, and I do not reckon it mining country above the Horseshoe Bend—only from the Shenandoah to the Horseshoe Bend.

616. Hon. E. Blake.] You say your evidence was intended by you to apply to the piece of country between the Shenandoah to the Horseshoe Bend, and above that you do not think there is any payable ground?—Yes.

617. If there was payable ground above the Horseshoe, your answer would apply to it too—that is to say, it would be suitable to reserve for occupation areas?—Yes.

The Court rose at 3.45 p.m.

. . .

Saturday, 7th December, 1895.

The Court sat at 10 a.m.

Mr. Cooper put in the following plans: Exhibit No. 102, Grey Valley group; Exhibit No. 103, Westport group; and Exhibit No. 104, Westport-Buller group.

Michael Organ sworn and examined.

1. *Mr. Jones.*] You reside near Westport?—Yes.

2. How long have you been in the Buller, Westport, Charleston, and all round those districts—how many years?—Twenty-seven or twenty-eight years.

3. I do not think you have been actually digging in that district?—No.

4. Previous to your arrival there had you any mining experience?—Yes; some in Otago and Victoria.

5. You were not a new chum at all?—No.

[Exhibit No. 104.]

Mr. Gully objected to the evidence again. It was not evidence as to the value of the land, nor general evidence as to the depreciation in the value of the land-concessions. He submitted that it was not admissible under clause 18. It was quite obvious, and indeed admitted under clause 18, that if the reservations were properly made the company had no ground of complaint; on the other hand, if they were not properly made, then the measure of damage was the value of the land, at the most, and if any. Therefore evidence of the value of the land, including the timber, would be relevant; but evidence of timber cut under license, or not under the license, could only be relevant if it came in under clause 18. He submitted that evidence as to timber license and timber-cutting should be excluded.

Mr. Cooper, in reply, submitted that evidence in reference to the destruction of timber on lands improperly reserved was clearly admissible, because it went to show the general destruction and injury to the company's right of selection. The company did not put it upon the ground that they were entitled to claim specific damage in reference to that cutting, but they put it upon the ground that they had a right to select land in the Grey Valley, and in this other group, within the limits of the authorised area, and that any action which the Government had been guilty of which reduced the value of the land within that group was a breach of contract and an injury to the right of selection; consequently, they were entitled to adduce evidence as to timber-cutting and some general evidence. He submitted that the evidence was admissible, as tending to show the depreciation by the Government of the value of the land from which the company had a right to select—that was, in reference to lands which they would ask the Court later on to say were improperly reserved. Supposing this was an action brought upon a contract in a Court of law, and general damages were claimed for the injury to selection, the action would be tried by a jury. In such a case he had no doubt his learned friend would raise the same objection to the admissibility of the evidence. He submitted the Judge would be wrong if he withdrew from the consideration of the jury the evidence of any acts of one of the contracting parties tending to the depreciation of the rights of the other contracting party; and the jury would be entitled, in assessing the question of general damages, to take into consideration any act which amounted to a breach of contract. It seemed to him that his learned friend, Mr. Gully, could only submit this evidence was inadmissible on the ground that the Crown, in granting these timber licenses, was acting within the scope of the contract; and if these timber licenses were granted and acted on, and timber taken off the land, then he submitted it was a breach of contract, sounding in damages. He submitted the proper course for the Court to adopt was to receive the evidence and to consider the value of it later on.

Hon. E. BLAKE thought, upon the whole, he should best conserve the convenience and interests of both parties by not rejecting the evidence, or not considering the question of the rejection of the evidence at this stage.

6. *Mr. Jones* (to witness).] You have seen that map, Mr. Organ?—Yes.

7. I think you were once County Chairman of the County of Buller?—Yes.

8. Do you know what year or years?—From 1890 to 1891, and 1891 to 1892.

9. During your term of office, did you receive any communication from the Crown with reference to making reserves in your district?—Yes.

10. I wish you to read that letter of yours—copy of a letter which you wrote to the Crown, dated 13th March, 1891. Is that a copy of the letter?—Yes.

11. What provoked that letter?—That was in reply to a circular from the Mines Department, asking the County Council to mark mining reserves within their area.

12. Before this letter was written, was the circular which the Crown sent to you thoroughly discussed in your body?—Yes; it was brought before the County Council, and the matter was discussed, and this letter was the result of the discussion.

13. After you sent this letter to the Government did you receive any further communication from them?—No, there was no further communication from the Government, beyond that I had a communication from the District Surveyor down there.

14. Was that with reference to the reserves?—Yes.

15. In your official capacity of County Chairman?—Yes.

16. At any rate, you had no more protestations of the Crown to your objections to the reserves being made beyond that?—No.

17. Were the members of the County Council practical men who knew the district?—Yes; practical miners.

18. Do you think, as a member of that Council, and a resident of that district, that the making of those reserves militated against settlement?—Yes, undoubtedly it did. That was the reason of that decision come to by the Council.

19. You think that settlement and mining could go side by side together?—Yes.

20. Do you know this country about here in Block No. 2, and also on the northern portion of No. 2?—Yes, I know all that country.

21. What sort of country is that?—All this Block No. 2 is bush land; above that would be pakihis.

22. It is valuable bush land?—Very valuable.

23. What class of timber principally?—Principally yellow-pine and silver-pine.

24. From your knowledge, is there any of it cut out?—There is a great quantity of that timber cut out.

25. Do you know anything about Block No. 1, north of the Buller?—Yes.

26. Do you know if any of these pieces of land have been denuded, or partially denuded, of timber?—Yes.

27. What kind of timber?—Red-pine.

28. Hon. E. BLAKE.] Have they been quite stripped, or has the timber been greatly cut off them?—A great deal has been cut off them.

29. *Mr. Jones.*] You will find two more pieces situated on the Orowaiti River—two irregular blocks outside of the mining reserves to the south of the line just at the back of Sargent's Hill?—Yes, I know those blocks. There has been a lot of red-pine and black-birch cut off the blocks. They have been cutting there for several years.

30. *Mr. Gully.*] Do you know of your own personal knowledge anything about these areas from which timber has been denuded?—I could not testify as to the quantity.

31. Do you know by whom it has been done?—It has been done principally by Government contractors.

32. Do you know that?—Yes.

33. Has any of it been done by persons holding licenses to cut timber?—Yes.

34. Is that what you mean by Government contractors—persons who have licenses from the Crown to cut timber?—I would include them.

35. In your judgment, how large an area in any of these localities would it be wise to take up for the sake of the timber?—I should say the whole of that block was desirable to take up for timber.

36. The whole of Block No. 2?—No, I cannot fix the area.

37. I mean for timber—would it be possible to take the whole of the timber country?—Yes.

38. Is the timber patchy?—No.

39. How many acres do you suppose there are available for sawmilling purposes?—I could not give you an estimate.

40. Perhaps you could give some estimate?—No, I should not care to give an estimate.

41. Hon. E. BLAKE.] This whole block contains how many acres?—10,000 acres; probably it would be one-fifth of that—perhaps not so much.

42. That is timber area?—Yes.

43. Are there patches of good timber upon those blocks?—Yes.

44. How long has the timber-cutting been going on on these areas you have been referring to?—Some five or six years; from shortly after the time the Cape Foulwind Railway was made.

45. In 1888 or 1889?—Yes.

46. What is your estimate of the quantity of timber that could be taken off that block you have been speaking of—in No. 2?—I could not say; I have not examined at all for that.

47. But you are here to speak to that. Can you give us any idea of how many thousand feet?—No.

48. You are able to give no definite opinion as to the value per acre on the block?—No.

49. Now, you have been referred to a letter which was written and which you say voiced the opinion of the County Council at that time, and their idea was that nothing should be granted to the company at all unless first advertised and submitted to the County Council and approved of?—Not exactly that.

51. Let me give you the exact words, if you quarrel with my way of putting it: "that all applications for sale or lease of land made to the Midland Railway Company, before being dealt with by the Waste Lands Board, should be advertised locally, and submitted to the County Council for their consideration"?—Yes; they being men with local knowledge would be able to decide whether it was auriferous.

52. Then, your idea was that the County Council should exercise the rejection, if necessary, on disapproval?—Yes; on approval or disapproval.

53. In other words, you proposed to substitute the County Council for the Waste Lands Board?—Yes.

54. I suppose you knew you were suggesting a complete variation of the contract between the Midland Railway Company and the Crown?—I was aware the County Council had no voice in the matter.

55. You were aware that the right of reservation was with the Crown, but you were going to suggest that the right should be practically exercised by the County Council?—No; that is not so.

56. You say you had to approve or disapprove?—I say we wished to make a recommendation.

57. Your idea was to do away with all reservations whatever and adopt this plan instead?—My idea was that instead of making these reservations the land should be settled upon, and we were anxious for settlement.

58. No doubt everybody on the Coast was anxious to see both settlement and the gold-mining industry flourishing. I want you to locate on this larger plan where the timber areas are—the areas you have been speaking about—so that we may compare them with the plans of the blocks?—The scale is too small, and it is difficult to locate them.

59. Would you be prepared to say that Block 2 is worth more than 5s. an acre, taking it all round, right through the block?—It is not worth a great deal above 5s. an acre; that is, excluding the timber land.

60. Is it worth that if you wanted to buy?—No, I dare say it is not; but I bought some of it at £1 an acre.

61. Are you sorry for it now?—No.

62. Would you give 5s. an acre if you had to take up the whole of the block?—Seeing that I have declined to put a value on the timber-land, I am not in a position to say. I should have to go into figures as to the value of the timber.

63. The pakihis are quite worthless, are they not?—Not worthless.

64. You would have to drain them?—Yes.

65. They are not of much use, at any rate?—No, not of much use.

66. You spoke of those reservations interfering with settlement. Do you think the locking-up of these large areas on the West Coast for the company would interfere with settlement?—It did interfere with settlement.

69. *Mr. Jones.*] Do you think the locking-up of these blocks in reserves for gold-mining in blocks of 10,000 acres interfered with settlement?—Certainly it did.

Hon. E. Blake: I think that inference might be fairly drawn from the letter.

Thomas Pavitt sworn and examined.

70. *Mr. Cooper.*] Your name is Thomas Pavitt, and I think you are in the employ of the Midland Railway Company?—Yes.

71. How long have you been in their employment?—From the starting of the railway.

72. In what capacity?—As overseer of the forests, and generally in connection with the land.

73. What experience have you had in connection with the timber forests of New Zealand?—I have been engaged in connection with the timber industry ever since 1855.

74. Then you have an accurate knowledge of the classes of timber in the South Island of New Zealand?—Yes, I have had a great deal to do with forests all my life.

75. In the South Island?—Yes.

76. And, during your connection with the Midland Railway Company, have you had very much to do with the forests within the authorised area? You know what is meant by the authorised area?—Yes.

77. This is a map of the Grey Valley group, from the mining reserves 81 and upwards [Exhibit 102], showing the timber. That plan, I think, has been prepared under your directions, and from information you have supplied?—From information I have given from time to time.

78. These portions which are hatched [indicating on map], what do they represent?—Areas for timber licenses granted by the Warden's Court.

79. I notice in some places there are "ringed" portions?—Those are areas as to which we are not certain whether the Government have issued licenses for or not.

80. What do they represent?—Timber areas and areas which have been largely cut out.

81. Hon. E. Blake.] They represent areas on which there has been more or less cutting?—Yes.

81A. *Mr. Cooper.*] All the other plans have been prepared upon the same system, I think?—Yes.

82. Dealing with the Grey Valley group, we find in Blocks 80 and 81 a number of hatched portions. I believe you have searched the proceedings in the Warden's Court for the purpose of ascertaining what licenses have been granted?—Yes.

83. They represent licenses in each instance?—Yes.

83A. And in the case of all the blocks in this Grey Valley group where these cross-hatched, rectangular patches are shown you have searched for the names of the licensees?—Yes.

Mr. Cooper: I propose to put in a book headed "Nelson and Grey Valley Forests," representing the names, dates, blocks, and acreages of licenses issued for the cutting of timber within the area shown by this map.

84. *Mr. Gully.*] We are quite willing that you should put in these tables on the understanding that we shall be allowed to do the same. [Exhibit No. 105 put in.]

85. *Mr. Cooper.*] You have examined these areas, Mr. Pavitt?—Yes.

86. Has there been any cutting on Block 80 within these areas?—They are just commencing.

87. On the areas shown in Block 80 the cutting has only just commenced?—Yes.

88. Page 1 of the tables shows the quantities which have been cut off the blocks [See Exhibit No. 102] you have referred to as covered by the licenses?—Yes.

89. The gross amount of timber cut out of those blocks under the licenses issued you estimate, in round numbers, to be 1,800,000ft. ?—Yes.

Mr. Gully: That is going into detail.

Hon. E. BLAKE: It cannot be said he is going into detail. This instance is only given for the purpose of showing that the amount is something substantial.

90. *Mr. Cooper.*] There is a second column, I see, showing the quantity of timber you estimate has been destroyed?—Yes, that would be the injury done through the cutting.

91. Hon. E. BLAKE.] In excess of the 1,800,000ft.?—Yes.

92. *Mr. Cooper.*] It shows the gross figures as about 520,000ft. in that class, Mr. Pavitt?—Yes.

93. The particulars distinguish whether the timber is pine, birch, or silver-pine?—Yes.

94. You have made up this memorandum from a personal examination?—Yes; I have been through these forests for years past, and particularly during the last six months.

95. For the purpose of collecting this information?—Yes; I made a detailed examination.

96. Taking Block 81, is there other timber land besides that covered by the hatched area which has not yet been cut out?—No.

97. Practically, the whole of the timber area in Block 81 has been cut out?—[No answer.]

98. There is other timber land which has not yet been cut out?—The balance has only just begun to be cut.

99. That is the balance of Block 81. You say there is a great deal of other timber?—Yes; there are heavy forests.

100. Can you say, in your opinion, whether the cutting of this timber from these areas has depreciated the value of the lands?—Yes, very much. It would take a very large proportion of the most valuable part of the silver-pine area, which is the most expensive timber.

101. Hon. E. BLAKE.] It will take, you say?—Yes.

Hon. E. BLAKE: You were asked what the effect has been.

102. *Mr. Cooper.*] Has the cutting-out of Block 81 depreciated the value of the block materially?—Yes, very considerably.

103. I understood you to say, because it has taken a great deal of the more valuable timber—the silver-pine?—Yes.

104. Hon. E. BLAKE.] It is already taken?—Yes.

105. *Mr. Cooper.*] And that is closely adjacent to the railway?—Yes.

106. Can you say if these tables show approximately when the cutting commenced? I see the licenses were for 1892 and 1895. The cutting would take place after the issue of the licenses?—Sometimes the cutting has taken place actually before the issue of the licenses.

107. But it would be referable to the issue of the licenses?—Yes.

108. We find now by 81 that you ringed a couple of pieces of land held under the names of Stratford and Blair, just below Matai?—Yes.

109. They are outside the proclaimed Block 74. Has the timber been cut off them?—Yes; in large quantities.

110. Does the table on this book show the localities and the names of the persons who have cut timber within these ringed patches?—Yes; in every case.

111. And the quantities of timber that you estimate they cut?—Yes; the estimated quantities.

112. And the estimated quantities destroyed, as well as cut?—Yes.

113. These tables show generally the results of these maps?—Yes.

114. Will this map be the next in geographical order—the Westland group?—Yes. [Exhibit 103 referred to.]

115. Do the remarks you have made in reference to the former map apply to this in regard to the general principle on which the map is made?—Yes.

116. We find that this table on page 6 shows the dates of the licenses, the names of the licensees, the number of blocks, and the area in acres of the licenses granted in reference to timber-cutting upon the whole of this map?—Yes.

117. Page 8 shows the names of the persons cutting timber, and the localities covered by the ringed portions of this map?—Yes.

118. And these quantities will show 4,150,000ft. of pine and birch, 149,000ft. of silver-pine, cut and removed, and 1,037,000ft. of pine and birch, and 49,000ft. of silver-pine, destroyed?—Yes.

119. You will also produce a return showing the quantities of timber cut and removed and destroyed from the ringed patches?—Yes.

120. Hon. E. BLAKE.] The irregular areas?—Yes.

121. *Mr. Cooper.*] There are 1,556,000ft. of pine and birch and 2,448,000ft. of silver-pine actually cut and removed, and 389,000ft. of pine and birch and 816,000ft. of silver-pine destroyed within those ringed areas?—Yes.

122. The information contained in the map is correct as well as the hatched portion?—Yes; they have all been carefully examined.

123. And the location of the various mills are stated there?—Yes. [Exhibit 104 referred to.]
124. Do the same remarks apply to map 104 as apply to the former maps?—Yes.
125. Page 10 of the book shows the licenses granted?—Yes.
126. And also shows the names of the persons who have occupied and cut within the ringed area?—Yes.
127. They are under the head of Nelson and Westport. Now, page 3 of the book shows the quantities cut held under license?—Yes.
128. And the quantities cut within the ringed patches as well?—Yes.
129. The gross quantity cut within the hatched portions is 750,000ft., and the quantity cut within the ringed patches of pine is 1,150,000ft., and silver-pine 1,050,000ft. There are 150,000ft. of pine destroyed within the hatched portions, and within the ringed portions 287,000ft., and 350,000ft. of silver-pine?—Yes.
130. You made a very careful examination, I believe, of these blocks?—Yes.
131. So that you can speak to the accuracy of these details?—Yes.
Hon. E. Blake: As I understand, you ask me to conclude from this evidence if there has been a substantial deterioration of the lands on these portions—some by person's licenses—a substantial deterioration, the cost of which you have not yet brought out in evidence, and as to which you are bringing further evidence?
Mr. Cooper: Yes.
Hon. E. Blake: But you do not ask me to take it as affecting any particular locality or any particular sum, but simply that there has been a substantial deterioration?
Mr. Cooper: We do not ask, in dealing—we will take that later on; but, so far as the Grey Valley is concerned, we say that it was a valuable timber locality closely adjacent to the railway.
Hon. E. Blake: To apply your general reference to that proposition, I think you are getting in, wholesale, a large quantity of detail, and if any of the elements of that detail are of importance, and if there are other details that would enable me to point out what they are, there will be evidence given as to them.
Mr. Cooper: I do not want to go beyond the position of the cases this morning—that there has been much cutting out of these forests—and for that reason I have struck out the other evidence. I will apply these tables referred to, later on.
Mr. Gully: There can be no doubt as to the fact that a large quantity of timber has been cut by somebody on the West Coast.
Hon. E. Blake: And I infer from these tables that it is a substantial amount. I cannot conclude further than that.
132. *Mr. Gully* (to witness).] Have you calculated how much the royalty comes to at 3d.?—Yes. I beg pardon—the royalty is at 6d. on the red- and white-pine and birch, and, on the silver-pine, 1s.
133. Are you in the employ of the company still?—Yes.
134. You have been in the regular employment of the company for some years?—Yes.
135. How long?—Since the commencement.
Mr. Cooper: The timber removed from the Nelson and Grey Valleys, which are the blocks of which the witness has spoken of as just within those forests, would amount to about 1,500,000ft.
Hon. E. Blake: Just also tell me whether that it the quantity disputed as well as the other.
Mr. Cooper: Both. I will give you the totals later on.
136. *Mr. Gully* (to witness).] Why do you estimate the royalties upon pine and birch at 6d., and at 1s. on silver-pine?—Silver-pine is a scarce timber, and a valuable one.
137. But are not both estimates about double the usual and fair estimates upon timber on the West Coast?—The original licenses were issued by the Government, and their rate—on silver-pine was 1s., and on some of the other pine it was, on black-pine 9d., and on totara 1s.; and in other parts of the country——
138. *Mr. Gully:* But the West Coast itself?—On the West Coast there has been hardly any totara cut.
139. Is it not a matter of fact that 3d. all round is the usual royalty at the present time on the West Coast?—Until the company commenced operations I almost question whether there had been any royalties collected.
140. Surely you can answer my question as to whether 3d. all round is the usual royalty paid upon timber?—It is not.
141. What is chargeable under the present licenses?—The Government in some cases are charging 6d. upon silver-pine, and in a few instances 1s. has been charged by the Government.
142. On other timber?—3d.
143. Then, as a matter of fact, 3d. is the usual charge now by the Crown?—By the Crown on red- and white-pine and birch.
Hon. E. Blake: You may say, on other timbers; and on silver-pine——
Witness: No; I think they charged 9d. on black-pine.
Mr. Gully: On all other timbers except black-pine 3d. Is it a fact within your knowledge that 3d. is the royalty charged on all timber by the Government?—No.
146. Including silver-pine?—No.
147. You say that is not so?—No.
148. Is not 3d. the royalty charged on silver-pine sleepers for the last two years?—No.
149. It is not so?—No.
150. Are you sure about this,—because I may tell you that we are prepared to correct your evidence?—I am informed by the cutters.
151. You are going on information you have received from others?—Yes, and from accounts I have received.

152. The company has done a little cutting on the West Coast?—Yes.
153. Under your advice?—Yes.
154. You are a timber expert, of course?—Yes.
155. There has been timber cut by them on the mining reserve, or outside?—At the time the company were getting timber cut, persons were, I understand, permitted. There was an arrangement between the Government and the company for the purpose of assisting traffic.
156. Would you mind telling us what is the fact? And cannot you tell me as to whether the company cut there or outside the reserves?—The reserves were not made at the time.
157. But timber-cutting began prior to the reserves being made?—Yes; that arose after the company contemplated applying to the Crown.
158. For the B 1 application?—Yes.
159. You say you began cutting timber on areas which the company intended to apply to the Crown for according to the B 1 map?—Yes, that land judged auriferous.
160. Do you mean to say that the company intended to select land on the West Coast according to the B 1 map, or was it not that they intended to try and select land under clause 33?—The sides of the gullies that were being cut for the company were certain areas that the company contemplated purchasing.
161. Under B 1, or under section 33—which was it?—Well, under B 1; but, prior to the description under the original map, we had the B 1 map to work by at that time.
162. What map are you alluding to?—88, and from that to 90.
163. Between 88 and 92 did the company select a single acre of land on the West Coast under B 1 map? In 92 there was a selection at Lake Brunner; but up to that time had the company selected a single acre under B 1? Do not speak unless you know of your own knowledge. I do not want to confuse you in any way. Do you know of a single instance of an application made under B 1?—Block 28 was applied for.
164. Where is 28?—It is 15,000 odd acres.
165. That is the only one, is it not?—Yes.
166. And when you selected Block 28 you had already cut a large quantity of timber on that block: Is that so?—The cutting only started, I think—I am not positive, but to the best of my recollection it started after the company had applied for Block 28.
167. That must be wrong, for surely you know the royalties for timber on all this block were collected by the Crown?—A very long period elapsed between the time of application and the time of the grant.
168. That is the only instance?—Yes.
169. Did you ever recommend that any other block under B 1 should be taken up for timber purposes?—Yes, I recommended it, but whether the company acted on that recommendation I could not say.
Mr. Gully: You know very well, of course, they did not.
171. Has the company within your knowledge ever applied for a license to cut timber?—They have consented to the Crown issuing licenses.
172. Hon. E. BLAKE.] To individuals?—Yes.
173. But that is not the question. The question is whether the company has applied to the Crown for itself to cut timber?—I cannot say.
174. *Mr. Gully.*] Has not the company received large sums of money for royalty for timber?—Not large sums. They have received some.
175. Substantial sums?—Yes.
176. What was done with that money?—Paid to the Crown. A special account was kept as to that money.
177. This money was ultimately paid into a suspense account, but was first paid into the company's own account?—It was paid in small amounts, as the men were able to deliver the timber.
178. To put it plainly: Did you first think you had the right to the royalty on the timber, but had ultimately to give up the position and hand it over to the Government?—The company anticipated that they would have to hand it to the Crown, and a careful account was kept in our books with respect to it.
179. And so the company anticipated that they would have to hand the amount of these royalties to the Crown?—Might I state that these areas from which timber was cut the company contemplated applying to the Crown for.
180. As land, apart from the timber?—A careful account was kept of the royalties, and if the necessity arose it could be paid to the Crown—it was there at any moment to be paid; but if in the interim the land passed into the possession of the company it would be a matter of argument or discussion between the Crown and the company.
181. You assumed you had a right to cut the timber and to keep the royalties in a suspense account, and then if you took over the land you had the right to keep the royalties as well?—The Crown was aware the timber was being cut.
182. You recognised the Crown's right to receive the royalties unless you ultimately took up the land. Did you not know that the Government objected to your cutting timber on this land without a license?—There were no objections whatever.
183. Is that a fact? Will you be kind enough to recollect whether an actual letter was not written in May, 1888, warning you not to cut timber on these Crown lands without a license—a letter dated 7th May, 1888?—Yes; I remember it. I remember a person applying for an area, and the general manager at that time felt that the company had the right of applying to the Crown for——
184. I do not want a long speech. I ask you whether you recollect the letter. Did you not inform many people that you could not grant them timber, because you were unable to take up

small blocks under clause 33—have you not yourself informed various people to that effect?—Without the consent of the Crown.

185. Is that so?—Yes.

186. Baxter, for instance, is an instance of that?—Yes.

187. Will you say you do not wish to be able to take up the land in smaller areas than these areas of some thousands of acres?—For freehold, certainly.

188. Without timber?—No.

189. Is it not fact that in most places the valuable timber is in patches, larger or smaller?—In some districts it is very uniform.

190. Uniform ground?—Yes.

191. But, as a rule, would you not wish to have the right to take up the land in comparatively small areas, say of 2,000 or 3,000 acres?—There might be a few instances, but there are others who wish it would be taken up in larger areas.

192. What areas—20,000, 30,000, or 40,000 acres?—Yes; in some instances, the whole block.

193. Do you mean to say that for timber purposes merely you can give any instances where the company would be prepared to take up 40,000 acres in one lump?—I would not say that at present.

194. Or 30,000 or 20,000 acres?—I think, perhaps, 20,000 acres.

195. There might be one instance?—There might be one or more.

196. I want you to give one illustration of one block which the company would be prepared to take up in an area of 20,000 acres?—I think the company would have wished to have taken up the greater portion of Block 233—probably 30,000 acres.

197. Obviously the question then arises, why did they not do so?—I could not say.

198. That block was not taken up until April, 1892, and can you suggest any reason why, up to April, 1892, the company should not have taken it up?—Which block?

199. The reservation of that block which you have mentioned covering the greater portion of 233 was not proclaimed until April, 1892, and I ask you again whether you can give any reason why, if the company wanted this block, they did not take it?—I cannot say.

200. Is that the only block which you can fairly say was contemplated to be taken up by the company in such a way under B 1?—I cannot say.

201. Would you suggest any other?—No.

202. Would you say whether there were, in your judgment, small areas which it would have paid to take up for timber purposes, say, of 500, 600, or 1,000 acres?—Yes, there are several portions in 237.

203. I mean, generally, were there any small areas which you considered it advisable should be taken up for timber purposes by the company?—There were others, but I might explain that the company had the choice of taking land up to the first watershed—or it was supposed it would not go past the first watershed—and some of these areas would overlap very considerably the first watershed, and would render the balance valueless.

204. I ask you whether, within the selection area, there were not comparatively small areas which you would have recommended the company to take up since 1888?—I do not know that I have recommended it, but there might have been.

205. Were there comparatively small areas as compared with those blocks, say, anything of 1,000 acres, or any other acreage you like—were there any small areas which you deemed advisable to take up?—Yes, if it could be done without taking the whole block.

206. In point of fact, I suppose it is a mere matter of common-sense that many good patches of timber would be hampered by the valueless nature of the balance of these big blocks?——

Hon. E. Blake: I think that is pretty clear.

208. *Mr. Gully.*] Did you make any applications for smaller areas to the Crown?—I cannot say.

209. You, yourself, at any rate, made none, or none were made through you?—Not through me.

210. A number of applications were sent in under clause 33?—Yes.

211. And a number were ultimately assented to, after a period of dispute?—Applications for the cutting of timber.

212. Under clause 33, for the purchase of land, many of them, no doubt, for timber purposes. Is it not within your knowledge that a number of applications for small areas under clause 33 were put in and ultimately assented to by the Government?—There may be a few. To my knowledge very few were assented to by the Government.

213. Is it within your knowledge that a number of the applicants are residing on these selections at the present time?—I could not say positively.

214. Well, could you say at all? Do you know of any of them?—I could not say.

215. Is it not a fact that many of these applicants have been pressing the company to complete these applications through you?—No; through another department.

216. What department?—The Land Department.

217. Do you know that some of these applications were put in because of the value of the timber on these small areas?—No; I think in most cases the applications were made for open lands.

218. But do you know that timber was the special object of the applications?—Where they wanted licenses to cut; but, unless for that purpose, in most cases it was for clear land.

219. Am I to take your answer as being that you do not know of any instance under clause 33?—I think there have been some few instances which I cannot call to mind at the moment.

220. You say there have been some instances?—There have been some instances.

221. As far as you know, in any of these instances, has the company completed the title to the selectors?—I think so, so far as they could.

222. I suppose the timber that has been cut, most of it has been carried by the railway?—A very large quantity has not been carried by the railway.

223. A very large quantity has not and a very large quantity has been carried by the railway?—Yes.

224. So that, if the Government had not issued any licenses for sawmilling, the revenue of the railway would have been seriously depreciated?—It would have been affected.

225. Taking the Nelson Creek Valley returns, on page 1, are there any of those timbers there in these gross quantities which have been cut by persons with the consent of the company?—The company have consented to the Crown issuing licenses.

226. To whom?—To Hahan and Baxter.

227. Hon. E. BLAKE.] Is the separate cutting by both distinguished?—Yes.

228. *Mr. Cooper.*] In reference to the Nelson and Westport forests, have the company consented to any licenses being issued there?—Not to my knowledge.

229. In the Westland forests, have the company consented to the issue of any licenses? If so, tell us the names?—Gillies and Wilson.

230. Anybody else?—I do not remember any one else.

THOMAS SLOWEY sworn and examined.

231. *Mr Cooper.*] Where do you reside?—At Westport.

232. I think you have been engaged in cutting timber?—Yes.

234. You have been cutting it where?—Within the "ringed" area, 1372, outside of Block 2, on Exhibit 104.

235. Can you give us an estimate, Mr. Slowey, of the total quantity of timber cut within that "ringed" block—the total number of sleepers?—Not the total, but I can give you an estimate of something under what has been cut—between 50,000 and 55,000 sleepers.

236. By the way, can you tell us how many feet that would total?—There is 23ft. 4in. in the sleeper.

237. You were one of the parties engaged in cutting?—Yes.

238. From whom did you get your authority?—The bush has been there open to anybody to cut it.

239. *Mr. Stringer.*] Then, you had no authority?—No authority from any one.

240. *Mr. Cooper.*] You cut it without authority?—Yes; everybody else was cutting it.

241. Did you pay royalty to anybody?—No; I was never asked for royalty.

242. How many sleepers did you cut there?—About 11,200.

243. When?—In 1893 and 1894.

244. To whom did you sell?—To the Government.

245. What department?—Some to the Public Works and some to the Railway Department.

246. At what price?—2s. 6d. a sleeper.

247. You might just give us shortly the names of people engaged in cutting outside that 11,200 sleepers cut by yourself?—There were several parties—Williams and Sutherland, McKay, Bartholomew, Wall, and several others.

248. Can you say of your own knowledge to whom the sleepers which these other parties cut were sold?—They have all gone to the Public Works or the Railway Department. Some may have gone to the Westport Coal Company, but mainly to the Public Works and Railway Departments.

249. So far as you were concerned yourself, did the officials in charge of those departments know where these sleepers came from?—No; they never asked any questions.

250. Where did you ship them?—I landed mine at Westport, on the wharf.

251. What officer in the Government service took charge?—Mr. Rawson, the Government Resident Engineer.

252. *Mr. Stringer.*] Then, do I understand that, because the bush was open, you thought you had a right to go in and take this timber?—I applied to the Court to see if I could get a license to cut timber on this land, but could not.

253. You went to the Warden's Court to apply for a license to cut this timber?—Yes.

254. Hon. E. BLAKE.] And because you could not get a license you thought you had a right to go and cut it?—Yes; others were cutting timber.

255. *Mr. Stringer.*] Do you not know that these people you have mentioned had licenses to cut from the Crown?—No.

256. You say that as far as you know none of them had a license?—Yes.

257. When you went to the Warden's Court and found you could not get a license, why did you assume that you had a right to go and take the timber away?—Because the bush was thrown open. We had never been asked for a license about Westport.

258. Do you mean to say you thought anybody was at liberty to go and cut timber without paying for it?—Yes.

259. Hon. E. BLAKE.] If you thought you had a right to cut timber without a license, why did you apply for a license?—Of course, I wanted protection for a certain piece of ground. Anybody could have cut me out at any moment.

260. *Mr. Stringer.*] So that you thought, apart from the protection you could get from a license, you could go and cut timber anywhere you liked; but it never entered into your head that you were practically stealing the timber?—No.

262. You remember the application to the Court being refused. Will you tell us upon what grounds? You told us you made an application, through your solicitor, and it was refused. I refer to the Warden's Court?—He went to see if he could get a license, and he informed me that he could not get one.

263. Did he not tell you upon what ground? Was it because it was locked up between the Midland and the Government?—Yes; they could not give me any protection.

264. It was outside the mining reserves you were told?—I could not say what I was told.

265. You went on your own account and cut timber, as you say?—Yes.

266. Have you been cutting timber in that locality under a license before this?—No, I never asked for a license.

267. You have never cut timber for any person who had a license?—No.

268. Do you know what the royalty usually paid in that district is?—There has been no royalty collected there that I know of.

269. You know, of course, that Creed and McKay and others got licenses after you made your application?—Not within that area.

270. But within the mining-reserve area?—I have heard they did.

271. How did you come to disclose the fact that you had been cutting timber in this way to the company?—I was well known; there was no secret about it.

272. When were you first retained by the company to give evidence?—Last Tuesday.

273. And have you been paid by the day since then by the company?—I am to be paid, I understand.

274. What is the arrangement?—Two guineas a day.

275. And your expenses here?—Travelling-expenses, that is all.

276. What are you by occupation?—A contractor.

277. You told us that between 1893 and 1894 you yourself cut 11,200 sleepers?—I employed others to cut them.

278. Then, you and your mates cut them?—Yes.

279. Have you cut any other sleepers?—No; that is all. I have cut sleepers in the Kumara district.

280. On what land?—I understood some of it was on the Midland area; at any rate, the ranger came round there.

281. How many sleepers?—Five thousand there.

282. Any others?—No; that is all.

283. Where are you living now?—At Westport mostly.

284. Did you pay any royalty for the Kumara sleepers?—The ranger came round regularly, and when he came round I paid.

285. How much per 100ft.?—Sixpence.

286. For timber all round?—No; for sleepers.

287. What kind of sleepers—silver-pine sleepers?—Yes.

288. The royalty on the other timber is 3d., I think?—I could not say. I have not cut any sleepers except silver-pine.

289. What royalty did you pay?—I did not pay any; I was not asked.

290. *Mr. Cooper.*] You say you came up here on Tuesday last. Does this two guineas you have agreed to take include your hotel expenses?—No; I have to pay hotel expenses independently.

291. Have you to put a man in your place while you are away from Westport?—Not at present.

292. *Mr. Cooper.*] That is all the evidence we propose to call with regard to timber. We have other evidence, but, on the lines I stated this morning, I do not think it necessary.

The Court adjourned at 12.25 p.m.

MONDAY, 9TH DECEMBER, 1895.

The Court sat at 10 a.m.

JOHN C. STEWART sworn and examined.

1. *Mr. Cooper.*] What are you, Mr. Stewart?—Contractor and sleeper-squarer.

2. I think you have been engaged in cutting sleepers at Westland?—Yes.

3. In what years?—Since 1893 within the Midland Railway area.

[Map of Westland group produced.]

4. Can you point out where you were working? Was it within the ringed area, next to the educational endowment reserve, marked on this plan, "McConnell, O'Brien, and others"?—Yes.

5. How many were in your party?—Six brothers besides myself, and we had men working for us.

6. Can you say how many sleepers your party have cut?—Over 9,000 since 1893.

7. Silver-pine?—Yes.

8. Had you any license to cut these sleepers?—No.

9. Had you any permission from any one to cut them?—The first year we did not. We got stopped by the Government, and then we got permission to go on again.

10. From whom?—From Mr. Smith, the Crown Lands Ranger.

11. Hon. E. BLAKE.] That is in the same year?—Yes; it was in July we started, and it was 5th October when we got stopped.

12. *Mr. Cooper.*] And in the same year you got permission from Mr. Smith?—Yes, about a fortnight after the 5th.

13. Hon. E. BLAKE.] About 19th October?—Yes, somewhere about then.

14. *Mr. Cooper.*] Tell us what took place between you and Smith as far as you can remember?—He came down on 5th October, 1893, and told us we should all have to stop work. We all knocked off. There were a lot of men there besides our party. We all knocked off, and I understood some of the other parties wrote to the Government on the subject. In a fortnight after that we got orders that we could go on again.

15. From whom did you get these orders?—From Mr. Smith, the Crown ranger, and we were to pay a royalty of 6d. per 100ft.

16. Do you know whether that applied to all the other parties who were working there cutting out the bush in that ringed block?—Yes.

17. Have you since paid royalty to the Government for what you cut from that ringed patch?—Yes.

18. You are a practical man, can you give us any estimate as to the total quantity of timber cut off that ringed patch?—I reckon there are between 70,000 and 90,000 sleepers cut off that ringed block.

19. Each sleeper runs about 23ft. 4in.?—Yes.

20. Now, you may be able to tell us, in cutting these sleepers, is there any destruction of timber?—Yes; a lot of it is wasted in chips.

21. Is the silver-pine timber good for anything else but sleepers?—Oh, yes; it is good for lots of things—window-sashes, and anything exposed to weather. It is grand lasting timber.

22. You say you were cutting in 1890: can you say where you were cutting in 1890?—We were cutting on the ringed area outside the mining reserves on the Blackwater Creek, marked "Lawson, Stewart, and others."

23. You say in 1890 you were cutting in another part of the district?—Yes.

24. That you identify as the part marked "Lawson, Stewart, and others"?—Yes.

25. What quantity of sleepers did you cut from there?—Four thousand.

26. Were there other men engaged as well as yourselves in those ringed areas?—Not whilst we were there.

27. Had you any permission or authority from any one to cut there?—No; we were cutting for a Mr. Adam Blair.

28. Did you pay any royalty to any one?—No, we had an agreement with him that he was to pay the royalty. We were to get so much delivered on the road.

29. Can you tell us, Mr. Stewart, to whom those sleepers that were cut in 1893 were sold?—They were sold to the Public Works Department, some of them—2,000 to the Public Works and the rest to the Railway Commissioners—except 575, I believe, we sold to Adam Blair out of the lot cut since 1893.

30. There is a lot of birch as well in this bush?—No, there is no black-birch. There is red-pine on the 1893 ringed area; not much white-pine.

31. Has any of that been cut?—No, none cut yet.

32. Can you tell us whether the cutting-out of the silver-pine would have any effect on the bush as a whole?—It would depreciate the value of the red-pine.

33. Can you give us the reason why?—Well, it is pretty thin, and very scattered. The silver-pine will help to pay for the other, taking the whole lot together.

34. Hon. E. Blake.] By taking out the most valuable part you render the rest comparatively useless?—Yes.

35. *Sir R. Stout.*] I suppose silver-pine is only used on the West Coast for sleepers?—No.

36. Did you sell anything else?—We sold a lot of piles for Government railways.

37. It is not manufactured for sashes or anything of that sort?—Yes.

38. Much?—Not to a great extent.

39. What do they use generally there?—I cannot tell what is used generally.

40. Silver-pine is mainly used for sleepers, is it not?—That is its main use. It is used for piles, plates for houses, and everything exposed to weather.

41. But it is mainly used for sleepers?—Yes.

42. You say Smith gave you permission. Did he give it in writing?—I cannot say he did.

43. Have you got it?—No.

44. Were you the senior partner?—No, we were all mates.

45. Your brothers were all with you as mates?—Yes.

46. Who looks after the business part of the firm?—My father.

47. Where is he?—In Greymouth.

48. In fact, your father has the business, and his six sons assist him?—Yes.

49. And he looks after the business?—Not always; sometimes it is in my name. In 1893 the first 2,000 sleepers were in my name.

50. In October, when you were stopped, in whose name was the business?—It was Stewart and party.

51. That meant your father?—Yes.

52. If an authority were given, would it be given to you or to your father?—It was sent to the men in the bush.

53. Were you in the camp?—Yes.

54. Was your father there?—No, he was not.

55. To whom did you pay the royalty?—To Mr. Smith.

56. The Crown Lands Ranger?—Yes.

57. Is he in the habit of collecting money?—Yes.

58. Is not it usual to pay money to the Receiver of Land Revenue?—No; Mr. Smith, to whom we paid it down there.

59. Did you cut any on the educational endowment?—No.

60. Where is the boundary of the educational endowment?—It is the road-line on the plan produced.

61. Does that go up to Kumara?—Yes.

62. There is a made road there?—No road at all; the road is through Block 6; there is no road at B 1 line.

63. What does "Wilson, McConnell Brothers, and others" mean?—Wilson and Gillies were contractors when cutting sleepers.
64. For whom?—For themselves. They had a party of men working under them.
65. When I see "Wilson and Co.," "McConnell," "O'Brien," "McCormick," "Garrick," and others, that means people who were cutting timber?—Yes; these are people who have been cutting timber.
66. You were a long way from Greymouth? Your father, you say, lives in Greymouth?—Yes.
67. Then, I suppose you went there to cut sleepers for the Greymouth-Hokitika Railway?—That is what we went first for.
68. And to whom did you sell the other sleepers?—To the Railway Commissioners. We sold them mostly in Greymouth. We floated them down the creek to the railway.
69. What station did you bring them to?—We loaded them on the main line.
70. When do you say you paid any money to Smith—what date?—I cannot say the precise dates.
71. What year?—In 1894 and 1895 we paid to Smith.
72. How many payments have you made to him?—Every time there are 500 sleepers we pay him £2 18s. 4d.
73. Now, was your father cutting timber before the Midland Railway was let?—Yes.
74. He was a sawmiller before that?—Yes.
75. Where was his mill?—He had not a mill; we were cutting with the axe.
76. Where had he been cutting before?—On the Cobden side.
77. You spoke about others who were cutting—Lawson, Stewart, and others—was that on the Blackwater Creek?—Yes.
78. You say you were cutting timber at this place in 1890?—Yes.
79. What time of the year?—Nearly all the year.
80. Who else was there?—There were four brothers.
81. Cutting with the axe?—Yes.
82. Where did you bring these sleepers to?—To Greymouth.
83. How did you get them to Greymouth?—By wagon.
84. Did you bring them down by Marsden or through the bush?—Through Marsden.
85. Was there any one cutting when you were there?—No.
86. Who were you cutting for?—Adam Blair.
87. You do not know whether he paid royalty or not?—No. We had an agreement that it was to be paid.
88. To whom was he to pay it?—To the Government.
89. Did either you or he have any permission from the Midland Railway Company?—No.
90. Do you know if Blair had any sawmilling license?—Yes.
91. He was there before the railway was made?—He was.
92. Hon. E. Blake.] This cutting was not for the sawmill?—No.
93. The sleepers were finished with the axe?—Yes.
94. *Sir R. Stout.*] I notice this is on a mining reserve?—A little bit of it.
95. Did you cut any on the mining reserve?—Yes.
96. This is portion of the ringed area, Blackwater Creek?—Yes.
97. There is a sawmilling license over that?—Yes.
98. How long has it been there?—About a year.
99. *Mr. Cooper.*] You say you paid royalty to Mr. Smith?—Yes.
100. What was his practice? Did you go to him to pay the royalty?—First he came to me, and got an order on the Public Works Department to stop it out of payment.
101. So that you got your cheque less the royalty?—Yes.
102. That was the first practice—what happened later on?—Afterwards he trusted us, and he did not come round so often—once in about three months.
103. To where you were cutting?—Yes.
104. And he collected the royalty?—Yes.
105. Did he check over what you cut for the purpose?—No; I do not think so.
106. Was that the practice with regard to the others?—He could go to the Government offices to see how many we had delivered.
107. So that his practice was to collect the royalties from the others in the same way as he collected it from you?—Yes.

Charles McKeegan sworn and examined.

108. *Mr. Cooper.*] What are you?—A carpenter.
109. Have you been engaged in cutting sleepers?—Yes, and in a good deal of bush-work also.
110. Where have you been cutting sleepers in the West Coast? Can you tell us first the district?—It is along the Kapitea Creek.
111. Do you know where Mr. Blair was cutting?—I do.
112. Then, in relation to where you were cutting, describe where he was cutting?—On the same block—the same ringed area.
113. When did you commence cutting?—I commenced about when the first lot of sleepers was cut. That would be somewhere about four years ago.
114. Had you any license?—No.
115. By what authority did you commence cutting them?—I went into the bush and commenced cutting, and the ranger came round and collected the royalties.
116. What ranger?—Mr. Smith, I think, was his name.
117. How long did you continue to cut?—I have been cutting off and on about six months.

118. Can you tell us about the total number you cut?—Along with Griffin I cut 1,500, and then I cut 500 by myself. I cut some before that, but that was on the education reserve.
119. We do not want to know about the education reserve. Have you cut any more?—There have been some condemned.
120. How many have been condemned?—I suppose there might have been fifty.
121. There were others cutting there besides?—Yes.
122. And this arrangement between you and the ranger extended, I understand, right through the time you were cutting?—Yes; but when I commenced cutting on this block there was no arrangement made between us; he simply came round and collected the royalty.
123. What royalty did you pay?—Sixpence a hundred.
124. To whom were these sleepers supplied?—The sleepers were cut for the Public Works Department.
125. *Sir R. Stout.*] There were a lot of people cutting, you say?—Yes, there were.
126. Did you know that regulations had been issued about this on the Coast?—I was not aware of it.
127. You did not know what terms had been made with the company all this time?—No.
128. A man came round, and you paid royalty?—Yes.
129. And you cut 2,000 sleepers?—That is, myself and another man. There were 2,000 altogether.
130. That is the only block you cut out of?—Yes.

WILLIAM HUNT sworn and examined.

131. *Mr. Cooper.*] What are you, Mr. Hunt?—I am a bushman.
132. Residing where?—At Baker Creek, West Coast.
133. Have you been engaged in felling sleepers?—Yes.
134. Where?—For Mr. Wilson, at Kapitea and Acre Creek.
135. Were you engaged in cutting sleepers in the same bush with McKeegan?—Yes.
136. When?—About three years ago.
137. How long were you at work?—It is three years since I knocked off.
138. How long were you at work?—I was about twelve months working.
139. Were you cutting sleepers on weekly wages, or in what capacity?—I was cutting them on weekly wages for about eight months, and then I cut the rest at so much a sleeper.
140. Were there other men working for Wilson then?—Yes.
141. Can you say how many?—About twenty-five or thirty.
142. During the whole time you were there?—Yes.
143. Can you give us any estimate as to the number of sleepers that were cut during that time by Mr. Wilson's party?—About 20,000.
144. Do you know the ranger, Mr. Smith?—Yes.
145. Have you ever seen Mr. Smith there?—Yes.
146. On the block?—Yes.
147. During the time the cutting was going on?—Yes.
148. I suppose you can only speak as to your own arrangement. Can you say whether any arrangement existed between Mr. Smith and Mr. Wilson?—I could not say.
149. *Sir R. Stout.*] Did any of the sleepers go to the company's line?—I do not know where they were sent to.
150. All you know is that while you were there you saw about 20,000 cut, you were paid so much per week for cutting part of the time, and so much per sleeper for the rest of the time?—Yes.

HENRY GEORGE HANKIN sworn and examined.

151. *Mr. Jones.*] I think you were mining in the early days in Victoria, Mr. Hankin?—Yes.
152. And subsequently on the West Coast?—That is so.
153. And, in fact, all your life has been engaged either in mining or on the goldfields?—Yes.
154. Do you recollect visiting the Maruia Plains in company with Hislop and myself?—Yes.
155. I think you were engaged by the Midland Railway Company to make an inspection of certain blocks?—I was.
[Exhibit No. 89 referred to.]
156. Kindly state to the Court the result of your inspection?—I visited the whole of the river from near its source down to the junction with the Buller. We examined it generally for the purpose of seeing whether the country was what is called payably auriferous. We made inquiries of different men as to what gold they had obtained, and we found, upon inquiry as to the tributaries running in from both sides of the range enclosing the river, that there was no gold in those tributaries.
157. Hon. E. BLAKE.] That was from inquiry?—Yes.
158. Not from actual test by yourself?—From inquiry from those working there. Generally speaking, we found very little evidence from inquiry and from examination of payable gold.
159. *Mr. Jones.*] Did you see any parties working in the bed of the river?—I did.
160. How many?—To the best of my recollection, I should think there were about six or eight parties.
161. Where were they working generally?—Above the gorge.
161A. I mean their position as to the river-bed?—They were working in the banks of the river, and the workings extended not more than a chain to a chain and a half in depth from the bank of the river. I asked them why they did not go further in, as there were large flats extending in to the foot of the hills. I was told by them that there was no gold.
Sir R. Stout: Surely that is no evidence, what the miners told the man. The miner does not disclose the richness of the gold patches.

162. *Mr. Jones.*] Did you traverse any of the flats yourself?—Yes.

163. Did you see any traces of mining in any of the flats you traversed far back from the river?—I saw evidence of shafts having been sunk and abandoned, but no actual workings indicating that there was any payable gold.

164. How far from the mouth do you reckon the men were working?—They would be about five miles from Walker's Station—below the station, going down the river.

165. Do you know the Warwick River?—Yes.

166. Is the place they were working anywhere near that river?—Yes.

167. And from that down you found parties working?—Yes.

168. What is the nature of the country from the top end down to where you found the first parties working?—Granite wash.

169. I mean, is it alluvial?—It is fair agricultural land; so I would take it to be.

170. Did you see any cultivation?—I saw some little patches cultivated, and sheep and cattle running on it.

171. Down the Warwick to the mouth: what do you say of that portion of the country?—It is the same character all the way down.

172. Fit for agricultural and pastoral purposes?—Yes; largely so.

173. Did you see any portion of that bush cleared, and in cultivation?—I did.

174. Do you know whose cultivations they were?—I heard the names, but could not give them from memory.

175. What portion of that river do you think should be reserved for mining purposes?—I really could not say what particular quantity of that land should be reserved, unless it is a distance of 1½ to 2 chains on either side of the river.

176. Did you visit Doughboys, Section No. 30?—Yes.

177. What have you to say of that?—Doughboys is worked out; the gold there is extracted.

178. Do you think it necessary to make a gold reserve of it?—I should not think so.

179. Is the land of any consequence?—The land is of the same character as the Maruia, fit for grazing purposes.

[Exhibit No. 94 referred to.]

180. Take Blocks 52 and 53. You understand that the portions hatched on that map are those which we say should not have been reserved for gold-mining purposes?—Can you say whether, in your opinion, that portion hatched is required for gold-mining purposes, or purposes incidental or conducive thereto?—No; I think that includes the flat table-land, does it not, and the creek.

181. Which creek do you refer to?—Landing Creek.

182. Yes, Landing Creek; it takes in all these creeks?—I do not think Landing Creek is necessary for mining purposes.

183. Hon. E. Blake.] Are you speaking of 51?—Yes, 51.

184. But you were also asked about 53 as well. Look, also, at that?—No; I find that the various creeks containing gold are now worked out in most cases—at Raglan's Creek, and so on.

185. *Mr. Jones.*] The question is, was the hatched portion required?—I do not think it was from the appearance of the plan here; and, in fact, I know that portion of that land is not required for mining purposes.

186. *Sir R. Stout.*] Do you mean for actual mining?—For actual mining.

187. *Mr. Jones.*] Is it required for purposes incidental or conducive to mining?—That, I suppose, would be for consideration. Do you mean in reference to the water-races and so forth?

188. Yes?—I do not think the land is necessary for that purpose.

189. As a matter of fact, is not that portion on the blue part of a greater altitude than that of the flat?—Yes.

190. And it is a quarter of a mile in distance?—Yes.

191. I think about 1889, 1890, and 1891 you were secretary of an association called the Miners' Association?—Yes; the Reefton Miners' Association.

192. Do you recollect any maps or plans being sent to that association showing proposed gold-mining reserves?—I recollect some plans coming, but whether they were sent to the Miners' Association or to the County Council I cannot say; but they came under the notice of the Mining Association.

193. For what purpose?—Well, they set out certain reserves which were proposed to be made for mining purposes.

194. Was there a meeting convened of the Reefton Miners' Association for the purpose of considering those maps?—Yes.

195. Did they hold a meeting?—Yes; and examined the maps.

196. *Sir R. Stout.*] What was the date?—I cannot recollect.

197. Hon. E. Blake.] Is there a letter from the secretary in print?

Mr. Jones: There are none in print. All the letters are lost or destroyed.

198. *Mr. Jones* (to witness).] It was at the time the Government proposed to make the reserves in favour of the mining interest?—Yes. They were submitted, I think, for the consideration of the various local bodies—the Miners' Association and others—and they were recommended to make a suggestion.

199. What suggestion or recommendation did that body make either to the Council or the Government in reference to those reserves?—To the best of my belief, it was considered that time would be required to go over the land in order to ascertain what land should be reserved.

Hon. E. Blake: Can counsel for the Crown say whether any recommendation was made by the Mining Association in reference to these reserves? I am very averse to taking it from the witness from memory?

Mr. Gully: I do not know.

200. Hon. E. Blake (to witness).] You do not know whether any recommendation was made to the Government?—I do not think so.

201. *Mr. Jones.*] There were no suggestions at all made?—There were no suggestions made.

202. *Mr. Gully.*] Were these blocks at the Maruia, and 53 and 51, the only blocks you examined on behalf of the company?—No; I think I examined further to the northward. It includes the Owen district.

203. Were there any others besides those?—I do not think so. I would not be positive, but I do not recollect any.

204. How long were you employed in the service of the company?—I was employed altogether twenty-three days.

205. That is much less time than most of the other witnesses. How was it you came to examine only such a small number of blocks?—That I cannot tell you.

206. Had you any difference of opinion with any one connected with the company in reference to these blocks?—Not that I am aware of.

207. Was not your report not quite so favourable in reference to some of the blocks as they wished?—Well, I have heard something of that sort was the case. I was never told directly so myself.

208. Hon. E. Blake.] You did not continue to be employed?—No.

209. *Mr. Gully.*] Well, we will put it as a coincidence that you were not employed, and that your report was not sufficiently favourable. Was your report of the Owen district favourable to the Government?—That I could not say. I heard nothing more about it.

210. How did you get notice that your services were not further required; was it a written notice or were you told?—I simply found that I was not again called upon.

211. It was rather unkind to cut you off so suddenly, because, I suppose, you were paid well?—Not more than necessary.

212. It was three guineas a day?—Yes.

213. With expenses as well?—No; the three guineas included expenses.

214. At any rate, you offered your services to the Government, and found that, although they were a Liberal Government, they were not liberal enough for you?—Precisely.

215. In fact, you telegraphed to the Premier, offering your services as a gentleman who had had a great many years' experience?—That is a fact, sir.

216. Hon. E. Blake.] At what rate of payment?—I did not suggest any rate to the Premier.

217. *Mr. Gully.*] But you suggested to Mr. Hannen to place you on the same footing as the company. You said, "The company are offering me three guineas a day, and I cannot do it for less"?—Yes.

218. And if the Government had offered those terms, you would have been prepared to give evidence on behalf of the Government rather than on behalf of the company?—I would have given my services to the Government, as I had communicated with the Premier.

219. But the terms were not businesslike enough?—Not businesslike enough for me.

220. You told us that you had had thirty years' experience?—Yes.

221. And you knew a great many of these reserves before the company made you this offer, or before you sent this telegram to Mr. Seddon?—Yes.

222. You knew what you were writing about?—Yes, I think so.

223. You were speaking as a man with knowledge and experience of these gold-mining areas on the West Coast?—Yes.

224. And, having that knowledge and experience, you were prepared to come forward as a witness for the Crown?—Yes.

225. So that, as a fair-minded man at that time, and with this knowledge and experience, you held a view favourable to the Government with reference to these reservations at the time you telegraphed to Mr. Seddon?—Yes; I recognised that there must be reserves for mining.

226. And very considerable reserves?—Yes.

227. Are you not aware that in 1890, or at the beginning of 1891, recommendations were sent from Reefton and other parts of the West Coast advising the Government that the proposed reserves were not too much, and in some cases insufficient?—I have no recollection of it.

228. You say you do not know that communications were received by the Government from the miners and County Councils, and all sorts of other local bodies with reference to these reservations in 1891?—I do not know that.

229. Where were you then?—At Reefton.

230. Do you mean to say that a matter of this kind could have escaped your notice?—I think I have already stated that the plans were brought under the notice of the Miners' Association, and that they were not dealt with.

231. Were no remarks made about them?—The remarks were to the effect that there was nothing definite or defined.

Hon. E. Blake: I cannot take that. The question is as to your knowing; if you did not think it worth while to find out, that is your business. The question is as to whether you, living in a small town like Reefton, did or did not know of any other communications on the subject complaining as to the reserves.

232. *Mr. Gully.*] Was it not a fact that notice was given to any bodies who had any interest at all—the Chamber of Commerce, the Society of Amalgamated Miners, &c.; and do you mean to say that you did not know anything about what was going on?—I cannot say.

233. You do not know. Will you swear that you did not attend a public meeting there?—I say——

234. Will you answer the question, did you ever attend a public meeting there?—I may have done so.

235. More than one?—Possibly.

236. To put it plainly, were you and all the rest of the population on the West Coast arranging to get the Government to make large reserves?—I believe there were overtures made to the Government for the purpose.

237. I suppose it is generally recognised down there that the mining industry requires protection?—Yes.

238. Are you able to answer this question: 750,000 acres is to be the maximum amount to be reserved on the West Coast. You know that, of course?—I do.

239. Do you think, as a man of experience of many years, that that is an unreasonable limit for the whole of the West Coast?—No; I should not think it was.

240. Do you think it a reasonable method of getting at the reserves that only the actual land worked in the past or being worked at the present should be the only reservations. Some of the other witnesses, perhaps not so fair as yourself, have suggested that. Do you think it is fair to confine the reserves to the existing workings?—No, certainly not.

241. In point of fact, does not every miner know that first of all a large allowance has to be made for water-races and other workings appurtenant to mining?—Yes.

242. Secondly, for future discoveries?—Yes.

243. Would you say, from your experience, whether it is not a fact on the West Coast that discoveries are made from time to time?—Of course; that has not been disputed.

244. I also put it to you as an axiom that before a thing is discovered there is no way that you are able to suggest by which you can tell where it is?—[No answer.]

245. *Mr. Jones.*] With reference to your report: do you recollect who accompanied you on the first trip you made through the Maruia?—Yourself and Hislop.

246. When the party of three returned to Reefton, do you recollect a private meeting at Dawson's Hotel with Hislop and Perotti?—I do.

247. And, comparing notes, do you know who read the report?

Sir R. Stout: Which report?

Mr. Jones: As to the Maruia.

248. Hon. E. Blake.] Do you recollect who read the report?

Witness: I do not recollect the report then. I wrote a report to you, Mr. Jones.

249. *Mr. Jones.*] Do you remember that we discussed the matter and the land we had gone over, and that I read a report which I had drawn up for the Midland Railway Company—read it to yourself and Hislop—and that you indorsed the whole thing?—Quite right.

250. Do you recollect upon what blocks you wrote your report, and as to what trips?—The second to the Maruia.

260. Was that the second trip, Mr. Hankins?—There was a written report by yourself, and I know that Hislop and myself indorsed it generally.

261. Do you think the trip to the Maruia was the second one?—I think—No, it was not the second trip.

262. The first trip you were accompanied by Mr. Daniell and Mr. Fenton, and Perotti, myself, and Mr. Hislop?—Yes.

263. Do you recollect what blocks you visited then?—The blocks I visited I reported on. Which one—I have not the number of the map.

264. You cannot distinguish any one block; they were up the Buller?—Yes.

265. Where in the Buller?—We went up to see the Owen.

266. Were they not the Owen blocks?—Yes; the Owen blocks.

267. Did you ever think it necessary to refer to——

Hon. E. Blake: You did not examine him in his chief evidence on the Owen blocks?

Mr. Jones: No.

Hon. E. Blake: You visited them, and you deliberately abstained from examining on that point.

Mr. Jones: It is suggested that it was a report unfavourable to the company. I want to show that it was not.

Hon. E. Blake: I drew the inference as to the other blocks that it was not a report as to his trip.

Mr. Jones: We find these blocks were not reserved, and the map was coloured although they were not reserved. A mistake was made.

268. *Mr. Jones* (to witness).] Do you know that the blocks at the Owen are not reserved?—I do not know of the fact myself; that is the reason we visited them.

269. *Sir R. Stout:* Is it far up the Owen?—Right up the hill.

Hon. E. Blake: At that time the company supposed they were reserved; they would not have seen them otherwise. If we can identify the block it will make it clear whether they were reserved or not. I do not think it is of very much consequence.

Mr. Jones: I will identify them.

270. *Mr. Jones* (to witness.) Can you show these blocks on the plan [produced] which you visited?

Hon. E. Blake: You are referring to the contract map?

Mr. Jones: The map attached to the report of the inquiry of 1892.

Witness: These are the reserves we visited.

Mr. Jones: Blocks 20, 21, 22, and 23 on map attached to the report of the Select Committee of 1892.

Hon. E. Blake: His trip was really the second to the Owen. Then, was there a third trip, in which he took 51 and 53?

Mr. Jones: No, it was on the return. It was the third trip.

Witness: It was the third trip on which I visited the Owen.

270A. Hon. E. BLAKE: You stated that Daniel Fenton, Perotti, and you visited the Owen blocks—that is what you said a little while ago—and now you say it was the third trip to the Owen?—I contended it was the second trip.

271. Hon. E. BLAKE.] It is your business to say. Did you go on the third trip?—Yes; in fact, we took Block 53 on the road to the Owen.

272. *Mr. Jones.*] He took them on the road down and went up the Buller. You told Mr. Gully that you thought 750,000 acres would not be an unreasonable reserve for the West Coast, did you not?—Yes.

273. From the result of your visit to the other blocks you have named you would not support the contention that these reserves as made are reasonable, would you?—In my opinion the reserves are large in the immediate neighbourhood in which they are reserved.

274. *Mr. Jones.*] Then, I may take it that 750,000 is outside the reserve made by the Government?—Out of parts.

Hon. E. BLAKE: He has already stated what he thinks ought to be reserved and what he thinks ought not to be reserved.

275. *Mr. Jones.*] You say there are frequently new discoveries on the Coast. Outside of quartz-mining, will you be kind enough to tell me any new discoveries made during the last fifteen years? When I say new discoveries, I mean clear of old workings?—I have no knowledge of any discovery of any consequence—that is, sufficient to create a rush, within the last seven or eight years.

276. I want you to go back further than that—within fifteen years?—I really do not know of any particular rush that has taken place.

277. Can you tell me of any rush during the last fifteen years outside the known goldfields that has occurred on the Coast?—No, I cannot.

278. *Sir R. Stout.*] What do you mean by a rush?—It would be an entirely new field, and a great number of people would collect there.

279. *Sir R. Stout* (to Mr. Jones): Would you ask the witness whether there have not been a great number of small rushes—that is, new localities have been opened up—new fields, of course, within the boundaries of the goldfields there?

Mr. Jones: It is only fair for the witness to speak of his own knowledge.

Sir R. Stout: You did not confine him to his own knowledge. He has lived in Reefton, seventy or eighty miles off, where the rushes have taken place. He is living in a quartz-mining district.

280. Hon. E. BLAKE (to witness).] You live in a quartz-mining district?—Yes.

281. Not in a place where a rush upon an alluvial district would have taken place?—No.

THOMAS PAVITT recalled.

[Exhibit No. 105 (amended and completed) put in.]

282. Hon. E. BLAKE.] Can you give us the aggregates?

Mr. Cooper: The gross aggregates are: Quantity of pine and black and red birch cut and removed, 13,986,858ft.; silver-pine, 4,426,060ft.; estimated quantity destroyed: pine and birch, 3,499,113ft.; silver-pine, 1,125,402ft. Grand total, 23,037,433ft.

Hon. E. BLAKE: As to the royalties: I have run them through roughly, and I think they come to somewhere about £8,000.

Mr. Stringer: £7,312.

Mr. Cooper: If my friends have no objection, I would like to examine Mr. Pavitt with regard to one or two interviews he has had with the Crown Lands Commissioners as to the timber.

Mr. Gully: The correspondence shows it.

Sir R. Stout: I do not know how it can bind the Crown—a conversation with an officer who had no responsibility or power.

Mr. Cooper: He is the Conservator of Forests.

Sir R. Stout: There is no doubt he has to look over all the Crown lands in his district. I admit that.

Hon. E. BLAKE: We will take the evidence, subject to your objection, Sir Robert.

283. *Mr. Cooper* (to witness).] Mr. Pavitt, you recollect Mr. Mueller being in charge of the Crown lands in the Westland District?—Yes.

284. Did you have any interview with him with reference to the cutting of timber on the B 1 blocks in Westland?—Yes, during 1890.

285. Can you fix the date in any way?—It was during June, July, and August.

286. You had more than one interview?—Yes, to the same purport.

287. What was the purport?—I mentioned to him that illegal cutting, as far as I could see, was being carried out.

288. Where?—In several portions of Westland, between Hokitika and Greymouth; and he said he hoped shortly there would be timber-cutting regulations issued which would be suitable not only to the Crown, but to the Midland Company.

289. Were any such regulations to your knowledge issued during Mr. Mueller's term of office?—No.

290. Do you recollect when Mr. Mueller left?—I could not exactly say.

291. Mr. Mueller was succeeded by whom?—Mr. Strauchon, and I immediately called upon him.

292. Hon. E. BLAKE.] When?—I cannot remember; I think it was in the early part of 1892.

Mr. Mueller: I left in May, 1891.

293. *Mr. Cooper* (to witness).] What took place between you and Mr. Strauchon?—I also mentioned the same subject to him, and some effort was made to pass regulations; both he and the company urged the Government to have regulations passed that would be workable under the contract.

294. Did the Government, to your knowledge, make any such regulations?—Not at that time.
295. Or during Mr. Strauchon's period of office?—I will not be positive, but I think not.
296. Who suceeded Mr. Strauchon?—Mr. D. Barron.
297. Can you say when?—Not long ago.
298. Did you have an interview with Mr. Barron on the same ground?—Yes; to the same purport, and pointed out certain blocks on which I thought illegal cutting was taking place.
299. Do you recollect what blocks they were?—There was some land fronting Blackwater River; also the Lake Brunner district, and the district close to the junction of the Kumara railway.
300. Is that the Kapitea district?—Yes; at that time the Government had appointed a ranger to inspect these areas, and for the purpose of collecting royalties, I apprehend for the Crown.
301. Had the company been any party to that?—They had recommended the Crown's acceptance of Gillies and Wilson's application, and, I think, Morris and Watson's, without prejudice to the company's claim.
302. Was anything done by Mr. Strauchon do you know?—No; I think not, beyond the appointment of a ranger.
303. Well, now, in reference to the Nelson District? Did you see Mr. Browning at all?—Yes.
304. Mr. Browning has been Commissioner there all along?—Yes, for a long time. That portion of the Nelson District was so far removed from the Crown Lands Commissioner's office that I understood Mr. Browning to say that he had requested Mr. Strauchon to overlook that portion of his district, which was so far away from Nelson.
305. *Mr. Gully.*] You mention, Mr. Pavitt, two instances where you say the company recommended the permits to the Government?—They were willing to give their assent to the applications these persons had made to the Crown.
306. That is how you put it?—Yes.
307. And, as far as you understood, the company claimed their right to control the permits given by the Crown for the cutting of timber, did they?—That was the impression that I had. The Government stated it was essential the company's assent should be given before they would issue licenses.
308. In these instances?—Yes.
309. Or do you suggest they did that in all instances?—I do not say they did; I think not.
310. Are there any other instances in your knowledge in which the company either gave permits themselves, or assented to permits being given by the Crown?—There was the instance of Baxter.
311. Any others?—I do not remember at the moment. There was Morris and Watson, and Gillies and Wilson.
312. Others too?—I do not remember.
313. I will put them to you—Butler Brothers?—Yes.
314. Blair and Stratford?—Yes; in the Grey Valley.
315. And Hahn?—Yes.
316. Any other that I have omitted?—I do not remember now.
317. Do you really know what the position was in reference to timber cutting during the years you have spoken of? Do you know what the arrangement was?—I was under the impression that the Crown would be collecting royalty from those places, and that a proper survey of those special areas would be made in accordance with the regulations the Government issued later on.
318. How could the company be entitled to the timber until they had taken up the B 1 blocks?—That I do not wish to express an opinion about.
319. But did you know as a fact that the Government paid into a suspense account those moneys received for royalties?—We have asked for these returns, but have not been able to obtain them. I heard there were sums being collected, but what amounts they were I could not say.
321. Did you know that was done?—I know it was done in some instances.
322. Did you know there was a suspense account kept?—I did hear there was.
323. Did you know the company cut timber, received royalties, and also paid that fund into the same suspense account?—For the purpose of assisting the development of the timber trade the company purchased timber from certain individuals who were anxious to make applications either to the company or to the Government as the proper authorities for licenses to cut, and for the purpose of providing traffic for the Government railway as well as their own.
324. This is a speech, not an answer to the question. Your answer is you did know the company was cutting timber and paying royalties, and that was paid into a suspense account?—It was handed to the Government, and the Government, I apprehend, paid it into a suspense account.
325. Did you know then that both the Government and the company were paying in timber royalties to an account?—The company were taking royalties, debiting these men's accounts they were making advances to, and setting it apart specially as an amount in suspense, to be handed to the Crown in the event of their not selecting those areas. That is my impression; but those areas were intended to be selected by the company.
326. According to Block B 1?—I think my answer ought to be sufficient.
327. Now, you seem to have given in your aggregate, which is an account of all timber cut and destroyed; is that so?—
328. Does the aggregate which you give represent the whole of the timber cut and destroyed within the authorised areas?—As far as my examination will show. There are other areas.
329. Does it include or exclude timber cut by or with the consent of the company?—There is an amount of two millions which is credited in the summary, and the amount of £451 handed to the Crown, and which was kept there, clear in the company's books, as a suspense amount to provide for the royalty and 2,000,000ft. that the company purchased from these mills.
330. Hon. E. Blake.] You have given a total of twenty-three millions odd. Does it or does it not include timber cut by the company?—No; there were two millions beyond that.

331. *Mr. Gully.*] Have you excluded all timber cut with the consent of the company, such as the timber cut by Morris and Watson, Hahn, and those other people?—No; that is all included.

332. Then, you have actually put in your aggregrate of your claim against the Crown the timber that was cut by these mills with your consent. Have you excluded from the computation of the aggregate which you have given us timber cut by these mills and cut with your consent?—Yes.

333. Hon. E. BLAKE.] It does not include Hahn, Gillies, Blair's, and so on?—No.

334. *Mr. Gully.*] How did you get at the calculation as to what amount you deducted?—A very large quantity, the greater portion of the quantity which travelled over the railway, and we have the railway books to prove it, and that will account for a very large quantity.

335. I ask how you got at it. You say you got at it by the railway books?—I checked my estimates by the quantities that travelled by railway. Where it did not travel by railway I made my examination of those areas much more minute.

336. How could you by examining the areas estimate the amount of timber cut with the permission of the company? Could you separate them?—Yes.

337. Did you take into account, in every instance, the date when the company's permit was given, and the difference between the timber cut before and after?—Yes, and they are very distinct.

338. Then, you say by examination of the stumps on the ground you could tell approximately how many feet had been cut?—We took that carried by the railway up to a certain date.

339. Instead of estimating the amount we have taken you took the whole amount on the West Coast?—(No answer.)

340. *Mr. Cooper.*] The consent which the company gave to Stratford and Blair was confined to cutting on the Maitai, which was not included in those cuttings?—Yes.

341. *Mr. Gully.*] Do you say that the timber-traffic has been one of the principal sources of revenue on the railway?—Yes.

GEORGE FREDERICK RICHARDSON sworn and examined.

342. *Mr. Hutchison.*] You were in the Ministry which took office in 1887?—Yes, from 1887 to 1891.

343. What portfolio did you hold?—Minister of Lands and Mines; but Mines only for about half the time.

344. Who succeeded you in the office of Minister of Mines?—Mr. Fergus.

345. You were both Minister of Lands and Mines on the 3rd of August, when the contract was entered into with the Midland Railway Company?—Yes; in 1888.

346. And you continued as Minister of Lands for a year and a half after that?—Until January, 1891.

347. You are familiar with the contract, no doubt. Were there any reservations made for mining while you were in office?—No.

348. Can you say why?—We thought it was unwise to make them, because any selections the company might make of land, the auriferous land would not be allowed to go to them, and as long as we held the power to make reservations we could deal with any fresh discoveries, and what not. There was a lot of agitation from people on the Coast who wanted reservations—from local bodies as well as individuals, I believe—and to an extent which would have exceeded the limit. But we made no reservations, I believe.

349. Were any initiatory steps taken in the matter of reservation while you were in the office?—I think so; and I think we almost made one close to Hokitika; but nothing, I think, was actually done.

350. As to the B 1 map attached to the contract, do you remember a question arising as to some portions left white?—Yes; the matter was brought under the notice of the Government by the company—I am not positive now by whom, but I think the first transactions were made with Mr. Scott, and then with Mr. Scott and Mr. Wilson, and finally with Mr. Wilson, who was, I think, the then representative of the company.

Mr. Hutchison: I am going to put in certain correspondence on that point, and I wish now to refer to it. I have it here, under date the 28th September, 1889: "At an adjourned meeting of the same persons"—viz., Mr. G. F. Richardson, Minister of Lands; Mr. S. Percy Smith, Surveyor-General; Mr. Robert Wilson, and Mr. Alan Scott—"it was agreed that any Crown lands erroneously left out of the B 1 blocks (*i.e.*, being Crown lands not being legally constituted reserves, or otherwise rightly precluded from selection by the company) should be dealt with by the Crown, and the company has thought they were included in the B 1 blocks, to which they are adjacent or naturally appertain. In the case of such lands in the Grey and Inangahua Valleys, those on the eastern side of the railway-line to be deemed to belong to the B 1 blocks on the western side of the line."

Witness: I recollect we went into the matter.

351. Cannot you say why it was that arrangement was come to?—The company had made a discovery with regard to one or two small areas of land somewhere near Christchurch, along the margin of the coloured blocks, and other places as well, I think, and when we went into the business it was quite clear that this B 1 map differed from the large B map, notably in the case of the large area of the Southern Alps, not coloured, which was all included in the original map. I may say that I and the Government regarded the matter as one of very great responsibility, and anything which was done in the matter was done with the utmost care and with the best advice. Mr. McKerrow, who was then Surveyor-General, it was who laid off the blocks in this B 1 map.

352. *Sir R. Stout.*] Do you suggest this was a conversation after the contract was signed?—Unquestionably.

352A. Then the contract as signed left the reserve white?

Mr. Hutchison: These are inaccuracies.

353. Hon. E. BLAKE.] What I understand you to say is this: that, whether rightly or wrongly, upon the representation of the company, that this map was in some particulars inaccurate, and differed from the large map, you went into it and looked it over, and agreed that the inaccuracies should be corrected?—That is so.

354. *Sir R. Stout.*] If you accepted the map as it appears in the contract, how can you vary the contract by showing that you made a mistake?

Mr. Hutchison said this map did not agree with the contract, and that was the reason of the proposed alterations.

Sir R. Stout said that personally he had never heard of this dispute before. It had never been submitted to him. The position was that a statement was made by the company that apparently the B 1 map annexed to the contract was not the B 1 map on which the negotiations for the contract had proceeded, and, that being so, the company wished to get into the B 1 map annexed to the contract some additions of land that were left out. There was no agreement with the Government to do that.

Hon. E. BLAKE thought the correspondence should be supplemented with the evidence of Mr. Scott.

Sir R. Stout further understood that the correspondence showed that Mr. Wilson asked the Government, in 1893, to pass a Validating Act granting this concession, which was not done.

Mr. Hutchison said he would supplement the correspondence with any further evidence that could be obtained. He wished to ask the witness what his recollection of the verbal agreement was.

355. *Mr. Hutchison.*] Can you say, Mr. Richardson, whether any agreement was come to between you and others?—It is such a length of time that I cannot say whether the agreement come to was precisely what is represented there. The agreement come to is no doubt amongst the official papers. I know an agreement was come to, and that it was acted on by the Government, and warrants were issued for some of this land. That land was sold by the company.

Sir R. Stout said this evidence was outside the subject.

Hon. E. BLAKE presumed that what the witness had done officially could be proved by official documents. He thought the further examination of Mr. Richardson might be postponed until he was able to decide whether the subject referred to was a subject for reference under the arbitration. At that point they might be able to go on.

[Further examination of Mr. Richardson *re* alterations in B 1 map postponed, and examination on other matters continued.

356. *Mr. Hutchison.*] You were Minister of Lands, and had the administration of the lands of the Crown, from 1887 to 1890, Mr. Richardson?—Yes.

357. Can you tell the Court what was the position of the lands on the West Coast, prior to 1888, as to the right by the public to take up land?—The Land Act of 1887 gave, for the first time, the right to make application for unsurveyed Crown lands.

Hon. E. BLAKE: I really think I would prefer to proceed in the proper way, by counsel pointing out the Acts on the subject, so that in case of dispute——

Sir R. Stout: There will be no dispute.

Hon. E. BLAKE: I would prefer to hear the broad point. I do not think I can take Mr. Richardson's evidence as affecting an Act of Parliament.

Mr. Hutchison: Then, I have nothing further to ask Mr. Richardson.

Sir R. Stout: I presume Mr. Richardson will be recalled, so I will postpone my examination until then.

358. *Mr. Hutchison.*] There is another point I was going to ask Mr. Richardson, and we might take that now. You are aware, Mr. Richardson, that the description in the contract applies to the lands on the western side of the main range of mountains. Where do you say the main range of mountains runs, in respect, we will say, of the Tadmor lands?

359. *Sir R. Stout.*] Are you speaking from your own knowledge and inspection, Mr. Richardson?—It is a matter I cannot speak of with any great authority. We assumed at that time to follow up the Western Alps, as long as they were really in that form, and then trending away to the north-east, so that practically the whole of Nelson came to be considered on the west.

360. *Mr. Hutchison.*] The Nelson Land District?—Yes; but it was a matter upon which a great deal of discussion took place.

361. Hon. E. BLAKE.] You assume that to follow the main Alps it would include Nelson. I cannot quite follow you?—The line runs south of Nelson considerably, but yet so as to throw the whole of the Nelson Land District into that area.

362. *Mr. Hutchison.*] The Alps would then come out on Pelorus Sound?—Yes.

363. Hon. E. BLAKE.] Was this a sort of idea in the department, or was it an idea simply prevalent about it?—I do not know of any applications having arisen which led to an official determination on the point. There may have been.

364. Hon. E. BLAKE.] It was an idea, but the department had not been called upon to give a decision upon it?—I think not.

365. *Sir R. Stout.*] I suppose you had not yourself inspected the land?—To follow the range?

366. Yes?—No.

367. Are you aware that, popularly, about the Karamea and other places, when people speak of the West Coast they do not mean Nelson also?—Truly.

368. Popularly, if you have to ask about Nelson, you do not say the West Coast?—A considerable portion of Nelson has to be considered on the western portion.

369. But not Nelson City?—No.

370. You would include the whole of the Nelson District?—Almost all.

371. *Mr. Hutchison.*] Popularly, no one in Nelson would think he was on the east side of the range?—Certainly not.

Mr. Hutchison: We propose to call Dr. Hector to give evidence on this point. There is a large model in the Museum which can be used for the purpose of explaining the position of the country; and I suggest that, instead of sitting here to-morrow morning, we might adjourn to the Museum, in order that Dr. Hector may explain the model.

Hon. E. BLAKE: If counsel on the other side is agreeable I have not the least objection. At present I do not know the bearing of the Tadmor lands, nor what selections there were. I should like to have an indication as to what it applies to—to the extent of ground, and so on—so that I may apply my mind to the consideration of the point.

Mr. Hutchison: I have a map here illustrating it. [B1 map placed before the Public Accounts Committee of 1892 referred to.]

[A discussion here took place as to the extent of the claims included in the second reference.]

Mr. ROBERT WILSON recalled.

Mr. Hutchison said he wished to recall Mr. Wilson, and to supplement various points of evidence, and to complete the exhibits as far as possible. He wished to put in the calculations of the company—D.-4, 1892. He had handed in printed statements of Messrs. Blow and Gordon, and the arbitrator had suggested that the documents he now mentioned should be put in. He put in—(1) Statement of the expenditure on works to 30th June, 1895; (2) estimate of the cost to complete the line between Patterson's Creek and Jackson's, including rolling-stock and engineering, and estimate of cost to complete the line from Reefton to Belgrove; (3) statement of the expenditure on the works to 30th June, 1895, estimate of cost to complete the line from Springfield to Belgrove.

Mr. Wilson: It is the complete estimate of the whole line, and estimates for the other portion.

Mr. Hutchison: Four estimates of the traffic on the north line, from Stillwater to Belgrove, and east and west line.

Hon. E. BLAKE: Are they estimated separately?

Mr. Hutchison: Yes.

[Exhibits put in as No. 106.]

Mr. Hutchison.] Mr. Wilson, you verify these as far as you can?

Mr. Wilson: Yes.

Hon. E. BLAKE.] These statements are accurate?

Mr. Wilson: You will see the expenditure on the line is a great deal more than was stated by Sir Robert Stout, it is £760,000.

Sir R. Stout: What did I say?

Mr. Wilson: £600,000, taking off the interest.

Mr. Hutchison: It is the part misrepresented, you say, by Mr. Blow in his evidence.

Hon. E. BLAKE: Pages 5 and 6 of parliamentary paper, 1892, are the statements which it is contended were, in part, misrepresented by Mr. Blow.

[Exhibit No. 107.]

Mr. Hutchison: I want to see if the timber exhibits are complete. I am not in a position to supplement that at present, and I will not ask as to the inaccuracy as to B 1 map at present.

Hon. E. BLAKE: No.

Mr. Hutchison: With reference to the land area of the country that would be served by the proposed railway, Mr. Blair's report is in, containing a table: do you adopt that table?

Mr. Wilson: Yes.

Hon. E. BLAKE: Is it in?

Mr. Hutchison: Yes, in a separate paper. [Exhibit No. 88.]

Hon. E. BLAKE: Exhibit No. 88, Blair's report, refers to the figures on page 3.

Mr. Hutchison: You adopt this, Mr. Wilson; you have gone through these and adopt them?

Mr. Wilson: Yes.

Mr. Hutchison: I want to put in other exhibits *re* deviation (D.-8B).

Hon. E. BLAKE: What does he say about these?

Mr. Hutchison: I do not know that he says much; I hand them in.

Hon. E. BLAKE: Being official correspondence, and you consent?

Mr. Hutchison: Yes.

[Exhibits 109 and 110 put in, being D.-8A and D.-8B of 1890.]

Hon. E. BLAKE: Do these all refer to the Brunner line?

Mr. Hutchison: Re deviations; yes, I believe so. I want to be sure that the correspondence in I.-7A, 1892, is in.

Hon. E. BLAKE: If it is in 1892, I think it is better to have it in, and either of you can quote from it.

Mr. Hutchison: I would draw your attention to an error as to clause 33, at page 14 of the large book of 1892. It ought to be "3" instead of "9."

Hon. E. BLAKE: I have read those papers, and I saw that.

[Mr. Hutchison put in 74A, being official documents in addition to 74 as to extension of time.]

Mr. Hutchison: I would like to draw your attention to one letter, in which Mr. Wilson speaks of showing a cablegram to the Premier, Mr. Ballance, of which he approved.

374. *Mr. Hutchison* (to witness).] Do you remember that incident?—Yes.

Sir R. Stout: What date?

Mr. Hutchison: I think it is December. [Correspondence at this date referred to.]

375. *Mr. Hutchison* (to witness).] Do you remember seeing the Premier?—Yes, I saw him. He was very ill at the time, and I saw him in his room in the ministerial residence, Tinakori Road. I had a draft cablegram with me.

376. Hon. E. BLAKE.] When?—It was in December, just before I left for England. He was very ill at the time.

377. *Sir R. Stout.*] You mean that the letter of the 17th December, 1892, refers to it?—Yes.

378. *Mr. Hutchison.*] Did you send the cablegram?—Yes. My directors were pressing for an extension of time. I saw the Premier. He gave me an interview. He was very ill indeed. I drafted a cablegram before going to see him, and showed it to him, and asked if he had any objection to it being sent. From my memory, the Premier said we would get an extension upon reasonable grounds.

379. Hon. E. BLAKE.] You have not a copy of the cablegram?—He also said there was no objection to my sending it.

380. *Sir R. Stout.*] This took place in December, 1892?—Yes.

Hon. E. BLAKE: Mr. Wilson can fix the date, because he says it was just before his journey to England—which no doubt he can easily fix.

Mr. Wilson (continuing): He said there was no objection to sending it. I therefore sent it, and was rather astonished to get the letter from the Government.

381. Hon. E. BLAKE.] That was the whole of the talk?—Yes; he was seriously ill.

382. You did not want to talk to him longer than you could avoid?—No.

Sir R. Stout: It must have been before the 17th December, according to the letter.

Hon. E. BLAKE: Necessarily.

Mr. Wilson: I left on the 17th January.

383. Hon. E. BLAKE.] On the 17th December, you say, "you had sent a cablegram pursuant to that authority"—how long before?—I think I sent it immediately after I had seen him.

[Exhibit No. 111: Batch of correspondence as to Block 220, Blackball, put in.]

384. *Mr. Hutchison* (to witness).] What is the point with reference to that?—We applied for the block, and of course it was taken over for mining reserves, and there was a point as to the inclusion in the piece of the block near the river, which we maintained ought to have been included in our Blackball selection. That was refused. It is all in the correspondence.

385. *Sir R. Stout.*] You mean that small bit near where the Blackball comes on to the main line?—It is the piece on the south side of the river. I think there were about 1,200 or 1,300 acres of land. It is the piece between the block and the river.

386. Near Ngahere?—No; on the other side of the river. We heard the Government were going to lay out a township there. It is in the correspondence.

Mr. Hutchison: We want to put in the mining reports presented to Parliament each year by the Minister of Mines.

Sir R. Stout: I am not aware that they deal specially with this question at all. They may simply speak about the increase of gold.

[Exhibit No. 112: Public Works Statement, 1891, put in, with special reference to pages 13, 14, and 15, dealing with the Midland Railway.]

[Exhibit No. 113 put in.]

387. Hon. E. BLAKE (to witness).] This map, eliminating the black marks, is that which was before the Public Accounts Committee in 1892?—Yes.

388. *Mr. Hutchison.*] Put in by the Government?—Yes.

389. To which you have added by black squares?—Yes. These black squares are the approximate positions and areas applied for along the course of the line on the western side of the ranges. They are closely approximate in position and closely approximate in area. The small squares dotted red are the small sections dealt with by the Government under clause 33.

390. The name Tadmor is here. Is that the district referred to in your previous evidence?—Yes; that is the part which, as far as we could understand, was excluded from western land—principally the Tadmor and Motupiko.

391. Is Moturoa also?—No; I think not.

392. Hope?—That is part of the question.

393. Matiri?—I fancy these are all questions. The Tadmor is the principal country as to where there is a doubt as to whether they are in the eastern or western area. Tadmor is where most of the applications were made.

394. To your knowledge does this indicate land suitable for settlement?—That was known to be suitable for settlement. We had a good many applications, but, unfortunately, the Government refused to deal with them under clause 33. Therefore the question of dealing with these blocks was left in abeyance.

[Mr. Hutchison put in the following exhibits: Public Works Statement, 1885; Larnach's Proclamation, January, 1887, gazetted 20th January, 1887, page 66, marked Exhibit No. 114.]

395. Now, with reference generally to the lands on the eastern and western sides, did you mention before as to what was the average made as to the disposal of lands on the eastern side?—33 per cent.

396. How do you estimate the lands on the western side?—Judging from the applications we had and the prices. Very often we valued them at £1, and we had offers of £2 an acre—so that probably we might have had some biggish sales there.

397. What percentage would you estimate?—It would be very difficult to derive an average; but I think I might mention that Sir Robert Stout made a statement that there was no land on the West Coast which was of any value for settlement. I remember the Premier, in the debate of 1894, stated distinctly, in respect of the West Coast lands, that there were large areas there of valuable lands, as proved by the number of applications, and that was in his own address.

Sir R. Stout: I do not vary my statement yet.

Hon. E. BLAKE: I do not know that I would attach much importance to parliamentary debates. The fervour, stress, and strain of parliamentary oratory do not often conduce to rigorous accuracy.

Mr. Hutchison: As to statements in the House, I should only attach importance to them in the nature of admissions.

Hon. E. BLAKE: I should venture to suggest the best plan of dealing with any statement in the House would be to produce the official record as the best evidence, and to consider whether the substance is evidence or not.

[Mr. Hutchison put in Parliamentary Paper I.–7A, containing Mr. Seddon's address, pages 157 to 161 inclusive, and Mr. Bell's address, pages 161 to 176—Exhibit 115; also, as an addenda to the calculations of Messrs. Blow and Gordon, the memorandum of Messrs. McKerrow and Maxwell—Exhibit No. 116.]

398. Just one question as to those reserves. We see from the correspondence that intimation was made of an intention to reserve lands for mining purposes, and a protest almost invariably followed from you. Apart from that, was there any opportunity given you at any time of submitting evidence or contesting the proposed reserves?—No. Nine times out of ten, when the reservation was gazetted, the reservation was made within a few days after it was gazetted.

399. You had no opportunity of submitting evidence or contesting the proposed reserves?—We could not go over that country and examine it, the reserves were made so quickly.

Mr. Hutchison: That is all the evidence I wish to get from Mr. Wilson under the first reference. We will now go to the second reference.

[Subject to the question of the following matter being within the second reference, the witness was further examined.]

400. *Mr. Hutchison.*] Do you remember the agreement as to the alterations or inaccuracies in the B 1 map which was arrived at at the conclusion of interviews?—I think there were two interviews, but I am not quite sure.

401. It was on the 28th September, 1889, that the note of the agreement was come to?—Yes.

402. This is a memorandum *re* B 1 map:—

"Wellington, 27th September, 1889.

"At a meeting between the Hon. G. F. Richardson, Minister of Lands, and Mr. Percy Smith, Surveyor-General, with Mr. Robert Wilson and Mr. Alan Scott, the errors in this map as to the Crown lands which are erroneously coloured white, and the various discrepancies were discussed, and the matter adjourned until next day to enable the Minister and the Surveyor-General to confer with Mr. McKerrow, the late Surveyor-General, and others."

Then, on the following day:—

"28th September, 1889.

"At an adjourned meeting of same persons it was agreed, 'That any Crown lands erroneously left out of B 1 blocks (*i.e.*, Crown lands not being legally constituted reserves, or otherwise rightly precluded from selection by the company) should be dealt with by the Crown and the company as though they were included in the B 1 blocks to which they are adjacent or naturally appertain. In the case of such lands in the Grey and Inangahua Valleys those on the eastern side of the railway-line to be deemed to belong to the B 1 blocks on the eastern of the line, and those on the western side of the railway-line to belong to the B 1 blocks on the western side of the line.' In the case of the large area coloured white, forming the western slope of the Back-bone Range, from the Teremakau and Otira Rivers to the south-western boundary of the 'Authorised Area,' these lands to be so divided as to be included in the most convenient adjacent B 1 blocks which are not valued above 10s. per acre. Any Canterbury lands, unless of some very extraordinary value, to be included in adjacent blocks at their average value, but, if supposed to be of some very extraordinary value, reference to be made to the Minister."

[Exhibit No. 117 put in.] Is that correct as far as you remember?—Yes; as far as I remember, that sets out what was arrived at.

403. Perhaps the witness could give us the numbers of the blocks which came within this extended area, as we may call it?—These were the areas which were affected by that agreement, and these areas were put into the B 1 Block under the Governor's warrant, although not coloured blue on the B 1 map. There were eight Governor's warrants altogether. The numbers were B 1 Blocks 45, 46, 50, 62, 64, 67, 71, and 77, the total area being 1,382 acres 3 roods 6 perches. The Governor's warrants were issued by the Lands Department for these particular blocks. [Areas shown in Exhibit No. 118.] Some of these lands were sold under the preliminary title of the Governor's warrant, and when the Crown grant was asked for the Government refused to include these portions which had been included in the Governor's warrant under this agreement.

404. *Sir R. Stout.*] That is, to include the 1,300 acres?—Yes.

405. Hon. E. BLAKE.] They did not object to the whole block?—The Governor's warrant was issued for these lands before the change of Government. The new Government, having been called upon to issue the Crown grants, refused to include the lands which had been included in the warrants before. We, having sold, were placed in this position: that we could not deliver, although we had sold in good faith under the Governor's warrant in certain instances.

406. *Mr. Hutchison.*] Can you specify how many instances?—I cannot say from memory, but I fancy all the blocks named are affected.

407. Hon. E. BLAKE.] I should like to know the number of acres?—I think there were 1,382 acres. These are all the blocks that are affected. Let me understand what particular this comes under, so that I may be able to apply my mind to the point.

Mr. Hutchison: To the second reference, under paragraph 5, which is as follows: "That the company, being entitled to have the titles to other lands already selected issued under the provisions of the said contract, the Queen has, in contravention of the contract, refused to complete and issue such titles."

Hon. E. BLAKE: Does this come under your head of general damages, or do you claim specific damages for that?

Mr. Hutchison: We are subject to actions by our purchasers for non-delivery of titles. It is only lately we had intimation that the titles would not be issued.

Witness: We hold the Governor's warrants issued by the Crown, but the Government refused to give us the Crown grants in exchange for the Governor's warrants.

Sir R. Stout: The Government were advised by the Solicitor-General that they had no power to issue them.

Mr. Hutchison: I also put in further correspondence relative to the refusal to grant the selections, £19,304, under paragraph 3 of the second reference. [Exhibit No. 119.]

408. What do you say about the Reefton sections, Mr. Wilson?—The Reefton town sections were those under clause 33 of the contract. They were specially mentioned in the schedule, and a considerable increase of price was obtained for them. I gave notice (which you will find in the same correspondence, Exhibit No. 119, for the unselected blocks) that the company would take this land as part of their land earnings, and I think in one of the letters I asked the Government to give me a return showing the balance and the amount.

Sir R. Stout: That is not in the arbitration.

Hon. E. BLAKE: Yes, it is all in the second reference.

Witness: The application was put in before the termination of the contract date—two days before. The company selected two blocks, 41 and 60, before the contract was over; the Government agreed to those selections, and then afterwards refused to issue the titles.

409. Hon. E. BLAKE: Is that matter shown in the correspondence now put in?—Yes. The inconsistency was marked by the Government purchasing one of the blocks and refusing to give us the other.

410. *Mr. Hutchison* (to witness).] Is this the correspondence?—[Witness identified letters of 15th June and 23rd July, 1895. See Exhibit No. 119.]

411. I want you to tell me now something about the seizure of the line itself?—The first intimation I got was a telegram from the traffic manager and accountant at Greymouth to say that the Government had seized the company's line. In the first instance, I telegraphed back that they were to take no notice of the warrant.

Sir R. Stout: We have not denied the seizure of the line.

412. Hon. E. BLAKE.] I do not see that this is relevant from a legal point of view, because the fact of the seizure is admitted?—Of course, it was a report from my assistant at Greymouth which informed me of the method of the seizure.

413. A report from your officer to yourself would not be admitted as evidence?—I suppose I can put in a telegram to the effect that the Government threatened to use force before my people gave up the line.

414. I do not think it would affect the case at all. I take it that you did not yield the railway up voluntarily?—No, Sir.

Sir R. Stout: I do not object to any notice which was given at the time. There was a letter of protest given by Mr. Wilson.

Mr. Hutchison: I will ask to put in a document of three pages on this subject. [Exhibit No. 120 put in: Series of correspondence relating to seizure.]

415. *Sir R. Stout.*] I notice, Mr. Wilson, that you have handed in Exhibit 106—the cost of the line?—Yes.

416. In estimating that cost, have you taken simply the actual cost to the company?—Do you mean the first cost?

417. Yes?—That is the first cost.

418. Without adding interest on the cost of construction?—Yes.

419. In the working cost, did you charge any part of the working of the line to construction —No.

420. And none of the salaries of the working staff?—Nothing from the working railway; only the wages of those engaged in actual construction.

421. In making contracts, did you always make them after calling for public tenders?—Yes, with the exception of the first one in London. They were all by public tender except for the last three contracts, where the contractors had done very good work, these were advertised and they got them.

422. Was the work always done for cash, or did you have a system of deferred payments?—No, nothing of that sort.

423. The contractors never had to wait for their money until you had sold your land?—No; certainly not.

424. Were the contractors paid as the work went on, or a percentage, or how?—They had what are called progress payments, made every month in the ordinary way, with a percentage kept back in the ordinary way.

425. There was nothing unusual in that respect?—Nothing whatever.

426. And the letting of these last contracts did not mean an increased cost?—No, no. They were let to four men whom I knew, and who had done very good work for me at the time, and they had the chance.

Hon. E. BLAKE: There is nothing unusual in that, of course.

427. *Sir R. Stout.*] You have in this estimate stated what the line has cost, and what it would cost to complete?—Is that the second one?

428. Yes?—That is an estimate, of course.

429. The cost from Reefton to Belgrove is estimated at £1,075,000?—Yes.

430. And the estimated traffic from Belgrove to Stillwater comes to only £16,000 a year?—That is what it is estimated at as it stands to-day, net traffic. It is a very difficult thing to estimate. I do not think it is possible to estimate what it would be if the line went through.

431. It would be about 1 per cent. on the expenditure?—That is, allowing for a fair traffic to Reefton.

432. And if not a fair traffic to Reefton?—Then it would be less.

433. Is it not a fact that, according to your estimate, the traffic between Reefton and Belgrove would be non-paying?—No, it just about pays its way.

434. Without leaving any margin whatever for the payment of a dividend?—I have taken the average of what I think it would do at the Belgrove end. It would, perhaps, work out about £200 per mile a year. On the other line down to Inangahua you might get £100 per mile a year. Well, working one train a day, it would just about pay for that; but the Belgrove end would pay a little, the Inangahua would pay a little more, and from Reefton to Stillwater it would pay a good deal more.

435. You admit that from Stillwater to Reefton is one of the best pieces of your line?—At present it is, because it is in a settled district.

436. Because it is taking goods along the Grey Valley, which is almost the only settled portion where there is any agriculture of any extent on the Coast, except for the little bits south of Hokitika?—Yes, that is so.

437. And that railway would give only 1 per cent. on the cost?—I am taking what I think is an honest and fair estimate. I do not want to exaggerate one way or the other.

438. And I find that if you take your line from Stillwater through to Springfield you estimate that about 2½ per cent. would be paid?—Yes, something like that. I am taking something like the gross traffic, or what Mr. Maxwell estimated would be the gross traffic, for the first year, and I am adding 5 per cent. on to the succeeding ten years. That gives me an average over the ten years.

439. And you think you could get that in ten years?—Yes.

440. The cost would be a little over a million and a half, and the net profit is under £40,000. That is how I worked it out—about 2½ per cent. after ten years; it rises to that?—The first year it would not be that, but it is a gradual increase.

441. On the other line you would only expect 1 per cent.?—Yes.

442. Hon. E. Blake.] You took a period of ten years for the one, and one year for the other?—Yes.

443. *Sir R. Stout.*] I suppose you had, as usual with parliamentary witnesses, an opportunity, in 1892, 1893, and 1894, of seeing your evidence before signing it?—Yes.

Mr. Hutchison: I must ask you not to take that as his evidence.

Sir R. Stout: Why not? It is signed evidence, the same as in a deposition.

Witness: There is a difference as to my evidence then. There is a difference, for instance, of £30,000 in the altered design of the Abt system. I have described one error that was made in the evidence of 1892—that it would take three years to finish; that meant, three years after the end of the contract. There may be other mistakes of the same sort. I do not think I signed that evidence.

Hon. E. Blake: I presume there may be questions as to the matter of errors, but what I think would be the fair thing would be to draw Mr. Wilson's attention to anything while he has the opportunity.

444. *Sir R. Stout.*] We may put it that ever since 1892 the company has not been desirous of constructing the Belgrove end of the line?—Well, what occurred we had out in Committee. I think the Premier was present. The company said that they would propose to complete the East and West Coast line first and see the result of that, and then leave the Belgrove line for future negotiations.

445. You also said, did you not, that if the Government did not extend the modifications you proposed to leave the works in an unfinished state?—Probably; that may be.

Sir R. Stout: Appendix, I.–8.

Hon. E. Blake: What question do you refer to?

Sir R. Stout: 13, I.–8, of 1894. The question is, "Have the company any proposals to make as to the Belgrove Section?—In paragraph "E" of letter of 20th July it is stated that the company is prepared to complete the Belgrove Section within three years from the signing of the contract, and to accept in payment for the completed section 3½ per cent. Government debentures; 75 per cent. of the cost, or, say, £70,000. If the Government cannot accept these modifications the alternative is to leave the works at Belgrove in their present unfinished state."

Hon. E. Blake: I may say that I have the papers before me, and the general impression I derived was that, unless the Government made some modifications something like those proposed, the company did not see its way to do so. You say the reason in part was due to the conduct on the part of the Government, whatever it was,—it was due to the action of the Government.

Mr. Wilson: In the Premier's speech which I heard in 1894 you have the same thing. He said "Has the company, so far as it has gone, done all in its power to complete its contract." "I say it has."

Hon. E. Blake: What I say is that the company's statement, indicated by the proposals, letters, and other evidence, seemed to indicate that at that time, whatever may be the cause, whether, as you put it, due to the misconduct of the Government or not, that it made it beyond your power to complete the line unless the Government made some important modifications.

446. *Sir R. Stout:* In 1893, Mr. Wilson—I.-6c, questions 93 and 94—I will read them to you:—

"93. *Hon. Mr. Seddon.*] On that point, Mr. Wilson, Mr. Bell added to the evidence you have referred to, by telling the Committee that the company was financially unable to go on with the work and do anything last season?—I may explain the reason the company were unable at that time to go on with finance. This was due to the reports sent to London, that the land-grants given to the company were worth nothing at all. Reports of speeches made in the colony were sent Home. The company cannot be blamed if people in the colony will speak against the place, and 'wash its dirty linen in public.' Neither can the company prevent reports getting to London. But the speeches saying the land-grant was worth nothing at all did get there. Moreover, you must

remember it has raised a very grave doubt in the minds of the public in London as to the *bona fides* of the Government, when wholesale mining reserves were made against the spirit and intention of our contract. I am not going to enter into that now. It is purely a legal question, and I have no desire to raise any matter of discussion of any kind. I am here to try and arrange a satisfactory and amicable settlement, and I at present must decline to raise any question which would be warmly discussed on both sides.

"94. I am very glad you have cleared up that point, as to the effect of the statement being made that the land-grants were unsaleable, or not worth what the colony asserted they were?—It was a most serious statement to make in the London market at the very time we were raising our capital. I can assure the Committee, had it not been for such statements and letters written from this colony to London, we should have been able to raise the necessary money. The people here do not seem to appreciate how delicate a plant finance is. The least breath of suspicion blowing upon a scheme in the London market may destroy its prospects and completely spoil its chances in an hour's time. The company have had grave difficulties to contend against. The London money-market has been unfavourable. Their whole position has been one of difficulty. They had to start with very small capital in the first instance, because it was exceptionally difficult at that time to raise any money for New Zealand. The colony had nothing like the financial reputation or the credit it has to-day. How it has got that is a matter outside this question. But, at any rate, it is in a very different position to what it was when we went to the money-market. I can only hope that the Committee will consider these proposals which the company now make in a broad spirit. I would ask the Committee not to take them in a purely actuarial way, or in such a manner as they might do if the colony were to insist on a certain sum of money taken as a funded amount. What I say, and what I lay before the Committee, is that the proposals we are now making are the very best the company can offer the Government with any prospect of financing in London."

There is no doubt that led the Committee to assume that the cause of the failure to finance was mainly the reports going on about the land-grants which went to London?—Well, I do not know what the Committee gathered from my remarks, but I expect that at the time I made the remarks I was under the impression that some such impression had been produced.

447. You are aware your finance had been given up before the mining reserves were actually made?—We were constantly trying—we were limited by the issue of certain debentures, and we had to complete our expenditure before we could make a public issue again; we had to complete the first expenditure of the debentures. Of course, I am not a financier, and therefore, when you ask me questions on finance, possibly my answers are not worth much.

448. But, at any rate, you are aware—have you heard that your finance had failed in 1891? You tried first in March, 1891, and this is in August, 1892?—Put the question to me.

I want to know, do you not know that in 1892 the finance of your company failed? In March, 1891, you tried to finance first. I am not bound to read this question to you.

Mr. Hutchison: Put it in the form of a question.

Witness: I have forgotten that evidence. I will tell you what I said there.

Sir R. Stout: When do you think your company first failed to finance in London?—Well, we raised debentures in 1889. We did not complete our Reefton line until February, 1892; consequently we could not have gone to the public issue till February, 1893.

451. When did you try to finance in London?—They may have tried; I do not know.

452. When did you try publicly?—They never made a public issue; they did not try publicly.

453. Did they try privately?—Undoubtedly they did. I fancy you can get that from the chairman of the company and the directors.

454. You put it like this: that you are not informed as to the finances of the company?—I do not suppose that at the time I had more than general information.

455. Now I come to the dealing with this land outside the B 1 map. You sent in to Mr. Scott a note of what you say took place with Mr. Richardson on the 27th September, 1889, and you say that Richardson consented to your getting that reserve out of the land outside?—I think I can explain in a few words. There were certain actual Crown lands which were stated under the contract to be available for selection by the company—the contract said all sections of Crown lands excepting certain reserves. When we went into this little B 1 map we found it full of errors and inaccuracies in area and in price, which appeared in the transference from one map to the other. I discussed the question with Mr. Richardson, and it was decided that this index map should not be taken in preference to the large map of the contract. The scale was so small, and there were so many errors made in the transference, that he decided that in fairness they ought to take the big maps of the survey, and take them as a guide.

456. You say the agreement was put in. The agreement is just that, at the adjourned meeting, "That any Crown lands erroneously left out of B 1 blocks (*i.e.*, Crown lands not being legally constituted reserves, or otherwise rightly precluded from selection by the company) should be dealt with by the Crown and the company as though they were included in the B 1 blocks to which they are adjacent or naturally appertain"?—That is the sum of the agreement.

457. Are you not aware that on the B 1 map they were not included?—We say they were. We say that the sketch-map is so small that a mere daub of colour on a map like that does not indicate the true meaning, and it may or may not be Crown land.

458. You had a man specially appointed to act for you in the blocking of the land?—No, not the blocking of the map, or the printing of the map.

459. So far as the map itself stands, you had the whole of the map blocked out in blocks?—I had nothing whatever to do with it.

460. But Mr. Scott acted for you. They are distinct in the map?—But you have got to read the contract with the map.

461. You admit Scott acted for you, and valued for you?—Yes.

462. And Mr. McKerrow acted and valued for the Crown?—Yes; but the question is, did they value on this map, or the larger map from which this was afterwards transferred.

463. But whether it was transferred or not it is the map that went with the contract?—Yes, certainly.

464. You do not suggest, do you, that there was a piece of land left out of this small map?—In error.

465. Well, I do not care how?—I maintain they were left out.

466. I do not care whether there was error or not, they had been in the map of the contract. As a matter of fact it is outside the blue on the map annexed to the contract?—It may be coloured white in error.

467. I do not care. I want to know what exists. According to the B 1 plan annexed to the contract this land is omitted?—Yes; the B 1 map is on a scale of 8in. to the mile, and it is impossible to say. It is merely an index.

468. Do you mean to say this: that the Government has a right to place white where you now have blue?—If you take this map as binding you, let me point out that there is a block here put down at 65,000 acres at 10s. an acre, and that is made to amount to £6,000.

469. That is not in the map?—It is on the schedule.

470. Pardon me, the schedule is not part of the map. I am keeping to the survey and the map. Am I correct in saying this: That according to the survey lines laid down in the map there are pieces of land that you wish to include, and which you have got a Governor's warrant for, that are not on B 1 map annexed to the contract?—This is not the B 1 map on which the land was valued.

471. I am dealing with the B 1 map annexed to the contract. Is not that the B 1 map annexed to the contract?—No surveyor could swear to that being an accurate map.

472. Is not that the map you signed?—I did not sign it.

473. Well, the company signed it. Is not the map annexed to the original contract on the same scale as that?—Probably it is; I do not deny it.

474. Is not that an exact copy of it?—I do not deny that.

475. If that is an exact copy, are you not claiming Crown grants for lands that are not marked as open for selection on that B 1 map?—No, because this is only an index map.

476. I am asking you what you contracted for. You contracted with the map annexed to your contract?—I cannot tell you what we contracted for.

476. You have seen it?—No man in his senses would regard that as a legal map.

477. You have done so?—If we have done so there is an end of it.

478. The whole question is, whether that is within the boundary laid down in the B 1 map annexed to your contract?—No, the whole question is this: If the late Minister of Lands took a sensible view and got the big map, and finally fixed the land according to the big map instead of from this map, then I say he was right in his contention.

479. Are you aware, in reference to the issue of these Crown grants, that the Solicitor-General advised the Government that they had no power to issue them?—I do not know what the legal advice was; it does not follow that it is correct.

480. Hon. E. Blake.] You are only asked whether you know it?—I do not know it.

481. *Sir R. Stout.*] Were you not informed?—Afterwards I was informed.

482. But the reason why you could not get these extra pieces was that the law advisers of the Crown had advised that they had no power to give it to you?—Why did you put it in the Governor's warrant; they were put in the Governor's warrant.

483. Be kind enough to answer my questions. Were you not informed that the reason why the Government could not give you these extra pieces was that they were advised by the law advisers that they had no legal authority to issue a Crown grant for them?—Quite possibly; but, on the other hand, we were advised before that the Government could issue them. Therefore, I presume, that the other Minister had his adviser as well.

484. I understand that you have coloured this map since it was before the Committee (Exhibit 113)?—That one may be; but that is merely our private map.

485. I think you will find that it is not correct to say that the map as now coloured was the map as coloured before the Committee in 1892?—I do not say that.

486. You have said so. You said so when the question was put to you?—It is the same map.

487. You have put on more yellow on this map than there was on it when it was before the Committee?—I expect this has been coloured in. The reserves have been made afterwards, but it is the same map.

488. Yes; but the colour was added afterwards?—Yes.

489. And I ask if these colours are made according to scale?—Yes; they were merely given as an indication to give an idea of the size of the application.

490. About Tadmor: according to this there are a great number of applications. Why did not you take all the block?—Because there was not enough applicants to insure the sale of the whole block.

491. You were afraid that the remaining parts of the block would not have been sold?—No; we had to arrange our selections so that we could sell.

492. In fact, you wanted to select first-class land?—We wanted to select such land as we could finance with, and deal with. We knew we had a right under clause 33——

Hon. E. Blake: You have explained that fully in your original examination.

493. *Sir R. Stout.*] You did not select it because you knew that in the Tadmor Block there was a considerable area of inferior land which you could not sell?—I think the line of the limit of the area runs about half-way down the Tadmor Valley. I am not quite sure that the whole of those would come into our selection. You see we could not deal with any of this under clause 33, because this was supposed to be an eastern block.

494. I ask you why you did not select the block, and I presume the answer is that you might not have been able to sell the remaining portion?—Yes.

495. Hon. E. BLAKE.] I should have assumed as much if he had not said anything about it. If you had been quite clear that you could have disposed of the rest of the block you would have taken the whole block?—Yes.

496. *Sir R. Stout.*] Is it not a fact about clause 33, that when the Government assessed the land at £1, you increased the assessment considerably?—Yes, in many cases we did, because we had to look for our profit to be made on the land, and because ultimately we might have sold the worst of the land at the very lowest price—perhaps 5s. an acre.

497. As to these sections, there are a great number of them which you have never assessed at all?—A great number of them were not assessed. We had nothing to do with the assessment. And the reason why a great many of them were not sent in you will see if you read the last letter which the Government sent to me on the question of the proposals. They insisted that clause 33 is governed by clause 29, which I say is not in accordance with the contract.

498. *Mr. Hutchison.*] On that last point you say that the objections still obtain as to clause 29?—Yes.

499. You considered it useless to go on?—Yes.

500. *Sir R. Stout.*] Have any people paid moneys to you for land?—Not to us, but to the Receivers.

501. Who are the Receivers?—The Receivers of Land Revenue. We have nothing whatever to do with it. It is a suspense account.

502. *Mr. Hutchison.*] With reference to Tadmor, you say that they were refused. At any time might not the selections in that block have so increased as to justify you in selecting the block?—It did not suit us, financially, to hamper ourselves with a large selection which we could not deal with at once.

503. Was that an element?—Yes; it was an understood thing. That, we argued, could have been dealt with under clause 33, and could have been sold for settlement purposes by the Government. It could have been put into a suspense account, and dealt with for settlement purposes without interfering with us at all or interfering with them. It would only have been a question of accounts later on. But we were blamed for stopping settlement. It was in the Government's hands. They might have declared that to have been a western block, and have dealt with it under clause 33; or, if they had said it was decidedly not under clause 33, they would have known we could not sell it.

504. Apart from the operation of clause 33 in making the Government receivers of money, was the settlement of such as that of Tadmor an element in your calculations so far as settlement was concerned?—Undoubtedly.

505. Then, if you had never dealt with the block yourself, you would have had the settlement?—We should have hoped to have got the benefit of the extra traffic, and I believe the Government would have got the benefit of it. The strange thing is that the further you go up the valley where it might be supposed the land was not so so suitable for grass it is suitable. The land in that part is not at all bad land.

506. You were giving an illustration of the inaccuracy of this B1 map. I do not know that you were allowed to complete it. Will you point it out?

Sir R. Stout: A misprint. That is not part of the contract.

Mr. Hutchison: It is a most important part. It defines the B 1 values.

Witness: There was a block of 65,000 acres at 10s. an acre, which showed a money total of £6,500.

507. Hon. E. BLAKE.] Did it show the rate—10s.?—Yes.

Mr. Hutchison: I would take the acreage at 10s. I would not take the extension.

Witness: I was merely pointing out that the thing was full of inaccuracies.

Hon. E. BLAKE: That was an inaccuracy which contained the material for correcting itself.

508. *Mr. Hutchison.*] Is there any other like that?—There are a lot of others. There are other errors in the lithographing.

509. Hon. E. BLAKE.] Are there any errors which are not apparent?—That is, an error which could be made right.

510. *Mr. Hutchison.*] You say you were not familiar with or informed of the finance of the company?—No.

511. You had, of course, at this time, 1893, just a year before, presented a petition, setting out your grievances in detail, had you not?—Yes.

512. You did not intend to overlook the petition?—No.

513. Hon. E. BLAKE.] You stated in this you were reserving your legal rights throughout?—Yes.

514. *Sir R. Stout.*] Were you aware there was any telegram sent to your directors in London by Mr. Seddon about the extension of time?—No, I was not. Was that after I left the colony?

Sir R. Stout: I think so.

515. *Mr. Hutchison.*] About this estimate of traffic, £16,000. I think you said that was under the assumption of present circumstances?—It was under the assumption that if the line were built it would give that traffic the first year.

516. Supposing these reserves, or that not more than you think, should have been made, would the returns have been better?—The returns on this length would have been better, and probably as far as Inangahua, because you have got an increase of settlement, and that would have meant an increase of traffic.

517. Then, these estimates were upon the basis of the existing state of things?—Of the country as I saw it.

518. Presuming the line would be made right through?—Yes.
519. With the lower line blocked by reservation?—Yes.
520. Which have not led to settlement or gold-mining, as you say?—No.
521. And the Reefton Section alone would have been better but for these reserves?—We would have had settlement there, and an improvement in traffic. There is one point about settlement: when one man settles, it brings others. When you have got the nucleus of settlement you have an increased traffic taking place.
522. Hon. E. BLAKE.] I understand from this letter of yours of the 19th May, 1892, which you read, and which seems to be the preliminary towards the negotiations and committee, that your main proposal was to construct the East and West Coast line, and to arrange for modifications; in fact, the substitution of the Government guarantee or Government securities for your land-grant in order to construct the East and West Coast line?—Yes.
523. And I also understand you pointed out that was upon the theory that the Nelson end was not to be forced upon the company except upon terms which you also indicated?—Exactly.
524. The result of that was that the Government was to guarantee interest at 3½ per cent. on £2,900,000, and was also to resume its land-grant to pay off the £745,000?—No; half of that.
525. No, because on this plan you gave up your land-grant. So that upon that plan, as I understand it, it was simply this: that the Government took the whole of the land-grant, and out of that were to pay the £745,000 of debentures, and also to guarantee 3½ per cent. on £2,900,000, and these were the terms on which you would complete the whole of the contract?—Yes.
526. Well, now, that was the attitude, as I understand, unchanged with reference to the north and south line, which you practically have continued up to this time?—Yes.
527. I do not mean to say these terms may be still subsisting; but something extensive was to be done by the Government on condition of your taking that obligation?—Yes.
528. You say the condition of the company as to its finance, which was described at page 86 of the book of 1892, was due to prior acts of the Government, which you stated, and which are in evidence, and on which I have to adjudicate?—Yes.
529. Has the condition of the company stated there changed for better or for worse since that time?—In the same position, except that we have expended the capital we were to expend and have got the piece of line working. We were getting £4,000 or £5,000 back from the working of the railway. But the position was the same and must remain the same until we get the money to complete the railway.
530. The financial position is still substantially the same?—Yes.
531. Your letter of the 19th May, 1892, indicates the inability of the company to complete the whole contract?—I foresaw we were coming to that point—that, unless we got a modification and extension of time as well, we could not hope to raise any capital without being able to show the financiers that we had ample time in which to complete the contract.
532. And your capacity to complete the whole contract without modification and extension was indicated by you as non-existent on the 19th May, 1892?—Yes.
533. Can you say how long before that date had that condition in your judgment arisen?—We had let all our contracts, and we were rapidly getting through our issue, and I was trying to raise private capital to complete the line to Jackson's. I think we discovered then how the tone of the market was against us. We ultimately raised some private capital to complete the line to Jackson's.
534. But then, of course, that was only palliated—only getting on a little way. Taking the whole contract, north and south, as well as east and west, how long before the 19th May, 1892, would your judgment lead you to believe that you were in a position of inability to complete your contract unless Parliament modified the contract?—I fancied that was so when I was going into the question of extension.
535. Then, it was only shortly before the 19th May, 1892?—That was so.

THOMAS SALT sworn and examined.

536. *Mr. Hutchison.*] Where do you reside?—I reside in London and Staffordshire.
537. You are chairman of the Midland Railway Company (Limited)?—Yes.
538. You are chairman also of other companies?—Yes.
539. Will you mention the names of them?—I am chairman of the North Staffordshire Railway Company, chairman of Lloyd's Bank, and also chairman of the Gas, Water, and General Investment Company.
540. What is the capital of the North Staffordshire Railway Company?—Nearly eight millions and a quarter.
541. And Lloyd's Bank?—The working capital and reserve are considerably over two millions, I have not got the exact figures. The subscribed capital is considerably larger, something like eight millions.
542. And the Gas, Water, and General Investment Company?—About a million, with debentures and shares.
543. Are all these companies, with, of course, the exception of the Midland Railway Company—I do not include that yet—dividend-paying companies?—Yes.
544. Your first connection with the Midland Railway business was as chairman of the Provisional Board in 1886?—Yes; I suppose it was.
545. And you, as such chairman, met delegates from New Zealand?—Yes; I met more especially Mr. Alan Scott.
546. And were you led in connection with the matter to see the Agent-General?—I saw the Agent-General frequently.
547. His name was Sir Francis Dillon Bell?—Yes.

548. And throughout the whole of the time the negotiations of which you speak were with the same Agent-General?—Yes.

549. You are, I presume, well acquainted with the views of the English money market?—Yes, fairly so.

550. Who introduced Mr. Scott to you in connection with this matter?—Well, immediately, Sir Charles Clifford.

551. He is also an ex-New-Zealand statesman?—He was Speaker of the House of Representatives.

552. I only mention that incidentally. What happened in connection with the representations by Mr. Scott? Will you state shortly what occurred?—Mr. Scott brought very strong representations as to the prospects of the company, notably the printed report, which stated that the value of the timber was sufficient to build the whole railway.

[Hon. E. Blake intimated that the following evidence relating to communications between Mr. Salt and Agent-General was to be taken subject to his decision as to whether it could be admitted.]

553. *Mr. Hutchison.*] You went into the matter considerably, Mr. Salt, and eventually decided in your own mind that it was a line that was capable of being carried through?—That was so.

554. And the company was formed?—Yes.

555. This is a copy of the prospectus [Exhibit No. 121, prospectus dated the 13th April, 1886, put in and handed to witness. (Witness identified it.)] Was this prospectus submitted to the Agent-General?—Yes.

556. And was it approved of by him as we see it printed?—Yes.

[Correspondence put in between the chairman of the company, Agent-General, Colonial Treasurer, Premier; also containing Sir Julius Vogel's memorandum, and a letter from the chairman to present Premier, Hon. R. J. Seddon. (Exhibit No. 122.) This correspondence put in subject to verification.]

557. In May, 1886, was the capital of your company subscribed, Mr. Salt?—Yes; £250,000.

558. Did you proceed to let contracts for the construction of the work?—Yes; we commenced as soon as possible.

559. And the surveys were put in hand?—Yes.

560. And then the company took up an assignment of the Chrystall contract?—Yes. The company took an assignment of the Chrystall contract before the issue of that prospectus.

561. Did you hear anything in London after the formation of the company about a Proclamation which is known as "the Larnach Proclamation"?—Yes; that was the Proclamation proclaiming the whole of the Grey Valley, about 750,000 acres.

562. Do you remember hearing of it in London?—I must have heard of it, because our agent in New Zealand reported it.

563. Do you remember hearing of some speeches of my learned friend?—There were a good many speeches and reports.

564. What was the effect of them?—The effect was, of course, excessively disastrous, because the company was really dependent upon this land. It was ruinous to the company almost.

565. The first issue of shares was £250,000, and you were to make arrangements for further moneys. Is that not so?—Yes. We began with a small capital, on the friendly understanding with the Agent-General that we should proceed by degrees. Of course, we were looking out for the necessary capital, and these speeches on the subject were rather inconvenient to us. But in 1887, about the middle of the year, June or July, we got from our financiers an offer of the whole of the money necessary to build the line from east to west and from north to south, the whole length of 235 miles. The financiers appended to their offer of the money the condition that the land-grant, which was put at the value of £1,250,000, should in some way be proved to be of that value, and the cause of that stipulation was that they were afraid that the effect of these speeches and of the Larnach Proclamation would be to damage the value of the land. They said what was perfectly reasonable, "We do not know the value ourselves. We hear these rumours; but we are perfectly willing to lend the money if in some way we can be satisfied that the land-grant is really worth what it is supposed to be—namely, £1,250,000."

566. Did you do anything to meet the unfavourable circumstances at that time?—The matter was exceedingly pressing, and it was also very important. It was very important, because, if we had got the money, in the course of four or five years we would have built the whole of the railway, and we should have developed the country. It was also very pressing, the financiers said, "You must bring us an answer" (this was in July) "in October, Yes or No, because we cannot keep the money for you after October." That is the general custom with the London financiers. They will not keep millions of money lying idle on the spot. We had got a contract, which was prepared in New Zealand between the Minister and one of our colleagues who was in New Zealand at the time. We took that contract and altered it so as to include this stipulation with the financiers, and we sent it straight out to the New Zealand Government, stating the circumstances.

567. The company executed it?—Yes.

568. In the hope that it would be accepted?—Of course; we were very anxious that it would be accepted.

569. It was not accepted?—It was not.

570. In 1887 there was a change of Ministry?—Yes. Finally we got a contract with the necessary clause inserted, but it was not until the end of 1888.

571. I want to direct the Court to the fact that there was a change of Ministry in that year, and to ask it to remember that Sir Julius Vogel left a memorandum for his successor. It was dated 7th October, 1887. (To witness): The contract was eventually executed on the 3rd August, 1888?—Yes.

572. What was done then?—The contract was ultimately executed on the 3rd August, 1888, but we did not get notice of it until later. It was very troublesome, of course. After that we set to work to raise money under this contract, but we had been extremely damaged by the long delay, and also by the practical refusal of the whole sum in 1887.

573. It was not available when you did get the contract?—It was absolutely impossible, because financiers do not keep their money lying idle. Practically the larger sum offered had been declined, so we then set to work to raise a less sum of money. The money-market was difficult at the time, but in the spring of 1889 we made an issue of debentures up to £745,000.

574. Is this the prospectus that was issued?—I believe that is the prospectus. It is dated 12th April, 1889. [Prospectus put in. Exhibit No. 123.]

575. Was this prospectus also submitted to the Agent-General?—Yes, I believe so.

576. And approved by him?—I believe so.

577. Under it trustees had to be appointed by deed?—Yes.

578. Did the Agent-General consent to be one of the trustees in the first instance?—I think he did.

579. There is a letter of the Agent-General I wish to put in which will be handed in afterwards. (To witness): At the instance of the Government, did he withdraw?—Yes.

580. Hon. E. Blake.] Are what you say is the prospectus this map and copy of application form?—Yes, I believe so, as far as I can tell.

581. *Mr. Hutchison.*] This is a copy of the trust deed for securing payment of the issue of debentures of £745,000 and a further issue?—Yes. [Copy of trust deed put in. Exhibit No. 124.]

582. Hon. E. Blake.] You say that is a copy of the trust deed securing the debentures?—Yes, that is so.

583. *Mr. Hutchison.*] What was the condition of the money-market at the time?—The money-market was difficult.

584. And the result of the issue was what?—It was very costly raising these debentures.

585. And can you state what the net result was in round numbers?—I cannot tell.

586. Was it at a sacrifice of £100,000?—Yes, I dare say it was.

587. Hon. E. Blake.] Was the rate 5 per cent.?—Yes.

588. You say they were issued at a heavy discount?—I think the issue was at £92 10s., subject to commissions and discounts.

589. *Mr. Hutchison.*] Did the directors themselves subscribe largely?—Through their friends they did. We hoped the thing would turn out very well.

590. That was the money with which you proceeded with the line?—Yes.

591. I notice that in raising the money you gave an undertaking. You say, "No further issue of debentures will be made until the line to Reefton is complete and in working-order, or until the present issue is repaid in terms of the trust deed"?—The representatives of the debenture people insisted that the money should first be spent on the line between Brunnerton and Reefton, going up the Grey Valley, because they thought that the most valuable piece to develop in the first instance, and they wished to see the effect of that venture before spending more money, for their confidence had been shaken by the Larnach incident and the action of various other people.

592. Hon. E. Blake.] Can you tell me whether the mortgage is charged on the whole undertaking, or on one section?

Mr. Hutchison: On the whole undertaking.

594. Hon. E. Blake.] It is not a sectional mortgage?

Mr. Hutchison: No.

Witness: At that time the falling-off in the gold had not taken place. The gold production was at its height in 1866. This was 1888, and people still believed in the large production, and expected a great development on that ground. After that time, through nobody's fault, the gold industry steadily declined.

595. We have had Mr. Wilson say that the line to Reefton was completed in February, 1892?—Yes.

596. At which time you were at liberty to go on the market again publicly. During the interval had you raised any more money?—No.

597. In February, 1892—the interval was something like four years—had any occurrences taken place?—A great many serious things had happened whilst we were completing that Reefton line. I do not think you want any detail from me upon them. All the mining reserves had been made, and all the trouble had taken place between 1889 and 1892; and, at any rate, notice had been given about the reserves. Then there had been the difficulties about clause 33. Long delays took place in connection with the application for the Abt system, and for the deviation at Lake Brunner; and all these things of which you have been hearing took place during that time, and crippled the company most terribly. In fact, it was impossible to move. The graduated land-tax was another difficulty.

598. Was it with the cognisance and approval of the company that Mr. Wilson presented the petition of 1892 to Parliament?—Yes. I have to point out that any one of those things that happened would cripple our power to raise more money, because it would be impossible to go to the financiers without making these transactions known. We could not honestly do it, nor legally do it. Almost any one of these transactions would absolutely cripple the company in its power to raise money.

599. I was about to mention that the petition of 1892 would, perhaps, embody to that date the grievances that the company had?—That would be the case.

600. Hon. E. Blake.] I would assume that this petition, with the result of embodying the grievances, would be approved by the company?—Yes. I may now take the next three years. I have given the history from 1889 to 1892. There was a little bit of line to complete from

1892 to 1894. We did not cease building the line until 1894. The three years—1892, 1893, and 1894—were really years of negotiations, during which we made desperate efforts to come to terms with the Government. Whether we were right or wrong, we had serious quarrels and difficulties, which absolutely crippled us, and made it absolutely impossible for us to move, and the view we took was: Let us cut this knot, if we possibly can, by friendly negotiations, and, if the land is the difficulty, let us get rid of the land, and deal with the matter in the way which may be convenient.

601. *Mr. Hutchison.*] From 1892 it was impossible, through the action of the Government, to proceed upon the contract without modifications?—It was impossible for us to move, in consequence of what had happened before.

602. Hon. E. BLAKE.] At any rate, from whatever consequence, it was impossihle to move without modification in and since the year 1892?—Yes, and our object was then to come to some terms by which we could complete the East and West Coast line, and after completing it to raise funds to complete the North and South line.

603. *Mr. Hutchison.*] Do you remember anything occurring in connection with the hearing of the petition in 1892, any statement by the Premier of the colony, and then Minister for Public Works?—There was a statement made then which made our position enormously more difficult than before.

604. These were?—The statements, and some evidence given before the Committee, increased our difficulties enormously.

605. You were advised, I believe, that if you were going to make a fresh issue of debentures it would be your duty, in going to the public, to state what had been given out officially?—I do not think we could legally go to the public without doing so.

606. I will put it that they had been advised as to the statements made by Mr. Seddon?—I think I stated just now that we should be obliged to put before any financier what our difficulties were; what was difficult in the earlier years was intensified after 1892.

607. You may mention how it was that a further sum was raised—the sum of £100,000?—By the issue of debentures privately for pushing on the line to Jackson's.

608. We have the material, I think; it was the capital of £250,000 and debentures, for which the company was responsible, £845,000?—Yes.

609. Is there any anticipation of the company being able to repay its shareholders or debenture-holders under present circumstances?—Quite impossible under present circumstances. Not only have we the old difficulties, but other new ones besides.

610. Hon. E. BLAKE.] You allude to the seizure of the line?—Yes.

Mr. Hutchison: This is, perhaps, a large mass, but it will complete our documents, and also help my friend, perhaps, if I put in some official papers which are here—D.-2, 1886; D.-2A, 1886; and D.-2B, 1886 [put in as one exhibit, No. 125].

611. *Mr. Hutchison.*] There is also a letter from the Agent-General, which we put in—the original—and I would like to make that complete, as I have referred to it.

612. *Sir R. Stout.*] I understand, Mr. Salt, that the people in London take the trouble to read the speeches made in New Zealand?—There is a deal of communication between New Zealand and London; they pick up all the important information.

613. I suppose you would read what was said about the making of this contract before you signed it?—It is well known there were two opinions about the railway.

614. But, before you signed the contract and went into the matter in 1888, you knew there had been a change about the mining reserves between the contract of 1885 and 1888. Under that of 1888 there was special power given to take the mining reserves up to 750,000 acres?—*Bona fide.*

615. Never mind that?—I do mind it very much.

616. Did you know there was power to make reserves—did you not?—Yes; I knew before the making of the reserves.

617. Did you learn it from the draft contract?—I cannot recollect.

618. Did you read the speech the then Premier of the colony made on the subject—Sir Harry Atkinson?—I cannot tax my memory.

619. Do you remember that he said then that we propose to proclaim a definite area of 750,000 acres, and, in doing so, we propose to give this to the company, and take other lands?—I am afraid I cannot remember.

620. Do you know the alternative-block system came up?—Yes; I knew that.

621. And by that certain alterations were made?—I dare say there may have been.

622. You said you did not read what Sir Harry Atkinson, Mr. Seddon, and others said in Parliament about the alternative-block system, and also as to the Proclamation of 750,000 acres of land?—I do not remember.

623. Did it make any impression on your mind, this change from the alternative-block system to the reserve system?—Well, you know, I always took it that there should be a friendly feeling between the Government and the company. The Government made a great point of some of these alterations, and we tried to meet them. That is really the way in which it stood. We were dealing up to the end of 1887 with a friendly Government in regard to the making of the line, and then, unfortunately, a change came in 1888.

624. You say you knew of this change, and you knew of Larnach's Proclamation and of the change from the alternative-block system to the 750,000 acres?—Yes.

625. You knew when you changed your debentures that you got power to select up to 750,000 acres?—For *bona fide* mining.

626. Was it not to provide for the future?—Well, the word *bona fide* rules the whole of this section so far as it is reasonable.

627. Well, did you pay any attention to the matter at all?—It is not a matter that came very closely before me. Of course, if you could have placed *bonâ fide* miners on the 750,000 acres, it was the very best thing that could possibly happen.

628. But you see it was not merely what was, but what might be, required for mining purposes?—I am afraid you must deal with a lawyer on that point.

629. When did you first learn that you thought these reserves were improperly made?—I cannot give the exact date, but I presume our agents reported it.

630. When did you first learn the year?—The notice that proclamations would be made was, I think, in October, 1890, and I presume we must have heard something of it some time after. I have not got the letter.

631. I want to know did you try to finance in London in 1891?—I do not think we could have done. I do not know. I do not remember.

632. Did you ever make an effort to finance?—We did make a very serious effort before we could push the line up to Reefton.

633. You have tried to finance?—I do not know what is meant by that.

634. I repeat, did you try to finance in London?—It is very possible. I do not remember any serious attempt to finance in London at all in 1891.

635. At any time?—No.

636. Then, you have never made any serious attempt to finance in London since 1891?—In 1889.

637. When the debentures were issued?—It is very difficult to answer that question. We knew we should want money in 1891, and there is no doubt that inquiries were made more or less in the London market as to the probabilities of financing, but that is a very different thing.

638. Did you ever seriously try?—I really do not know.

639. You are chairman of the company, and they would not try to finance without letting you know?—In such cases, perhaps, one goes into the most likely offices and says, "So-and-so will be wanting money some day: is that what would suit you?" But all that is purely preliminary.

640. Did you ever issue any other debenture prospectus except the one?—No.

641. Then, you never tried seriously to finance since 1888?—We never brought out another prospectus.

642. And you have never tried to finance, then, since 1889?—Not in that sense.

643. When did you first hear of any reserves that you thought were improperly made. You told us that you thought it was in the end of 1890 that you heard they were possibly going to make them. When did you first hear when you thought reserves were being improperly made?—I have not got that date.

644. You had a meeting in London in November, 1891?—Yes; every year.

645. Had you heard then?—I cannot say. You must remember this: I may have heard that reserves were being improperly made, but they were protested against, and I may have taken the view that under the protest the Proclamations would have been withdrawn. You see these things do not pass in a few days, or even a few weeks.

646. You have put in a lot of correspondence. Did you, as chairman of the company, ever protest against reserves being made?—We could not very well, because we did not know what was being done. It was the business of our manager here.

647. Did you know of Mr. Wilson ever protesting?—I know he protested, but I cannot give the date. I can find it out.

648. You made a speech in moving the adoption of the balance-sheet in November, 1891?—Very likely.

649. In that speech, did you ever make a single reference to any improper reserves, or anything else, as against the Government?—I do not know why I should.

650. Should you not, as chairman of the company, have stated the position to the shareholders?—We always gave the Government of New Zealand, to the very last, credit for good faith and fairness.

651. In your speech you never hinted that there was any trouble, dispute, or disagreement between the company and the Government?—Suppose I had made a long story about an unfair Proclamation, I should have been making an attack on the New Zealand Government, which was perhaps unnecessary, and I should also have been injuring our own debentures and shareholders also unnecessarily, supposing the Proclamation had been withdrawn.

652. Did not you say that you had been fairly treated by them?—I did say something about that, but I forget what it was about.

653. Did you see the copy of your speech in the *Financial News*?—Very likely.

654. I suppose that would be a fair report?—Yes, it may be, but I really do not know that that would very much affect it, even if this discussion was going——

655. Did you not say, in that speech in reference to the land, that you could sell the land faster than you could earn it?—I may have said so.

656. This is what you said: "With regard to the land, I have already told you that even at this early period the sales of land have amply come up to the prophesies and expectations, and that the land has been sold as rapidly as we have earned it, and could be sold very much faster if we could earn it faster." Do you remember saying that?—I do not remember saying it.

657. If it is in the *Financial News* I suppose it is correct?—I do not know about the *Financial News*.

658. Is it not a reliable paper?—Perhaps it is.

659. Hon. E. BLAKE.] Mr. Salt says he saw the papers. You did not notice that there were any great inaccuracies?—As a matter of fact I do not think any of those speeches have been revised.

660. You looked it over, and you did not notice any remarkable inaccuracy?——

661. *Sir R. Stout.*] In your reported speech you made no complaint of any kind against the Government, but, on the contrary, you said that anticipations had been more than realised. That was in May, 1891?—Yes.

662. You do not suggest that between the end of 1891 and the time of sending in the petition anything had happened in London that injured your finance?—All this time things were going on.

663. Six months afterwards you applied to the Government for assistance. Is it not a fact that you could not finance without getting modifications?—We could have financed the line if we had been fairly treated all through.

664. What was the unfairness? What was the thing that you say injured you?—These transactions about the land.

665. Which transactions?—The mining reserves, clause 33, and the graduated land-tax.

666. We will take, first, the mining reserves. Is it not a fact that until May, 1892, there had been very few reserves proclaimed—there had not been 200,000 acres—less than 180,000 acres?—That was a very good reason for my not complaining.

667. Then, you had nothing to complain of in May, 1892. Is it not a fact that in May, 1892, you could not carry out the original contract without modifications?—All this culminated——

668. I want to know as a fact—could you carry out your original contract in May, 1892?—If you cut a man's legs off he cannot walk.

669. I should think not, unless he gets stilts. I want to know this: You do not suggest, do you, that the mining reserves had any effect on your finance in May, 1892? There had been only, I think, 160,000 or 170,000 acres proclaimed?—It is very difficult to fix a particular point when these injuries became extremely acute.

670. But they were not proclaimed. You could not get an injury when they were not proclaimed. The reserves had not been made?—The notice of proclamation, I am told, was in October, 1890.

671. You said that you did not know that it might have been withdrawn. The reserves had not been made then?—But the effect of these interferences with the land was to make it impossible for us to take the land.

672. *Sir R. Stout.*] Up to the 19th May there had been only 101,000 acres reserved altogether, and of this amount you now do not complain; and of 69,000—we may say in round numbers 70,000—acres you only complain as to 32,000, in round numbers. Do you really suggest that reserving a small block of 32,000 acres out 7,000,000 acres really could have affected the finance of any company of any stability?—Any act on the part of the Government not to carry out strictly and fairly the terms of its contract in any sense favourable to the company which was spending money in the country would damage the credit both of the colony and the company. You cannot get out of it.

673. A dispute of about 32,000 acres would damage your finance, it was such a frail credit? Damage your credit and the company's credit.

674. Your credit was so frail that it would damage your credit?—That is not the way to put it. It is an attempt to break through the contract, and to undervalue the property in regard to which the money was to be raised. You know how extremely sensitive financiers are.

675. My knowledge of that is very limited, and I am not acquainted with you London people. You seem to be very touchy if you are affected so easily as this. Do you suggest that if we proclaimed 100,000 acres of land, and if the London financiers thought we proclaimed, say, 30,000 acres, in round numbers, more than we ought to have proclaimed, that that would damage your finance?—Yes, because it would show that the Government were not keeping faith, and they would not know how much further they would go.

676. I see: it was the thing which was to happen in the future, not the thing which had happened in the past?—I do not know; it was alarming.

677. You say that it was alarming to reserve that small amount out of such a large area?—It was exceedingly alarming.

678. There was no interference with the land when your finance was at an end in May, 1892. Now I want to know about the graduated land-tax. Are you aware that before you signed the contract in 1888——?—I think you are under a misapprehension about the finance coming to an end. We were building a railway, and had then spent the money. We were wanting more money, and our credit had been damaged.

679. Why did you come to the Government and ask for a modification of the contract if your finance was sound? It is not usual for a man making a contract to come and ask to be let off part of his bargain in London?—When one side vitiates the bargain——

680. I want to know what was vitiated by making a reserve of 160,000 acres. You do not suggest that by making a reserve of 160,000 acres out of 750,000 acres vitiated it?—I suggest that the property was utterly vitiated by the action of the Government.

681. That is a general term. I want to get at the fact. What do you say vitiated the contract? Your company has admitted in this proceeding that we were entitled to proclaim, I think, 190,000 acres up to May, 1892. You admit that 69,000 was properly made?——

Mr. Cooper: We do not admit that any was properly made.

682. *Sir R. Stout.*] I come now to the taxation. You are aware that your company was not placed in a different position to any other company or landowner in the colony. There was no suggestion that you were unfairly treated. Other companies and landowners have not got contracts with the Government that you would give them land at a specified value?

683. How does that affect it?—Because you taxed the land.

684. But you are selling the land. Your own speech in 1891 says you were selling the land, and could sell it. How would a graduated tax affect a company that was selling its land straight away, and could sell? You were making your speech months after the Land Tax Act was passed. It was introduced into the House in July, 1891.

Mr. Hutchison: I do not know that they telegraph these things to London—not before the Act is passed.

Witness: It would not take effect immediately.

685. *Sir R. Stout.*] It was in the Financial Statement. That was the thing that would go to London. Would that not be so, Mr. Salt? The Financial Statement, I presume, would be sent to London?—The graduated land-tax was imposed in 1891.

686. And you would get the notice of that as soon as the Budget speech was delivered, I think, in July, 1891?

Mr. Hutchison: My friend knows the tax was not imposed until 1892. What was passed in 1891 was an Assessment Act.

Sir R. Stout: That was the same thing; it was providing for graduation.

Witness: We could not tell the effect of the Act either by telegram or in a few months.

Sir R. Stout: It was July, 1891, when it was introduced. I know the graduated tax was carried out. The scheme in the Budget proposed a graduated tax on improvements, and that was struck out, and the tax was limited. It was not made so strong as in the Budget.

Hon. E. BLAKE: The company have a very active and energetic agent in the colony constantly communicating with the Government, telling them he must write Home and tell his directors what was going on. I am disposed to infer that Mr. Wilson did not neglect his duty with reference to the graduated land-tax.

687. *Sir R. Stout.*] Are you aware, Mr. Salt, that the question of taxing your land was mentioned in the House before the House assented to your contract?—No, I was not aware.

688. Were you not aware that when objection was made to giving large blocks of land to a company the then Premier, Sir Harry Atkinson, said the land would be subject to taxation like the rest of the other land in the colony?—I cannot answer that.

689. Well, at all events, this graduated tax you say affected you. How did you say it affected you when you were not being the holders of land, but continually selling?—We were the holders of land and sellers as well.

690. But you were, of course, selling in order to make finance?—You may be always holding and always selling, because we would take some land which was immediately saleable and other land which, for obvious reasons, we might hold.

691. But you were not holding land in large blocks?—You can get that from somebody else who knows the details.

692. You were making complaints that the graduated tax affected you. I do not see how it possibly could?—We held land in blocks.

693. But I want to know this: If you were to take land for the purposes of sale, how could the graduated land-tax at all affect you. You see you have a double remedy. If your land does not fetch the price, then the Government pledges it must fetch the price. You have that guarantee at your back, and therefore, having that guarantee, if the land-tax has lowered the price for the purpose of sale, you had your remedy, because the Government pledge you are to get your million and a quarter. You do not suggest that the whole five or six millions of acres would not have fetched a million and a quarter?—No; but it interferes with our easy and convenient dealing with the land.

694. In what way?—If we buy land we are going to sell, it is not sold in a day. We might hold for years.

695. Have you held anything but the small block you took up along the Brunner Lake, taken up as supposed residences for the Christchurch gentry—have you held anything else?—Oh, yes; we held more, besides that.

696. Where?—I am afraid you must get that from somebody else. It is not quite safe for me to go into details, I should have to go and get you the maps. Of course, it stopped our selecting very often.

697. When did you first think the Government had acted improperly in making the reserves? Will you tell me that?—I could not give you the date without making reference; but I suppose we first had notice from Mr. Wilson that improper reserves had been made—that we considered improper, and thought he had protested. Whenever it came was our first notice; and when I thought the Government acted improperly was when they did not attend to the protest.

698. Why did you not arbitrate then if you found the contract was broken? Why did you hang back?—Because about the time we should have gone to arbitration negotiations were beginning Negotiations went on during 1982, 1893, and 1894.

699. May we not take it this way: that this charge of breaking the contract, making reserves, and the graduated tax were not used as a lever to get concessions from the Government?—We were most unwilling to make charges. We put off arbitration until the last moment, because we wanted to be friendly with the Government, and because negotiations were going on.

700. Is it correct to say you did not wish to make charges against the Government? Has that always been your attitude?—You complained just now that I was too civil to the Government. It is rather difficult to please you.

701. I do not want you to please me at all; I want to get at the facts?—I am not aware of having made any charge against the Government.

702. Did you not write to Lord Ripon warning him that the Government were going to bring in illegal Acts and all sorts of things?—I wrote to the Colonial Office; not precisely in those terms.

703. Could you tell me the first date when you told your agents in the colony that your company could not finance until you got further concessions?—I am afraid I cannot.

704. Do you understand the position about this section 33 and the dispute between you and the Government about it?—I understand it fairly, but not in detail.

705. All you knew was simply what Mr. Wilson told you. You do not suggest that your shareholders or directors knew the details about it, do you?—They naturally would get their information from the general manager.

706. Even now, has it ever been explained to them in detail, so that they would know anything about section 33, or what it means?—Not the shareholders, but I think most of the directors would understand it.

707. Do you know it was an advantage to you for people to buy land under clause 33?—It was a great advantage to us if properly carried out.

708. How?—Because it would have sold the land for us.

709. You had not got the money?—We should not have selected the blocks. I think there is some provision in clause 33 which enabled us to select.

710. You did not get increased value; you did not select the blocks?——

Hon. E. Blake: I understood Mr. Salt to say he was under the idea there was some other plan of making the selection. Mr. Wilson frankly explained that the existence of that difficulty was what prevented him from going on with clause 33.

Witness: Our applications under clause 33 were refused.

711. *Sir R. Stout.*] Are you aware that you have never taken any steps to proceed with the sale of land under clause 33, because it would have weakened your finance—are you aware that you have not taken any steps to carry on sales under clause 33, because it would have weakened your finance?—I am not aware of that.

712. Are you aware that there are various men willing to complete their bargains, but you have never taken any steps to get their bargains completed—hundreds?—No. I am not aware of it.

713. Then, you do not know the details as to what has been done under clause 33?—I cannot give the details.

714. You would be surprised to learn there are more than 100 applicants, and that your company has taken no steps whatever to allow them to complete their applications?—I presume there is some reason for that.

715. Are you surprised that after the Crown were willing to complete the applications the company took no steps to complete them?—I cannot express surprise at either without knowing the details.

716. And you cannot give any details of dates, Mr. Salt, as to this financial collapse at all. You cannot fix the dates to enable me to deal with this question?—I do not acknowledge financial collapse.

717. Financial inability, we will say?—I do not admit financial collapse, excepting in the sense that if you cut off a man's legs he cannot walk.

Hon. E. Blake: If your company were as much crippled as a man would be with his legs cut off, the company would be very much crippled indeed.

718. *Sir R. Stout.*] You cannot give me any dates at all?—I cannot.

719. Did you ever communicate to your agents in New Zealand, in 1891, that something would have to be done—that you could not go on long under the old contract, even in 1891?—I am afraid I cannot answer that. There may have been many things done in anticipation in 1892.

720. *Mr. Hutchison.*] I understand from the issue of the debentures to the completion of the Reefton Section you were under a pledge not to attempt any finance in the open market, and with that the difficulties were, as you say, insuperable?—Yes.

Mr. Hutchison: There is one passage in this report to which your attention has been directed, and which I will read to you: "There is one point with regard to the land which has excited considerable attention—that is, the land legislation of New Zealand. Now, that is a subject into which, of course, I cannot enter fully now, because I do not know that we are aware exactly what position the action of the Government and Legislature may be at this moment. But we know what our position is: We have a definite contract with the Government to supply us with a large amount of land for the purpose of our undertaking upon certain and definite terms; and we have no reason to suppose that the Government of an English colony will, in any sense whatever to our detriment, depart from the arrangements that have been willingly made. Therefore I think we may rest content that whatever is right towards us will be carefully done."

Witness: That is an answer to what was said about the graduated taxation.

721. *Mr. Hutchison.*] Did you express that view as far as you can remember?—As far as I can remember, I did.

The Court rose at 5.50 p.m.

Tuesday, 10th December, 1895.

The Court, by arrangement, sat at the Colonial Museum, at 10 a.m., for the purpose of taking the evidence of Sir James Hector, Colonial Geologist, with regard to his model relief-map of the Colony of New Zealand, on view in the Colonial Museum.

Sir James Hector sworn and examined.

1. *Mr. Hutchison.*] This is a model relief-map of the colony, is it not?—Yes, geologically coloured.

2. And constructed to scale?—Yes; the scale is 4,000ft. vertical to the inch, and the horizontal scale is four miles to the inch.

3. Have you been over this part of the colony, the South Island?—Yes, many times.

4. You know the line of elevation of mountains thereabout?—Yes; determined some by myself, and some by the late Dr. Haast, the Survey Department, and others. In constructing a model of this kind you use all the information you can get.

5. Where is Tadmor?—On the slope of Blind Bay.

6. And Nelson?—Here [indicating on model]. This is the entrance to the Boulder-bank.

7. There is the district of Tadmor and Hope and Motupiko?—Yes; they are all here.

8. Speaking of Tadmor, is that on the western side of the main range of mountains or not?—I have always considered the main range as running up to Cook Strait. It makes a start at Mount Cook, and is continued along the West Coast. I have always considered the main range as continued by the older rocks northward across Cook Strait. There is a dislocation in Cook Strait, throwing the North Island more eastward.

9. *Mr. Hutchison.*] The main range of mountains, you say, is that which starts at Mount Cook and crosses by the Strait to the Wellington side?—Yes.

10. Hon. E. BLAKE.] Which side of Nelson?—To the eastward of Tadmor and Nelson. The Spencer Mountains, further south, give a good central point, and, reaching the Strait about Jackson's Head, then across to Terawhiti, from there up the Rimutaka to Tararua and up to Cape Runaway.

11. *Mr. Hutchison.*] What is the character of the north-western corner of the South Island?—I have described that there are two triangular projections from the main range, one in the North and one in the South Island. They are composed of rocks which have been very much disturbed, and they are extremely broken. This north-west corner portion of the Middle Island at one time formed a long island parallel with the West Coast.

12. Is the Hope Saddle the lowest connecting-link between the two ranges?—I do not know that it is the very lowest.

13. Is this north-western part of the colony well known or otherwise?—I have been all over it, and so have several of my assistants. I have always looked upon it as the most important mining district in New Zealand.

14. What is your opinion of Hochstetter as a scientific authority?—The very highest.

15. On the geological formation of New Zealand?—On what he saw. He went to Nelson, and came overland to Riwaka, and as far as Collingwood, and then went out as far as Cape Farewell. I do not think he saw anything more of the South Island.

16. What of Von Haast?—He was a very eminent man. He was the first man who visited the Buller and the Grey, with the exception of Mr. Brunner, late surveyor, who made a journey, extending over nearly two years, down to Hokitika. He discovered the coal on the Grey.

17. *Sir R. Stout.*] In popular language, what do you call the West Coast?—The sea-coast line on the west.

18. Would you call Nelson on the west?—I should call it on the north. For meteorological purposes we call from Cape Farewell to Cape Campbell the north, and from Cape Farewell down to Rocks Point the western side.

19. If a person was speaking of the West Coast, would he say that Tadmor was on the West Coast?—I do not think he would.

20. There is a region called the "West Coast"?—No; there is Westland.

21. You call what you have before described "the main range"?—Yes; I do it on geological grounds.

22. In speaking of the country to the west of the main range, would you include Nelson in the matter at all?—I think so.

[Exhibit No. 126 put in.]

[Mr. Fenton's statement as to dams, water-races, &c., received by consent, as if sworn to by Mr. Fenton, and on the same terms as the admission of Messrs. Splaine and Fraser's returns.]

JAMES WARD BURCHELL sworn and examined.

23. *Mr. Cooper.*] You are a member of the firm of Burchell and Company, of London?—Yes.

24. Burchell and Company are solicitors to the New Zealand Midland Railway Company?—I am, personally.

25. And you have been connected with the company from the very commencement?—Yes.

26. I believe you were familiar with the negotiations which resulted in the assignment of the Chrystall contract?—Yes.

27. And I think you had some correspondence, which is set out in the statute of 1886, with Sir Francis Dillon Bell?—Yes, but I think there is only one letter.

28. Yes, your approval on behalf of the company to his conditions?—Yes.

29. Did you have an interview with Sir Francis Dillon Bell at the time of this correspondence? Yes, I did.

30. On what date?—Mr. Salt sent me a copy of the letter, of the 15th April, 1886, and I saw Sir F. D. Bell.

Hon. E. BLAKE: Is that letter put in?

Mr. Cooper: It is in the statute.

31. *Mr. Cooper* (to witness).] On what date did you see Sir F. D. Bell?—I saw him the next morning, the 16th April. I took my copy of Mr. Salt's letter, and discussed with Sir F. D. Bell the terms on which he would reply to it, so as to see if we could possibly arrive at a satisfactory form. I also had instructions to ask him as to the nature of the bargain the company was making, because at that time the provisional board of directors had not finally made up their minds to take up the assignment of the contract and form the company; and Sir F. D. Bell gave me an assurance, not only as an individual, but as from the Government, that it was a most valuable contract, and one which was desired by the colony, and he said, "In carrying it out you will have the assistance of the Government and of the colony."

32. Upon that, I think, you accepted the Agent-General's letter by yours of the 20th April, 1886?—Yes. We also practically settled this draft together. Sir F. D. Bell kept it back to look at the phraseology, and sent his reply of the 19th April. I communicated it to the provisional directors, and my instructions were—on receipt of the letter from Sir F. D. Bell, materially in the form in which I say—to register the company.

33. You accepted the suggestion by the letter of the 20th April, and registered the company?—There were two questions I was to ask Sir F. D. Bell. I was to ask the question in Mr. Salt's letter, and also to ask him to give, if he could, an official assurance as to the contract and the action of the colony and the Government towards it.

34. Hon. E. BLAKE.] This was a verbal assurance, not a written one?—Not a written assurance on the points stated, bearing on the contract. His answer I took for the assurance.

35. *Mr. Cooper.*] The company was registered, and subsequently the contract of 1888 was entered into?—Yes.

36. Upon the arrival of the contract, or in settling the contract of 1888, did you see Sir F. D. Bell?—Constantly.

37. Do you recollect having a special interview in July, 1888?—I had a final interview with the Agent-General about—I cannot say the exact date, but not more than a week before the contract of 1888 was sealed by the company. We had several meetings arranging the forms of the clauses, and this was a final meeting to get exactly the form in which the Agent-General would be able to pass it for the approval of his Government. It was really more for clearing up verbal points than anything else.

38. Was there any reference then made as to the time within which the company should complete the railway?—Yes; in the draft contract given to Sir F. D. Bell, the time for the completion of the railway was altered from January, 1885, to January, 1888.

39. The ten years were to run from January, 1888, instead of from 1885?—Yes. Sir F. D. Bell said, "It must go out, because it will require fresh legislation if you insist upon that; but you need have no apprehension as to that, because so much time has already elapsed that you will be entitled to an extension of time, and the Government will always give an extension when asked for it."

40. Up to that time what capital had been subscribed by the company?—The share capital of a quarter of a million.

41. I believe it was not until then that there was anything like active operations instituted for carrying out the line?—We were using the small capital. I cannot say how much of the line had been made.

42. There was an obligation under the contract to spend £150,000 by December, 1888. You were familiar with the finance of the company from the very beginning?—Yes.

43. And in the confidence of the directors?—Well, I suppose so.

44. Are you familiar with the state of the London money-market?—I have occasion to be pretty frequently.

45. You have had a large experience?—I have had some experience.

46. In what capacity?—As solicitor for several companies I have had to raise capital.

47. I believe the money-market is regulated by seasons?—To a very great extent, yes.

48. What are the seasons?—There are two seasons when you can bring things out before the public. They are at the beginning of November, and again in the spring, before Easter.

49. That would be in the autumn and spring?—Yes.

50. Mr. Salt has told us that intimation was conveyed to England that the contract was approved in September, 1888?—I could not say as to that, but, if Mr. Salt told you, he would know.

51. Assuming that the contract was completed in the middle of September, would that have allowed sufficient time to finance during the autumn season of 1888?—Certainly not, because there is nobody there. That would be only in time to enable one to prepare for the spring season.

52. *Mr. Cooper.*] I believe a prospectus was issued for the raising of a certain amount of debentures. The prospectus is in evidence. Who prepared it?—I prepared it, in concert with Mr. Pollock, who was solicitor for the syndicate who underwrote the prospectus.

53. Hon. E. Blake.] That is the debenture-prospectus?—Yes.

54. *Mr. Cooper.*] I see the prospectus provides for the creation of two millions in the first issue and £745,000 after?—That is so.

55. Can you give us any information upon that point?—The amount in the creation was suggested to the company by the solicitor for the syndicate is the gross creation of £2,200,000. Of course, with that arrangement we then contemplated raising further debentures sufficient to complete the contract. The syndicate was an extremely strong one, quite able at that time, if they had seen fit, to have carried the whole of the creation on their backs; in fact, I may say that, although they fixed the limit of issue to £745,000, when Mr. Pollock and I went through the lists of the underwriters we found that more than £745,000 was underwritten, and we had to reduce.

56. Will you tell us why the amount was made £745,000?—Because that was the amount that was required to make the two separate pieces—the Springfield end and the Belgrove end—and to extend the line from Brunnerton up to Reefton, and the pieces on to the East and West Coast, to get into the timber country near Lake Brunner and on towards Jackson's. We were, as a matter of fact, anxious to apply the money in the construction of the East and West line, but the syndicate said No, they would not have that, because of the information they had obtained. The line up to Reefton ran through country that was most readily available for settlement. They said, Make that, so as to complete the portion on which traffic would be speedily developed; and they said, further, that that would give them an opportunity of seeing whether there was any fear of Larnach's action being repeated, or whether the New Zealand Government would run straight. If they ran straight, then the rest of the money would be readily found.

57. The first issue was, I think, negotiated at £92 10s.?—It was.

58. It has been suggested that the bottom fell out of the finance of the company at this time. Can you tell us whether those debentures decreased or rose in value after the issue?—At first they were very stationary—91½ and 92½—and in 1890 they also remained fairly stationary, with a gradual tendency to increase; and in the early part of 1892, in May I think it was, we gradually got up to 96.

59. And in 1891?—That was the highest point they ever reached; they stood there some little time, I think till July, at about that—between 95 and 96—and then they began to go down, and they have gone down steadily ever since.

60. Hon. E. Blake.] You would say, about the end of what year, for instance?—About the end of 1891 they were about 88; in 1892 as low as 72—that would be the end of 1892.

61. What about the end of 1892?—Oh, it was a slow decrease all the time.

62. During 1892 it was a slow falling down to 72—at the close of 1892?—Yes. In 1893 they continued to fall, and got down to about 63, I think it was. In 1894 they got down to 55, I think, and now I suppose they are 40 or 45.

[Mr. Cooper here said that Mr. Martin Kennedy was in attendance at some considerable inconvenience, and wished to be examined, and suggested that the evidence of Mr. Burchell should be discontinued for the present in order to allow Mr. Kennedy to give his evidence, and, this being agreed to, Mr. Kennedy was called.]

MARTIN KENNEDY sworn and examined.

Mr. Hutchison: We might shorten the proceedings very considerably if we might take Mr. Kennedy's evidence as it appears in the blue-book in the examination of 1892.

Sir R. Stout assented to this course.

Mr. Hutchison indicated the pages, 153 and 157, and proceeded:—

63. You have read the evidence as printed in this blue-book of 1892 as given by you: is it correct?—Yes; substantially correct.

64. *Sir R. Stout:* You gave evidence, Mr. Kennedy, and spoke about the coal coming from the Brunnerton mine mainly?—Yes; and the Grey Valley; it had the same effect.

65. The Blackball, you mean?—Yes.

66. Since that, another mine was opened below the Brunnerton mine—Coal Creek?—Yes.

67. And has not the Grey Harbour greatly improved?—Yes; but not so much since 1892.

68. Well, since 1891?—Since the examination—that was in 1891.

69. How much would the freight be per ton?—I think 7s. 6d. to Lyttelton.

70. And what is the freight now to Lyttelton by steamer?—The same, and possibly 6d. less. The least I paid was 7s. 6d. I have reason to believe it has been reduced 6d.—that is, from Greymouth to Lyttelton. I think the rate is down to 7s.—that is a special quotation.

71. Now, looking at the cheapness of coal, and the competition with the coal coming from Newcastle, and the way in which Westport is worked, would you give the same guarantee as to the mineral monopoly on the line?—The guarantee, as I understood there, was never seriously intended to be taken. If it had been it would not have paid the company, because it is unlimited as to the quantity of mineral. I do not say I would give that on the tariff rates.

72. It is not a fact that various circumstances have arisen since that time which will interfere with the profits of the line?—I have nothing to do with that. There is nothing to alter my opinion as to the ability of the railway to carry an unlimited quantity of coal, or by sea-board, to Christchurch.

73. They have always had a considerable quantity of traffic, that is how you put it; you do not mean to suggest the railway would carry all the coal from the West Coast?—No, I have never said that.

74. Not even all the coal to be used in the Middle Island?—No; I confined myself to a limited quantity. It is limited to areas around Christchurch, and perhaps Timaru.

75. You did not understand you were to compete with the coal-carriage to Otago or North Otago?—No.

76. Are you aware there has been keen competition in Newcastle coal since 1892?—There has been.

77. But since that, has not the freight gone down?—The coal could be had in 1892 for 16s., and that is as low as it could be—that is, during the season—it could not be always done at that. That is, at certain seasons, but not at all times.

78. What would you estimate the cost of coal being put on the train at Brunnerton?—The particulars are there in the evidence. I cannot say from memory.

79. As to the Brunnerton mines, I suppose you know that the bottom has practically dropped out of them since you gave your evidence?—I do not know about the bottom. It is a long way off. I am aware that the coal is very difficult to find.

80. They have met a tremendous fault, have they not, and the coal is supposed to be 1,200ft. away, if you get through this fault?—We have not been able to follow the coal. As to the Brunner Mine, I was aware of the difficulties at the time I gave my evidence.

81. If you carry it from Blackball you carry it several miles past Brunnerton?—It does not alter the tariff in a long distance very much, the difference of a few miles. If you look at the tariff you will see that the difference is only 1d. or 2d. a ton. A few miles does not amount to much in a long distance.

82. I suppose such places as Timaru, Lyttelton, &c., would be supplied by Greymouth or Westport?—Yes.

83. I suppose Westport would be a considerable competitor with Greymouth?—Yes.

84. And none of the Westport coal, of course, we know, can get on this railway?—No.

85. Have you considered the question of the grades of lines and the Abt system—how that would affect the matter?—No; I have only considered the tariff. As long as they carried at the tariff rate the other did not matter to me.

86. Do you think if you had a line across you would cut into the Newcastle trade much—the Westport trade?—Yes; I think it would.

87. *Mr. Hutchison.*] How does the Harbour of Westport compare with the Harbour of Greymouth?—It is very favourable to Greymouth.

88. Which is the superior harbour?—At Westport there are fewer interruptions than at Greymouth by reason of the sea. As regards the depth of water, Westport is just as good as Greymouth.

89. Greymouth is subject to more interruptions?—Yes.

JAMES WARD BURCHELL recalled.

90. *Mr. Cooper.*] You say the debentures stood at 96 in 1891. At the beginning of 1892 they dropped to about 88. Can you give any reason for that?—I can only give the reason that was given to me.

91. By whom?—By one of the members of the syndicate who originally subscribed for shares—Mr. Marnham, a member of the London Stock Exchange. He spoke to me on, I think it was, the day of the general meeting, or the next day, in 1891.

92. What month?—November, 1891. He said, "I am very anxious about the position of these debentures. There are very unfavourable rumours going through the city that the Government are not treating the company fairly." He said, "I want you to remove those rumours if you can. Can you give me your assurance that there is no foundation for them?" I said I could not give him such an indefinite assurance as that, as there were difficulties between the Government and the company, but I hoped they would be removed.

93. Can you say whether at that time news of the proposed mining reserves had reached London?—Certainly. He referred to it himself in the course of the conversation.

94. He referred to the reservation?—Yes; he said one thing he had heard was that there was great difficulty about the land-grant—that the Government were making reserves, or were going to make reserves. He asked me whether that was one of the questions on which the difference had arisen with the Government.

95. Can you tell us the names of some members of the syndicate who underwrote those debentures?—He was one, Coleman and May, Sir Samuel Montagu, Schlesinger, Nickison, Bishop, and others. Those were the biggest men.

96. You have referred to Mr. Marnham, Mr. Bishop, and Sir Samuel Montagu: are those gentleman of standing in the London money-market?—Unquestionably; everybody knows them.

97. Members of the London Stock Exchange?—I do not think Sir Samuel Montagu is a member of the London Stock Exchange.

98. Messrs. Marnham and Nickison?—Yes.

99. After this interview you had with Mr. Marnham, did you have an interview with Sir Samuel Montague?—Not in 1891.

100. After you had the interview with Mr. Marnham, which was about the end of 1891?—Yes; I had an interview with Sir Samuel Montague just before the Reefton line was opened.

101. What time in 1892 would that be?—The latter part of January or the beginning of February; when we knew the Reefton line was approaching completion.

102. With what object did you have that interview?—To continue the issue of debentures already created, and going on with the line.

103. With what result?—He would not have anything to do with it.

104. Did he give his reasons?—Yes.

105. What were they?—The interference of the Government with the land-grant and the graduated taxation—in fact, he put it that the hostility of the Government was evident, and he would have nothing more to do with it, and he would not listen to any more arguments on the subject.

106. Did you also have an interview with Mr. Nickison?—Yes; that was rather later on in the same year.

107. For what object did you have that interview?—For the same purpose; he was a member of the original syndicate.

108. With what result?—He said after the news he had had about the land-grant and the general things in New Zealand he would not touch any more railways in New Zealand unless they had a direct Government guarantee.

109. Did you make any other endeavour to obtain money for the company?—Outside the members of the syndicate. I went to Mr. Alexander Young, a member of a well-known firm of accountants. I went to him because I knew he was a man who had a command of a very great deal of money; in fact, he was the man from whom Mr. John Morris got the promise of three millions in 1887. I reminded him what he told me in 1887, and asked him if he would be prepared to find some more money for the company. I put the matter before him to the best of my ability from our point of view. He asked to see the previous prospectuses, which he said he had seen and forgotten. I gave them to him. He read them through, and he said, "Well, it seems to me, the main inducement at the present time in this is the land-grant, so as to make sure that we can get our interest safely during construction and to have something when the line is made besides the traffic. The first question I must ask you is: would your directors make the same statements now as they did in 1886 and 1889." I had to disclose to him the action of the Government, and there was an end to it.

110. And you could not get any money there?—No.

111. You refer to these four gentleman on your knowledge of the financial world in London. Can you say whether their impressions were a fair index of the financial feeling in London at that time in relation to the company?—Yes, certainly.

112. After meeting with these rebuffs, would it have been of any use if the company had issued prospectuses for any issue of debentures?—Before you issue a prospectus you would have to get your capital underwritten.

113. After meeting with these rebuffs, would it have been any use going on the market for any more money?—It would not have been worth the expense of printing it.

114 What did you gather from these rebuffs as the effect of the action of the Government upon the company's credit in London?—I came to my own conclusion; it is self-evident.

115. Hon. E. BLAKE.] You had to stop?—Yes, I had to stop.

116. *Mr. Cooper.*] And could not get any more money?—No.

117. Now, from 1892 up to the present time I think there have been negotiations entered into with your knowledge, between yourself and the company and the Government, for the purpose of overcoming the difficulties—negotiations from you on the one side and from the Government on the other?—There is no doubt about it, we have been trying to arrange matters with the Government; and I believe the Government have been trying to arrange matters with us.

118. Now, you say that prior to the beginning of 1892 the news of these proposed mining reserves had reached London. Can you say whether or not that news operated as one cause for the refusal of money?—That is what brought Mr. Marnham to me in the first instance, about November, 1891.

119. Have you got the balance-sheets of the company with you?—I have not.

120. Can you say, then, from your knowledge of financial matters in London, that had there not been the interruption in the company's position by these mining reservations, would there have been any reasonable difficulty in financing the balance of the £2,200,000?—I can only give an opinion as to that. Seeing our debentures had risen to 96, and that the original syndicate were making their profit, I believe there would not have been any difficulty.

121. *Sir R. Stout.*] Do you really suggest, Mr. Burchell, that the London financiers did not know that in the contract there was a provision for the Government proclaiming mining reserves up to 750,000 acres?—It was in the prospectus.

122. They knew that certain reserves might be taken by the Government?—Yes.

123. And up to November, 1891, do you know what area out of this 750,000 was taken?—I do not.

124. Would you be surprised to learn it was only 72,600 acres?—Not in the slightest degree.

125. Then, do you mean to say that the taking of 72,600 out of the area of 750,000 would damage your finance?—Yes, improperly taken.

126. What proof had you that it had been improperly taken?—We had been so advised from the colony.

127. By whom?—By Mr. Wilson.

128. When?—I cannot remember the dates of his letters.

129. Can you give me any letter to that effect, and, if so, when you received it?—No; I could not. I know it was so.

130. Then, we are in this position: that your company showed the letter of Mr. Wilson to the financial people?—No; they did not.

131. How did it get abroad?—I do not know.

132. Can you produce any letter from Mr. Wilson prior to November, 1891, when you had your meeting, stating that reserves had been improperly taken? If so, what area?—I do not know what is in Mr. Wilson's letters. I have not read them myself.

133. Would you be surprised to learn that according to your statement now the only amount you say, or Mr. Wilson says, was improperly taken up to November, 1891, was only 15,000 acres out of the whole?—I really do not know that I can answer the question, because I do not know what the amount was. If you say it was so, Sir Robert, I will accept it.

134. I am taking it from the evidence that has been given?—Not my evidence.

135. I mean your company's evidence. The position is this: that up to the 20th November, 1891—there was no other Proclamation until February, 1892—72,650 acres were taken altogether, of which they objected to 14,944 acres. Do you produce any letter whatever, does your company produce any letter whatever, from Mr. Wilson as to improper reservations being made before November, 1891?—I do not know.

136. I want to know whether it had got to London. It may have been an entire misstatement that got to London. The only point I make will be this: If they want to say that London was deceived it must only be deceived by actual facts. Now, when Mr. Marnham and Sir Samuel Montagu objected to the land-grants, did you take any steps whatever to point out to them the fact?—I did.

137. Did you get the details, and get what the facts of the Proclamation were?—I told them we were trying to arrange with the Government.

138. Did you say the Government were entitled to reserve 750,000 acres?—The facts were, the Government were entitled to reserve for *bona fide* mining purposes areas up to 750,000 acres.

139. Did you tell them how many had been reserved?—No; because I knew it was an improper reserve.

140. Do you know your company has now admitted there were properly reserved at that time 56,520 acres?—No; and I do not think we do admit it.

141. Had your company taken any trouble whatever to examine the blocks reserved, and to ascertain whether they were properly or improperly made?—I was not in New Zealand. That is a question which should be asked Mr. Wilson.

142. Had your company in London any detailed information before it as to the blocks that had been reserved, and whether properly or improperly reserved?—I think we had only general information.

143. And the general information was, you presume, a letter from Mr. Wilson in general terms, not giving you any details?—I do not presume anything of the kind.

144. Did you see any other details whatever?—As far as I recollect, Mr. Wilson sent copies of his correspondence with the Government.

145. And that was all the company had, was it?—No; I really cannot say positively, but I think he gave his own comments on it.

146. Do you remember any special matter dealing with this matter being received? Have you any recollection of it now?—No, I have not. We had letters from Mr. Wilson by every mail.

147. But you do not know what was in them. I want to know how it was Mr. Wilson's letters got known to all those people?—It was not Mr. Wilson's letters got known.

148. What was it?—General information known from this colony. The affairs of New Zealand are not unknown in London.

149. So it seems. Do you suggest, then, that there was information that came from New Zealand, not from Mr. Wilson?—Most certainly.

150. About the reserves?—Mr. Marnham knew about them.

Hon. E. Blake: A gentleman who certainly had heard something inquired of Mr. Burchell what information he could give. They therefore had not been informed by Mr. Burchell, or through the company. They must have heard from some other quarter something damaging.

151. *Sir R. Stout.*] I am not aware of any complaints by Mr. Wilson up to November, 1891: is that not so?—As far as the company was concerned, I think, speaking generally, there was a discussion about these reserves for a year before 1891.

152. There were no reserves made before then?—They were proposed to be made.

153. You do not know what was proposed? Do you mean to imagine there were no reserves to be made?—Unless required for *bonâ fide* mining purposes. If they had been proposed for this purpose we should have been very glad, because there would have been population settled along the line, and we should have got an immense traffic.

154. You imagine that?—Yes.

155. Have you been over the whole line?—I have never been over the line at all before March of this year. If the reserves had been settled in advance of the line being made it would further induce them to make the line. I had never been over the line until March or April of the present year. I have been in the Otira Gorge, and a very beautiful place it is.

156. Very fine glaciers?—It is, at any rate, very beautiful scenery.

157. The first telegram, I observe, is on the 24th of September, 1891, as follows: "Company protests most strongly against the mining reserves which are being made and the method of making them, those recently proposed being far in excess of lands *bonâ fide* required for gold-mining, and the time before notification to company (agreed to be given) of proposed reserves and gazetting being so short as to make any inquiry by company impossible. It will therefore be necessary for the company to formally object to each reserve, unless some time is given for examination.—(Signed) Robert Wilson, Greymouth." It will be found on page 22, Appendices, 1892.

Hon. E. Blake: Assuming that Mr. Wilson corresponded at once, when would it strike London?

Sir R. Stout: About the end of November; about seven weeks from Greymouth.

158. *Sir R. Stout.*] Then, you do not suggest that there was any detailed information given by Mr. Wilson, beyond the simple protest made against the reserves? Do you think a copy of this telegram would be forwarded to your company?—I have no doubt a copy of the telegram would be forwarded to the company.

159. Had you, or those who entered into the contract, any idea of the possible area that would be taken for mining reserves?—We knew the maximum area, that was all.

160. But did you know how much was likely to be taken, and you did not receive any information on that question?—Only so far as we were guided by Blair's report of 1886.

161. Does Mr. Blair give any idea of the amount to be reserved?—If you look at the map, and his remarks about it, you could form a very fair conclusion of what was likely to happen. [Blair's report, with map, produced.]

162. The Maruia is not marked at all?—I am not responsible for the Government officer's maps.

163. He has only given his idea of the thing. He was not supposed to have prospected all these lands?—I saw those maps, and I read Mr. Blair's report.

164. I see that most of the Grey Valley is shown yellow all down one side. If you thought, from the map, that there was so little to be reserved, why did you not object to this large area of 750,000 acres in the Grey?—Because it was only the maximum of what was likely to be required.

165. Did you not think the maximum enormous, if you were to go by Blair's map?—I thought it was put in for political purposes.

166. You were aware of Mr. Larnach's policy before it was put into force?—Yes; and of the Proclamation being withdrawn.

167. You knew that was the area Mr. Larnach considered necessary for mining reserves?—And withdrawn because the company protested.

168. Have you any evidence to that effect?—Yes; Mr. Scott's.

169. I want to know how you say that the reservation of the mining areas affected your railway, or could affect it?—The land-grant was held out as an inducement to the capitalist.

170. How could that be when you had the land-grant guaranteed to you in the original agreement?—That was only the minimum.

171. But, if you say that it would realise two and a half millions?—If you take the best lands for settlement, and the timber and all these mining-reserves, it is perfectly certain the rest of the land would not fetch the selling-price of the original estimate.

172. Did you imagine the best land for settlement was on the West Coast? Did you or your company think so in London?—Yes; and we wanted to settle it under clause 33.

173. If so, why did you not carry out clause 33?—Because you would not.

174. Are you aware that the Government offered to carry out clause 33, and you would not do so?—The Government did not offer to carry out clause 33. They complicated it with another clause which had nothing to do with it, and which rendered it unworkable.

175. Suppose you did carry out clause 33, what became of the money?—The money, which represented the improved selling-value of the land and the B 1 value together, went into the hands of the public officer here—I think you call him the Receiver-General—and there it remained in trust until such time as the company selected. If it had been carried out it would have been the most valuable means for the raising of further money for the company. It would have shown that the original representations as to the value of the land were of a greater value than it turned out.

176. Why did you not act on clause 33?—Because you would not let us, and because you further insisted upon complicating the dealings under clause 33 with clause 29, which has nothing whatever to do with it.

177. I do not accept that as law, Mr. Burchell. But if you had agreed to carry out more than one hundred of these applications, why did you not allow these people to get the land. Were they willing to do it?—Yes; and to be in occupation of the land till now.

178. Why did you not allow them to carry out their applications?—I did not assume they were willing——

179. Why did you not try?—You must ask Mr. Wilson that question. I am making a statement only from information I have received. I cannot do more than that.

180. Is it not a fact that you were in need of money, and wanted money, and that is the reason you sold your land as soon as ever you could earn it?—In what sense do you mean the company was in need of money.

181. You were in need of money?—We had to pay our interest of course, and we wanted money to do so, and we sold the land to do so.

182. Then, you needed money?—Of course we did, just in the same way as you and I need money.

183. Is it not a fact that you selected that portion of your land-grant that you knew you could readily and immediately sell?—That is a question you really must ask Mr. Wilson again.

184. Do you not know?—No; I had nothing to do with the administration of the land.

185. You do not know why the land on the eastern side of the range was selected, and not on the western side?—I was never in New Zealand before, and knew nothing about it.

186. Had you any information from Mr. Wilson as to the reason why he selected the eastern side of the range? Did he not write to you?—Mr. Wilson wrote from time to time to say he had sold certain land, but I do not think he ever wrote and said he had adopted any particular policy in selecting certain blocks, except once or twice when he wrote and said one or two blocks would be extremely valuable for timber purposes.

187. Then, you did not know why it was on the eastern side of the range land was selected. Was the company not informed?—I cannot say that. I cannot charge myself with responsibility on that point.

188. You had full information as to the doings in the colony, had you not?—I had as full information as I suppose——

189. Were you not informed why the selections were made on the eastern side of the range?—I was never informed as to the particular reasons for selecting land on one side or the other side of the range. We received letters from time to time from Mr. Wilson saying, "I am going to select so-and-so, because we can get an offer for it."

190. Was it not because you could get cash for it?—It was not always sold for cash. Sometimes it was sold on deferred payment.

191. When did you first learn from Mr. Wilson that it was inadvisable to make the Nelson end of the line?—The first information we had from Mr. Wilson was when we read his evidence in 1892.

192. Do you mean to say that he did not inform you before that that he was not in favour of making the Nelson end of the line?—I read his evidence with the utmost surprise.

193. Hon. E. Blake.] Do you say that with reference to your company or to yourself individually?—To myself individually, as I cannot go any further about that.

194. *Sir R. Stout.*] I find, some weeks before, an offer by Mr. Wilson to the Government, on behalf of the company, which indicates the feeling he had about the Nelson end?—That offer, so far as my memory serves me, was made by Mr. Wilson, and afterwards communicated to the company.

195. It was not prior?—No; Mr. Wilson had very full powers.

196. Hon. E. Blake.] The first intimation you had from Mr. Wilson as to the Nelson end was when you read his evidence?—By the petition.

197. *Sir R. Stout.*] I presume, Mr. Burchell, the directors would not have had the evidence as to the piece at the Nelson end until then?—I would sooner you asked Mr. Salt that question, as he is the chairman.

198. No, I ask you. You attended as a witness who knew everything the London directors knew, but if you are only here to say that you only knew something my examination is not necessary?—The London directors received their information in the same way.

199. From Mr. Wilson's evidence given in 1892?—From the petition.

200. *Sir R. Stout.*] That is about the middle of 1892?——

Mr. Hutchison: The petition was presented 9th August, 1892.

201. *Sir R. Stout.*] Had you any estimate of what the line would cost, Mr. Burchell? What did you estimate the whole line would cost?—About £3,200,000.

202. About how much more than the estimate?—Which estimate? It is about £400,000 more than the estimate—the original estimate—of £2,800,000.

203. I mean the statutory estimate. You estimate it would cost about £750,000 more than the statutory estimate?—About that.

204. Hon. E. Blake.] £3,200,000 was the original estimate, and the other was £2,800,000?—Yes.

205. *Sir R. Stout.*] When did you know it would cost that additional sum?—I think very soon after Mr. Wilson came out in 1889.

206. Hon. E. Blake.] Would you explain in this connection whether the total cost includes works, rolling-stock, management and engineering expenses, cost of raising capital, and interest?—Everything.

207. *Sir R. Stout.*] And you expected, you say, to get two and a half millions out of the land-grant?—Yes.

208. Then, you expected the land-grant practically to make the line?—We said so.

209. You were aware the Government had only guaranteed it would come to one and a quarter millions?—Yes. Of course, I was aware of that, because that was a request I made myself.

210. Hon. E. BLAKE.] It is not strictly correct to say that they guaranteed?—No.

211. They pledged a certain area of land, and out of that as much was to be taken as would give them that amount?—That was the provision. The pledge was for the purpose of reassuring the London market; but I would not attach much value to it, because I knew it could never come to that.

212. *Sir R. Stout.*] These rumours got to London, you do not know how, you do not know what?—I do know what.

213. Tell us?—That the Government were not treating the company fairly over their land-grants.

214. Did that appear in a single paper in London?—I knew it, because Mr. Marnham came to me.

215. I want to know if it appeared in any single newspaper in London?—I really cannot say.

216. Can you say it did?—I really cannot say.

217. You do not know where Mr. Marnham got his information from?—No.

218. You did not examine him as to where he got it from, or the nature of it, excepting the general statement he made to you?—That is all.

219. You were not aware whether he knew the area reserved, or proposed to be reserved?—No.

219A. And you yourself did not know what was reserved, nor the amount proposed to be reserved, at this time?—No, I did not.

220. Now, about Mr. Nickison: had he heard the same rumour later?—Then, of course, we had more detailed information.

221. When did you see Mr. Nickison?—It was in the spring of 1892. I cannot give you the date.

222. Had you any more detailed information than you had when you saw Mr. Marnham, in December, 1891?—We had Mr. Wilson's subsequent letters.

223. Was there a single letter from Mr. Wilson which gave any details as to how much of the area had been improperly reserved?—I really cannot say.

224. Then, you cannot say you had any more information in the spring of 1892 than you had in the winter of 1891?—Excepting, of course, we had letters from Mr. Wilson by every mail. I cannot charge my memory with the contents.

225. And do you not know the details of any of those letters?—No.

226. And Sir Samuel Montagu: did he rely mainly on the land-grants or on the graduated land-tax, or did he rest on both? Did he seem to have any information about the land-grants?—He seemed to have a great deal.

227. What did he tell you?—He told me he had heard direct from New Zealand.

228. To what effect?—That the Government were making large mining reserves not at all in accordance with the contract, and that such reserves were not required.

229. Did he tell you from whom he had heard?—He did not.

230. You did not inquire?—I did not.

230A. You do not know the nature of the information—whether it was detailed or not, or a general statement such as you have mentioned?—That is what he told me.

231. About the graduated tax—what did he tell you about that?—He said that it very seriously depreciated the value of the land the company would be entitled to have.

232. Did he know that the company was selling its land as fast as it possibly could?—No.

233. How could the graduated tax affect it?—By depreciating the price at which the company would sell—that was his information.

234. Is it not a fact that the company was given about 30 per cent. more than your valuator valued the line at?—For the purpose of the land-grant do you mean?

235. Yes?—Yes.

236. Do you suggest that your land valuator would improperly and fraudulently pass a wrong value for land?—Certainly not, any more than I would suggest that the Government valuer would.

237. Was it not extraordinary that it was fetching 30 per cent. more than the value he valued it at?—I really do not know the circumstances.

238. If the graduated tax affected it, how was it the land fetched 30 per cent. more after the land-tax was imposed?—That is an argument you are entitled to use, but I am equally entitled to say that, if it had not been for the graduated land-tax, instead of getting 30 per cent. more we would have got 40 or 45 per cent.

239. Then, it is a fair argument to use that your valuator valued the land at from 40 to 45 per cent. less than its value?—Than what ultimately proved to be its value.

240. Did you tell Sir Samuel Montagu that the company were not holding land, and were getting 30 per cent. more than its original value?—I told him we were making these sales, and he said, "Do not hold the land until it depreciates in value, or you will be caught there."

241. Did he ask you whether you had seen the Land-tax Act?—Of course, I did not know as much about it then as I do now.

242. Perhaps you did not know anything about it?—I did know that, if it was passed, that if the company held the land they would get taxed on it in a way they would not have been before the Act was passed.

243. Were you aware there has always been a Land-tax Act in New Zealand, since 1878?—I was. That was one of the subjects I had informed myself on in 1886.

244. Do I understand you did not enter into any discussion with Sir Samuel Montague as to the details of his information, neither as to what you knew—you simply listened to what he said?—No, I did not listen to what he said; I tried to argue with him, but it was no good.

245. Was the land-tax or the land-grant looming in his mind?—The land-grant loomed largely in his mind.

246. Did he attach the most importance to the land-grant?—The most important fact he mentioned was that the Government were not dealing fairly with the land-grant.

246A. Hon. E. BLAKE.] What date was this interview?—Early in 1892.

247. You were under the impression that the Government were not dealing fairly with the company?—I was under that impression.

248. *Sir R. Stout.*] At what time in 1892 would this be—in March or April?—Soon after the opening of the line to Reefton. It would be in March.

249. Are you aware that in March there had been less than 75,000 acres proclaimed?—There may have been that much proclaimed, but there was a great deal more threatened to be proclaimed, and you do not seem to think that the threat would have a bad effect.

250. Were there 75,000 acres threatened?—Certainly not; only if it was *bonâ fide* required.

251. Did you have any information as to the *bona fides* of the Proclamations; did Mr. Wilson write any information whatever as to the *bona fides*; did you ever see a single letter on the *bona fides* of those Proclamations?—We had information from Mr. Wilson, saying that the reserves applied to land which was not required for mining purposes.

252. Not then required?—"Not required" was what he said.

253. Not required then or in the future?—He said straight out. I do not remember any particular letter. I know the result of the correspondence from Mr. Wilson left the impression on my mind, and upon the minds of the Board, that the land proposed to be included in these reserves ought not to be reserved.

254. When you knew that, why did not your company at once demand arbitration?—Because the negotiations were started, and were carried on until 1895. If we had had the information then we have now, we would have gone to arbitration in 1892.

255. Is it not a fact that you had, even before that, seen that it would not pay you to carry on the railway excepting you got further concessions from the Government?—No; it is not a fact.

256. Why did you ask for them?—Because we were unwilling to damage the credit of the Government by litigation when there was a fair chance of coming to an agreement.

257. If the only wrong that was done was in regard to the proclamation of these reserves, why did you not simply say to the Government, "Withdraw those Proclamations, and we will go on with the line"?—Because that was not the only matter; there were other things.

258. What were they?—The delay under clause 33, the delay in connection with the Brunner Deviation Act, and the mining reserves.

259. Anything else?—In the spring of 1892 I am afraid we were rather sore about the way the Abt Incline was being dealt with.

260. The Abt Incline, the Brunner deviation, the mining reserves, and clause 33—those are four things, and your concessions asked from the Government, and ultimately admitted, were the foundation of the revised contract?—Certainly.

Hon. E. BLAKE: That is perfectly palpable.

261. *Mr. Cooper.*] You referred to Mr. Blair's report. I see there is a paragraph (7) on page 23, referring to one of these matters: "Alluvial gold-digging will last for many years, but there is no prospect of new fields. Quartz-mining is a permanent industry, capable of considerable expansion"?—Certainly; that is one of the things we attached the greatest value to.

262. By Mr. Wilson's protest to the Government it was contemplated to reserve 250,000 acres in 1891. Can you say it was the news of that proposed quantity being reserved that reached London and affected you?—It was the proposed reservations. If Mr. Wilson had not told us, by comparing it with Mr. Blair's report we should have drawn our own inference.

263. There was a further issue of £100,000 debentures?—That was issued privately.

264. Can you give us the date of that?—It is contemporaneous with the date of the commencement of the extension to Jackson's.

265. And that sum of £100,000 was simply raised by the members of the company themselves?—No; it was raised by the chairman through private friends on particular security. There was a very big sale just then agreed to.

[Books of Hochstetter and Von Haast put in for reference as to points of evidence given.]

Sir R. Stout: Mr. Blair, in his report, takes the same view that we take. In D.–1A, 1886, he says: "The watershed between the Awatere and the Wairau—the boundary of the country affected by the railways—is a branch range leaving the backbone near its northern end. The main range as such terminates at Tophouse, but is continued in two principal branches; one runs north-east to the Sounds, between the Wairau Valley and Tasman's Bay, and the other turning sharply westward is lost in the mass of mountains north of the Buller. The first of these branches has a long spur, the Spooner Range, which forms the watershed between the Motueka and the Waimea Rivers. It is an insignificant feature in the topography of the country, but it is important in this connection, as it determines the route of the railway from Belgrove to the Buller Valley." That is what we say.

Hon. E. BLAKE: You argue that the main range ends where the break occurs?

Sir R. Stout: Yes.

GEORGE HARRIS, sworn and examined.

266. *Mr. Cooper:* You are a solicitor of the Supreme Court of New Zealand and a member of the firm of Beswick and Harris, solicitors in New Zealand for the New Zealand Midland Railway Company?—Yes.

267. And I think you are familiar with the state of the company's titles in New Zealand?—Yes.

[Exhibit No. 127 put in: List of B 1 blocks to which the titles are not complete.]

268. Does this contain a statement of the uncompleted titles of lands selected by the Midland Railway Company?—Yes.

269. The first block—41—is uncompleted, but it has really been sold to the Government?—Yes.

270. Block 42 has the Governor's authority granted, but there is no title. Can you explain that?—Under the contract the Governor's warrant is the first step towards obtaining the title, and is issued to entitle the company to go into possession. Then we, up to about a year ago, put this Governor's warrant into the hands of the Commissioner of Crown Lands, and he issued a certificate under his hand under clause 24 of the Crown Grants Act. That certificate took the place of the Receiver of Land Revenue's receipt, and was always accepted by the District Land Registrar on the provisional register. It was a certificate to the effect that the work required to be done had been done, and that that work entitled the company to the land comprised in the certificate. That became a provisional title.

271. Hon. E. Blake.] Then, the Governor's warrant alone was not a provisional title?—It has been accepted since as a provisional title. The certificate of the Commissioner of Crown Lands was a second step in the title.

272. When you got so far as to put the warrant in, did you become entitled to the patent?—Yes.

273. It was ripe for the issue of the title?—Yes.

274. *Mr. Cooper.*] Can you tell us by that search if you can distinguish those blocks which have gone so far as a provisional title, and those which have stopped at the Governor's warrant?—Yes.

275. We will take Block 42?—Block 42 is on the Governor's warrant only.

276. Block 43?—The Governor's warrant only.

277. Block 45?—That is under the Commissioner of Crown Lands' certificate.

278. But it is an uncompleted title?—Yes.

279. Block 46?—The Commissioner of Crown Lands' certificate.

280. Block 48?—Governor's warrant.

281. Block 50?—Commissioner of Crown Lands' certificate.

282. Block 53?—Governor's warrant.

283. Block 54?—Part of 54, Commissioner of Crown Lands' certificate; part of 54, Commissioner of Crown Lands' certificate. One was to the Midland Railway Company, and one was to David McMillan and Thomas Dyke Acland.

284. Block 61?—That is the Governor's warrant.

285. Block 62?—Commissioner of Crown Lands.

286. Block 64?—Commissioner of Crown Lands.

287. Block 65?—Governor's warrant.

288. Block 67?—Commissioner of Crown Lands.

289. Block 70?—Commissioner of Crown Lands.

290. Block 71?—Commissioner of Crown Lands.

291. Block 77?—Commissioner of Crown Lands.

292. *Mr. Cooper.*] Now, have you, on behalf of the company, applied for the completion of these titles?—Yes.

293. The correspondence shows that applications were made to the Government and were refused; but have you applied to the individual Registrars as well?—Yes. There is a letter from my firm dated 25th June, 1895. We frequently made application before that, but this was written to put it on record; it is addressed to the District Land Registrar in Christchurch. [Letter put in.]

294. *Mr. Cooper.*] Has the completion of those titles been refused in each case?—Yes.

295. Now, has the company dealt with some of those lands?—Yes.

296. Can you tell us which ones the company has dealt with?—You mean by sale?

Sir R. Stout: If the title is a provisional one it is good.

Witness (continuing): In the last year, before the 14th January, they refused to give us the Commissioner of Crown Lands' certificate.

Hon. E. Blake: That is, as applying to this land. That is all the oral evidence?

Mr. Cooper: Practically all the Crown will admit, except what they may ask Mr. Dalston to verify; perhaps the Crown will admit that.

Hon. E. Blake: You will put that in after 2 o'clock.

Mr. Hutchison: We had hoped to call Mr. Maxwell as to the evidence of and terms of the construction and traffic, but he has been called away. If Mr. Wilson's evidence is not challenged on those points we need not call him (Mr. Maxwell). I might renew an application to be heard if it should be necessary.

[No. 6, on second reference of company, withdrawn on the ground that it is to be adjusted under the procedure already commenced. Crown assents to this view. Memorandum to be filed. Crown agrees that the other matters of the second reference are to be treated as within the notice, and to be disposed of on that footing. Memorandum to be filed.]

[Exhibit No. 128, copy of cablegram Wilson to company, 26th October, 1892, which Mr. Wilson proves he showed Mr. Ballance before sending, put in. Exhibit No. 129, two letters from secretary of Agent-General to the chairman of the company as to trusteeship for debenture-holders, put in.]

Mr. Hutchison: I am not sure whether the letter of protest with reference to taxation is in. If it is not in I would like to hand it in later on. It is a letter to the Government.

Mr. Stringer: It is in the parliamentary papers.
[Exhibit No. 130, statement as to land-sales, put in.]

MR. WILSON recalled.

297. Hon. E. BLAKE.] Have you got the amount of cash received from sales, Mr. Wilson?—Yes; the nominal amount of sales.

298. How much of that was received in cash up to the expiry of the contract time?——

Mr. Cooper: That can be easily given.

299. Hon. E. BLAKE.] Then, another thing I want to know from you is what the net traffic had been up to the same time?—We could give you the total amount each year.

300. And I also want to know what your estimate of the net traffic for this year would be on the line so far as completed if it were still in your hands?—I will give you that.

Hon. E. BLAKE: So that my mind may be cleared about it, I wish to present to the representatives of the company a financial view of the matter that has occurred to me, and if you will just follow me I will be glad to see how far it corresponds with your opinion of the facts. I find the cash expended on the works and equipment, as shown by Mr. Wilson's statement yesterday, is £760,000, in round figures, which, as I understand, is the sum that was really spent upon the works in the colony, and for equipment and rolling-stock and cost of administration out here. Then, I have tried to see what the real cost to the company was of achieving that result, and I find a share capital of £250,000, which has been spent; a debenture capital of £745,000, the proceeds of which have been spent; and a second issue of £100,000; making a total of £1,095,000 in share and debenture securities existent and outstanding. Then, to that I would add the cash proceeds of the land-sales, and also the net traffic up to about the time of the termination of the contract time; and then, adding the sum of these figures to, say, the £1,100,000 of securities, I find the total that it has cost the company to bring it to its present position, subject to this consideration: that, if there be a nest-egg still saved, that would have to be deducted. But assuming these different items exhausted in payment of interest charges and administration in England, it would produce that result. I would deduct the £760,000 from the sum of the figures I have just indicated, and I find the difference as the cost to you of having achieved this result and the railway in excess of your debenture and share securities. The result is you have an interest-bearing capital of £1,095,000, or £55,000 a year; and then I wanted, as you will see, for obvious purposes, your view of the net traffic for this year. Well, then, I find from your estimate, Mr. Wilson, that the cash required to be spent on the work to finish it is £2,240,000—to finish the whole and make it a going concern. Well, I add to that these existing securities of £1,095,000, and I find that, supposing you were able to provide out of other resources, to which I shall presently refer, the cost of raising that £2,240,000, and the interest upon your existing capital during the period of construction—say, about six years—I find you would stand, at the end of that time, with £3,335,000 of interest-bearing capital on the one hand and a completed road on the other. I am disposed, for the purpose which I have in my mind, to assume roughly that your new capital would cost you at least as much as your old capital; and the new capital is just about three times the old capital, and therefore, when I find the sum of these figures, I am disposed to multiply that by three, and say that is what would have to be found from other sources in order to get to the £3,335,000 and a completely equipped road; and I am disposed to add to the trebled cost of raising the old capital £330,000 for interest on the existing capital during that period of six years, and that makes my second set of figures. That makes a very large aggregate, and the only resources to provide that large aggregate are your sales, the proceeds of your existing sales not spent, your future disposition of the land-grant, and the net traffic during the six years for which the calculation is to be made. If you are able, out of these resources I have mentioned—practically the residue of the land-grant, whether in land or money, and the net traffic for the unfinished railway—to meet this cost, you find yourself, at the end of the six years, with a completed railway on one hand and with three millions and a third of interest-bearing capital on the other hand. Then, I find your estimate of revenue from that complete railway, at a period of ten years, which would be four years later than I am taking, and therefore more favourable to the company for this purpose—I find that, applying roughly the same figures to the smaller section—which you yourself applied to the larger section—£86,000 would be the net revenue at the end of ten years, and, of course, therefore, less at the end of six years—that is to say, that the revenue from the railway would be less than half what would be required to meet its interest-charge of 5 per cent., which would be £167,000. Now, I throw these figures out in order that they may be criticized, and that I may be corrected if there be an error in them, or in the conclusions that I would draw from them. It is important we should know what the state of the case is to which we have to apply our reason later on. If you just consider that, and let me know later, I will be obliged.

Sir R. Stout: I would ask, in order to put in writing our position, to adjourn until to-morrow at 10 o'clock, and I shall then deal with the position. Being absent from Wellington, I have not had an opportunity of conferring with my friends.

Hon. E. BLAKE: If we adjourn now I should very much like all these statements we have talked of should be put in to-morrow morning if possible.

Mr. Gully: I am quite prepared to file an answer, but would rather get a full statement of claim first.

Hon. E. BLAKE: If you have got any batches of correspondence and documents you intend to put in, and assuming you do not want them yourselves, I would like to see them.

Sir R. Stout: We will hand them in to-morrow morning.

Mr. Gully: We have a complete file in reference to each separate matter, and we were proposing to put these in at an early stage, probably to-morrow. Are we going to get particulars this afternoon, so that we might file our statements to-morrow?

Mr. Hutchison: I propose to put in a further statement.

Hon. E. BLAKE: Is it going to be something in substitution of the statement already put in?

Mr. Hutchison: We were not proposing to do anything more than to accede to the suggestion made. I understood you wanted us to make some statement of our position.

Hon. E. BLAKE: I made one suggestion this morning to Mr. Cooper as to the possible ill-effect to the company of claims in a form which might be interpreted in some future proceeding as applying to a case which has not yet arisen—a case of your selecting some timber lands afterwards, and claiming that the Government had the responsibility of cutting timber, or allowing some timber to be cut. I was suggesting that you should in the record do, as I understand you do in argument—limit the extent to which any one of your claims is at present submitted by you, only as proofs or reasons for a destruction of credit, and entitling you to damages on the ground of such action by the Government accounting for your inability to carry out the contract; if so, should you not say so, instead of in form including maintaining the position with reference to specific damage, which could not be brought into reference as being future and contingent.

Mr. Hutchison: That has been considered already, and that will take the shape of amended particulars in the matter of figures.

Hon. E. BLAKE: But stop a moment. Consider for yourself how far the claim in respect of each one of these particulars in its language is wide enough to embrace a claim for future and contingent damages. You must separate it. If you do not separate it for me, I may not endeavour to define it later. You must define what you are really claiming for, and I will dispose of it; but if your statement of claim is so wide as to embrace something you cannot claim for now, on your head must be the consequence. As to anything else, Mr. Gully has from time to time suggested that it was difficult to understand the principle of some of those claims. I have not asked for any fuller statement of principles, because I understood your statement which you did file in print as applicable generally to all your claims except the claim for not granting titles on selection. I understand, therefore, you are intending to claim all these things as substantial wrongs on the part of the Government which, either separately or cumulatively, had produced the net result of destroying your capacity to carry out the contract, and from which you deduce your damage.

The Court adjourned at 2.40 p.m.

WEDNESDAY, 11TH DECEMBER, 1895.

The Court sat at 10 a.m.

Sir R. Stout: Before I deal with what might be termed the main part of the company's case, I should like to point out some of the smaller questions that have been raised, and, perhaps, to ask whether really it is necessary for us to deal with them at all even in argument, far less in evidence. I intend also to ask whether on most of the items there is really any case calling upon us for reply. Now, the first question would be, is there any necessity for us to deal with the charge made that statements made in speeches by the Premier, or by witnesses before the 1892 Committee, or statements made in the House, amount to a breach of contract? I submit that that point is so clear that it would be only waste of time for me to discuss it, and I do not think my friends throughout their case have rested upon it at all, and it is not, I submit, a point upon which we need trouble the umpire. Then, the second point, which I think is also unnecessary for us to discuss, is the question of graduated land-tax having been imposed. It is perfectly plain that there is nothing in the contract which might be deemed to limit the power of Parliament to pass any fiscal law whatever; secondly, it has been suggested that this fiscal law was passed as against the company alone. It was a fiscal law applicable to the whole colony, and the only chance has been that, though the land-tax has been graduated—that is, that those who own land beyond a certain area have to pay additional taxation—yet a great concession has been made to the company in this respect: that all their personal property is exempt from taxation, whilst under the law which was in force when their contract was entered into not only any land that they possessed, but all improvements on the land, and all personal property they possessed, would be liable to taxation where that personal property was held without any income being derived. Now, I submit that the suggestion that this passing of what is called the graduated land-tax could from no point of view be deemed to be a breach of contract which gives the umpire jurisdiction under section 47 of the contract. Therefore, really, we have only wasted time, and it would be only waste of time for us to consider that question, and I shall ask, at the conclusion of what I have to say, whether we should not go over these various heads and say whether the umpire considers it necessary for us to either adduce evidence or further discuss the legal aspect of the question. Then, the third point is the Abt incline, and whether the only question that would arise on this would be that the Crown committed any breach of contract by not sooner assenting to the adoption of the Abt system over Arthur's Pass, and, if so, was such breach waived. I submit this question of the adoption of the incline should also be struck out of the case altogether. First, there was no time-limit in the contract for the Crown to assent. The Crown was not bound to assent until it got the fullest information from its engineers; and as soon as it got information from its engineers it did assent. And as to the charge made against the Crown in connection with this, Mr. Wilson stated in his evidence that the Crown asked for information from the engineer, but he said it was outside information which the Crown should have asked from the engineers in dealing with this question. However, as I again repeat, there is nothing in the contract fixing the time within which this assent was to be given; and it is perfectly clear that, if the assent had not been given by now, the company would not have been injured, because they have never attempted for one moment to construct the Abt incline over Arthur's Pass. They are not ready to construct it now, and they have never been ready to construct it; and to bring in any suggestion that the Abt incline had any influence on their contract, I submit, is simply to make statements which have not been warranted by any evidence produced before the arbitration. Then, the other point, which I also

submit we should not be called upon to say anything further about, is the Lake Brunner deviation. My friend Mr. Stringer reminds me also that before the Committee of 1892 there was an admission by Mr. Bell, and, I think, Mr. Wilson, that the company had really no claim against the Government in reference to the Abt incline, and of course it is ridiculous to say they should raise the claim now after stating before the parliamentary Committee that they had abandoned it. Then, as to the Lake Brunner deviation, the form that issue would take would be: Has the Crown committed any breach of contract by not sooner consenting to the deviation by Lake Brunner; and, if so, was such breach waived? That is the form in which it would go to a jury if it was before a jury. Now, as to whether we were right in giving the deviation at all. Though it was done under the contract we had to get parliamentary sanction to that concession. As soon as the sanction of Parliament could be obtained it was obtained. It was obtained on conditions fixed by Parliament, and, so soon as the Government saw that those conditions would be complied with, the concession was granted. How can it be said, then, that they can claim damages as for a breach of contract for not giving a concession which by the contract even the Crown is not authorised to give, and which the Crown need not give without parliamentary sanction, and which the Crown did give when it obtained parliamentary sanction? I submit the statement of facts about this Lake Brunner deviation, as well as the Abt incline, is necessary to show that the company has no case against the Government. They are facts which I submit are unanswerable, and it cannot be suggested that it would be anything but waste of time for us to continue discussing them or to refer to them further in dealing with our case. I now come to the other points. The first is the question of the mining reserves. Now, the form of the issue would be, Did the Crown commit a breach of contract by making the mining reserves that have been proclaimed? As to that, I submit that, in answering this question as to a breach of contract, the point is to be borne in mind that the Crown was entitled, if the Governor shall declare, to make mining reserves up to an area of 750,000 acres. It is entirely left to the discretion of the Crown as to what would be necessary for mining at the present time and what might be required for mining in the future. The words *bonâ fide* are introduced, and *bona fide* means that they would have to be used for mining purposes; and I apprehend this interpretation would mean that you are not to make reserves which you do not intend for mining and which never can be used for mining purposes. They must be intended for mining purposes, and if you make them for that purpose you have the right to look to the future, and a long way ahead, because afterwards this land would be passing out of the dominion or control of the Crown if the reserves were not made. You have, therefore, to look far ahead. It is not merely the mining that may be necessary this year or next year that has to be considered. Unless the other side can show that in the Proclamation by the Governor of mining reserves there were *mala fides*—that it amounted to what might be termed fraud—there is no case whatever against the Crown. The power to make these reserves is placed in the hands of the Governor, and though it may be true that the Governor is the Executive officer of the Crown, and is the servant of the Crown, the analogy I submit is perfect between an architect or an engineer having the management of a contract, as in such a case as that, the architect or the engineer, so long as he is not guilty of fraud or collusion with his employer, may give a certificate which will be binding on both parties, just the same as the decision of the arbitrator is binding on both parties when there is a proceeding before him, and to get behind this Proclamation of these mining reserves he must be prepared to show *mala fides*. That is our contention, and I submit there has been no evidence given to show *mala fides*. The only class of evidence given has been this: that certain people have been called to say that some of the reserves made are too large, and that the reservations include land that ought not to have been included. Well, that is a question of opinion entirely, and the very fact that the witnesses differed amongst themselves—some saying that the reserves should be larger or smaller than others—shows that there is on this question a considerable conflict of opinion. And, if there is a conflict of opinion, how can it be suggested that there was any fraud on the part of the Crown or on the part of the Governor in proclaiming these reserves? I submit that if we take that out of the dispute we really have nothing of importance calling upon us to reply to, because we submit that there was not even a *prima facie* case of fraud made out, or of *mala fides* against the Crown. In reference to that phase of the case, there is nothing that would warrant us in being bound to produce evidence to show that the Crown acted *bona fide*. As to what effect this question may have upon the company in reference to damages, I shall deal with that later on. I am now simply clearing up what are the issues we have come to try. I wish to say, in reference to the mining reserves, that if it be suggested that there is some evidence necessitating a reply from us, I submit that the evidence that has been given is sufficient to show that there was no *mala fides* about our action. First, we have Larnach's Proclamation, in which he considered that it was necessary for the mining on the West Coast that such a large area as 750,000 acres should be reserved under the Mining Act. It is not suggested that Mr. Larnach or the persons with whom he was associated had any feeling towards the company, or any ill-feeling about this control of Parliament. Mr. Salt has said that there was apparently no fault to be found with the Government until some time after Mr. Larnach had left office. There can be no suggestion, therefore, of his having acted improperly. It is true it may be said that his Proclamation was withdrawn. That is true, but we can give evidence to show that it was withdrawn because it was obvious that there was a doubt as to the legal position.

Hon. E. Blake: On account of the provision regarding the alternate blocks?

Sir R. Stout: Yes. There was a doubt as to whether it was a legal thing for him to do, and, so as to show his *bona fides*, I shall ask leave to give in evidence a minute he left on his papers, in order to show that the new contract was to make provision for reserves of this kind—a clause which would have necessitated all his Proclamations standing, and of allowing the company to make what legal use of their position they could. That shows the *bona fides* of the people who were dealing with that matter. Then, again, as to *bona fides*, I have to take the evidence of Mr. Richardson,

given the other day. In answer to question 348, he says, very significantly,—questions 347 and 348 are as follow :—

"347. You are familiar with the contract, no doubt. Were there any reservations made for mining while you were in office?—No.

"348. Can you say why?—We thought it was unwise to make them, because any selections the company might make of land, the auriferous land would not be allowed to go to them, and as long as we held the power to make reservations we could deal with any fresh discoveries, and what not. There was a lot of agitation from people on the Coast who wanted reservations—from local bodies as well as individuals, I believe—and to an extent which would have exceeded the limit. But we made no reservations, I believe."

—And he stated in his evidence that Mr. Fergus succeeded him as Minister of Lands. I find that when Mr. Fergus was asked why the reservations were not made the reason given was that the demands for the reservations far exceeded——

Hon. E. Blake: Has that been opened?

Mr. Hutchison: No.

Hon. E. Blake: You are not called upon to give evidence on that.

Sir R. Stout: I only want to show, dealing with this question of *bona fides* from Mr. Richardson's evidence, that the demands from the Coast far exceeded—his words are "would have exceeded"—the limit of 750,000 acres—that is, the demand from the local bodies on the Coast, and from the individual miners. Now, the fact was that up to 19th April, 1892, only 100,000 acres had been proclaimed, and of that 100,000 acres the company had only complained of 32,174 acres; and how can it be said, then, on this question of the mining reserves that anything done by the Government was *malâ fide,* in the face of the fact that has been proved by the company—that the demands on the Government up to the time of this Proclamation in 1890 exceeded the 750,000-acre limit, and that all the Government had proclaimed up to 1892 was only, in round numbers, 100,000 acres. I submit that is a complete answer to the case made by the company in reference to the mining reserves, and I might now say one word with reference to the other complaint regarding these reserves. To put a case: Supposing a person enters into a contract to pay another with money, but does not pay the money under the contract, what does the law recognise in dealing with damage? The only thing the law will recognise in dealing with damage is that you may have to pay interest on the money; that is the only damage recognised. Of course, there are English cases to that effect; and there is also a well-known New Zealand case argued before the full Court of Appeal—the case of Smithers and the Bank of New Zealand. There the jury awarded the plaintiff damages for injury to his credit in his not getting a draft, which injured him tremendously financially. He was injured by the bank not honouring his draft, and the jury awarded damages. Where a question of credit comes in the only thing you can claim is for the deprivation of interest. Now, what about the mining reserves. The land they were to get was in the nature of payment, and they could only claim its value. It is true they might have claimed any part of the assessed value—not the increment in its value—but they have not done so, because they have selected land on the eastern side of the range; they never claimed as selections a single bit of the land which was proclaimed mining reserves, or which was stated as to be proclaimed; they never suggested that they might claim it as a block that might be reserved, but they took the land on the eastern side of the range; and the reason is perfectly clear. One has only to look at the map to see that they took the lowest lands on the eastern side of the range. They took the most valuable land, leaving the other land, which was shingle land, and which was taken up years ago. The only thing left by them was what might be termed the land on the top of the hills on the eastern side of the range, or the tops of the river-beds—some of it gravel. On the western side of the range the pastoral land is not even of first-class quality, and very little of it is suitable for agriculture. If one looks at the map they will see that they selected the lowest lands at the top of the Canterbury Plain, about 1,000ft. above the sea. They had to take the lands practically above that plain; and how then can it be said that there was any damage suffered by the company. They suffered no damage, because they got payment for everything they asked; and, if they got payment for everything they asked, how can their damage have been sustained, and how can they say that they have sustained any breach of contract by the mining reserves? I submit that they cannot specify any mining reserve which was improperly made; and they cannot expect to come before an arbitrator and claim damages until they can show what damage they have sustained—not according to their view, but a damage that would be recognised by law. How could they show in this case that they have selected a certain reserve? They never said, "We want Block 61, or 51, on the West Coast; and we insist that those reserves have been improperly made." There is no suggestion on their part of that being the case; and how can they say, then, that the reserves have been improperly made. They have not sustained any damage, and they have no claim against the Crown whatever. And then they say that the proclamation of these mining reserves affected their financial arrangements in London and damaged their credit. I repeat that is not a mode of damage that the law can recognise, and that, if damage has been sustained in that connection, that is a kind of damage and a kind of remedy that cannot be listened to for one moment. I have pointed out that if a man does not pay another money the only claim he can make for nonpayment is in the nature of interest. So if any person agrees to sell lands to another and fails to carry out the agreement, the latter has no claim to any profit he can make. The company have taken the value of their lands right along, and they cannot claim for them. As to their financial credit being injured, I submit that the evidence has not proved that the taking of the mining reserves affected their credit in any respect whatever. It is perfectly apparent that their financial credit was at an end before the reserves were made. The total amount of reserves made up to February, 1892, was only 72,000 acres, in round numbers; and up to 19th May, 1892, when the letter was written, there were only 100,000 acres reserved. Of that 72,000 acres reserved

up to February 1892, the company only complain of 15,000 acres being improperly made. At that time there were no steps taken by them to see whether the reserves had been properly or improperly made. They had not sent people round to ascertain the number of miners working on the reserves, and had taken no trouble to prospect them, to see whether they were gold-bearing or not; and they had no information whatever before them that these reserves, when proclaimed, had been improperly proclaimed. Therefore, in the absence of such information, to say that their credit could have been injured by what Sir Samuel Montagu or any of the other financiers in London thought is perfectly ridiculous. The contract provided for the reservation of 750,000 acres, so how could their credit be injured by about one-seventh of these reservations being made? I suggest, therefore, that for them to claim that their credit was injured by these reservations is simply beside the question. Moreover, it is perfectly clear that by March, 1892, and even by November, 1891, their finance had come to an end. The evidence is that Mr. Burchell interviewed the financial people immediately after the November meeting—it must have been in December, I presume, 1891—and in the earlier part of the year, and at that time the company was unable to obtain further finance. I therefore submit that the making of these mining reserves cannot be said to have had any effect on the company's finance or on the company's undertaking, and therefore this contention that their credit was injured is entirely without foundation. I repeat, further, that even if their credit had been injured, that is not a ground of damage upon which they could claim. The fact is that we can show, if it is necessary to give evidence on the point, that their finance was, long before 1891, at an end. The evidence given by Mr. Wilson, both before the Parliamentary Committee and here, is quite sufficient to show that. It is true that he said he did not know much about financial arrangements, and that there was nothing in the connection of the mining reserves with the financial arrangements.

Hon. E. BLAKE: He did not say that.

Sir R. Stout: Well, as far as Mr. Salt's evidence was concerned, there was nothing to show that there was any connection between the two. Mr. Burchell said the financial collapse had been brought about by rumours from the colony. That reminds one of the words of the old ballad, "Somebody told me," &c. I submit that there is no connection between the two at all; there is no connection between Sir Samuel Montagu's action, or between them and the other people, and therefore this suggestion that the mining reserves had the slightest effect on the financial state of the company has not been proved. I now leave the question of the mining reserves, and come to the question of the timber and timber-cutting. As to that, I do not understand very well what the complaint is. I understand it is divided into two branches: first, that people were allowed to cut timber, and the Government did not interfere to prevent them—that is, that there were trespassers on the B1 Block and the Government had not a sufficient number of rangers to stop them; and, secondly, that the Government allowed the timber to be cut and took a royalty from the people, the money thus taken being put in trust, and that they were wrong in doing that. I have two answers to that—namely, that the miners had the right to cut timber for their own use; this, I suppose will be admitted, and the objection eliminated; and that others cut silver-pine to the extent, according to Mr. Pavitt's evidence, to 20,000,000ft. My first answer to that is that they had a right to cut the timber; and my second answer is that the Government did attempt to stop the trespassing on the land. The Government did take the royalties and hold the money, which is still in trust, and therefore the company can get the benefit of this timber-cutting. Again, I would also point out in reference to this that, if the company thought this timber land was so valuable to them, it is a most extraordinary thing that they did not attempt to select it. The timber-cutting they mainly complain of was at Kapitea Creek or at Blackwater Creek. As far as these blocks are concerned, they were not mining reserves, and they could have been selected then if it was thought they were valuable timber lands. But the company never asked or attempted to select them; and if they thought they were so valuable why did not they select them? I again point out that, so far as their selections are concerned, they have been suppplied with land—valuable land, land proved to have been valuable to them by their sales—for everything they earned. What, then, can they complain of; and how can they say it has affected their finance? Suppose they never took up the land in those blocks, how can they say they have been damnified? How can they come here and say, "We never intended to select this block, and yet we sustained damage." What is their damage? We will take as an illustration this Kapitea Block to the west of Kumara; how can it be suggested that they have sustained damage? They might have finished the line and not have sustained damage. They have selected all the land earned up to the present; and how can they claim damage for land they have not selected? I submit that to claim damage for a block they never selected, and never intended to select, is absurd. Suppose they had gone on and finished the line, and then came to select this block, and said, "That is not the block that we expected to select."

Hon. E. BLAKE: In your absence the difficulties you speak of in that connection were admitted to be overwhelming.

Sir R. Stout: Very well. Then, I would point out that the company themselves were cutting timber, and consented to the cutting of timber, and proof can be given that they consented to a great deal of this cutting; and how can it possibly be assumed that the cutting of these 20,000,000ft. of silver-pine for sleepers was damaging to them, when it was greatly adding to their traffic? If the silver-pine cutting for sleepers had not been continued the result would have been that less people would have been employed, and less traffic would have been found for the employment of their line. It was really an advantage to them. There are many other parts of the colony where the sleepers could have been obtained. There is the puriri, which is the most suitable wood for the purpose, according to the text-books, and there is also black-pine and other woods in other parts of the colony; but this silver-pine is the only wood known on the West Coast which is suitable for the purpose. There are stray bits elsewhere, but it is known to exist largely only on the West

Coast. It is one of the most durable of timbers in New Zealand, and it ranks about sixth as a durable timber. If this industry had been crushed it would have been a great deal worse for the company on account of the loss of traffic, employment of people, and so on. Then, why do they say that their financial credit has been injured by it? How can it be suggested when the main part of the cutting has taken place since 1892, and not before? I say it is simply making suggestions that are not at all warranted by the evidence. I now come to the selections under clause 33. As to the Tadmor sections, I have asked to be supplied with a list of those which have been refused, and I am informed by Mr. Blow that we have a careful list made out which we shall hand in of all the sections applied for under clause 33 from the very first to the present time. We do not find that any of the Tadmor sections have been refused, with the exception of one that was freehold land. Therefore I do not want to take up the time of the Court by arguing about these Tadmor sections.

Hon. E. BLAKE: Until that list is provided, of course, one cannot say anything about the sections.

Sir R. Stout: We have got a list drawn out of all the applications made to us under clause 33, and our answers to them. I have only to say, in reference to the Tadmor sections, at present, that Dr. Hector, according to his evidence yesterday, which I did not comment on then, would call that part of the country the main range which runs from the north-east to Tophouse. Mr. Blair's report of 1886 made the main range that which I stated. I was only speaking from information I gleaned in 1885, when I saw that there were two forks, one going to the north-east and the other towards Collingwood.

Hon. E. BLAKE: This, of course, is a question of fact.

Sir R. Stout: We say that we refused none of the Tadmor sections. As to the other sections under clause 33, we say that the only selections we refused were the sections applied for on mining reserves. We allowed hundreds of men—I believe there are over one thousand selections that have been made, but they have not carried out a single one of them. Though we offered them, and approved them, they have not continued their applications at all. The reason is obvious—the money did not go to the company. The money was to be kept in a trust account, and they could only get the advantage of the money by selecting the whole block, and, as Mr. Wilson frankly admitted, they were not likely to select the whole block, because if they did they would have to hold the land for years and years, and they would perhaps never be able to sell. That only corroborates the statement I made on a previous occasion, that there is very little land on the West Coast suitable for tillage. The area is exceedingly small, though there may be a little. So far as section 33 is concerned, no injury has been done by us to them; the only selections we have refused them are selections on the mining reserves, and that is the sole reason the demand was not complied with. Some of it was not really taken up for agricultural purposes, but to block mining on ground on which tailings must necessarily have been deposited, and which the Government must have bought from these people again in order to allow mining to be gone on with up the creeks. There is another refusal—that of a road for which they applied. Another was that of a man who applied for a cemetery—I do not know why he wanted a whole one for himself; and there is another for a lighthouse at Cape Farewell.

Mr. Hutchison: That is not evidence.

Sir R. Stout: What I think ought to be put in is a proper list, showing the applications made, and the Government's refusal of them, and its reason for the refusal. We have such a list, but they have not got it. If that is put in it will prove conclusively that we were desirous that section 33 should be gone on with instead of being blocked. I now suggest that the company did not desire to avail themselves of section 33. The first proof of that is by Mr. Wilson's own evidence, that it was not giving any financial assistance to the company to have their money locked up in a suspense account; and, secondly, they never applied. If they had applied, the result would have been to have taken land that would, perhaps, not sell readily. These were large blocks of 20,000 or 30,000 acres; and, in case of their not being applied for, all the balance would then remain on the company's hands, and would have been, perhaps, unsaleable. I suggest another reason, which I do not think is unfair. It is perfectly plain that in 1890 or 1891—because there is a letter from Mr. Wilson to show that—he wrote to the public Press—but perhaps I had better not mention that, but I will make this suggestion: that one of the reasons why section 33 was not gone on with was this: It is perfectly apparent that the company were anxious to get rid of the land-grant system altogether. What they wanted the Government to do was to give them bonds—interest-bearing bonds—and on these they could then have financed. It is clear that early in 1892 that was their suggestion. They knew perfectly well that the only way they could get that was to get an Act of Parliament passed. They knew hundreds of people on the Coast were clamorous for land, and they wanted to get political assistance from these people, and how have they done it? It was only by refusing these people the opportunity of selecting lands under section 33, in order that they might get the land-grant system destroyed, and that they might get the 3½-per-cent.-debenture system substituted, and they stopped the selection on the Coast in order to bring political pressure to bear on the Government to get it carried. I submit it is not an unfair suggestion, but the proper solution of the company's conduct. And, after the Government gave their permission to the selections being made for the people, the company never carried them out—never wished to carry them out. They wished the people to be up in arms, saying, "You are blocking settlement; neither we nor our children can get land. You must get that Reserve B 1 thing knocked on the head. The Government must give us, instead of this right to select land, the debentures"; and that is the reason why they did not carry the matter out. I submit the evidence is clear on that point. I think they have admitted it. I do not blame them for it—it is the proper thing for them to do. They selected all the best land they could get, they had taken all the best blocks. The balance of the land was not likely to give the profit the other lands had given. I repeat, it is only necessary to see the lands they selected—they selected the

lowest-lying lands—they selected the fringe only—the red marks show that. The higher altitude is suitable, practically, only for merino sheep. They would think there was a general action to be carried out in getting the debentures instead of the land, and therefore they said to the people, "We cannot give you the land, the Government are blocking us; you must bring pressure to bear to get the land opened on the coast." I submit that it is the reason why section 33 was not availed of. It was not the Government but they who blocked it, and they did it for a purpose. That is all about section 33. There are other issues that will come in under the second head, the information given of the land that they have opened. Now, as to that, we have to say that, as to the land they have sold on what might be termed the provisional title, we will undertake to complete these titles. We think that is only fair to the people who have bought the land. The question as to Sir John Hall need not be referred to. If there are any other people entitled, we shall complete theirs, and eliminate them from the proceedings.

Hon. E. BLAKE: Do you include in the phrase "provisional title" the Governor's warrant?

Sir R. Stout: Only for the land sold.

Hon. E. BLAKE: In respect to whom their only title is the Governor's warrant, as distinguished from the title referred to before? I ask in order to understand your proposition.

Sir R. Stout: We shall include in them every case where there has been a *bona fide* purchase from the company, either by Governor's warrant or by certificate. The reason why we raise this is—the reason why we did not complete the title was simply that if we had done so we should have been admitting the contract was actually in existence, and destroying the legal position we had taken up in reference to it, and not with intention to deprive any person of any purchase he made. That will eliminate that part.

Hon. E. BLAKE: It may or may not—I cannot say. It has not been insisted upon up to this time that they based their propositions on the sale, and are therefore bound to go on.

Sir R. Stout: I understood they had based it on that. As to the other land there are two points: as to any land not sold outside the B 1 map, 1,300 acres——

Hon. E. BLAKE: But, first of all, do you say that any land not sold is to be in the limits of B 1? . . .

Sir R. Stout: I say that they have not any right, for the reasons I have given—namely, that they have abandoned their contract. We say they are not entitled to get it, because they have practically broken and abandoned their contract, and therefore we are not bound to complete. I submit they come within that clause—that they have not fulfilled, and cannot fulfil, their contract, and therefore we are not bound to give the land. They entered into a new contract for eighteen months; they said in dozens of cases they could not complete the contract.

Hon. E. BLAKE: I do not know about dozens, but they said they could not complete; they say they could not get the title. That is your part.

Sir R. Stout: I may assume that the taxation question would be settled in our favour. I submit they are not entitled to ask us to give more land, because they have by their expressed intention declared that they are unable the fulfil the contract they have made. I do not talk about forfeiture: I say that, if a person sues another for a breach of contract, we may set up, in reply to that, that he cannot aver malice; and there are two or three legal points on that which I shall deal with later on. That is how we made this claim.

Hon. E. BLAKE: You have dealt up to this time only with the unsold lands within the B 1.

Sir R. Stout: Now, as to those outside the B 1 I want to say a word, because of the errors said to have been in that map annexed to the contract. I submit we have no power to grant the land. The Crown lands can only be granted by power of the statute—that was decided in the Privy Council; and, indeed, there are other cases in this colony, and also in South Australia; and I think there is another case decided in the same effect. I thought my friend would have admitted that the Crown could not have granted except by virtue of the statute.

Hon. E. BLAKE: I will not dispose of this matter on either side apart from the statute to the effect that the Queen could only grant lands to this company in respect of this contract, pursuant to the authority which these statutes which I have before me have given. And if the effect of these statutes prescribed the authority to grant within the limits of the B 1, and it is outside the limits of B 1, it is not necessary for you to argue at present, until I hear from the other side that there is any implied or general authority to grant outside B 1.

Sir R. Stout: I submit it is perfectly plain from the contract itself that we are limited to the B 1 map that was annexed to the contract—the authorised map in section 1. Section 1 says, "'Authorised area' means the area of Crown lands reserved from sale under the said Act and out of which blocks of land may be selected by and grants made to the company, or which may be otherwise dealt with under these presents, and which area is shown on the map hereunto annexed, marked 'B 1.'" Now, if through some blunder or error of the surveyors and others it was not included in the contract it is a misfortune; but there is no power now to add it to it. And there is some 1,300 acres, I understand, that the company has claimed, and that is not on the map. They cannot ask us to do it. Of course, there is no question of *bona fides* here. We could also have shown that the Solicitor-General was asked if we could do it. At any rate, we cannot do so.

Hon. E. BLAKE: It is not a question of *bona fides*. You say, however anxious you may be to do it, you are unable to do so.

Sir R. Stout: We are unable to do so. That meets that question. Then, the other point in the second arbitration is the question of the seizure of the line.

Mr. Cooper: There is the question as to the £19,000.

Sir R. Stout: I should have mentioned that. That is the land they say they have earned, which gives them the right to select nineteen thousand pounds' worth of land.

Hon. E. BLAKE: I have misapprehended that. You have another claim in respect of £19,000 of admitted work?

Mr. Hutchison: £19,000, B 1 value. We say it is more than the B 1 value.

Sir R. Stout: Of course, they want to add the 33 per cent.

Hon. E. BLAKE: Would you kindly read that paragraph.

Sir R. Stout: Paragraph 3 says, "That the company, being entitled to select under the provisions of the contract land to the amount of £19,304, and having given notice in that behalf, the Queen, by the Minister for Public Works, on or about the 20th day of April, 1895, refused to allow the company to exercise its rights."

Hon. E. BLAKE: If I rightly understand, I have the advantage of having before me the company's applications to select, which shows the land that they wanted, and upon these lands there is no question that they are within the B 1 Block.

Sir R. Stout: Yes. The reason why the Crown refused to allow a selection was the same reason that the Crown refused to complete the other titles.

Hon. E. BLAKE: Cannot you give me the date of the application?

Sir R. Stout: The 15th January, 1895—the day before the contract expired. The Government refused, on the 20th April, to allow the selection.

Hon. E. BLAKE: Why?

Sir R. Stout: On the ground that the contract was at an end—abandoned, broken; and, consequently, they had no right to claim a fulfilment of the contract by the other side, they having broken and also abandoned their contract. There is another thing: I do not know what evidence was given about these Reefton sections.

Mr. Hutchison: £15,000, we say.

Sir R. Stout: That is on the same footing, too. All these things under the second arbitration, except the seizure of the line, really stand on this footing: Have they a legal right to ask us to fulfil our part of the contract when they do not intend to fulfil their part?

Hon. E. BLAKE: I would be obliged if you would give your version of the facts. Has it been proved about Reefton——?

Sir R. Stout: Apparently it has been proved that certain sections were sold at Reefton, and this money is held in trust.

Hon. E. BLAKE: Sold under what?

Sir R. Stout: Clause 33, by the Government, at the request of the company. They claim to act under section 33. The position is this: It is not denied that the company did not treat them as selections under the ordinary B 1. They treated them as coming under section 33; and if they did not select them, then they did not get the money.

Hon. E. BLAKE (to counsel for the company): It is admitted, your right to announce selections in these blocks?

Mr. Cooper: Yes, we announced the selections. It is in the correspondence on the 15th January.

Hon. E. BLAKE: It is admitted that the right had been on the announcement by the company of election to take the money.

Sir R. Stout: And that was done on the 15th January.

Mr. Cooper: And refused on the same ground.

Hon. E. BLAKE (to Sir R. Stout): And you admit that would have conferred a right if it had not been for the circumstances which you have already stated?

Sir R. Stout: Yes.

Mr. Cooper: The amount is £1,354, I believe. The Crown has got the account sales.

Hon. E. BLAKE: The Crown admits that if it were not for the circumstances of breach, abandonment, &c., the company would have a right. The company states it would be about £1,354; the Crown to supply it.

Sir R. Stout: I have to say the same about that as I have said about this right of £19,000 under the uncompleted titles.

Hon. E. BLAKE: Precisely on the same footing?

Sir R. Stout: Yes. I might add, however, this: It is perfectly apparent why they did not select the money before. They did not wish to get this money because under these township sections the money they got they earned no profit on.

Hon. E. BLAKE: It is no matter why they did not select them before. They had the right.

Sir R. Stout: I put it like this: It is perfectly apparent why they did not select them. They wanted to select on the eastern side, in order to get the 20 to 30 per cent. increase from their selections. They would get no increase by making township selections. They said, practically, "As the thing is ended, we shall try and get as much cash as possible for our shareholders." I submit it is a proof that they never intended to go on with this contract; and, therefore, I think the position of the company——

Hon. E. BLAKE: I think that is a proof that they wanted the money at that time.

Sir R. Stout: I submit that their attitude was this: "Our contract has come to an end; we shall get all the cash we can. The Government has given us this land on the assumption that this contract is going to be completed. We never intend to run the railway between Nelson and Springfield. We shall get all the cash we can—every scrap we can gather together—and the Government can complete the rest of the line at their sweet will."

Hon. E. BLAKE: To use a slang phrase, "to save the pieces."

Sir R. Stout: Yes. The only other point I have left now to deal with is the question of the seizure of the line. As to that, there are two points which I think are worthy of argument. I do not intend to repeat what I said before on the subject. I have already argued that the seizure of the line does not come under the arbitration section of the contract—section 47. I think the only

remedy, if the seizure has been improper, is the remedy contained in the statute. I do not intend to repeat that argument. I would only say that all that could be awarded under this would be the delivery back by the Government of the line to the company. They cannot claim damages for that. Then, as to the question of unreasonable or inexcusable delay. First, as to unreasonable delay: I submit that the fact that the company has let no contracts for eighteen months; that it has paid not a single penny for construction for eighteen months; that its only expenditure practically has been in dealing with the vagaries of rivers and other things affecting the constructed works; that they have not attempted to carry out their work for eighteen months, coupled with the declarations made by them on several occasions, proves that they did not intend to complete the line at all.

Hon. E. BLAKE: I do not see that these declarations are quite to that effect. It may be contended that they produce the same result. It may be contended that they say they are not able to do it.

Sir R. Stout: Well, that they are not able—which I submit is the same thing—that they are not able, under the terms of their contract, to complete the line; and that they wish to put off for an indefinite time the completion of the Belgrove-Reefton Section.

Hon. E. BLAKE: My impression is, I was clear the indications at that time were that they did not find themselves able to complete, and they proposed an indefinite postponement which amounts substantially to a release from any obligation to complete the north to south line.

Sir R. Stout: We can show the date if we go into evidence, a date further back; and I submit that on that there was, and has been, an unreasonable and inexcusable delay; and second, that there has also been a breach of contract.

Mr. Hutchison: The words are "wilful."

Sir R. Stout: The words are "wilful." Of course, "wilful" applied to a company simply means it is not any small technical breach or breaches that have been perhaps overlooked by them—not intentional. I submit the word "wilful" is the antithesis of want of intention, and it cannot be said it is not a wilful breach of contract if they do not go on with the work. Of course, they may not be able to do so, but that is wilful; and, therefore, I submit there are sufficient grounds for the seizure of the line, and that no order would be made that the line ought to be given up by the Crown. And now I come to the other question, as to whether there is not a complete answer really to everything they charge against us, in the fact—assuming we have not broken the contract in reference to the mining reserves, and assuming also that, even if we have broken the contract, they can claim damages from us in the nature of loss of credit—I put it that, assuming first that we have not broken the contract, and assuming that even if we have broken it they cannot claim damages for loss of credit: then, I say that there is sufficient answer to all their claims in that the company itself has broken the contract in not proceeding with the works; and that the company's action is such that under many cases that may be cited there has been a notice to us that they did not intend to complete their contract. Now, this class of cases is summed up very well in "Pollock on Contracts," and I referred to some of them in opening—namely, this class of case: Suppose a man has a contract for the delivery of goods in instalments, and to be paid by instalments: if there is a sufficient intimation that the man never intends to pay for the goods, and declines to pay for the instalments in terms of his contract, in such a case as that the seller is not bound to go on delivering; he may treat the contract as rescinded, and as at an end. That is practically what we have done.

Hon. E. BLAKE: What you indicate is equivalent to a notice of rescission.

Sir R. Stout: We gave a notice of rescission to them in writing.

Mr. Cooper: No; you gave a notice that we had rescinded.

Sir R. Stout: We gave a notice of rescission.

Hon. E. BLAKE: My recollection is you gave them a notice that they had rescinded.

Sir R. Stout: And that we treated it as rescinded.

Mr. Cooper: No, you did not.

Sir R. Stout: I thought that was the effect of my words. I have it in my bag.

Mr. Hutchison: The notice you served is in these words,—

"SIR,— "Wellington, 27th March, 1895.

"I beg to give you notice on behalf of Her Majesty the Queen that, as the time for performance of the contract dated the 3rd day of August, 1885, made between Her the said Majesty of the one part and the company of the other part, expired on the 17th day of January, 1895, and that, as the company has failed or refused to perform its obligations thereunder, the said company has broken, abandoned, and rescinded the said contract, and is not entitled to claim any right, benefit, or privilege thereunder.

"The proceedings in pursuance of the company's notice to arbitrate must therefore be taken to be subject to and without prejudice to the above.

"I have, &c.,

"R. Wilson, Esq., General Manager, "HUGH GULLY,
New Zealand Midland Railway Company." "Crown Solicitor.

Hon. E. BLAKE: I think you will have to elaborate your argument upon that, Sir Robert.

Sir R. Stout: As to that, I have two answers. I submit, first, that before a party may sue on a contract and claim relief under it they must, under the old form of pleading, have pleaded that general performance clause—that all times had elapsed and all things had happened and they had done everything entitling them to recover. Now, they cannot do that in this case. We would have had the right, supposing they had pursued us under the old forms of pleading and pleaded this general form of plea, to have pleaded non-performance precedent to the action for recovery. Now, it is true, as to this giving of lands to them, that the right accrues to them when certain sections are completed; but if, as these cases show, the one party shows the other does not intend to

complete his contract, that other party has no right to come and to treat the contract as still subsisting.

Hon. E. BLAKE: The other party may take a particular course which may involve the termination of the contract.

Sir R. Stout: He may say, "I treat the contract as rescinded and broken by you, and at an end." I submit our notice amounts to that.

Hon. E. BLAKE: I do not see how the breach by one party is by that party a rescission. It is possible it may entitle the other party to give a notice of rescission. It might be very much to the detriment of the other party. He might want to rescind.

Sir R. Stout.] I do not deny the company could fail to perform its contract, and then say the contract was rescinded; but I say that we treated it as rescinded, and that was the meaning of our notice, and therefore they cannot claim the benefits of the contract at all. I further say that, as they have given notice to us, I submit it amounts to this: that by their conduct, such as failing to carry on the works, failing to complete any reasonable portion of the works within their ten years—it appears now that not a fourth of the work is finished, and their ten years are up—I submit that they have by their conduct shown that they cannot perform their contract. Now, it was on the faith of their performance that we were to pay them those land-grants; and, as they have failed to perform their contract, the right to get those land-grants is gone. And I must say here now that it seems to me the way in which they have framed their damages, and the admissions by them that the contract is at an end——

Hon. E. BLAKE: They framed them every way. They may be very inconsistent, but one basis is unquestionable. They put it that your conduct has been such as to destroy all benefit to them of the contract, and therefore it is at an end, and they claim all the benefits they would have derived had they completed it. On the other hand, they claim for certain specific things. How far these are consistent is a question.

Sir R. Stout: I do not know that they claim for specific things except this damage for selections. I deal now with the question of the general damage. They are suing on what may be termed the *quantam meruit*. Now, if they do that, I submit our reply is conclusive. How can you treat a contract as at an end which you yourselves have broken, and sue us for general damages on the contract? I submit that they can only claim general damages if they could prove that they have always been ready and willing to go on with the contract, and that we had done something to stop them performing it.

Hon. E. BLAKE: The claim for general damage has been admitted to be based on the proposition, "It is true we have been unable to complete the contract, but our disability to complete it, and consequent loss, is due to your acts, and therefore we claim damages from you."

Sir R Stout: That being so, they have to prove that they have been always ready, able, and willing to go on with the contract. Very well, how can they aver that? Have they given any evidence of that? I submit they have given none. If they are going to arbitration, and their claim amounts to anything, it means this: "We treat this contract as at an end; we say you have ended the contract by your conduct, and, consequently, have the right to come in, but not to claim specific damages for specific breaches." They do not do that. Take, for example, this question about the mining reserves. They do not claim that they have suffered a specific damage for the Proclamations, but they say, "Your Proclamation of the reserves amounted to a stoppage of our contract, a destruction of our contract, and therefore we have a right to sue for general damages; and we have a right to aver and to prove"—which they have not done—"that all times had elapsed and everything had been done by us, and we were ready, able, and willing to go on with our contract, but you prevented us." That is the only way they could claim for general damages. Now, how can it be said for one moment that any claim for general damages arises? I submit they have not a shadow of a claim for general damages. They have not asked for any specific damages for mining reserves, and have omitted to prove any. They have founded the whole of their case on timber selections and mining reserves. Then, I say that, so far as general damages are concerned, they utterly fail under that head altogether; and I submit, if that be so, it should not be necessary for us to call witnesses—we have a considerable number—to deal with this question of mining reserves, timber, and other things.

Hon. E. BLAKE: In that connection, the point you now make is that the claim, being based on the statement that they were ready and willing to perform the contract, but were disabled by the other party, they have not made out that preliminary proof that they were ready, willing, and able to complete the contract.

Sir R. Stout: Yes.

Hon. E. BLAKE: But, even if I hold you wrong, you say they have something more to prove. Does that include the proposition that this inability to complete depended not merely on their financial weakness but also upon the unprofitable character of the contract as a whole?

Sir R. Stout: I say that, after Mr. Wilson came here and inspected the Reefton-Belgrove Section, he came to the conclusion at once that it was an unprofitable contract.

Hon. E. BLAKE: You mean the whole of it?

Sir R. Stout: More especially the Reefton-Belgrove Section. But, taken altogether, it was of a bad character, and the Reefton-Belgrove Section made the whole thing a failure. They never intended to complete that railway; they simply wished to get concessions and variations of the contract. That is my position. Now, we saw that from the very first they saw that the contract was unprofitable. According to Mr. Wilson's calculations it would not have given them much more than 2 per cent. Now, as to Mr. Wilson's calculations, I do not mean to say for one moment that he has not stated what he believes to be correct, but we think Mr. Wilson's calculations are too sanguine.

Hon. E. BLAKE: And therefore there is no damage, you say?

Sir R. Stout: In fact, we say they ought to be very glad to get away, because if we were to sue for damages we might be entitled to heavy damages for non-completion. We are the persons who have suffered by loss of settlement, which has been blocked for years. They have got the best of our lands on the eastern side, and they have prevented any further company, I presume, from having anything to do with it. Why have they not gone on with this contract? They never had any capital to complete it from the first. It would require the expenditure of over four millions, with interest during construction, and to start back with a capital of £250,000 was enough to condemn the thing as a failure from the first. That has been their position, and therefore I repeat we might have a claim for heavy damages for the loss of our land, and for everything we have sustained from the company.

Hon. E. BLAKE: And for what it would cost you to finish the line?

Sir R. Stout: If we got possession of the line there is yet the most difficult part to be constructed. None of the heavy parts have been made. There has been only one tunnel about Reefton. That was, no doubt, an expense through the shifting character of the soil near the opening of the tunnel; but they have done no heavy work, and the roughest part of the country is to come. They have gone through the most level part of it. From Reefton to Stillwater and from Stillwater to Jackson's is particularly level land. There have been one or two bridges constructed, but there have been practically no difficulties overcome, and to take the damages we would be entitled to claim to finish the contract would exceed anything the company might have suffered by hundreds of thousands. Now, in dealing with this question of general damages, I think I have a right to mention this attitude they have taken up. If they say that our proclamation of the mining reserves prevented them from doing their work, they ought then at once either to have given notice of rescission of the contract or sued us for breach; but they have kept the contract afloat for their own purposes until the contract time expired, and they cannot therefore say that our action rescinded the contract and destroyed the pledge. They had the right, if they pleased, to proceed under the arbitration clauses of the contract and sue for breach.

Hon. E. BLAKE: They could not sue; they could only come into an Arbitration Court.

Sir R. Stout: I mean they could claim damages.

Hon. E. BLAKE: They say they gave you notice of their legal attitude.

Sir R. Stout: And went on with the contract. They went on making selections and treating the contract as in existence, practically seeking for modifications under it. The negotiations were not negotiations to withdraw the mining reserves.

Hon. E. BLAKE: They were negotiations for a new contract?

Sir R. Stout: Yes. Now, in a case, Frost *v.* Knight (7 Ex. 112), "The promisee may treat the notice of intent as imperative, and await the time when the contract is to be executed, and then hold the other party responsible for all consequences of non-performance. But in that case he keeps the contract alive for the benefit of the other party as well as his own; he remains subject to all his own obligations and liabilities under it, and enables the other party not only to complete the contract if so advised, notwithstanding his previous repudiation of it, but also to take advantage of any supervening circumstances which would justify him in declining to complete it." The only point in that would be this: Our mining reserves were practically made under the contract. They have chosen to go on with the contract; and how can they claim general damages? There is not a claim for specific damages, and they cannot claim general damages except on the basis of the contract. Those are the only damages they can claim under the *quantum meruit*. The general damages would be the loss of profit on their contract. Where is the loss of profit on an unprofitable bargain? And I submit that this enormous claim of theirs——

Hon. E. BLAKE: Will you state what is your position as to the attitude of the Crown in reference to the railway at this moment?

Sir R. Stout: We are simply holding the railway under the statute. I cannot discuss at present the question of what attitude the Government may take hereafter.

Hon. E. BLAKE: I do not ask that; I wished rather to see what the legal position of the debenture-holder would be, but I shall not ask you now to discuss it, as Mr. Hutchison has stated that the company is not in a position to intimate to him what their view is.

Sir R. Stout: I presume the question will be whether, under the Acts of 1881 and 1884, the debenture-holders have any title superior to the Crown or not.

Hon. E. BLAKE: You will see at once that if it was possible that the debenture-holders had a title superior to the Crown it would not materially affect the question of damage.

Sir R. Stout: At present my contention is that the company are not entitled to any general damages at all—first, because they have not proved any; secondly, they have never been in a position to claim them; and third, the contract proved by their own showing to be an unprofitable one—and it is only on the footing that the contract was entirely at an end that they could claim general damages. That being so, they cannot claim specific damages, and I submit we have a right to say that, as they have broken their contract, therefore they cannot claim general damages for breach. They are the persons who have broken the contract, and they have deprived themselves of the right to sue us for this breach, and they themselves have abandoned and put an end to the contract altogether. I do not know if it is necessary to cite any further cases on this question of breach and right of rescission. I cited cases at the opening as to the attitude taken up by the United States and English authorities, and I do not think it is necessary to cite further ones. I do not think it necessary to say anything further about the reference to taxation. I would repeat that I think some of these minor questions might be eliminated. It seems to me that it would save time if we could get rid of these smaller questions, which seem to be really settled by what has already taken place.

Hon. E. BLAKE: Before I call upon the other side, Sir Robert, I think there are in this complicated matter some points you have not touched upon. As you have made a general statement,

perhaps I might invite you to consider one or two points that remain absolutely untouched by your argument. One matter is the claim for "unreasonable refusal to grant an extension of time"—that I think you have not touched on at all; then there are two subsidiary points connected with the proclamation of the mining reserves—as to whether they were legally taken. The first point is the principle of making an Act of Parliament limiting the right of the Governor to proclaim lands for requirements of mining, present and future. The second point is as to whether the Act contemplated a separate and entire judgment on the part of the Crown in reference to the large block of over 10,000 acres. It might be, as Mr. Hutchison put it, that at "evasive" intervals of time the Government asked the Governor to proclaim 20,000, 30,000, and 40,000 acres in the different blocks, the exercise of the judgment on the subject having been contemporaneous. That is the point you have not brought before us.

Sir R. Stout: First, as to the extension of time, we have to say that, if the company could have shown that they intended to complete the work under its contract within any reasonable time, the extension would have been granted; but they had declared years before they asked for the extension of time that they were unable to carry out the contract on its original terms, therefore the extension asked for had no value whatever.

Hon. E. BLAKE: I think I saw that the extension of time was asked for as early as 1892.

Sir R. Stout: In 1892 they asked for it. Regarding the extension of time, it is true, I think, that the Premier said that he would have been bound to give an extension if the company could have shown that they intended to complete the work, and even when they offered to yield to the modifications, which will be shown in the contract passed in 1893.

Mr. Hutchison: It is referred to in the petition.

Sir R. Stout: I am dealing with what happened afterwards—after the Parliament in 1893 passed certain resolutions and said it would give the company certain concessions. The Parliament passed certain resolutions, and the Government were told to give the company certain concessions. If they had given Parliament that assurance that they intended to go on with the work and complete the line, then I think the extension would have been granted. It is sufficient answer to the question of the extension of time to say that we have not treated them wrongly. They ought to have been prepared to say that they were ready to go on with the work on the old basis, but they never said so.

Hon. E. BLAKE: You mean, finish the whole line.

Sir R. Stout: Yes; but they never said so. Therefore the extension of time was of no service to them.

Hon. E. BLAKE: What you contend is that it was a matter of duty—that the Government had no right to give any concession upon the subject, either reasonable or unreasonable.

Sir R. Stout: I will put it like this: that this concession of time is a thing that the Governor is not bound to give; and, further, the company cannot claim damages for not getting the concession. That is what they ask. I will put it so strong as even to suppose that the question had been left by the contract to the umpire, as to whether it was reasonable or unreasonable for the Government to give the extension (it is not so left, but even supposing it was), and then the award would have to be that, as the company did not give the Government any assurance that they could complete the work, it was not reasonable for them to ask for an extension of time.

Hon. E. BLAKE: It is a matter within the discretion of the Government?

Sir R. Stout: The case of Julius and the Bishop of Oxford has shown that.

Mr. Hutchison: It is a question of *bona fides*.

Sir R. Stout: The whole question falls on this point: Can it be said to be a material power on the part of the Government on refusing an extension of time to enforce the completion of the contract? He says the company must complete it. It is pointed out to me that in this correspondence which has been put in there is a letter from the Hon. Mr. Seddon to the company, dated 24th December, 1894, as follows: "While unable to admit that the company has shown any good grounds for an extension of its contract time, the Government is nevertheless desirous of meeting the company in every reasonable way, and if, therefore, you are in a position to furnish other and sufficient reasons for granting an extension of time, as well as satisfactory proof that the company is, or will be, in a position to carry out the contract to completion provided a reasonable extension of time is granted, the Government will carefully consider the company's application; but until such proof is furnished the Cabinet is unable to entertain the same."

Mr. Hutchison: Within three weeks of the time.

Sir R. Stout: That does not matter. The point is that there can be no *mala fides* as my friend suggests, because the case I cited (Julius and the Bishop of Oxford) makes the power entirely discretionary. The extension of time is entirely discretionary, and, therefore, how can it be said that this discretion has been improperly exercised? The company would never say, "If you had given us, say, three or five years we would have completed the work by this time." They never said so, and they never could have ventured to say so, and therefore they never could have ventured to ask for an extension of time on that footing. Let us look at the question of the rescinding of the contract. We did not think we had a right to treat the contract as rescinded until the full contract time was up. Then we did so. That was the time we took away the legal position of the contract. There is no use disguising the fact, and we say that what we did was not a breach or waiver. We waited until the contract time was up before we proceeded to treat it as rescinded. The next point was as to the mining reserves. I am very glad that was called to my attention. We say as to that that the contract obviously means "future" requirements, and not merely "present" requirements; and I think the history of the legislation shows what this word "required" means. In order to interpret it we should look at the Act of 1884. Now, if we look at the Act of 1884, we find there is a difference in the wording compared with the new Act; but the intention is shown. Subsection (9) of section 8 exempts the mining lands from the selection

of the company. The words there are: "No lands now used for mining purposes or which shall be known gold-workings shall be deemed Crown lands under this Act." The trouble was in the meaning of these words, "no lands known as gold-workings." What was contended by some people was, that it meant lands used for mining purposes, or lands reserved for mining purposes. It was contended by others that it meant lands used for mining purposes—that is, lands on which miners were actually working. In the margin we really see how the subsection was interpreted, "Lands within mining districts also excluded."

Hon. E. BLAKE: Of course, we do not go by the marginal note for the interpretation.

Mr. Hutchison: That was probably made by the Clerk of the House.

Sir R. Stout: It was probably made by the person who drafted the clause, and was the intention of the Legislature. However, I cannot refer to what took place in the House or in Committee, but I put it that this language in the subsection is ambiguous. It might mean lands on which people are actually digging, or, as some contend, it might mean lands set apart for mining on which no mining might be there. That is the point, "or which shall be known gold-workings." That is an extremely wide phrase. Some thought it limited the previous clause. That is how the Act of 1884 read, and that is what led to Mr. Larnach's Proclamation, which exempted the land altogether. Then comes the contract itself. The contract has this provision: "All lands which from time to time, in the opinion of the Governor, are or may be required for *bona fide* mining purposes." Clearly that was a provision for the future. You have the potential mood as well as the present tense, indicating that you have something which may mean the future.

Mr. Hutchison: "May be" is the subjunctive.

Sir R. Stout: At any rate, it must mean something different from "are." It is "may be required for *bonâ fide* mining purposes." I submit that that is a meaning of the widest possible character.

Hon. E. BLAKE: "In the opinion of the Governor are." That is, in their (the Government's) opinion.

Sir R. Stout: We say that the reserves were made of what was wanted at the time, and also that they were looking to the future development of the Coast. It came out in the evidence of Dr. Hector that this branch of the range was held to be originally an island, and that the sea-beaches came from Ross right across to the Hope Saddle, and it will be seen that the reserves made are all along these beaches from which gold has been found. Some geologists think that this portion was the basin of a large river—what was called "old-man bottom" which follows the contour of Ross right past Reefton to the Hope Saddle. That is what some people imagine. And we find that gold is found on the old sea-beaches, and it will also be seen that, practically, all the reserves are made in the line of country which Dr. Hector points out as the line of these sea-beaches. I submit that this is further proof of the *bonâ fide* action of the Government in making these reservations, and is the first point in my contention as to the requirements of gold-mining. The second point is as to the allegation that only a week or two intervened between the Proclamations, and that this action on the part of the Government amounted to fraud or *mala fides*. In answer to that we have it from Mr. Richardson's evidence that the demands—the immediate demands for reserves—amounted to 450,000 acres. The Government had refused to yield to what was asked for by what was called the local bodies and miners of the West Coast, and they deferred making the Proclamation, because they thought that they had a check on the company when they came to make an application by their power to say, "That is all auriferous; we will not give it to you." That meant that they could check the company from getting this auriferous land. One has to look at how the auriferous land is dealt with in connection with this. I refer to the Land Acts, and one may look at the statutes of the colony. I may say that, in dealing with land on the West Coast, it has not been the habit in mining districts to allow the purchase of freeholds at all. Under the agricultural system adopted, although a man could get a lease with the right of purchase, at any time the Government could step in and say, "This lease is cancelled." Miners had the right to prospect on these lands, and also the right under our laws—and no doubt have now—to mine on the land by simply paying for surface damage. I submit that it has been given in evidence by Mr. Richardson that the demands were for more than 750,000 (?) acres, and up to the present time there has been only a little over 450,000 (?) acres reserved. This cannot be said to be fraud. The week or so between the Proclamations is to be looked at in this way: The Crown could have commenced to make these reserves immediately after 1889, but they did not begin until 1891, and thereby they have been compelled to make them more frequently. Further, there is no evidence that each block had to be made separately. They would have to prove that to prove *mala fides*, and also to prove that each block was not necessary, and carefully considered. If the company had asked for and received endowments, and were told it is intended to proclaim block so-and-so, at certain intervals, then I would assume that that aggregate of land would be arrived at at the same time. You can easily, of course, get rid of that inference that the theory of the Crown was that they were exercising a judgment on each block of 10,000 acres, but if they decided to do that, the law required them to proclaim at intervals.

Mr. Hutchison: They had the Proclamations all ready at one time.

Hon. E. BLAKE: I do not know that they had the Proclamations ready; but they had the decision ready.

Sir R. Stout: We said that 250,000 acres would be reserved.

Hon. E. BLAKE: You formed a sort of general notion that 250,000 acres would have to be proclaimed. The contract indicated a general notion that perhaps 750,000 acres would be required. What is said is that not more than 10,000 acres can be taken in any one block.

Sir R. Stout: I submit that the *Gazettes* will show when the reserves were made. I have got a list here of the first eighteen reserves made. I find the terms were as follow:—August 20, August 27, September 10, September 17, September 24, October 8, October 15, October 22, October 29,

November 5, November 20, and then not until February; so that considerable time elapsed then, and there is always a week at least between them, and sometimes a month.

Mr. Hutchison: They could not have been at intervals of less than a week, because the *Gazette* only comes out weekly.

Sir R. Stout: Oh, yes, they could; there are "Extraordinary" *Gazettes* issued. I submit that there is nothing to show that this matter was not considered: if not, it could only be given as evidence of *mala fides*, and I submit there is no proof of that whatever. I put it in this way: If the blocks had to be proclaimed to-morrow, and it was left to any geologist to decide, it is very difficult to say whether he would not proclaim more rather than less. Take the evidence about the Maruia: how can you tell what gold there is there. There are different leads and kinds of gold. There is, first, the coarse gold, which is the first lead; then there is the finer gold, crushed by the river or sea action; and the reefs, and so on; there are different leads formed. I undertake to say that there are thousand of leads on the West Coast which have not yet been discovered and may be discovered at any time. Take the Kumara goldfield, for instance: that was only discovered in 1874 or 1875. That had been mined all round for ten years before anybody could see any gold there. One of the richest patches on the West Coast was then discovered, and so it will always happen in mining ground: you will discover gold where nobody thought it was to be found before. You see that in New Zealand every day. All that has been done is to reserve land, which, I put it, was utterly valueless for agricultural purposes, and could not have been of any use to the company whatever. The proper thing to consider is the effect of the Proclamation. We say all lands which are proclaimed, and which, in the opinion of the Governor ". . . in one block at any one time." The block may be added to: you may have a block of 1,000 acres.

Hon. E. BLAKE: I will put a case which may not ever have occurred: Supposing there was a question of dealing with a large acreage of mining reserves—30,000 or 40,000 acres of contiguous land—you could not have proclaimed more than 10,000 acres at one time, because to do that would be taking a larger block than 10,000 acres. If you decided to reserve 20,000 acres of contiguous land, could you proclaim two blocks of 10,000 acres contemporaneously? If not, could you effectuate your decision by postponing one of the Proclamations for a week?

Sir R. Stout: We say, if we needed to do so, the words of the statute or the words of the contract are sufficient. I submit the words, "All lands which from time to time, in the opinion of the Governor, are or may be required for *bona fide* mining purposes, and the several purposes connected therewith or incidental or conducive thereto, and which lands shall from time to time be set apart and defined by Proclamations to be issued in that behalf; but no more than 10,000 acres shall be so set apart or proclaimed in one block at any one time, and the lands so set apart and proclaimed from time to time shall not in the aggregate exceed 750,000 acres." If we proclaimed 10,000 one week and 10,000 another week, we had the right to do so. Our mere intention would not interfere with the contract, and, therefore, it would be only applicable if it was fraud on the contract. It comes down to this: If we proclaimed land that was not required for mining purposes—and there is no evidence to lead to that conclusion—and therefore, so long as we have the legal power to do so, before they can say we committed a fraud, they will have to show *mala fides*, for they have not yet done so. They must show some intention, as to the mining purposes, that we did it with the full intention to appropriate other land not for mining purposes, or an evil intention to destroy their contract. I submit there is no evidence leading to that conclusion. I may point out, at that time, if one looks at the West Coast, if the land actually in use was considered, it would be 10,000 acres; and that is clear as showing the intention to proclaim the lands actually in use.

Mr. Hutchison: Yes; in one block.

Sir R. Stout: Contiguous. There must have been more than 10,000 contiguous if we were to reserve the land actually used at the time.

Hon. E. BLAKE: I have not seen anything which could lead me to the conclusion that this was actually done.

Sir R. Stout: I do not know whether you think you can separate them. I have not heard the evidence on that point. I rely on the point that, as to frauds on our side, their contract gives us the right to do so. No one can clearly call our carrying out our legal rights in this matter can show fraud, and that the fraud would be the intention on our part to set aside land not for mining purposes, but for some subsidiary thing. That cannot be said, and, therefore, we are within the words of the contract and our legal rights.

Hon. E. BLAKE: Before it is decided whether to call upon the counsel for the company, I want to point out that I do not occupy the position of Judge. My award must be a single act. Technically my announcement of my view on one point in a speech might not be giving an award on that point, such as is contemplated by this reference. But I might be doing something very close to what is said to have been done in reference to these Proclamations if I were to rule to-day by a course which, you would understand, bound me to decide in one way; and, therefore, although I did not think it right to stop Sir Robert Stout, because it was convenient that he should avail himself of this opportunity to express his views of the case, yet, before I ask the company to say anything, I wish to point out my situation, and to say that it will largely affect the course I am to take at this time. I think as little as possible should be concluded by the course I take. There are many things which have been said on which,—though I have not made up my mind, and am keeping it open,—yet on which I do not at present feel any difficulty. I might reach a decision on some legal, or *quasi*-legal, points presented. But there is a great underlying question upon which, whatever my decision upon these points, ground might be found for reaching a conclusion favourable to the Crown—that is, the question of damage for the loss of the contract, or the alleged breach of it. Supposing I was to find now that the Crown is technically right in point of law, I am not now able to decide whether they have not also another ground on which to rest—the ground, namely, that no damage has resulted; and I wish to keep myself quite free upon this point, so that my decision when reached may be reached on the whole facts and all the grounds. It may be a

correct view that there is no breach; and it may also be correct that if there were a technical breach there was no substantial damage. I do not wish to, and I am not able to, dispose of that question of damage at the present time. Were I to call on counsel for the company it would probably end in a second argument later on. Is it not better to say nothing. Is it convenient to split these issues when the case cannot be decided fully and completely, simply for the purpose of deciding now what the Crown may be called upon to answer on one point or another? I do not think so.

Mr. Hutchison: We do not think so at all.

Hon. E. BLAKE: There are many points to which Sir Robert Stout has alluded which, however important or however clear, will not call for evidence at all. Take the graduated land-tax; the statute is the only evidence there. Take the question of the construction of the clause as to Proclamations; it is of the same character. I am asked to deliver an opinion now as to the mixed question of fact and law involved in the capital question in the case—that of the mining reserves. It was opened to me that it was the capital and main point. But if I were asked to intimate my impressions at this moment I might possibly state them as adverse to the Crown on one point and favourable on another. Then, again, it is not beyond the scope of my duty to have regard to the general character of this proceeding—to its public interest, and to the fact that it is said to involve the reputation of public men, and of the Executive who are charged with misconduct; and the question is whether, upon the whole, it is convenient for me, by deciding upon what may be called comparatively limited questions of law, to exclude in any sense any evidence which may tend to lay before me the whole matter as completely and thoroughly as possible. I am not to be supposed, by declining to express any opinion at this moment on any of these questions, to have been unable to form any opinion upon several of them, or to be implying that evidence is necessary upon them. I think I must leave it to the absolute discretion of the Crown, unaided by any expression of mine at this stage, to give, or to refrain from giving, whatever evidence they may have upon any material issue. Of course, it might be very much more convenient to all of us if it were possible to terminate the inquiry earlier, but I think, upon the whole, it is my duty to leave the counsel for the Crown to take their own course.

Sir R. Stout then stated the witnesses he intended to call.

The Hon. RICHARD JOHN SEDDON sworn and examined.

1. *Sir R. Stout.*] You are Premier and Minister for Public Works of the Colony of New Zealand?—Yes; and was Minister of Mines from 1891 to 1893.

2. And I think you have had charge of this Midland Railway matter during all the time you have been in office?—Yes.

3. You have also been practically engaged in mining?—Yes; I am a gold-miner and mining expert, mining advocate, and mine-owner.

4. And you are also an Associate of the American Institute of Mining Engineers?—Yes.

5. How long have you been practically engaged in mining?—I was reared in a coal-mining district at Home, and have scarcely ever been off the mines since, only for a short time. I have been on the goldfields in New Zealand since, I think, 1866, or the beginning of 1867.

6. You have been on the West Coast?—I have been on the west coast of the Middle Island for nearly thirty years, and I have a knowledge of the mining there from Jackson's Bay as far as they extend, to the northern diggings of the Middle Island, at a place called Mahakipawa, in the Marlborough District. If I had a map I could point out the various localities.

7. There is a Government map here of Westland showing the gold-mining districts. [Exhibit No. 130.] This is a map of the Westland District?—Yes; this map goes as far as the boundaries of Westland, from the River Arnold down to the South Wanganui Bluff.

8. I see a lot of yellow markings on this map; what are these?—The yellow markings denote the places or localities where gold has been found and worked.

9. Where there have been or are gold-workings?—Yes.

10. Have you been in all these different goldfields?—Yes.

11. *Mr. Hutchison.*] How is this map proposed to be proved? Has it been prepared for this case?—No. It is a map that has been prepared by order of and at the expense of the Government, showing the gold-workings on the West Coast, for historical purposes.

12. *Sir R. Stout.*] What I want to know is, can you say from your own knowledge that this map represents where gold has been worked or is worked now?—Yes.

13. You are acquainted also with the Midland Railway Company and its various contracts?—I know all about this railway.

14. You were in Parliament, were you not, when the railway was first proposed?—I have been sitting continuously in the New Zealand Parliament since 1879. I was there before the passing of "The Railways Construction and Land Act, 1881," and I was there at the time of the passing of the East and West Coast Railway Act.

15. Now, you were also present at the discussion of the Act of 1884, as to the land being reserved for mining. Do you remember the discussion in the House, in Committee?—Yes. I may say that from the first agitation that was got up in reference to the construction of a railway connecting the East and West Coast—first, there was a Commission appointed, which reported on the connection of Canterbury by the Red-post up to Nelson. Then there was the agitation for the connection between Canterbury and the West Coast, going to Nelson *via* Greymouth, or what is called Stillwater Junction. That was the next agitation that took place.

16. The Cannibal Gorge connection?—Yes. There was a Royal Commission appointed to report upon that railway in 1883. The Commission went over the respective routes. That Commission, of which Captain Russell was chairman, reported unfavourably on the railway.

17. Then the next step, I think, was the Act of 1884?—I may say that I met the Commission when they were on the West Coast. It consisted of Captain Russell, Mr. Wilson, and Mr. Napier Bell, and they were accompanied by Mr. C. Y. O'Connor, then Under-Secretary for Public Works; and Mr. Grey, who is reporting here now, was the reporter of the Commission.

18. Then came the Act of 1884?—No; the Commission reported prior to the Act of 1884.

19. The Act of 1884 authorised the contract?—Yes.

20. Was the question of the protection of the gold-mining industry considered in the granting of the land? You are aware of the provision of the Act of 1884 dealing with the gold-mining workings?—Yes; there was a very great anxiety in the minds of my constituents in the West Coast and right along the West Coast, what is known as the "Westland Goldfields" and the "Nelson South-west Goldfields," and they feared—I am speaking now from my own knowledge—that the mining might be interfered with by the issuing of land-grants.

21. Let us understand. The Westland goldfields extended as far as this map extends, and north of that there was what was called the "Nelson South-west Goldfields"?—Yes.

22. That would be the land lying from the Hope Saddle to the sea and the Buller valleys?—Yes. The railway route, coming by Arthur's Pass, taking the alternate blocks of the system then adopted, within the fifteen-miles radius would be embraced the principal gold-workings. I think the Kumara goldfields came within the fifteen-miles radius. Then alternate mile sections fronting the railway. Then the fifteen miles from the western side of Lake Brunner would embrace the Pounamu or Greenstone diggings, and also the Kumara diggings, or portion of it. Then, from Stillwater, as the line went down the Arnold Valley from Lake Brunner, it would then embrace the diggings on the right and left. It junctions at the Stillwater, known as Richardson's, and then goes back by the Grey Valley to Reefton. Going up the Grey Valley again, within the fifteen-mile radius, it would also embrace well-known gold-diggings and workings which were in existence at the time of the passing of the Act.

23. You were aware, were you not, that there were differences as to the meaning of subsection (9) of section 8 of the East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act?—I had very grave doubts myself, and I went to the Premier, Sir H. Atkinson ——

24. You say there were doubts as to the meaning of this section?—There were very grave doubts at that time about it. That was in 1884, when you yourself were Premier and Sir J. Vogel was Colonial Treasurer. Under the alternate system one-half on the gold-workings was conserved to the Crown.

25. Hon. E. Blake.] The fifteen-mile radius would practically cover the principal workings on the Coast?—Yes.

26. The principal workings would be within the range of the alternate sections?—Not only that, but after you leave the main ranges and come down to the foot-hills, between the foot-hills and the flats—take the Nelson Creek for example—there, of course, the right of selection would take place. The banks of the creek there are not more than 6ft. or 7ft., and by the continual sluicing, *débris* from the mining overflowed these lands, and the result, of course, was detrimental to mining, therefore it was conducive that these should be retained. In fact, I know from my own knowledge that the Land Board refused to sell land in these places because of that.

26A. *Sir R. Stout.*] I am going to deal presently with how the land was sold; I want to get the general outlook of the railway first. You were aware that a contract was made under the 1884 Act, known as the "Chrystall contract"?—Yes.

27. Then, the matter came before Parliament in 1886?—I might first say, in respect to that Chrystall contract, that the capital or the moneys necessary to put that upon the market was raised by public subscriptions. Collectors were sent round to collect the money. That was the initiation of the Chrystall contract.

28. Then came the proposed amendment of the Chrystall contract by the Act of 1886?—Yes.

29. And the proposed new contract to be drafted in accordance with it?—Yes; but before that, in the interim between the passing of the Act of 1884 and the Act of 1886, there was what was known as a provisional agreement. I think that was entered into with Mr. Brodie Hoare.

30. *Sir R. Stout.*] There was no contract entered into with the Government?—There were, at any rate, proposals.

31. If necessary we can refer to those proposals, because they gave the right to make the mining reserves greater than was afterwards the case?—I may say I met Mr. Brodie Hoare and party on their way through at Reefton.

32. Then, as to the Committee of the House?—I was a member of that Committee at the special request of Sir H. Atkinson. That was during the Session II. of 1887.

33. Then, the next thing was the statute of 1887, and the next the contract of 1888?—Yes.

34. I want to know whether, during all these negotiations, was the question ever present of preserving the mining rights on the Coast?—Not only the question of mining, but the question of sawmilling and the question of the timber; that is, the questions of granting the timber licenses, and the timber to be cut by miners under their miners' rights, were specifically dealt with and carefully guarded by the Committee. I and the late Hon. Vincent Pyke, member for the Otago Goldfields at that time, were on the Committee specially to look after that interest.

35. I want to draw attention to subsection F of section 2 of the draft contract, which was sent Home in 1887, with the proposed amendment by the company. The whole of subsection F is not a proposal, but they proposed to add this proviso to the subsection: "Provided always that any such reserves shall be made on lands which, at the date of such reservation, were not *bona fide* working mines."

36. Did this question about the reserves for mining come before the Committee in 1887?—Yes; the representative of the company was Mr. Alan Scott, and he was regular in his attendance at that time.

Mr. Hutchison: I indicated my objection to your referring to what passed in Committee.

37. *Sir R. Stout.*] I will leave that at present. We pass to the contract as launched, Mr. Seddon, in 1888. I now come to the question of reserves, and to the Larnach Proclamation. You know the Larnach Proclamation?—I do.

38. And you also knew that it was withdrawn when the contract was pending?—I have papers stating what Mr. Larnach mentioned to me prior to the new contract.

39. Where are they?—With Mr. Blow.

Mr. Hutchison: I object to Mr. Larnach's minute being taken as evidence. He can be examined.

Hon. E. BLAKE: I perceive no materiality at all in the question put by Sir Robert Stout. I have seen nothing at all to show me that Larnach's Proclamation was other than *bona fide*, and I have seen nothing warranting the inference that it was withdrawn for other reasons than because there was a doubt as to whether it was in accordance with the terms of the contract in respect to the alternate blocks. If that inference is wrong it is easily corrected by the production of proof as to how it came to be withdrawn.

40. *Sir R. Stout.*] When this Proclamation was withdrawn, Mr. Seddon, there were negotiations pending between the company and the Government for a new contract?—Yes.

41. And under the draft contract provisions were made, differing considerably from those in the contract of 1885, for the preservation of mining?—Yes.

42. I want to come now to the question of the mining reserves, so as to take up the different questions and put each on its different footing. First, dealing with the mining reserves, can you explain what are the different leads of gold on the West Coast which have been discovered, speaking from your own knowledge?—Yes. First we have the slate rocks, and then we have the quartz veins. Next to that we have what is known as the "old-man bottom." That runs through to Reefton. You get the "old-man bottom" up to the Matakitaki and the Maruia. It runs parallel with the coast, and runs out at Ross. This will be about the end of it [indicated on map]. It runs at a varying distance from the sea-beach, and runs right out. Then you have what we call the "river-wash." Experience has taught us that in old river-beds there is payable auriferous drift. There is a well-defined river-bed in between the Arahura River and the road below Bluespur, parallel with the spur. The "old-man bottom" is just behind the other lead, and at Humphrey's Gully the two seem to have crossed. The one is no doubt river-wash—the bed of the old river—and the other is a moraine or slide, a wash from the higher levels. In addition to the back-leads there are the sea-leads—there are three. There is one at the present time being worked at different points. There are the more recent lavings and upcasts from the sea, what are known as the beach-leads, coming down almost to the water's edge. The south-westerly waves leave a coating of black sand, and this is worked by the beach-combers. Behind that again there is the back-lead. The back-lead runs from the mouth of the Teremakau River (lower down it is known as the Auckland) to below the Hokitika River, and proceeds along the terraces.

43. Does it extend to Rimu?—No; Rimu is alluvial wash. The "old-man bottom" runs from Hokitika—in fact, from below Ross—right along the coast to the end of the terraces. What was known as the Auckland lead was the first, there was the back-lead behind that again, then there was the cement-wash, which is another sea-deposit. The cement-wash runs up to Addison's and down to Lamplough. I was on the Lamplough when it was rushed. There you find, of course, the cement lead. It is simply a sea-wash, and the cement, as it is called—it is simply iron in solution, and with lime forms the cement—forms into conglomerate, from which when treated you get the gold.

44. These different leads, you say, extend for various distances from the sea-beach?—Yes. By way of illustration we have here [indicating on map] the Waimea Creek; on the northern side of the Waimea Creek was the Lamplough diggings—the Lamplough was a cement-wash, and one of the richest leads we had on the West Coast. Chesterfield was the township. This is the Lamplough lead [indicating on map], and you get patches of cement lead between the Lamplough and Candlelight, near Cameron's. Here [indicating on map] is a piece of land between the Education Reserve and Kumara, and it is through that country that the miners and experts say the Lamplough lead extends.

45. It has not yet been worked?—No; there have been patches of gold got there, but it is only since the contract was signed that there has been a rush, at a place called Acre Creek. There have been rushes at Stony Creek. I believe on the banks of the Kapitea there are Chinese working, and there is gold there.

46. *Sir R. Stout.*] Generally speaking, is not all the land on the West Coast bush-clad?—Yes, except on the "pakihis," where there is only stunted timber or scrub.

47. These "pakihis" are valueless for agriculture?—Absolutely so.

47A. They generally have an iron-cement bottom?—First of all you get a kind of bog—decayed vegetation—then you get white clay, and then iron-cement.

48. Hon. E. BLAKE.] They cannot be drained?—No, and if they were drained they would be no good. I have no hesitation in saying that the West Coast for agricultural purposes is absolutely valueless, except in the river-beds, where there are some alluvial deposits. The first land that was taken up during the first ten or fifteen years of the Coast was situated up the Hokitika and Arahura, and in the Grey Valley. As far as these two points go that is the only agricultural land which can be called so. The other land is very heavily timbered, and is not fit for agriculture. To my cost I know it, because I bought some, and it cost me £15 per acre to clear.

49. It is useless for the purpose of making an orchard, or anything like that?—If you wanted to make an orchard it would cost £50 an acre, and I have known some that have cost as much as £100 per acre.

50. Are the "pakihis" generally auriferous?—Yes, some of our best gold has been found in them. Waite's Pakihis was where a rush took place in 1867, and generally good gold is found there.

51. And at Addison's Flat?—Yes.

52. But the other portions of the land are heavily bush-clad?—Yes.

53. And I presume that mining operations, even for prospecting, are carried on with some difficulty?—Yes, that is so. To show the difficulties, take the Kumara goldfields, which is about seven miles. [Map referred to.] The coast was rushed as far back as 1864. There was a little creek going down to the Teremakau in which gold was first got. They were getting gold in the creek there, and ten years after that there was a rush to that part of the coast. It is very little distance from Chesterfield, and yet it remained untouched for over ten years. It was discovered in this way. A number of miners wanted to illicitly distill whiskey, and while they were sinking a hole to catch the water they threw up the wash and discovered the gold. That was the origin of the rush to the Kumara goldfield.

54. I believe it was very rich there?—Yes. Just about that time there had been an application made to the Land Board at Hokitika to purchase this land, because it had been so long unselected. I went down to the Land Office to protest against it being sold, in the interests of the miners who got this prospect, and stopped the purchase. Had it not been for that objection the richest goldfield on the coast would have fallen into private hands.

55. Were there rich returns from Kumara?—Yes. I suppose there have been tons of gold from there.

56. It is one of the richest diggings on the Coast for its size?—Yes; I think there were from 300 to 400 acres of that land which was highly payable, and it was applied for to be purchased, and I and others had to take steps to stop it. Then, there is this educational endowment between Kapitea Creek and the Teremakau. An application was made to purchase that land, and we had to prevent the sale.

57. We may take it that, except the pakihis, the West Coast is very heavily timbered land?—Yes.

58. And prospecting is not done without difficulty?—No.

59. Can you say that all the West Coast has now been prospected?—Certainly not. Taking it down to what is known as Craig's Paddock—known as the Maori Reserve—that is sold and become private property. There were shafts sunk on that very land. It is a cementy lead. It is between the moraine and the river-wash, and what is known as the middle lead. Shafts were sunk on that very land and abandoned years ago, and also a few months before Craig's party struck the cement wash. From the first of the rush—at the time of the Aylmer's land rush—there was a large population down there; and at that time they put prospecting shafts down on this very land. That was before 1886. And within the last three or four years Craig's party found this gold in the freehold, and they have made as high as £20 and £30 per week per man.

60. That has been a profitable goldfield, and yet it was abandoned and was thought to contain no gold?—Yes; and the miners have been deprived of employment, and the owner has obtained a royalty of 30 per cent. from those who have been working on the property. There is an educational reserve there on which shafts have been sunk, and Craig now wants to buy that.

61. Discoveries from time to time may yet be made on the West Coast, I suppose, although the population is very much smaller compared with what it was in 1864 and 1865?—Yes; it was double then what it is now. It is well known on the West Coast that they have put down shafts and found nothing at first, and I have known tunnels to go within 3ft. or 4ft. of gold and not find it.

62. Certain gold discoveries have been made during the last three or four years?—Yes.

63. There was one at the Bluespur?—Yes. At Bluespur there was an application made by the company on behalf of Mr. Dwyer. The Government were very doubtful about selling the land, and it was referred to the Warden. The objector came to an agreement with Mr. Dwyer, with the result that the objection to the company taking the land was withdrawn. Mr. Boys, who made the arrangement, has driven a tunnel there and is now getting gold, in mining parlance, by the bucket. I went down to this place myself and saw the land. Mr. Dwyer refused to allow the men to prospect, and litigation took place, and the Crown had to resume this ground. In this case the company had consented to Mr. Dwyer's application and had not gone any further.

64. I want this class of evidence to show that there have been, almost continually, fresh discoveries of gold on the West Coast?—Yes.

65. Even although the West Coast had three times the population at one time, and all thought the Coast had been prospected?—Yes.

66. Has that applied to Reefton as well?—Yes; you go up to Merrijigs and so on. [Map referred to.] There is gold there now, and at first the idea of gold being there was pooh-poohed.

66A. And does the same remarks apply to reefs as to alluvial diggings?—I have no hesitation in saying that the gold-miners on the West Coast have been simply scratching the surface. When the rich reefs have been discovered, and modern appliances are brought into use, there will be a great number of people employed there, and for a very long time. I have got the gold returns of the West Coast from 1884 to 1892: In 1884 the yield of gold was £454,519; 1885, £481,662; 1886, £456,266; 1887, £406,259; 1888, £411,725; 1889, £418,761; 1890, £367,417. The difference in 1890 compared with the previous year is accounted for by the passing of the Gold Duty Abolition Act, on account of which the gold was held back by the miners. In 1891 the yield was £454,022. It was £40,000 more than in 1888, the year the contract was signed, and in 1892 the yield was £421,987, giving an average per year for the years mentioned of £430,291, so that the yield of gold is fairly steady. [Exhibit No. 132 put in.]

Hon. E. Blake: There seems to be a falling-off there—in the year 1894.

Witness: The reason for that is that we are dependent a great deal on the goldfields on the rainfall. Dry working does not apply to some places.

67. *Sir R. Stout.*] The next question, I presume, is as to the population of Westland. It depends almost entirely on the gold?—Yes.

68. The amount of agriculture is small?—Yes, very small indeed.

68A. The gold is the main thing in Westland?—Down south, at Big Wanganui and Waitoa, there are pastoral lands, and they have a few sheep; but we depend on Canterbury principally for our fat cattle, sheep, and produce. In the early days we got it from

69. And you depend on the steamers, which bring supplies from other quarters—Otago, the East Coast, and Wellington?—Yes.

70. So far as the land is concerned, how was it dealt with in the old days; how did the people obtain their freeholds?—Originally we were part of Canterbury, and afterwards we formed ourselves into a county.

71. In Canterbury the land was opened for settlement at £2 an acre?——

Mr. Hutchison: This class of evidence was considered unnecessary when Mr. Richardson was here.

Sir R. Stout: I want to show the nature of the laws.

Witness: We were under the Goldfields Acts of 1862, 1863, 1865, and 1866, and then we had the Mines Act, and the Mining Acts of 1886 and 1891. The principle was that you could not acquire any of this land on the goldfields without application to the Land Board. The Land Board was very careful, and took all applications into consideration, and sometimes refused the application. Then, under the mining laws, you applied to the Warden for an agricultural lease, which you held for seven years, subject to the Crown retaking possession if found auriferous. If you took up an agricultural lease, objections, if any, were heard, and on this lease you held the land; and if, during the time it was held, any gold was found, the right to prospect it and to test it for gold-mining purposes was maintained. If, during the term, any gold was found on the land, the party occupying it had to leave it. Any land proved to be auriferous was acquired for gold-mining purposes, and could be resumed, and in the resumption the auriferous nature of the land was not to be taken into consideration.

73. *Sir R. Stout.*] I want to come now to the general matters. You know the land from Stillwater to Reefton?—Yes.

74. The railway passes through the Grey Valley?—As I have said, there is some Native land, and there was some land selected in the early days; and this land that I call the flat—the valley—that has, of course, been selected and settled, and those who selected it did very well. Then there were the low foot-hills, between that and the main ranges: the land is very indifferent. The best of the timber is not on that land: it is on the flats between the hills.

75. Do you know the land from Reefton to Belgrove?—I do.

76. That is practically through the gorge?—Well, the greater part of the country from Inangahua Junction until you get almost to Motupiko Valley would hardly feed a rabbit to the acre, on account of wet weather, and from one cause and the other: they are mountain gorges. They need hardly be afraid of the rabbit-nuisance there.

77. Then, I want to take the land from Lake Brunner—that is comparatively level land?—Yes, as the railway goes now. As the railway was first surveyed it came on the west, and gave access to the west side of Lake Brunner.

78. Then, from the Otira Gorge to Springfield—you know that land?—Yes; I have been scores of times through it, and know it fairly well. I know the passes and the land along the line.

79. That is a difficult part of the railway to construct, is it not?—The piece of line that the company constructed is from Springfield. They have now got the Staircase Valley—I should think about eight miles—and that has cost them £60,000, at all events; and where that was constructed under the alternate system the land had no value at all. It would not be worth selecting if they had to construct the railway on the alternate-block system. The land was no good. If they started at Brunnerton it was no good, and if they commenced at Belgrove it was no good—that is, Spooner's Range. The land was not worth selection. They would get no good land until they went a long way up the line, and even then it was not much good. They could not select the Grey Valley because it was already selected.

84. I want to deal with these mining reserves. Had the question of reserving mining lands been considered at all before you took office?—Yes.

85. Mr. Richardson said that the request from the local bodies on the Coast was made in October for the 750,000 acres?—That is so. What occurred was this: After the contract was signed there were what we call a number of smart business-men and speculators who immediately rushed every block of land. Some of it was auriferous; and they would, of course, have blocked mining——

Mr. Hutchison: I think it would be enough to say that, in consequence of the rush of speculators, something happened. We do not know what they did.

Witness: But I do.

86. *Sir R. Stout:* What I want to know is this: There was a contest between the people on the Coast who wanted to have the land reserved; and are you aware what area they wanted set aside? You were a member of the County Council?—I was a member of the County Council. There was a resolution of that Council——

Mr. Hutchison: It is not for Mr. Seddon to say what the resolution was.

Witness: Outside the action of the local authorities there was a public meeting. There was a general feeling of uneasiness, and mining business was almost paralysed.

87. *Sir R. Stout:* They were afraid of what was going to be done?—That was so. I myself saw the Minister of Mines, who was then the Hon. Mr. Fergus.

Mr. Hutchison here objected to evidence being given as to what occurred in Parliament, as it had been objected to by the other side, and he had desisted from referring to it.

88. *Sir R. Stout.*] Did you raise any question about mining reserves before you were in office?—Yes.

89. As representative of the district?—Yes.

90. When you came into office, I think, you found that no mining reserves had been made?—I did; and I followed in the footsteps of my predecessor, the Minister of Mines. I continued on the lines I found he was going on in regard to reserves.

91. Did you find, when you assumed office, that he had been making inquiries as to reserves to be made?—Yes; and I followed on the same lines.

92. You took steps then to carry on further inquiries in reference to land likely, or that should be reserved for mining purposes?—Yes; the great difficulty was that there were about three million acres, which, in the opinion of conscientious men——

Mr. Hutchison: Conscientious men; you must get that expression in some other way.

Witness: Men of integrity, men who had no feeling in the matter at all. In their opinion, 3,000,000 acres instead of 750,000 acres was necessary in the interests of *bona fide* mining.

93. Are you aware whether the Crown Lands Commissioners had been asked to report on the land to be reserved?—Yes; the Commissioner of Westland and Nelson had been asked, and the local authorities had been asked, and the miners' associations had been moving. As I have said, there was a general feeling of uneasiness on the part of the mining community.

94. And you say you continued on the same line as your predecessor?—Yes; and to prove that the company knew this, Mr. Wilson and Mr. Scott, shortly after I came into office, met me at Christchurch, if my memory serves me right. I remember seeing the two of them together, and we discussed this question of mining reserves. Mr. Wilson had proposals which were in accordance with the original policy of the Atkinson Government, and which seems to have been approved of by the Minister of Lands, Mr. Richardson—that was, to hold back the reserves and to make regulations dealing with section 53, with safeguards as objections.

Hon. E. BLAKE: These proposals are in the correspondence.

Sir R. Stout: Yes.

Witness: Then Mr. Wilson wanted to know what course the Government were going to take, and I then told him I was going to follow on the lines of Mr. Fergus.

95. *Sir R. Stout.*] And to make reserves?—Yes.

96. After investigation?—Yes. I think Mr. Wilson asked me at that time to what extent, and I think I told him, after careful examination at that time, and with the definite information I had, that I thought there was about 250,000 acres.

97. Have you made any reserves whatever without obtaining the best information available to the Government before proclaiming?—I have not. I have been very careful. I have not allowed my own judgment or knowledge to sway me in respect to them. There is one case where, though, in the opinion of my officers, and in my opinion too, the land ought to have been reserved, I found it would hamper a sawmill company somewhat, and I think I took that piece out of the reserve.

98. At all events, have you got the information of your mining experts, your Land Commissioners, and your Mining Department before making any reserves?—Yes.

99. And only acted on their advice?—Yes.

100. Who is the head of your Mining Department in New Zealand?—Mr. Gordon is the Mining Inspector.

101. How long has he been in office?—Very many years.

102. Long before you came into office?—I think he must have come in in 1885 or 1886.

103. No, it was before that. He came in in 1881, I think?—Yes.

104. Had you got a report from him on each block before you made it?—Yes.

105. Have you ever had any reserves proclaimed contrary to his opinion?—No; and the reserves that were first made the company did not take exception to at all. In fact, I understood from Mr. Wilson and Mr. Scott, at the interview I have alluded to, that they were with me in making the reserves around the mining centres.

106. Have you also taken the opportunity of obtaining the opinions of the local bodies in reference to the mining reserves?—Yes, as I say, I found the resolutions of the local authorities.

107. In the office when you took office?—Yes.

108. And the maps showing the reserves proposed?—Yes.

109. You have a vast knowledge of the West Coast. Can you say, in your opinion,—leaving out your officers' opinions, do you personally know of any reserves that have been improperly made?—I do not; and I may say that the first I think I made was in August, 1891. At the interview with Mr. Scott and Mr. Wilson at Christchurch, I told them that, as a matter of courtesy, I would let them see the reserves before I made them, and if they had any objections, to state the nature of the objections, and I would deal with them. First of all they put in a stereotyped objection, "I object"; but it was upon the ground that the Government made the reserves improperly, but it was upon some legal point. Then they got from objections and told us, from 1893, as Parliament would not come to their terms, they then began to threaten legal proceedings. They changed the term from "objections" to "legal proceedings."

110. There is one thing I ask you just as a test. Do you know Mr. Mueller, Commissioner of Crown Lands, now at Auckland?—Yes.

111. He was Commissioner of Crown Lands for many years on the West Coast?—Yes.

112. He had great experience of exploration on the West Coast?—Yes.

113. The Mueller Glacier was named after him?—Yes; he is one of the ablest men in the public service—in the Lands Department.

114. Are you aware of the reserves that he recommended to Mr. Larnach to be made?—Yes; they will be found in the records.

115. Are you aware that you have proclaimed 10,000 acres less than he recommended?—I do not know the area; I know it is less.

116. You have before you Mr. Mueller's recommendation and description, and you know in the end you carried that out with the exception of one block of 10,000 acres that he recommended, but which was not proclaimed?—Yes.

117. I think Mr. Mueller's reserves are all in the Westland District?—Yes; his land district would be from the Arnold down to Martin's Bay.

118. And you followed his recommendation in that Proclamation?—Yes.

119. And you say he is one of the ablest men in the public service?—Yes.

120. And his report is as far back as November, 1886?—Yes; some years before I took office.

121. Now, the Nelson Land District includes the Grey Valley?—Yes, it comes down to the Arnold, there [indicating on map], and goes right back to Marlborough.

122. In the Proclamations of the Grey Valley, have you also followed the advice of your officers in reference to reserves there?—Yes. I may say, in regard to some more recently-gazetted blocks, Mr. Cadman has been Minister of Mines; but I was the Minister in charge, practically, of the Midland matters, and the matters, of course, came under my notice. I know they have been recommended.

123. And as to the Buller reserves, were they also carefully considered?—Yes; I never thought, nor could not conceive, there would be the slightest objection to those reserves.

124. They cannot affect the working of the traffic on the line?—No.

125. Would the land be of any value for agriculture?—No.

126. A great deal of that around Addison's is pakihis?—Yes; and there is no market.

127. Then, we may take it—may we?—that in all you have carried out in reference to the mining reserves you have acted on the advice of the responsible permanent officers of the Government?—Yes.

128. And after the fullest investigation?—After the fullest investigation.

129. And consideration?—Yes.

130. Might I ask if you were desirous to see the East and West Coast Railway finished by the company?—Yes; I may say that from the commencement, even now, notwithstanding the hard things that have been said, I have always been friendly to the company, and have given them fair-play; but where my duty to the colony stepped in, and I had to refuse some of their requests, in the interests of the colony I had to do my duty.

131. And you have always been known as one of the advocates of this railway, and of the company making it?—Yes.

132. You were one of what was called the railway party in 1885-86?—Yes; I was one of the railway party.

133. And I think you were willing to make concessions to them outside their contract altogether if Parliament sanctioned it?—Yes. I have a letter here which shows that. If the Court would permit me, I would like to say here what I have publicly said of Mr. Wilson. "I have every respect for Mr. Wilson, the company's manager; he is energetic, faithful, and knows his business, and in what he has done has doubtless meant to further the company's interest. I know also the serious difficulties met with by the company in carrying out the gigantic and national work which they are engaged upon. I am, and always have been, friendly disposed towards the company. At the same time, it is in the interest of both the company and the colony that the contract should be strictly adhered to. A departure therefrom must, in the end, land all concerned in serious difficulties. The delays arising in respect of selections and settlement under clause 33 have been caused by the company; and I again assert that the Public Works and Survey Departments have used every expedition in the past, and will only be too pleased to do the same in the future." This is the public statement of mine on the 4th October, 1892.

134. I am keeping to the point first of the reserves. You have said you had no prejudice against the company in making them—that they were all made on the recommendation of responsible officers, and that in making them you have not acted in any way in bad faith, or with intention to injure the company?—I have not.

135. Is it your opinion that the reserves you have made are requisite for gold-mining purposes?—Yes. There is no doubt whatever that they are required, and any one wishing the company or the colony or the mining industry well would do what the Government have done. In fact, it is in the interest of the company.

136. If mining is stopped the population would go?—Yes; and with the temptations there have been, and are at the present time, unless there was this certainty people would not invest. For instance, at the present time, had this not been done, the capital which is coming from the Mother-country for investment in our mines would never have come at all. I will take the expenditure on the water-races. There has been half a million invested in water-races. No company would invest its capital in the construction of a water-race if it was simply for the ground they occupied at the time the race had to be brought in. The race is at such a level that it commands the whole side of the country; and if that is allowed to be alienated from the Crown, and not left open for mining, no one would construct a water-race.

137. That is to say that, if you were only allowed an area of 30,000ft. or 40,000ft., you would not bring in a water-race to work that small area?—Certainly not.

138. Hon. E. Blake.] A race would be constructed on the supposition that they would get a large water-supply for country permanently reserved, and therefore will be able to let out water to miners elsewhere?—That is the theory of the large expenditure, and without that reservation the expenditure would not take place. Then, again, it may be that the little land at the mouths of these creeks may not be auriferous. If along the beach, it is because the leads come in there. If up the terraces, that particular land may not be auriferous; but it is equally necessary as an adjunct to the mining on the terraces, because they cannot all sluice into the creek. For miles you will find a tail-race coming here [indicating on map]. This is a flat at the foot of the terrace; another tail-

race here [indicating on map] ; another here all along the terrace: and they are all pouring their tailings on to the flat. If that flat were private property the land could not be worked.

139. You have, in addition to the actual gold-workings, to look for water-races, tail-races, and adjuncts to them, and settlement for miners there?—Yes.

140. The miners want some land to live on ; they cannot live in their claims?—Not only that, but they must have timber also. Since I have been on the diggings the owner of a miner's right has always the right to go and cut timber for firewood for himself and timber for his claim. There is a provision for that by law.

141. I have nearly finished about the mining reserves. I want to ask you about the mining reserves in the Grey Valley. You know the reserves made there?—Yes.

142. Is there any agricultural land reserved there of any moment?—Not that I am aware of. As I have said, the land fit for agriculture was secured in the earlier history of the West Coast. In those days Reefton was the market, and the wagons used to take up the stuff from these farmers—their eggs, butter, cheese, and potatoes, and oats and chaff for horses. The wagons took that up, and the farmers did very well. Now, since the railway has been made, they have had to turn their land into grass. By the competition of Greymouth, and bringing it into close connection with the other parts, farmers' property in the Grey Valley has been depreciated.

143. Are there agricultural areas of any extent in the land which has been reserved?—No; the low terrace land is poor land at the best. Take the flat at Red Jack's. I know Red Jack's. The creek itself is very shallow there. There have been workings in Red Jack's from the first of the Coast. In the flat there I should say myself that the land in Red Jack's Flat is better land than you get in any of these terraces ; it is heavily-timbered land ; but no sane person would think, when a flat is there between these workings and the tailings coming into the creek, of selecting that land. I do not think the company would attempt to select it. Then there is the Arnold Flat. That flat should not be sold. Had there been no Midland contract, and had any application been made to the Land Boards either of Nelson or Marlborough to purchase that land, the idea would have been scouted. They would not have sold the land.

144. Now I want to speak of the Buller reserves. You know the reserves made near Charleston, and a mile or so beyond Cape Foulwind, and you know the reserves near Brighton Beach?—Yes.

145. Is there any land fit for agriculture there?—No, the land is very poor. I had an opportunity of listening to the evidence tendered on behalf of the company, and those witnesses who said it was not fit for agricultural purposes told the truth.

146. You know where the Croninville Valley is?—Yes. [Map produced.] At a point of the Totara River called the Junction, there was a man named Costello, who acquired a lease of a portion of the river-bed a long way below Croninville. There was sluicing going on at Croninville, and there is only a little square bit not held, so that it is nonsensical to say it is not required. There are a large number of miners employed, and there are water-races brought in. The men are doing well. This man Costello proceeded against them because one of the branches of the river went through his lease, and the water was polluted by the tailings coming down, and an injunction was issued against the whole of the miners, who were all stopped. Ultimately, I think, it cost the colony a couple of thousand pounds.

147. Was this done unknown to the company?—It was known at the time these hatchings were made, as to the difficulties between the Government and Costello.

148. *Sir R. Stout.*] The case is in our Court of Appeal Reports. You are aware that what is called the Shetland Beach has maintained a great many people for many years, and is now maintaining a large number of miners, who are working the beach?—Yes ; there are water-races on the hatched portions of Blocks 3, 2, and 4. Then, there is the Shamrock Lead, which is one of the richest leads, and which is being worked by a company by a new process altogether. The old primitive process of winding up in the shafts is now a thing of the past.

149. At any rate, there is a live goldfield around here?—Yes ; they are lifting up their dirt at the Shamrock by means of hydraulic lifts.

150. This Addison's Flat Goldfield has been a very old goldfield, dating back from the first diggings?—Yes.

151. You say, from your own knowledge of the Buller reserves, that they are not suitable for agricultural purposes, and that they are necessary for the preservation of the mining industry in that district?—Yes ; these lands are in exactly the same position as the Chesterfield Block, which I have already described.

152. I think you know every block really that has been proclaimed, from your own personal knowledge?—Well, I have not been up the Maruia. That is the only part of the country I have not visited.

153. And the Matakitaki?—No, I have not been up there. Of course, I have not been up every little gully, but my business generally calls me into these mining localities. I know the country generally.

154. And you again repeat that you do not know of a single reserve that has been improperly made?—No ; in fact, I said to Mr. Wilson at the time he was talking about these reserves that if he had any grievance about any particular reserve, and would point it out to me, I should be only too pleased to meet him.

155. I now come to the question of section 33. I suppose, personally you did not know anything about that except what appears in the correspondence?—Except with regard to what took place at interviews between Mr. Wilson and myself, which led to the agreement which was ultimately adopted. When I took office I found, in reference to selections under section 33, that the company had submitted regulations under the assumption that the Minister could delegate his powers to the Commissioner of Crown Lands, and that he could exercise his powers in making

regulations under the Land Act. The correspondence speaks for itself up to a certain stage. I think the Minister agreed to the regulations except as regards publicity. That was the stage at which I came in. Subsequently I saw some correspondence, and we had several interviews in respect of this, and I pointed out to Mr. Wilson that their contention as to the delegation of powers was untenable. I submitted proposals to him at that interview, and, of course, a number of applications were put in with the object not of settlement——

Mr. Hutchison: Not "of course."

Witness: I will take the case of Cochrane's application at Reefton, and the application at Nelson Creek. Right at the foot of Maori Creek an application was made for land, and if that had been granted the whole of the Dunganville diggings would have been stopped. That was the class of application that was put in, not for the purpose of settlement, or with the idea of settling upon the land, nor for the purpose of securing the timber, but simply for speculative purposes, and to make the Government resume the lands and to levy blackmail on the diggers. The company was not responsible for that—the company would not be a party to it; but they could not prevent other people under this clause 33 from taking advantage of it. We had then to come to this agreement as to the method to be adopted, and I conceded to Mr. Wilson's wish that they should send in the application, and so save expense.

156. *Sir R. Stout.*] Since that agreement has been come to by the company, have the Government approved of many applications? This is the list, which my friend can look over and check. The total number was 446: Approved of, 261; objected to, 185. That gives every application?—I cannot speak of the whole of the applications of my own knowledge, but the great bulk of them I can speak of, because I went through them very carefully, and took the advice of my officers upon them, and those that I could grant I granted to the company.

[Exhibit No. 133 put in, showing applications under clause 33.]

157. To your knowledge have the company completed any of those applications that you have approved?—No. There is a very large number still incomplete. In the first instance, after we got them back from the company, the company, in some cases, put 100 per cent. on to our assessment. On the West Coast, on account of what it takes to clear the land, the people only pay £1 an acre, and when they are called upon to pay £2, and sometimes £3, an acre they do not take up the land. In a very large number of cases the company, after we went to the trouble of doing what they recommended in regard to these applications, did not do anything at all.

Hon. E. Blake: There was a letter from Mr. Wilson explaining frankly why they did not complete them.

Witness: Great pressure was brought to bear upon the Government by the people on the West Coast—by applicants. I know many of them personally, and I have never visited the West Coast but what people have come to me wanting to know why the company would not give them their lands. Some people have gone on the land, and at last cleared out, as the company have never made a selection, or gone any further with the matter. I want here to emphasize what was said by Mr. Wilson to me at the interview. He told me that it did not pay the company to make the selections on the West Coast, as they could get larger blocks on the East Coast.

158. *Mr. Hutchison.*] Can you fix the date of that interview?—It was after we approved of the applications, because I told the company we had sent the applications to them, and that there was very loud complaining about the selections not being made. The foregoing was his explanation.

159. *Sir R. Stout.*] Now I come to the question of the timber. That question has been raised, but it seems to me that the damage is only *in futuro*. You know about the timber on the West Coast, Mr. Seddon?—Yes.

160. You are aware that under section 18 of the contract the rights of the sawmillers were to be preserved?—That was so. I am not allowed to refer to records, but it will be found in the records that the proviso was there.

Hon. E. Blake: The proviso is very clearly framed, and I do not think there can be any doubt as to its construction.

161. *Sir R. Stout.*] In reference to this timber: has the Government in any way in dealing with this timber done anything to your knowledge to injure the company?—No. We have not heard a complaint, excepting the applications made by a man named Morris and a sawmiller named Watson. Watson's and Morris's applications were here [indicating on map]—to the south-west of the Kumara diggings. The sawmill itself is on the workings. The land they applied for is behind it and Callaghan's——

Hon. E. Blake: I should be disposed to allow the evidence of the company, which included statements by their witnesses that different parts of the timber areas should be reserved for the Kumara diggings; and, therefore, to decline Morris's and Watson's applications could not be regarded as unreasonable.

Witness: The company conceded this point. It was only the timber on the mining reserves they refer to——

Mr. Hutchison: I object to your saying that it was "conceded by the company."

Witness: My authority is the correspondence with Mr. Mueller, the Chief Commissioner of Lands. The matter was gone into in a letter which is not on the file here. The letter was sent by the company, and was signed by Mr. Scott. He said in it that they did not want this land, only the timber on it.

162. *Sir R. Stout.*] You are aware that, of late years, silver-pine has been used for sleepers all over the colony?—Yes.

163. Before you took office was this timber used for sleepers?—No; it is a recent development—from 1892.

164. Has that been any advantage to the company?—Yes. Sawmills were established under the auspices of the company, and fostered by the company. In order to get them to start the

company took timber; and, if it had not been for the sleepers, these sawmills would not have been profitably worked.

165. You have seen returns showing what percentage of timber is to the total goods carried?—Yes; 29 per cent. is our return. [Exhibit No. 134 put in: Return of goods carried.]

Mr. Hutchison questioned the accuracy of this return.

Hon. E. BLAKE: This statement is not capable of being verified by Mr. Seddon, and I do not think I can admit it as evidence.

166. *Sir R. Stout:* You can speak generally with reference to the timber traffic, Mr. Seddon?—I can say truthfully that a very large percentage of the company's traffic is timber traffic. I can also say that the company encouraged these sawmillers, and arranged about taking timber from them, and approved of timber-cutting off the land within the area and outside the mining reserves.

167. I think you have said that timber is necessary for the preservation of mining?—Yes, undoubtedly so. I would like to say, in reference to some of the holders of timber licenses who have been cutting timber off mining reserves, that the moneys collected from them were paid into a suspense account. I also desire to say that while the negotiations were going on respecting the regulations which had been submitted by the company, that, pending the agreement, the company themselves were employing men, and giving terms, and collecting the money for the cutting of timber. As far as the Crown was concerned, if we had stopped them while this was going on, the men would have had to clear out—they would have got into debt, and the whole thing would have been stopped. I want to say, further, that we took proceedings against the cutters who had trespassed; but the question arose as to whether we should take extreme steps or take the sensible course of making them pay the royalty, and placing the money into the suspense account. We could not do this without mentioning the matter to Mr. Wilson, and the sensible course was taken of making them pay the royalty, and depositing the money in the suspense account.

168. And you hold the money in the suspense account now?—Yes.

Sir R. Stout: Now, that deals with these three things in connection with the mining reserves. I do not know that it is necessary to deal with the Abt system, and the Lake Brunner deviation.

Hon. E. BLAKE: I have more than once gleaned that the company only attaches relevancy to those points as a proof that there was a certain amount of delay which they do not blame the Government for, but which they think ought to be taken into consideration with regard to the extension of time.

169. *Sir R. Stout* (to witness).] The Brunner deviation was sanctioned by Act of Parliament?—Yes.

170. After you took authority from Parliament to give the deviation, was there any time taken up by the Government in granting it?—The difficulty was caused through Mr. Wilson, who went down to Kumara to see the people who had been cut off from the benefits they had expected to derive from the railway, and the company had agreed to give them a road. After the passing of the Act, Mr. Wilson tried to back out of what was understood to be the arrangement at the time. He did not want to give them the road agreed upon; and further negotiations took place with the County Council of Greymouth, which was to do the work, and the delay arose owing to the company not having completed the arrangement, and letting the contract and insuring the payment.

Hon. E. BLAKE: I think I remember, in the correspondence, that he applied for the assent, and the Government answered, "You have not shown us that you have satisfied the people about the road," and in the end an arrangement was come to by which securities were given about the road. The steamboat arrangement seemed to drop out, and the Government assented to this.

Mr. Hutchison: I object to what the witness says about Mr. Wilson backing out.

Witness: I will withdraw that, and say that a difficulty arose.

171. *Sir R. Stout.*] I now come to one of the other questions: You know the land that has been selected by the company on the east side of the range?—Some of it.

172. Can you say what land they have selected on the east side?—They have selected the low-lying lands, and the best lands, and the lands for which they had purchasers even before they made the selections. Mr. Wilson is my authority for that.

173. Is the land left equal to that which has been sold?—Certainly not. The lands coming under section 33 on the West Coast and on the East Coast are the best lands there are. It would make this difference to the colony: Supposing we wanted to say to some one, "You take up the construction of this railway, and we will give you the land-grant," they would say "Yes; but the plums are gone."

174. I think it is also admitted that the difficult parts of the line have yet to be made?—Yes; they have not touched the expensive parts of the line at all. I consider that what the company has made is a mere bagatelle up to the present time, with the exception of the tunnel at Reefton. Up to Jackson's there is no trouble; but the difficult point is going up to Arthur's Pass. They had for months after being given the Abt system been making trial surveys. They got caught in the river-beds, and their trouble was to get rid of the slips. After they have got to Jackson's they have to go to Arthur's Pass. They have to go along the river to the Teremakau, and it is in such places where their troubles start. By granting them the Abt system, we gave them the benefit of half a million of money. In reference to that, and as regards the financial position of the company, as far back as 1890 Mr. Wilson complained of the property-tax as injuring the company's finance. He complained of this to me. This was prior to the passing of the Land-tax Act changing the incidence of taxation. He said the company complained of the property-tax.

Mr. Hutchison: That would be before you were in office?—Yes, and after I was in office; and he complained also of the local rates which were payable to the local bodies.

176. *Sir R. Stout:* Did you see Mr. Wilson's letter of the 26th March, 1890, in the Nelson *Colonist*?—Yes.

177. He says: "The topographical features of the country will, unfortunately, render this portion of line absolutely unremunerative to the company and useless to either man or beast until the range is pierced and the line extended to the Motueka Valley. This cannot be done with the present available capital, the amount fixed in the contract. To show how adversely this part of the contract affects the interests of the company, I confidently state that, from a financial aspect, it would be a gain to the shareholders to place the £60,000 required to be expended on deposit, and hand the interest over to the people of Nelson to dispose of as they think best; because not only will these unremunerative works have to bear interest-charges of about £3,000 a year, which they cannot earn, but will also be charged by the Government with property-tax, as well as charged with local rates. With such an unbusinesslike, not to use the stronger terms of unfair and unjust, arrangement attached to the contract, I am not surprised that the thinking public, knowing the circumstances, doubt the fact that my directors have instructed me to carry out the works at Nelson. Under this markedly unfair incidence of taxation to which the company is being subjected, it is my impression that if the works were not making rapid progress on the West Coast and at Springfield few people would believe that the company would consent to carry out the works at all until the present incidence of taxation were modified. You are perhaps not aware that the company is being taxed upon its balance-sheet, and not upon the value of the works assessed in their unproductive state. These works now consist mainly of materials moved from one place to another, and of no intrinsic value beyond the wages paid for the labour expended. As about two-thirds of the money necessary in constructing a railway is paid in wages, the present basis of taxation is a question of grave importance to the working classes, as it is an efficient method of crushing out all vitality from present or future private enterprise in New Zealand. It may prove an insurmountable barrier against the introduction of fresh capital, which appears to me to be the one means of rapidly developing the almost boundless resources of the country. My directors make no secret of the fact that unless important modifications are made in the present incidence of taxation upon the company's property it will be most difficult, if not impossible, upon any reasonable terms, to raise the balance of the capital required to finish the New Zealand Midland Railway." This was a year before the question of the graduated land-tax was even mooted?—Yes; in fact, we changed the incidence of taxation, and the company said they wanted it changed.

178. At that time they were taxed on all their contractors' plant?—Yes. Really the change is in the interests of the company, because we only tax on the unimproved value. Under the property-tax they were taxed on the improved value, and also for personal property. They would have to pay more under the property-tax than under the land-tax. I desire to say to say this, and I think it is of importance, that the company, as it was put in Mr. Wilson's own language, was at the end of their tether financially.

179. Hon. E. BLAKE.] You say that to you personally Mr. Wilson complained of the property-tax as unfair, and that he wanted a modification. You say that from your view of the tax and the law generally, taking the taxation altogether, the new basis of taxation has been to make it lighter for the company than it was under the property-tax?—Yes; because Mr. Wilson said so in his letter. He recommended an income-tax.

180. You say that the general result, taking the time when the contract was made, and when Mr. Wilson complained in 1890, is that your changes in the law have been to improve the position of the company?—Yes; because as they go along selecting the low-lying areas they will go on purchasing smaller pieces, and therefore our tax will not detrimentally affect them.

181. *Sir R. Stout.*] When did Mr. Wilson make the statement that the company had come to the end of its finance?—In 1890, before I assumed office. He said they were at the end of their tether, and could not raise any further capital. I was asking him about the progress of the works at the time. There had been complaints from Springfield, and at Nelson, and he had to go over to Nelson to smooth the people there. As Minister for Public Works I asked him in 1891 the reason why the works were not going on, and then he admitted that the company were at the end of their tether financially. It is in the records. That was in the next year, in 1891, the work was not going on, and he then, as he admitted—it is in the reference—it is practically what he admitted to me in his answer to the Committee.

Hon. E. BLAKE: That is in March, 1891.

Witness: He said that they were at the end of their finance, and that they could not get the money. He had advice from London—one cannot tax one's memory, but it was in 1892, before the Committee, and you will find there his replies to the questions put by me. I will show you the replies. [1892 report handed to witness, who pointed out the questions.] The questions are 109, 110, and 111. There is a difference as regards question 112. In 1891, at the time I allude to, he said it would cost them 20 per cent. to raise the money.

Hon. E. BLAKE: That is to say, the 5-per-cent. debentures would not realise more than 80?—Yes.

182. *Sir R. Stout:* He said that in March or April, 1891?—I dare say that would be about it. Question 116 settles the question as to the date: "Would I not be correct if I said that you stated to myself shortly after my assuming office in January, 1891, that the best time for going to the London market would be the February, March, or April following?—Yes, generally one would attempt to get money then. There are two periods in the money market when you can get money most successfully—the Autumn period, after the people have got back from shooting, then in May, June, or July. It is hopeless at other periods." And question 120 is as follows: "In March or April, 1891, 20 per cent. discount would be for what you could do it?—Yes, I dare say that would be about it." His answer was this statement to me shortly after I took office, and that is the time I fixed.

Hon. E. BLAKE: The Hon. Mr. Seddon assists his memory as to the date, and says that amongst the other things said by Mr. Wilson he said that 20 per cent. would be the best terms on which they could raise the debentures.

Witness: What Mr. Wilson said was that "we would have to wait until March or April before we could attempt to raise any money, and we are going to try it." Now, there were no mining reserves made at that time, and there was no complaint at all as to clause 33, I mean as to the timber.

Sir R. Stout: I do not propose to ask anything about the second arbitration, that is all in writing.

Witness: There is a point in regard to the Nelson end of the line that I think I should give evidence on behalf of the Government on: that is that, from the very first inception, —the condition of the expenditure of £60,000—Mr. Wilson has said from then till now, and has always said, that that line was an incubus, and that it was at the bottom of most of the trouble.

183. Hon. E. BLAKE.] Do you refer to the statements in this letter, which mainly has to do with the absolute unprofitableness of the expenditure of the money on the small pieces, only there was a further extension there, or as to the view, of the main line?—It referred to the whole, from Reefton to Nelson—in fact, it was a bad bargain, it should never have been made, it was before its time, and was a condition that the company could not carry out. That was in 1891. He told me what he had been doing with the Nelson people, and the arrangements he tried to make with them. This question of the line from Nelson to Reefton is at the bottom of the trouble; they have never denied that.

184. It is very palpable that at later periods it was at the bottom; the correspondence, and all, show that in full terms; but what you are stating now is that Mr. Wilson, in 1891, stated to you they had realised the difficulty?—Yes; I want to show the change. The first grievances were the property-tax and the local taxation, and the reports that had gone to London that the land-grants were not worth the money which it had been asserted they were worth. These were the grievances until 1892. Then the mining reserves and the paltry timber question in connection with clause 33 were brought in, and they have grown in later years, since 1893 and up to 1894, and, of course, they have grown in importance. Up to the end of 1892 there was nothing at all important in respect to them, or, at least, vital in respect to the company's interest. I say that positively. I had sent Home to get Mr. Salt's address to the shareholders.

Hon. E. BLAKE: I think that probably Mr. Salt had better be examined as to that.

Sir R. Stout: This is the map containing the result of the alternate-block system. It was prepared for this arbitration.

Mr. Hutchison: It is obviously incorrect.

Hon. E. BLAKE: You have got general evidence from the witnesses as to the mining reserves, and I have had already opportunities of seeing that the alternate system would strike very largely at the mining reserves.

Witness: There is another point I desire to put before you. If that is the map showing the eastern end, if the alternate-block system is applicable to them, and they go outside this area, and, if they were to take blocks of a mile frontage, they could not call upon the Government to fence on the Canterbury side. They were whole blocks of country, and it was practically valueless to them.

Hon. E. BLAKE: That is not an important matter.

Witness: But, in addition to getting the best land outside, there was the fact that they could not get purchasers for the land, because they would have had to fence; that was one of the strongest arguments advanced.

185. The alternative the Government got was this 750,000 acres?—Yes.

Hon. E. BLAKE: I can see there were difficulties on both sides.

186. *Mr. Hutchison.*] In reference to this conversation you had with Mr. Wilson in 1891, do you say the effect of that conversation is given in this letter to the *Colonist?*—I say that in discussing the position of the railway with Mr. Wilson the question of finance and taxation, local and general, came up.

187. With reference to the conversation before you came into office, the first conversation was in 1890?—You will find there was a trouble in Kumara, and trouble at Nelson, and you will see that Mr. Wilson had been over to the Coast at that time.

189. I am trying to get at this interview in 1890. I want to know whether this passage from the paper, the burden of Wilson's conversation, was afterwards embodied in the newspaper of which we have heard?—Some parts of it were. What he was doing in Nelson was trying to get out of spending this £60,000. I may say, for your information, that I was consulted, and advised the company. That was my relationship with the company.

190. You were acting for the company?—No; but I had the confidence of the company and of Mr. Scott.

Mr. Hutchison: I think this ought to go in; it is just a column in the paper. [Extract permitted to be put in.]

191. *Mr. Hutchison.*] You touch very lightly on the subject, but you said they had to make their surveys after getting to the ascent, to the incline and the tunnel?—Yes. First of all when they applied Mr. Wilson objected to the construction put upon it by us, and it was asked for by the experts. Ultimately the company gave in, and furnished the information.

192. Was it after that that the surveys had to be made?—There have been surveys since that.

193. And then, as to the Brunner deviation, there was a long time taken before they started the railway after that Act was passed?—Yes, there was a delay.

194. A long delay—ten months or more?—I could not exactly say the months.

Mr. Hutchison: Mr. Wilson gave us evidence as to that.

Hon. E. BLAKE: It is all in the correspondence.

195. *Mr. Hutchison.*] Did you not look at these two things—the deviation and the Abt incline —as really giving the company a right to expect an extension of time?—No, because it was claimed by the company that if they had to make the tunnel it would have cost them £500,000 more; that they could not do it; but if they got the Abt system it would be done expeditiously, and they would be able to do the contract; and they have said so since.

196. You yourself introduced the Bill in 1894, did you not?—Yes.

197. The Bill giving effect to what the Committee recommended. Do you remember saying this with reference to the deviation from the west to the east side of the Brunner:—

"The deviation diverted the line from the west to the east side of Lake Brunner. . . . But what I urged then, and what I urge now, is this: that the breaking of the original contract then over the deviation gives the company some justification, in my opinion, to claim an extension of time, because Parliament knew that it would be required to be surveyed. Now, Parliament having said that a deviation was to be granted, and the demand having been made, I am of opinion that the company has a reasonable claim to an extension of time owing to Parliament having sanctioned the deviation to which I refer. . . . I said in my speech an extension of time would be claimed. I give the reason why, for I know that the company will claim—in fact, it has already claimed—an extension of time, and, as I told the House, if the matter goes to arbitration I am almost confident that an extension of time will be conceded.

"An Hon. MEMBER.—Why?

"Mr. SEDDON.—Because of the alterations that have been made in the contract. There are the deviation and the Abt system."

198. Do you remember saying that on the 16th October, 1894?—Yes.

[Exhibit No. 134 put in.]

199. Of course, you can explain what you meant, if you wish?—To show you that I did not alter my opinion, will you look at the conditions which were inserted in the resolution submitted to the House? The last condition was, "If they could show they were in a position to go on."

Hon. E. BLAKE: I have not been able to perceive anything in which the attitude of Parliament was against an extension of time except with reference to the conditions upon which the extension was granted, and amongst those conditions was, that upon the whole it should be made to appear that the company intended to do, and would be able to do, the things which at that time it was contemplated they should do—that is, upon the whole contract.

Mr. Hutchison: No; East and West line.

Hon. E. BLAKE: At that time Parliament had refused to pass the Bill, and there was nothing but the contract to come on.

Mr. Hutchison: The proposals.

Hon. E. BLAKE: Your proposals.

Mr. Hutchison: Yes; assented to by the Government. The Bill was introduced and was not passed.

Hon. E. BLAKE: I say so. After that the Government could negotiate with the company only on the basis of the contract. What I say is, they do not appear to have declined to grant a concession, first, if reasonable grounds could be shown why an extension was required; and secondly, if it could be made to appear that the company was capable of performing the contract.

Mr. Hutchison: I am aware of that. I am only putting it that at that time that was the view that Mr. Seddon took as to the extension of time.

Witness: My reply is this: Had the Government been in a position to say to the company, "Leave out the northern branch of the contract," had that not been excluded from the Bill of 1894 it would not have been rejected; but Parliament said they must complete the whole contract: and that was the difference as far as the Government was concerned. We were willing to eliminate that, but Parliament said "No, you must have the original contract"; and it was consistent with what a majority of the members did the previous session. They insisted upon it then, and the company said point blank, "We cannot do it with that condition."

200. *Mr. Hutchison.*] You agreed yourself that it was unreasonable they should?—It was not unreasonable——

Hon. E. BLAKE: That was a question of policy.

Witness: The company said they could not raise the capital to do it.

Mr. Hutchison: Under the conditions, certainly not.

201. *Mr. Hutchison* (to witness).] With reference to clause 33, you have spoken of what was done before you came into office and after: were not the same Law Officers under both Governments?—There were the same, but with this difference: before I came into office they had not been consulted, and they were consulted afterwards. They were there, but they were not consulted on the point as to whether the Government could make regulations. I referred the matter to the Law Officers, and they said it could not be done.

202. *Mr. Hutchison.*] Can we see the file of papers?—You would not admit the file just now.

Hon. E. BLAKE: I am not going to ask the Crown to produce the advice of the Law Officers unless I see some better reason for it. As you know perfectly well, as a rule the advice of professional men is confidential, and should not be communicated.

Mr. Hutchison: I know that; but we had the evidence of Mr. Richardson that the Government of which he was a member acted upon the advice of the Law Officers.

Sir R. Stout: Not on that point.

Mr. Hutchison: Yes; I think it was on that point. It was on settlement he was speaking.

Hon. E. BLAKE: I think he was speaking on the question of the mining reserves.

Mr. Hutchison: I think he was speaking on the land question.

Witness: Mr. Reid, the Solicitor-General, is not a man to advise Mr. Richardson to do one thing and advise me to do another.

Hon. E. BLAKE: My notes refer only to the questions of the mining reserves and as to the portions of land marked white on the B 1 map.

Sir R. Stout: And the little bits outside.

Hon. E. BLAKE: Certainly. Those are the only two points I have a note of.

Mr. Hutchison: Perhaps I may be in error. I will have to inquire of Mr. Richardson. Of course, if it is not in evidence it may be desirable to inquire, but my impression was that it was.

Witness: I will look up the files, and if I have made a mistake I will rectify it, but I do not think it is possible.

203. *Mr. Hutchison.*] Up the Grey Valley, through which the railway runs, there is a line of alienated land shown white on B 1 map?—Yes.

204. The mining reserves come down to that line, do they not?—I think they do; but show me the map. [Map produced.]

205. Is there to your knowledge any reason for resuming any of the alienated land for the purposes of mining?—It is quite possible that will arise.

206. Well, but has any such point arisen?—Yes; we have had to do the next best thing, and that was to pay compensation for Nelson Creek.

207. Where is it?—Down the Ngahere.

208. What had you to do there?—We had either to pay them compensation or resume the land.

209. On the left bank of the river? You see where the Nelson Creek runs out there?—Yes, right along there, and I think it was £12 or £20 an acre. There is evidence on the files that it cost the man originally £30 an acre to clear it—Deverey's land.

210. At the mouth of the creek?—Yes; we had to pay them compensation.

211. Was there any other point?—I think that the whole of these creeks have had to be proclaimed.

212. In what way proclaimed?—Proclaimed under the Mining Act as sludge-channels. We have had to pay people who owned land along the banks of the river compensation because their land was damaged by mining. We had to pay Passmore a large sum; we had to pay £3,000 odd for Ahaura River, a very large sum for Kanieri, a very large sum for other rivers, and a large sum for Totara. As to the land on the flats with the workings on the terraces, we shall have to proclaim the rivers or streams, pay the owners compensation, and resume the land.

213. My question is as to the resumption of land: Is there any other instance in the Grey Valley than at the mouth of Nelson Creek?—I think there is, but from memory I cannot give the particular case.

214. You have given general evidence that, with reference to proclaiming land for mining purposes, you were advised by the officers of the department. I must ask that all the evidence upon which the department acted should be put in.

Sir R. Stout: We intend to call Mr. Gordon.

Mr. Hutchison: I ask for the reports.

Sir R. Stout: I have shown you Mr. Mueller's report; that applies to all Westland. Mueller's report of all the reserves that ought to be made was made in 1886, and these reserves have been proclaimed by the Government with the exception of 10,000 acres, which is not proclaimed—that is the Westland portion. We shall give the reports of the Government officers as to the land in the Nelson District.

Mr. Hutchison: Is this the evidence you rely upon as justifying the Proclamations in the district referred to?

Hon. E. Blake: Does that evidence contain the report or any communication of the opinion of Mr. Gordon, Inspecting Engineer of the Mines Department?

Mr. Hutchison: We had evidence as to Nelson; and I asked for that to be produced.

Hon. E. Blake: You see the point, Sir Robert. The witness has said, "I acted upon certain opinions and advice." Some of it may be oral; that cannot be produced. Some of it may be written; that can be produced.

Mr. Hutchison: I want all the papers produced.

Sir R. Stout: I have not got the papers here, but we have got Mueller's report. He reported to Mr. Larnach as to the Westland reserves in 1886.

Witness: I want to keep nothing back from the Court. The Mining Inspector would, of course, report; and I had the advice of the Commissioners of Crown Lands.

Mr. Hutchison: And the advice is all on record?—Some on record, some not. I have no objection to give it to you. I do not wish to keep back information.

Hon. E. Blake.] We cannot postpone the examination of a witness in order that all the papers may be produced.

Mr. Hutchison: The witness gave evidence on papers I have no access to.

Sir R. Stout: We were not bound to produce the papers at all. We simply say we acted on the opinions of our officers. We have produced that file to show you that, as far back as 1886, Mr. Mueller recommended these reserves that we have proclaimed, all except 10,000 acres.

Hon. E. Blake: It was entirely competent for you, Mr. Hutchison, to apply to me at any time to direct the production of public documents important for your case, and I would have made the order. The very first thing I said was a suggestion to ask for what was wanted; and I am afraid I shall have to ask you to proceed as rapidly as possible with the examination, and not adjourn for documents you might have asked for a fortnight ago.

Mr. Hutchison: I did not suppose we should have had to ask for orders of Court beforehand. This is the material on which Mr. Seddon's evidence is founded, and it ought to be produced.

Hon. E. Blake: You must not make a grievance of these papers not being handed to you now. You never asked for them before.

Mr. Hutchison: Because we imagined the evidence up to 1892 was in the Appendix.

Hon. E. Blake: You took the risk of that.

Mr. Hutchison: We ask that we may be allowed to do this—to postpone the examination of Mr. Seddon until we have had an opportunity of looking into these papers, as was done in the case of the mining witnesses when the Crown was not prepared to proceed with the cross-examination.

Hon. E. Blake: Because you did not give particulars. Is there anything you wish to examine Mr. Seddon upon bearing on these papers?

Mr. Hutchison: How can I tell without looking at them?

Hon. E. BLAKE: Is there any other subject that cannot be affected by the reports of these officers?

Mr. Hutchison: No; I have come to the last head.

Hon. E. BLAKE: And there is no subject which is apart from the information on which Mr. Seddon acted?

Mr. Hutchison: No.

Hon. E. BLAKE: Are those all the papers, Sir Robert, you propose to put in to vindicate Mr. Seddon's evidence?

Sir R. Stout: No; there are Mr. Browning's papers, which we shall get to-morrow morning. I do not know of anything else.

Witness: I think there are some recommendations by our geologist, Mr. McKay. Probably he might have been consulted, and he might have reported.

Mr. Hutchison: There is also, I am told, a report by Mr. Greenfield, the Commissioner for Nelson District, which I should like to have.

Sir R. Stout: He ceased to act many years ago.

Mr. Hutchison: Yes; but the report of the 20th January, 1891.

Sir R. Stout: He was then a Warden.

Witness: Mr. Gordon is the direct adviser of the Government in respect of these reserves. He is the head of the Mining Department.

Hon. E. BLAKE: Now, you want Mr. Greenfield's report?

Mr. Hutchison: Yes.

Sir R. Stout: Of course, Mr. Greenfield is a Warden. As such, he may have reported one thing, and his superior officers another.

215. Hon. E. BLAKE.] Certainly. Then, there is Browning's report. Can you suggest anything else, Mr. Seddon?—It is possible the local land agents at Reefton, Mr. Montgomery, and Mr. Snodgrass at Westport, may have advised Mr. Browning, who is the head of their department. Mr. Gordon is the head of the Mining Department. Mr. Mueller would be the head of the Lands Department.

216. *Mr. Hutchison.*] Do you say there was any material other than is indicated here which you acted upon?—Yes, of course there would be, independent of what you have there. That is only Mr. Gordon's. Then there is the file in the Land Office at Hokitika, in the Land Office at Nelson, in the branch Land Office at Reefton, and in the Land Office at Wellington. If there is anything you want I will let you have it. Here is a paper which you have not got in the correspondence, a cable from the Agent-General, in which the company protested against our being quoted on the Exchange. You have not got that.

Sir R. Stout: The papers cannot be here to-night, because the officers have left the Buildings. We will get them the first thing to-morrow morning. Mr. Hutchison has got all the Westland papers and Mr. Gordon's reports. If he got McKay's and Browning's I do not know that he would be much enlightened.

Sir R. Stout put in the following correspondence, subject to verification: As to the proposed modifications of the contract (Exhibit No. 135); as to the mining reserves (Exhibit No. 136); as to timber-cutting and royalties (Exhibit No. 137); as to taxation (Exhibit No. 138); as to selections under clause 33 (Exhibit No. 139); as to inaccuracies in B1 map (Exhibit No. 140); as to selections, B1 Blocks (Exhibit No. 141); as to refusal to grant or pay over moneys, 17th January, 1895 (Exhibit No. 142); list of approved selections under clause 33 (Exhibit No. 143).

The Court rose at 5.30 p.m.

THURSDAY, 12TH DECEMBER, 1895.

The Court sat at 10 a.m.

Hon. R. J. SEDDON'S examination continued.

Witness: In reference to part of my evidence of yesterday, in respect to the surveys after the final consent was given by the Crown to the Abt system, I have been thinking the matter over, and I am in doubt. I was over on the West Coast before the session was over, and, as far as my memory serves me, I think the consent as to the Abt was given during the session. I still think that between the Bealey and Jackson's there were some alterations; but, as I am in doubt, I do not wish to say anything that is incorrect. There was an intimation to the company that, with some slight alterations, the thing would be granted.

1. *Mr. Hutchison.*] Did I understand you to say, Mr. Seddon, that in 1890 you were in friendly relationship with the company's representative in the colony?—I have never been otherwise.

2. Was this conversation as between two friends?—No; it was not official. I was speaking as a member of Parliament.

3. That was in 1890?—Yes.

4. Do you remember saying, in October, 1890, that up to the time you came on to the Government benches you were in opposition to the company?—I was acting in the interests of the mining industry on the West Coast.

5. Did you say that?—Yes. It was in reference to the mining only, and in other respects I said my advice was often sought by the company.

6. You opposed the Brunner Deviation Act, did you not?—I did.

7. But your constituents were favourable to the proposal?—No; my constituents were very much opposed to it. All the benefit that was anticipated would be derived by the construction of the East and West Coast Railway was taken from the south-western—everything east of Lake Brunner.

8. You say your constituents were not favourable to the proposal?—Yes.

9. Were they not favourable to the arrangement the company made as to making a road and ferry-boat?——

Hon. E. Blake: I do not see, Mr. Hutchison, that question refers to any issue I have to try—as to whether Mr. Seddon was acting for or against the feeling of any locality.

Mr. Hutchison: Very well, sir.

Mr. Hutchison.] I want to ask you as to statements that went Home. You remember them—between the time of the Chrystall contract and the one of 1888. I refer to speeches by Sir Robert Stout, for instance?—If you ask me if I saw a newspaper report of the speech made by Sir Robert Stout at Waipawa relative to this matter, I should say Yes; but I did not hear him make it, and I do not know that it went Home.

11. You do not know that it went Home?—I presume it did.

12. Do you remember saying something as to the effect of the speech?—I remember criticizing Sir Robert Stout's action. He was my chief at that time.

13. You speak of the honourable gentleman telling the people at Napier that the land consisted of glaciers, snowy mountain-tops, that there was little or no timber, and that the land would not feed a goat to the acre?—Under the alternate-block system—those statements are quite right.

14. You said, "Yet he himself had been a party to making this contract. The statement of the honourable gentleman at Napier could have no other effect than to prejudice the position of the company in London." That was your opinion?—Yes; that was the first company—before the contract was made. You are omitting the reference to what was sent Home by one of the Ministers during Sir Harry Atkinson's time.

15. I am omitting nothing from what you said—you can look at the report if you like?—I remember that statement.

16. With reference to clause 33, do you remember being asked in August, 1891, when you were a Minister, the following question:—

"Mr. R. H. J. Reeves asked the Government if they can see now their way to allow the Midland Railway Company to go on dealing with land for settlement under regulations submitted by the company to the Government in February last. The question was one of great importance not only to his district, but to the whole of the West Coast, and to the colony. He was aware that regulations were presented to the Government last February. The general manager for the railway now wrote to him to the effect that he could not deal with the land. In his letter he said, 'I sincerely hope the Government will now see their way to allow the company to go on dealing with the lands.' He would point out to the Government that by not making some arrangement about these regulations, so that land should be disposed of, they were driving a number of people away from the West Coast. He wished simply to point out to the Government the wrong that was done to that part of the West Coast by keeping the land belonging to the railway company locked up."

To which you replied as follows:—

"Mr. Seddon said the matter was being dealt with by the Government as speedily as possible with safety to the mining interests, which they considered on the West Coast to be paramount. There were no mining reserves as yet made. It was the intention of the Government to make the reserves first, and then to see to the regulations. So far as concerned the regulations the company objected to, he thought they could relax the regulation that no land could be taken up under six months. Two months, perhaps, would be quite sufficient, but it would be dangerous to allow the time to be so short before these reserves were made. They had submitted two reserves to the company, and if the company had no objection to offer these would be proclaimed. The Government would act as rapidly as they could in promoting settlement consistently with the exercise of due care in protecting the mining interests."

Witness: That would fairly represent what I would say.

17. I have an extract here—perhaps you can locate the date—which I will read: "It is not because the land-values have fallen in the area set apart for the railway, it is because the company cannot find the necessary means to complete the contract, that it asks the Government to deal with it fairly and justly, and as, I think, it is entitled to be dealt with. Under all the circumstances, I say to members representing each and every part of New Zealand, if you carry these proposals you will find that they will be in the interests of the colony, you will remove a serious difficulty, you will leave untarnished the honour of the colony, and you will prevent litigation. Otherwise you will have the position of matters brought before the world by our friends at Home, who, instead of being our friends and assisting us to maintain our credit in the future, will say that they cannot trust us, for when the opportunity was given us we failed to do what was right in the case of this company. I say that justice should be done, and if justice is done this Bill will be read a second time."

Witness: That was not in 1893. That is a quotation from my speech in reply on the Bill in 1894.

18. Was that what you said?—It is. In the session previous to that we had passed resolutions, and I held that, at all events, we ought to conform to the resolutions sent to the company for a modification of the contract; and in that sense I informed the House that I considered it, and consider it still, a breach of faith, and think that it ought to have confirmed what had been done in the previous session.

Sir R. Stout: It was a different House.

Mr. Hutchison: I object to my friend making these interjections.

Sir R. Stout: There was a general election in 1893.

Witness: Yes, that is so. I did my best to get that Bill through.

Mr. Cooper: I have a file of documents here which I would like to put in.

Hon. E. Blake: I am not desirous of excluding anything which has the remotest relevancy, but it would enable me to appreciate it better if I had the least glimmer of the object you intend to serve by bringing it in.

Mr. Hutchison: As to this file, my friend Mr. Cooper has gone over it and taken note of all the documents which we should like the other side to take notice of. It will save time, because I do not want to cross-examine Mr. Seddon on them.

Hon. E. BLAKE: You say that these documents having come in you would like to use some of them?

Mr. Hutchison: Yes.

Hon. E. BLAKE: Well, I want you to intimate at once, or some time during the day, what you want; so that the Crown may have an opportunity of seeing these documents. If there be any of these documents you want to use in the cross-examination of the witness, and do not want to examine him now, I may allow him to be put in the box again. Of course, if Mr. Hutchison puts in some of these, the other side will have an opportunity of putting others in.

Mr. Hutchison: The same will apply to other files that we have not yet seen.

Hon. E. BLAKE: I think so. The point is that we should not do any injustice to the other side. I shall note: "It is understood that the list of documents required by the company out of Mr. Gordon's file, produced yesterday, shall be given; and these documents, with any from the same file which the Crown desires, shall be put in."

Mr. Hutchison: The branch of Mr. Seddon's evidence which related to gold-mining was a direction in which I did not apply myself to before—namely, the reservations in detail; and I would ask that Mr. Jones be allowed to cross-examine him on those.

Hon. E. BLAKE: Very well.

Mr. Jones: Before cross-examining Mr. Seddon, I would like to know whether we can put Mr. Gordon's evidence in.

Hon. E. BLAKE: If it is agreeable to both sides, and will facilitate matters.

19. *Mr. Jones* (to witness).] Will you kindly explain the meaning of "mining expert," as applied to yourself?—Well, I have worked as a miner, I have been a mine-manager, have laid off water-races and dams, and, generally, I am entitled to rank as a mining expert. If I am not one I do not know where you will get one on the West Coast.

20. Working as a practical miner, managing a claim, and laying-off a water-race constitutes, in your opinion, the definition of an expert miner?—In addition to that you are aware that I am a mining expert. You would not question that I am an expert miner?

21. When I am in the box I will answer that question. Where were you mining?—On the right-hand branch of the Waimea Creek.

22. Anywhere else?—Yes, on the beach at the Waimea track; and I have had an interest in claims.

23. I am talking of actual mining experience?—Well, I was at the Greenstone rush and other rushes, and have been driving and sinking, and sluicing. I have not done any quartz-mining.

24. How long were you engaged there?—Twelve months then, and at different times since. I had claims myself, although I was in business, and used to go and work with others in the claims. I had a large claim at the Waimea Creek. I had a large capital invested, and used to go and help the men there.

25. Where were you prospecting at the Waimea?—On the back lead, at the sea-beach, and in the middle branch of the Waimea.

26. Have you been off the coast-line, in the interior of the country?—Yes; I was out on what was known as the main range—Kelly's Range. I had large interests there.

27. Is that the only portion of the back country you visited?—I have been over Bell Hill to the Totara district there. The company objected to Block 11. I myself had been with the prospectors there, and knew that they had got quartz, and had it tested. The country included Block 11 and Kelly's Range and Taipo Gorge. The company objected, and ultimately it was discovered that it was outside the block altogether. That is the furthest back country.

28. That is the furthest you have been back?—I have been to Reefton and about there.

29. Can you call that back country?—It is pretty well back. I have not been at the Matakitaki. In the south I have been on the Kanieri diggings, Bluespur, Humphrey's Gully, and the Back Creek diggings, Seddon's Terrace, and Ross. I have been there myself and inspected the workings. I was asked to give subsidies to develop the workings, but did not think it worth while to pledge the colony.

30. Now, you gave us your opinion as to what is the geological definition or description of the formation on the West Coast?—Yes.

31. You described the slate reefs, the mixed character, and the "old-man" reef, and then you spoke about the blue-sand reef, and then you came on the sea-beach reef; was that information acquired by personal knowledge, or by reading, or from information derived from other people?—Personal knowledge.

32. And from the visits to these places you have previously named, is that statement correct?—Yes, at the moment I think so. I have seen the slate where the two formations meet at Maori Point near the Greenstone, that is the only place on the Coast where I have seen it. If you go to Mount Rangitoto you get the conglomerate, it is a strange formation. We call it a dike of conglomerate. It is very strange that you should find gold there. You would as soon have expected to have found gold in glass as there. It is a mixture of quartz and granite, I should think.

33. Then, your description of the geological formation of the country applied to the whole of the Nelson goldfields as well as to the Westland goldfields?—I do not know very much of the Nelson field, except as to Charleston and those places. I only visited them as Minister, and have not been interested in mining there. It is north of the Grey. Reefton is in the Nelson District. At Reefton, I have been at the mines there, and am pretty well acquainted with the place.

34. With the exception of the reefing district, you are well acquainted with the alluvial workings north of the Grey?—Yes, that is so. I know Croninville, Addison's, the Shamrock, and the Shetland Beach.

35. I think you explained there are three leads?—There are four.

36. First, there are the slate and the quartz reefs—what is the next?—The next is the moraine, and the old river-beds which runs into the foot of the ranges, and the hills I mentioned—the spur. Then you come to the cement, at the Lamplough, which goes right along the country. I have personally seen the same wash on the Oamaru Block, below Okarito. I was there visiting a party of miners. It was simply a sugarloaf, and on the top of it there was the sea formation, and the shells, and black sand, such as you would get on the beach. No doubt there was the same belt running right along to the back-lead at the foot of the lower terraces behind, and the Auckland lead, known in the early days as the Six-mile. One of the claims there was called the "Jeweller's Shop." We had a claim there, and the men came across this black sand; and further on into the wash is the Auckland lead; and then there is the beach-combing. There are the three lines between the high-water mark and the terraces; on the terrace was the Lamplough, and then the moraine or river.

37. Do you mean moraine *or* river, or the moraine *and* the river?—It varies. Sometimes at Kumara, close to that, you get river-wash.

38. Of course, your definition is confined to Westland? Can you state that the same thing applies to the Nelson part of the goldfield?—Yes, I should say it would apply to the diggings at Addison's; you have the men combing the beach there. It is very rich gold. You have the same thing, as you know, between the flat and the beach, and it is my opinion that it is the same formation.

39. That is, without your having seen the ground?—I have seen the ground. I have seen the workings there.

40. According to your information, then, you would not expect to find sandstone there, or from the rocks between the moraine and the river formation?—There are places.

41. Then your description is inaccurate?—No, because it runs out. Take Brunnerton, near Greymouth, on the Nelson side of the Grey River. You find there is limestone there, and at a certain depth between that and the top you get the wash, and the gold-miners are working right on the top of the limestone formation. The geological features do not vary much between the Coast and Nelson.

42. You must admit frankly that there is a belt of slate running up the Paparoa, outside the river-bed?—I take it as final. It was coming away from the main range, jutting towards the ocean. Over the ranges you come to the same formation as in Westland.

43. You told me about some gold being found in cement: What do you say that is?—Simply small pebbles; it is the usual wash.

44. You said it was iron-pyrites?—No, I said iron, because it all ran together. The diggers erroneously will tell you that this has been caused by fire, which made it run together, and they had to burn the stone to get the gold out of it by that means.

45. That is iron-pyrites?—Iron-pyrites is a different thing altogether. I said there was iron in it.

46. Then, it was not iron-pyrites, though you said so?—I did not say so. I said it was in the form of iron; the iron and lime were the cause of its being cemented together.

47. You were describing in your examination-in-chief the lead formation of the Lamplough, and that you thought the miners said that lead continues; but would it be expected to be found in Block 6?—Yes.

48. What is the depth of sinking in the Lamplough?—70ft.

49. What is the depth on the terrace?—Much higher than the Acre Creek.

50. I ask the height of the terrace where the Lamplough rush is—the height above the sea?—I should say it was 200ft. or 250ft., in some places higher.

51. And what is the height of Acre Creek?—About 100ft., scarcely that.

52. That feeds the Acre Creek Terrace from the Lamplough?—The Kapitea Creek comes between.

53. Would you see the bottom of it—the gold was found on the bottom?—I cannot say.

54. Assuming that your figures are correct, then the Acre Creek Terrace would be 100ft. below the level of the Lamplough lead?—Probably; I am not going to extremes; it is for the convenience of your argument.

55. Would you not expect to find, then, or would you expect to find, a trace of the Lamplough on the terrace 100ft. feet below the level of the Lamplough?—Yes, because they would go to the level of the cement lead at Candlelight.

56. You are dodging all over the country?—We are not dodging. You ask if the Lamplough was got at the same level on the coast as we anticipated at Acre Creek.

57. I did not ask that question at all. I asked if it was below the level of the Lamplough Terrace; being 70ft. deep, would you anticipate finding on the opposite side of Acre Creek the same run of ground that you found on the Lamplough?—My answer is Yes; and I was going to explain why I come to that conclusion. If you go to the Hauhau and take where the same wash was got, if you go to Craig's Maori freehold below Hokitika, that is not as high from the sea-level as Acre Creek is, and yet it is the Lamplough wash, and Craig is about to erect a crushing plant there now. Therefore, my answer is that from my own knowledge the same formation is found. I would anticipate that though Acre Creek is less than the Lamplough it would be found there. The surface formation has very little to do with it—it is the bottom.

58. You do not say whether the bottom is to be found on the Acre Creek or not?—I know that miners—experienced men—have spent large sums of money over the Lamplough.

59. And have not been able to find it?—No; but there was a big rush there.

60. Hon. E. Blake.] Do you mean that they have given up the search?—Oh, no; it is only recently; since the making of this reserve. I thought I might be asked. The fact is that a party of men struck gold there—at Acre Creek.

61. I thought the search had been given up?—Sullivan and party tried it a short time ago, but it was not payable, and they stopped sinking for the Lamplough lead. They applied for a prospecting area and for the frontage system. They put in large drives to get at this gold, and they prospected there.

62. How long was that ago?—Prior to 1892 or 1893.

63. Has there been a rush at Acre Creek since then?—No.

64. Has there been any prospecting since then to your knowledge?—As I have said, of course, since I have been in Wellington I have not so intimate a knowledge of what is going on down there as before.

65. Your knowledge goes back to 1893?—Before that time also. At that time of the rush to Acre Creek, I think, I was a mining advocate, and I dealt with some applications in Court before I became a Minister.

66. That was before 1891, then?—Yes.

67. You know of no rush since?—No.

68. Have you seen prospecting there during the last twelve months?—No.

69. The Lamplough was a large rush, was it not?—Yes.

70. Were you there?—Yes.

71. Do you know if Acre Terrace, when the population was large, was prospected by miners at that time?—Yes; I think there was some prospecting for gold at that time.

72. Was there not considerable prospecting?—It was not confined to Lamplough. There were the Third and Fourth Terraces—the same wash.

73. You say there was considerable prospecting without any payable results, then?—You forget this: that gold was got again at Teremakau, on the banks of the Teremakau, on the other side of Acre Creek, on the other side of the Kumara Road. And Mr. Mueller and the surveyors recommended a reserve to be made there on account of this gold being found there. I remember that myself. But you must also remember that the colony has spent practically £100,000 on the Kumara-Waimea Water-race, and that commands the whole of the country between Kumara diggings and the beach. Other people also have spent large sums of money on the water-races there.

74. You say the West Coast for agricultural purposes is absolutely valueless, except a few river-beds which you named. Arnold Flat, you say, is no good for agricultural land?—No good.

75. Have you been there?—Yes.

76. What do you call Arnold Flat?—Where you go right along the Arnold River, and on both sides of it.

77. Have you been on the left-hand side of the Arnold, as you go up the river, any distance?—I have not been far inside.

78. How can you venture on giving an opinion when you have not been there?—If you take any of these flats where they get to the river-banks, you generally find that the land will be best at the lowest end. That is my experience.

79. You have never been there?—No.

80. You are not aware of the large flat there is there?—I know there is a large flat.

81. But you do not know personally?—It is not a place I would go to take up land.

82. You know nothing personally of the nature of this land?—I do, at the mouth.

83. Have you been near the prospecting-shafts put down by Livingston?—No.

84. At Red Jack's, you spoke of the land being fairly good?—Yes.

85. But you said nobody would be mad enough to settle there?—I do not think they would, shut up as they are in the delta, away from communication. At the time I went there the track was very bad indeed.

86. Are you not aware that there is a track up the bed of the creek?—I did not go that way.

87. You went over from No Town Creek?—Yes. I was electioneering then.

88. How far down the creek did you go?—I could not tell you the names of the places.

89. Do you know the junction of the creek at Red Jack's? You say the land is no good there?—I said there is good land there.

Hon. E. Blake: He pointed out the isolation of the district: it was not the quality of the land he referred to.

90. *Mr. Jones.*] Are you aware that a man called Delaney, who was in this Court, applied to the Government for a block of land right up at the fork?—Yes; and I concurred in Delaney's evidence when he said there was very good land at Red Jack's, and when he said Arnold Flat was no good.

91. At Ahaura Flat you say there is no good land for settlement. You have been at Orwell Creek?—Yes.

92. You were on the present road. Do you know the nature of the land for about half a mile, or three-quarters of a mile, to the base of those hills?—I could not say about the land there.

93. Do you know about Craig's farm?—No.

94. You do not know any farms at the base of that hill?—No.

95. You are not aware of the nature of the soil there?—No.

96. Why do you say the land there is not good?—The flat is a large one—the Ahaura Flat is a mile or two miles wide. I think the land has not been taken up there.

97. Snowy River, have you been up there?—No.

98. You do not know the nature of the soil there?—No.

99. Were you over the Landing Creek, Blocks 51, 52, and 53?—No.

100. You do not know the nature of the soil?—No.

101. You do know Addison's Flat?—Yes.

102. Do you know Wilson's lead?—I could not tell you from memory the different leads there. When I was there I was on Ministerial business connected with mining, and not in connection with agriculture or settlement at all.

103. Have you gone through that timber country which lies between what you would know as the workings at Addison's Flat and the sea-beach?—No.

104. How can you give an opinion whether it is good soil or not?—I would say generally that it is not the country to settle upon, and though one has never been on the ground oneself, yet, having been many years on the West Coast, and meeting people who have been there, one knows that it is not a place you would go for land for settlement.

105. It is not what you would do; but that does not affect the value of the land for agricultural purposes. Have you ever been at Brighton?—Yes.

106. Do you know the lead at Brighton, on the terraces?—Yes.

107. Do you know that there are large clearings going on at the present moment on the limestone ranges at Brighton?—I know there is some limestone country there, but I have not been there.

108. As to the Grey Valley, your knowledge of all those blocks is pretty well confined to the ordinary roads and by-tracks?—Yes.

109. Beyond that you have no definite information as to the value of the country?—Only general.

110. You also said that the land cost £50 an acre to clear?—Yes; and some of it £100, and you know that too.

111. To clear land for grass does not cost much an acre?—No. The great difficulty on the West Coast is this: What is necessary after the bush has been felled is to get a good burn. It is almost impossible to get a good burn on the West Coast.

Hon. E. Blake: We have heard something about the rainfall there.

112. *Mr. Jones.*] You must admit that there are large areas of bush-land on which they have had good burns—where the bush has been felled, and where they are growing grass?—But that is the lighter timbered land.

113. I think I could show that there is heavily timbered land as well, but I do not want to occupy time by going into that now. You say that prospecting at the present time is done under very great difficulties?—Yes. At this very place here [indicating on map], at what is known as Winter Flat, going from the Kapitea Creek past the Lamplough country, I know there is a working miner and his son, who, with the assistance of the Government, have driven in a shaft between 2,000ft. and 3,000ft. I know a man who has had to drive a longer distance than that before he got gold. He was working, I think, eight years at that tunnel to get at the gold.

114. Is that what you call prospecting?—There are three or four ways of prospecting. There is prospecting by sinking shafts, there is tunnel-driving, and there is sluicing.

115. The difficulties of getting at good gold now are greater than in the early days, because the good gold has been worked out long ago?—I believe we have been simply scratching on the surface. It is more expensive to get it now than it was in the early days.

117. With reference to prospecting, have not the Government and the local bodies contributed large sums of money towards prospecting?—Yes; we have found it necessary. The State has found it necessary. In the early days, what we used to do was this: There would be a party of four or six men; we would go as dividing mates. We would work four at a lead, and pay for the two mates who were prospecting and following the rushes, and periodically they used to meet at a fixed rendezvous and give their accounts of what was received. Later on, the storekeepers used to stand to the men to enable them to go prospecting. I know to my cost that did not pay. Then the State has stepped in. The men find the labour, and we subsidise the labour. The State finds sufficient to keep them in food—so much for sinking per foot, and so much for driving per foot, according to the nature of the ground. These are the conditions stated in the regulations.

118. Have not the State and the local bodies spent large sums of money in prospecting?—Yes.

119. Can you give me approximately the amount of money the Government has spent?—Our vote for the last two or three years has been £2,000 a year.

120. And before that the votes were higher still, were they not? There have been many, many thousands spent, have there not?—Yes; spent by the State, and will be spent.

121. Can you tell me any place where this prospecting money has produced good results?—Yes.

122. Where?—Down at Rimu.

123. Who has discovered gold and is getting the subsidy?—I cannot tell the names.

124. Is there any place where this subsidy has been given where they have found gold?—Yes; the State assisted Mr. Boyes with his tunnel.

125. Can you tell me any place that has been discovered directly through the moneys found either by the Government or by the local bodies? It is very questionable whether Mr. Boyes would have got the gold he has found but for the State assistance. I think he had gone pretty well to the end of his tether. The State is also deriving benefit from the operations of the Rimu Association. They are now leading us to where we must look for gold.

126. You will not answer my question. I want you to tell me what you have had in the past from all the money you spent in prospecting on the reserves you made?—We have spent a large sum of money.

127. Tell me one place where the money you spent, and the local bodies spent, has resulted in a payable goldfield being found?—Not a payable goldfield; you are quite right there.

128. And has that money been expended upon the reserves which the Government has made?—I think some of the prospecting is within the reserves.

128A. Do you know of any single place outside the reserves?—I cannot tell you now, because I am not a Minister of Mines, and I do not know what my colleague is doing. I can only speak from my own knowledge.

129. You were talking about Block 6, at the Kumara: did you ever find or know any people who found gold west of Block 6?—There has been gold found all along the terrace. There has been gold found at the foot of Sandy's Hill.

130. I am only speaking of the portion west of the borough endowment?—Gold has been got on the other side, in a shaft sunk by a party who kept the accommodation house, in a shaft near the range. Between that and this range there is a continuous flat, the Kumara flat, which is almost as level as a bowling green. Gold has been got on the other side of Sandy's Hill. The idea of the miners is that the gold goes right through.

131. Have you known any payable gold to be found, barring a little bit on the edge of the Teremakau, on Block 6, west of the Kumara reserve?—I have seen people prospecting west of the creek. It is not worked now. It has run out, but the gold is there.

132. If it is run out, how can it be there? If it is there, then all the goldfields of the world are there still?—I can say this: that if an attempt was made to purchase the creek all the miners there would be up in arms.

133. With reference to Craig's paddock, you made some reference to that as being an illustration of a new discovery?—No, not a new discovery, but as showing how, with shafts actually sunk, and driven within a few feet of it, they can miss the gold. The prospecting was not complete.

134. Is there any other reason why that ground was not worked at an earlier date?—Certainly not.

134A. Do you know when Craig took up the freehold?—I think he bought it from another person.

135. Well, the first person who took it up when it was alienated from the Crown?—I think it is years ago that Craig applied for what is called the "University Reserve."

136. Do you know when the piece of land now held by Craig as his freehold was alienated from the Crown?—I do not, but it is many years ago.

137. Is it not as far back as 1876?—I think it is.

138. Is that not a substantial reason why that ground would not be prospected by miners?—No; because the Aylmer rush was before that, and it is just at the tail end of it, on the beach.

139. But, up to the Aylmer rush, could the miners by virtue of their miners' rights walk on that ground and try for the Aylmer lead?—No. Here is the University Reserve [indicating on sketch]. Here is where Craig is working now. His tunnel is going in now. This is the lead of gold he is working. The miners could not go on the freehold, but they went to each side of this and missed it. This is the gold that Mr. Craig is on now. He is expending a large sum of money in machinery. The tunnel is going right through the centre of this reserve.

140. You say they have prospected but could not get any gold in the University Reserve. After looking at this map, will you show me how it is possible for them to have worked that University Reserve when it was surrounded by freehold?—Just as they are going to work it now. There is a creek going through it, and they can drive with an incline.

141. How are they going to drive through Craig's freehold?—If they are blocked from going through that they will wind it up the shaft; and applications have been made from different parties of miners who are anxiously waiting for that University Reserve, and Mr. Craig has applied to put a tunnel right through to the other side.

142. And it has been open for mining, and nobody has taken it up and tried?—Yes, it has been tried. I have got an application from the parties now working the reserve who are trying to work the Railway Reserve below that, and the Aylmer rush was below that again.

143. You told me the population in the early days was treble what it is now: did you mean that as applying to the whole population, or only to the population of miners being trebled?—I think, taking the whole of the Coast, at one time there must have been over sixty thousand people there.

144. And you reckon about twenty thousand now?—If you take the four electorates, there must be eight thousand for each electorate; and there are four electorates, but that includes a part of Nelson. The population of the West Coast proper, I should say, is under thirty thousand.

145. What I wish to ask you is, what relation does the population of miners now bear to the population of miners in 1866?—There is a difference, of course. In those days there were not many ladies or children. Now there are women and children, and miners have settled down. The working-miners are much less.

146. Would you not say there were then five or six times as many more?—There was a large number.

147. Do you not think five or six times as many more?—I think three times as many more. I have not looked the matter up carefully—that is only general. But in those days the miners would not work under £1 a day. Now they are working for £1 a week on poor ground.

148. Read page 34 of the Report of the Land and Survey Department, 1894–95, as follows: "Gold-mining Surveys: The area surveyed for mining purposes was even more limited than that of last year, only five licensed holdings and special claims having been taken up during the period. All the best ground has been secured in the old fields, and, until a fresh development takes place, there will be only a limited number of areas of this class taken up. The English syndicate referred to in my last report has so far done nothing towards the development of the large area granted to it during the previous year." Is that correct?—That is simply the report of Mr. David Barron, Chief Surveyor of the Westland District. Private surveys were also made by private surveyors. Mr. Barron does not say that in the whole of Westland last year there were only five licensed holdings granted. I think Mr. Barron is incorrect if he says that.

149. And you do not agree with him when he says there were only five licensed holdings granted?—Mr. Barron is a stranger on the West Coast, and I think that is about his first or second report. Of course, he has said nothing about special claims, extended claims, and so on. He has simply confined himself there to licensed holdings; and to tell me that there were only five rights taken up in Westland last year is simply absurd.

150. What do you say to this, on the 19th page of the same report: "The Midland Railway reservation has locked up about one-half of the land in Westland; 35,500 acres is fit for agricultural purposes."

Hon. E. BLAKE: 35,000 acres might be a large proportion of 100,000 acres, but a small proportion of a million.

Witness: Westland is such a long county. It is between two hundred and three hundred miles long, and it would not be much in that stretch of country.

151. *Mr. Jones.*] You told us about Dwyer's piece of land which he applied to the company for. There was a rush there which created great excitement when you were down. How long is that ago?—It was just before the session when I was down on the Coast last.

152. That is Mr. Boyes's rush. Did not Mr. Boyes commence eight years ago to drive a tunnel?—Yes. He completed it this year. He struck gold upon it last year.

153. And he struck gold at the very place at which he expected to strike it when he commenced driving the tunnel eight years ago?—What I did say was that the same gold would be got in the dip of the ground.

154. It was the continuation of the Bluespur lead?—It is moraine or river-wash. It is coarse river-wash. His idea was that the gold would be got at the dip of the ground. It was very difficult to work, on account of the water. Dwyer thought that gold would come from that particular piece of ground, and, no doubt, he got it. He speculated for gold. He would not be inclined to take it for settlement purposes.

155. Is not that gold you are talking about in close proximity to old workings, such as the Hauhau and the Bluespur, and others?—The Hauhau and the Bluespur are two different parts of the diggings; you must not forget that.

156. Where do you say the rush was?—At the foot of the hill, between the Arahura and the Bluespur Terrace.

157. Is not that immediately contiguous to the Bluespur?—Yes; and it is at the foot of the terraces.

158. Then, it is no new discovery of a new goldfield?—No.

159. Do you know of any other new discoveries at all?—The Kumara diggings was a new discovery, but the Rimu rush is the latest rush. That was on the south side of the Hokitika River, immediately abreast of the Kanieri. Whilst there were hundreds of men within a few yards of it, that Rimu flat lay there untouched for years.

160. Do you know any later than that?—There have been several small rushes since that, but none of any magnitude.

161. Now, I want to ask you a question as to what are the superior appliances which will make the alluvial goldfields so much more prosperous in the future?—Well, at one time we would not have thought of sluicing ground that is now paying wages. We would not have looked at it. With the large body of water working it, as we do now, we would not at one time have used sluices with less than 1ft. to the 12ft., but now we make it 3½in. to the 12ft. With the large body of water that is now available they can work the ground in such a way that the whole side of the country is put through wholesale. The Kumara Water-race is bringing in a hundred heads of water in the Kumara Goldfields. At Humphries' Gully there is a whole range of hills—I suppose they are 200ft. or 300ft. high—leading from the Bluespur right back for miles. A large water-race has been brought in, and they are putting that ground through wholesale to the Arahura River. There are arrangements being made for the expenditure of £100,000 for further water, and, by wholesale paving with large blocks of wood, and sluicing, the whole undertaking will pay handsomely. That was never thought of in days gone by.

162. Hon. E. BLAKE.] You say the price of labour has been reduced?—Yes; I mean the earnings of the miners.

163. A while ago you said the miners at one time would not work for less than £1 per day, and now they are working for £1 a week?—If you want a miner to work for one of these companies he will want £2 10s. a week; but there are hundreds of them working for less than £1 a week for themselves, and at one time they would not work for less than £1 a day.

164. *Sir R. Stout.*] You spoke about a feeling of uneasiness on the Coast in reference to this Midland Railway, and you said there were meetings held?—Yes.

165. Will you tell us where those meetings were held?—I only know from the file of papers put in before the Court.

166. When you were looking at map 10 you said there were water-races in the south-western corner of Section 4, in the hatched portion?—I said there were water-races in the Shamrock lead. I did not say in the south-west corner.

167. What water-races are there in the Shamrock lead that are not shown on the map?——

Hon. E. BLAKE: You have given specific evidence, Mr. Jones, about the water-races in that quarter, and I assume Mr. Seddon would not for a moment place his general recollection against the evidence of the witnesses who have gone through the details.

Witness: Certainly not.

168. *Sir R. Stout.*] You were asked about the improved appliances that have been introduced on the West Coast—what was known as Parry's patent, for sluicing tailings?—If you apply that question to the West Coast, that patent is used there.

169. It is at Addison's?—Yes.

170. Is it used any further south?—No.

171. That is an appliance for sluicing that gives an enormous advantage?—Yes. It is an artificial fall created for sluicing and working payable auriferous drift.

172. You are aware that by that process they can work tailings which have been abandoned, and make them profitable?—Yes. Some tailings in the early days, that were box-sluiced and paddocked, it will pay to work over again—especially where there has been cement.

173. You have been asked about the introduction of capital into the Coast. You say there is capital coming in for these races?—The Government have given special facilities, and I might say that there will, from what I gather, be about a million of money coming to the West Coast for investment in mining.

174. That includes water-races?—Yes; and the water-race at Humphrey's Gully, and money for prospecting purposes on the Maruia. Mr. Ziman proposed to the Government to spend about £10 an acre in prospecting the Maruia country. We passed a regulation that there must be at least £3 an acre expended in prospecting on what is known as prospecting areas. We also extended the areas owing to the large sum that is to be spent for prospecting purposes.

175. That is, for prospecting the rest of the country for a certain distance from the present workings?—Yes. At Reefton Mr. Ziman has spent about £10,000. That was his offer—£10 an acre, to be spent in prospecting.

Hon. E. BLAKE: Do you still think you can maintain a charge of *mala fides*, Mr. Hutchison?—Yes; I think it will be in relation to the documents we have been looking over.

Hon. E. BLAKE: If you are founding your charge of *mala fides* upon the documents Mr. Seddon has put in it is only reasonable to ask Mr. Seddon about them.

Mr Hutchison: I cannot do so.

Hon. E. BLAKE: You see, if you propose to draw inferences from the documents that the Government, represented by the Minister in charge (Mr. Seddon), have been guilty of *mala fides*, without giving him an opportunity of making an observation upon it, it does not seem to me to be reasonable. What Mr. Cooper said was that you did not want to examine upon them; but if you are going to draw inferences upon these documents you should give the others an opportunity for examination.

Mr. Hutchison: I cannot do so, as our evidence is closed. Our contention would be that upon the documents which I have not yet seen (Mr. Cooper has seen them) an inference will be fair for us to draw. I do not impute personal motives to Mr. Seddon; but you asked the question whether I still maintained the charge of *mala fides*. I answered Yes; and I added how.

Hon. E. BLAKE: You said that it was founded upon these papers that are brought forward.

Mr. Hutchison: To some extent, but I should not say exclusively.

Hon. E. BLAKE: I do not want to limit you, but if you are going to found a charge of *mala fides* upon documents such as these, produced at your instance, I think it is reasonable to the other side, and reasonable to the tribunal that is to adjudge on that contention, that you should act in time to give them a further opportunity of giving explanations. It will be too late when the evidence is closed for you to bring forward arguments or to draw inferences, and I shall be extremely reluctant then to draw inferences from the documents unless you can establish clearly a charge of fraud.

Mr. Hutchison: We are not charging them with fraud.

Hon. E. BLAKE: You are charging them with bad faith.

Mr. Hutchison: With an improper exercise of power.

Sir R. Stout: With fraud on a power.

Hon. E. BLAKE: If you say you have never seen these documents, I say the interests of justice and fair play require that the party who has been charged with fraud should have his attention called to these documents, and, if you give that explanation, I do not think I shall ask you to go further. You should know the result of the opinion I may act on if you take another course.

Mr. Hutchison: I am glad to hear the course indicated. It will make us a little more particular in looking up this matter, and in bringing it up quickly. Up to this moment, I had not seen one of the documents. The position is this: They were handed over to me last night, and they were handed back at the request of counsel for the purpose of certain documents that were on the file being taken off. I suggested then, that they should not be there, and then it was arranged that Mr. Cooper should meet Mr. Blow at 7.30 o'clock, and go through the whole of the papers. He did so, and was engaged till a very late hour last night. In the circumstances, I cannot say I have done with the documents.

Hon. E. BLAKE: I do not ask you to say anything.

Mr. Hutchison: I should be very glad at some future time, when we have seen the documents, to indicate anything upon which we rely more than we do at present.

Witness: In reference to these papers, there is an inference to be drawn from what Mr. Hutchison said, that we would desire to take off from the file certain documents.

Mr. Cooper: In justice to Mr. Seddon and ourselves I may say that every document which was in the bundle handed over yesterday was seen and inspected by me last night.

Witness: After we went out from here last night I said I might select from the file the papers which referred to Mr. Gordon's advice, and upon which the Government acted, instead of handing in the whole bundle. Later on Mr. Hutchison said they wanted the whole file, and nothing but the whole file, and I said, "Here it is; take the file, the whole file, and nothing but the file."

Mr. Hutchison: I said I could not agree to cross-examine upon a selection of the papers only.

Sir R. Stout: We have the documents here now that you want put in.

Hon. E. BLAKE: I shall enter that the bundle of papers—[Exhibit 144]—is a selection by the Crown from the file of papers of yesterday, which the Crown proposes to put in—namely, Mr. Gordon's reports, Mr. Mueller's reports, and the reports from the district recommending these reserves. We called it the Gordon file yesterday, and we will adhere to that description.

GERHARD MUELLER, sworn and examined.

176. *Mr. Stringer.*] You are the Chief Surveyor of the Land District of Auckland at the present time. Are you not, Mr. Mueller?—Yes.

177. And also Commissioner of Crown Lands?—I am.

178. I think you were formerly Chief Surveyor of the Westland Land District, and also Commissioner of Crown Lands there?—I was.

179. When did you first go to Westland?—In 1865.

180. And you continued there until what date?—Until May, 1891.

181. I think you were appointed Chief Surveyor in 1870, and Commissioner of Crown Lands in 1885?—Yes. Before that I held the office of District Surveyor.

182. Then you are intimately acquainted with the whole of the Westland District?—I am.

183. Is that map in front of you a copy of the map that was prepared under your supervision?—Yes. I prepared a map similar to this for the Sydney Exhibition—in 1873, I think it took place—and this map is prepared from that, with additions, of course, up to date.

184. And does it show accurately the various gold-workings in the district?—I have not minutely looked at it.

185. But is it substantially correct?—Yes.

185A. I believe, as District Surveyor, you had a great deal of surveying to do for the miners in marking out their claims and rights, and so on?—Yes, perhaps more so than any other surveyor in the district.

186. And therefore you have obtained an accurate knowledge of the mining there?—When I took charge of the Westland District, there was very little known of it, except for about two miles inland from the mouths of the rivers. There was no such a thing as a topographical map, and I continued exploring and made a reconnaissance map of Westland, and therefore know every part of it.

187. Will you tell us first, generally, the nature of the ground in which gold is found in Westland?—That is various. Gold is found in drifts and gravels which are running generally at right angles to the directions of the rivers. Again, a great deal has been found in beach leads—black-sand leads—both at sea-level, below sea-level, and at as high as 150ft. and more above sea-level; and some of these leads are situated a considerable distance inland. The drifts are supposed by geologists to have been caused by a large river running practically north and south in the ages past, and our present rivers have been cutting across and intersecting these, and hence all our rivers are gold-bearing. I do not know a single river in Westland where gold cannot be found. Of course, it is not always payably auriferous, but gold is to be found in them. Then, again, there are quartz-reefs, and other strata carrying gold. They run usually north and south.

188. Are there any formations in Westland which are rather contrary to the old notions regarding the presence of gold?—Very much so. The regulations, and rules, and laws of geologists seem there to have been set at defiance entirely.

189. We have heard several witnesses here say that when they came to limestone they immediately passed from gold. Will you tell us whether gold is associated with limestone, according to your knowledge?—That is a great mistake. We have it in limestone at Sawyer's Creek; and then there is a locality between Rutherglen and Greymouth called the Limestone Diggings. Then, again, we have gold at the foot of Kaitirangi, on limestone.

190. And Cameron's?—Yes; and again in some parts to the north of the Teremakau, where the formation is limestone, too.

191. Is gold found in the coal-measures on the West Coast?—It is. Not in the coal-measures, but with the coal-measures.

192. Overlying or underlying them?—In some places it has been very much disturbed, and it is there overlying and mixed.

193. It is adjacent?—Yes; so it is at Boucher's Creek, and Gentle Annie, and Coal Creek, and to the north of Constitution Hill.

194. Is there gold-bearing wash discovered in glacial drift?—Yes; that is another extraordinary thing. The geological books say that such a thing cannot happen, but it has happened in Westland. We have the glacial drift right on top of the other drift gravels; not at one place, but at several places.

195. Hon. E. BLAKE.] Is that the moraine that Mr. Seddon referred to?—That is the glacial moraine. At Wanganui and Kanieri Forks, and near Kennedy's store, there are beautiful sections to be seen which were being worked in my time, and they are being worked now, I believe. There is a large extent of glacial drift overlying the gold drift. Another extraordinary thing there is this: It was never supposed that granites would carry gold, but at Rangitoto and Tuhua the granites do contain gold.

196. I think the experience usually in goldfields all over the world has been that the best fields have been worked out earliest?—That has been the case as a rule; but we have somewhat of an exception in this matter in Westland, too.

197. I want you to give one instance within your own knowledge where that exception has happened?—Perhaps the most telling instance is that of the Kumara field. We constructed the main road right through this district to Greenstone; in 1868 I believe it was completed. All the supplies went along that road. Diggers were constantly about there. I was often at the place where Kumara now is, and saw fossickers along the river-bank; and no one ever suspected that there were such large deposits there. In 1875 it was discovered, and millions of gold came out of it, although it was not suspected when the road was made, practically going through it.

198. How long had there been fossicking going on before 1875?—As long as I was on the coast. I was up and down that river frequently, in connection with mining surveys, for ten years previously.

199. They were always fossicking in that locality?—Yes.

199A. And at Rimu?—There is another instance. The original diggings were called Woodstock, and the terrace on the south side of Hokitika was worked up to the time of the Kumara rush; and then it was supposed that a grand lead—the Brighton lead—was run out and the diggings were given up. The main road to Ross was then constructed; and then I think it was at the end of 1881 or beginning of 1882 that the Rimu rush broke out. It was then found that this rush was within 10 or 15 chains from the old lead, and extended along the Ross Road for three or four miles.

200. That has been a very profitable field, too?—Very profitable. And then, again, from 1875 to 1882, the main road of the district went right through it.

201. In Westland there are, I think, a good many stretches of poor auriferous ground that are not worked at present at all?—Yes, there are.

202. In your opinion, will these stretches be worked in future?—Certainly. Take the district that Humphrey's Gully takes in as an instance. There we have terraces running up to 250ft. in height, auriferous from top to bottom. The claim at Humphrey's Gully is worked now, I believe, and in my time it was worked up to 150ft. high, and the whole of that ground carries a little gold right through it. Well, this sort of ground can never be worked by individual miners or small companies; it must be worked in a wholesale way. The Humphrey's Gully Company have gone to a great expense there. They spent £150,000 for their water-race before they could manage to deal with their land; but they made a mistake in only picking up the tributaries of the Arahura, and at present they can only work up to eight hours a day, whereas if they had spent another £50,000 they could have worked in shifts the whole twenty-four hours. I believe that is in hand now.

203. More capital is being introduced to work it?—Yes.

204. Is the country which is workable with an increased water-supply of large extent?—Of very large extent. These formations go from Arahura to Kanieri, and are of the same description.

205. Could you form an estimate of the area of country taken up by the Humphrey's Gully Company?—I believe they hold now about two square miles, but I am not quite sure about that. I have been away for so long. In my time they had fully that, but the mining regulations which required that work should be done on all those leases made it necessary that they should abandon some; some have been taken up again. It is four miles across, and there would be at least fifteen square miles in that country.

206. All workable?—All workable on a large scale. It is a mere question of getting the water-supply on this land, and, I may say, it is ground where an individual miner, if he were to prospect with the ordinary tin dish, might scarcely get a sign of gold—only a few grains would be found. It is distributed generally in very small proportions.

207. Now, is this poor auriferous ground worked by miners at all, and, if so, under what circumstances?—The miners that are at work hereabouts generally confine their operations to the beds of the creeks, where nature has swept the gold together in larger quantities. It would not pay them to work these diggings.

208. Do people, in your experience, take up the small pieces of land and work much poorer ground on occasions?—Yes; that is the case up and down the Coast; but, as a rule, these men earn their money by working at the mines. There are many districts where they thus try to make a few shillings in that way.

209. That is to say, the farming would not suffice long?—They supplement it by mining, yes. A number of them are labourers, and so on.

210. They are people of that class?—Yes.

211. Beach-combers?—Yes.

212. Before you come to that map, I want to ask a question or two. I think, under instructions from Mr. Larnach, you made certain recommendations with regard to mining reserves under the old Midland contract?—Yes; that was in 1886.

213. Hon. E. Blake.] You mean he directed the witness to report?—He directed me to get out the necessary mining reserves within the Westland District, to submit plans and a description of those, with a view of having them gazetted. That was in 1886.

214. I think those maps that you now produce, and which will be useful if put in, are the maps so made by you, and showing the reserves?—Yes; I was specially called to Wellington to get out these plans. [Exhibit No. 145 put in, being a batch of maps.]

215. *Mr. Stringer.*] I think there are nineteen blocks, amounting to 214,000 acres?—Yes, in Westland.

216. Is that the Arnold River?—Commencing from the Arnold River, and ending at the Waiho River, the end of the reservation.

216A. I think it was then that Larnach's Proclamation was issued?—Yes.

217. And that, as we know, was subsequently revoked. I think in 1889 you received some further instructions from the Hon. Mr. Richardson?—I did.

218. In 1889 you got further instructions: will you kindly tell us what these instructions were?—I had better, perhaps, explain the instructions given me, and afterwards refer to the several letters in connection with the matter. The instructions were to this effect: that I should put myself in communication with the Warden of the district, and, together with him, select the mining areas which were absolutely required at the then present time. I was also told that, out of the 750,000 acres, to Westland was allotted the area of 192,000 acres—that is to say, that I could not at the present time, or at any future time, obtain more for Westland than 192,000 acres; and my attention was drawn to the fact that it was necessary to make provision for future contingencies and new discoveries, and that I was not to include any land but such as I thought absolutely necessary at the time. I went carefully through the district maps.

219. You carried out your instructions so far as regarded the Warden?—Yes. I put myself in communication with him, and he came to Hokitika three times until we finally settled all those blocks shown here.

220. It indicates what it refers to?—Yes. It is marked yellow where we marked the blocks.

220A. They are considerably less than Larnach's area?—Very considerably. They only comprise 75,000 acres.

221. And they are, I think, with some slight modifications, the reserves that were ultimately proclaimed under the Midland Railway?—Exactly. I sent them up in 1889, and they were not gazetted until 1891, and at that time a few alterations were considered necessary and a few additions, and this area was increased to 84,000 acres. They were not gazetted until August, 1891.

222. That increase was, I think, due in some respects to new workings, or, at least, new discoveries?—Yes; it was thought at all events to take in certain portions about which there might be a danger of their being applied for.

223. If you just look at the plan [Exhibit No. 90], I think it will be convenient to follow the same order as the company's counsel has taken. Take South Reserve No. 12. That has been objected to. Will you tell us what ground you had in making that reservation?—It is a reserve of 2,000 acres. I think I need only put in the mining map, and that will show, probably, sufficiently what ground I had for making it. It is the mining map of Cedar Creek district, showing the land actually taken up in quartz-mines. There are forty-five quartz-mines and licensed holdings taken up.

224. That includes a stretch of about three miles in length by a mile in width?—Yes; following these descriptions of the gold-bearing reef, it is now three miles in length and one mile in width. It is nearly 2,000 acres.

225. Hon. E. BLAKE.] How much of this is objected to?

Mr. Stringer: 64,000 acres.

Witness: I took no more in then than was covered by the mining claims—the actual mining claims—with this difference: that I reserved my boundary straight, and did not follow the other boundaries. There was another thing in connection with this. The Government at that time contemplated making the Mikonui Water-race, at an estimated expenditure of £112,000. Four or five—or three or four: I forget which—small tunnels were completed, and the large one is now half through. This Mikonui Water-race runs right through that block too, and of course the construction of that water-race contemplated the working of all that country that it would traverse. I think, not only 2,000 acres would be required, but that 20,000 acres should have been reserved.

226. Hon. E. BLAKE.] That race, if completed, would serve to operate 20,000 acres?—Yes.

227. *Mr. Stringer.*] You said there was a contemplated expenditure of £112,000?—Yes; £110,000 or £112,000.

228. To your knowledge, have reefs been discovered in fact outside your area?—Yes. Since then, Zala, one of the principal prospectors down there, discovered some reefs on Bald Hill. Evidently these must be the same reefs, for they run in the direction of Bald Hill. They are working there now. I understand a company is being formed, and they mean to get crushing plant.

229. So that your reserve is too small?—It is a mere fleabite. It was just what was absolutely necessary at the moment.

230. 2A and 2B come next?—These are covering some of the principal diggings.

231. On 2A you will notice that about half of that is hatched?—There are diggings all along here, leading off to Maori Creek. They were working all along here in my days, over most of that block. Then there are the Lamplough diggings; and along that track, from Stratford over to the Lamplough, I am sure I must have made fifty or sixty surveys.

232. For mining purposes?—Yes. From Scandinavian Hill to the second, third, and fourth terraces there have been mining surveys going on there for years.

233. What years are you referring to now?—From about 1867 to about 1885, I think. But the bulk of the surveys were made in the early days, and for many, many years some of these people have been working there.

234. Will you tell us why you include the whole of that area?—I did not include that. This is what has been put in in Wellington afterwards. I left it out, because I wanted to restrict the area as much as possible.

235. Hon. E. BLAKE.] So as to keep more land for future use?—Yes; but certainly I would not have hesitated in taking all that land up to Kapitea Creek, even beyond what is shown here, if there had been an opportunity of doing so. I would have reserved it because there was mining on it. From Lamplough track, going over towards the Lamplough right up these different gullies and terraces, there were diggings within a distance of half a mile from that track to the right. There are very few to the left.

236. *Mr. Stringer.*] And is the ground of the same description—the hatched portion?—Yes, and all good sluicing ground. This I may state is the area that was taken into consideration when the Government went to the expenditure in connection with the Waimea Water-race. They expended some £200,000 odd on that race. Perhaps I had better put in that plan, and show what ground was intended to be commanded. The Waimea Race was originally constructed down to Goldsborough and Stafford Town, which commanded the whole of this country, including the whole of this block. A trial survey was run to these different terraces, and terminated here on Scandinavian Hill, taking in the whole of these terraces.

237. This country is good sluicing country, is it?—Yes.

Hon. E. BLAKE: Will your description apply to 2B as well?—Yes.

238. *Mr. Stringer.*] As to No. 5?—That is on the north side of the Teremakau, taking in the Greenstone diggings and these different terraces—Hay's Terrace.

239. The whole of the hatched portion was included in your last recommendation, I think?—Yes.

240. Why did you include the whole of it?—Because I knew it was sluicing-ground. The Hohonu Company's water-race commanded part of it.

241. That company has a large race there?—Yes. I do not know what the construction of that cost, but it must have been a very considerable sum.

242. That commands the whole of that block?—Yes; there may be a few hills too high, but generally it does.

243. You see the most southern part of the hatching. I understand there is a terrace there. Will you give the reason why that should be reserved?—At the time I made the reserve the sluicing operations had gone across into the terrace trending towards the south for a considerable

extent, and it was reasonable to assume that they would extend further, and if they did extend then the fall would be on the other side. They would not get a fall towards the Hononu side. They would have to sluice towards Pirani's Creek.

244. That was the reason for extending it in that direction?—Yes; and at Pirani's Creek, I may state, several parties were at work for a little while. I thought that was some proof that there was golden ground over there.

245. Now as to No. 6. There is one small piece that is admitted, it is not hatched; the more northern part, where Acre Creek is?—The upper part of Acre Creek runs through the hatched portion. At Acre Creek we had two rushes. I do not believe they turned out particularly well, but still we all were in great expectation of having something grand there.

246. Were there any persons working in the river at the Teremakau?—Yes, along the terrace there. Then there were workings along the terraces next to the coast—that is, just outside this block. There, again, the surmises were that the gold would run into the block.

247. In addition to that, is that block commanded, or will it be commanded by the extension of present water-races?—The whole block will be commanded by the extension of the Kumara Water-race, and the Okuku Water-race, and even at the present time I believe they are sluicing on the west side.

248. At any rate, the extension of the Kumara and Okuku Water-races would command the whole of it?—Yes.

249. And, in your opinion, is it all sluicing country?—Yes. Whether it is sufficiently payable sluicing country I cannot say. Frequent applications were made by the local bodies, mining associations at Kumara, and others, to have that land specially reserved; and there is a resolution of the Land Board in the minute-book I have here dealing specially with that, and recommending the Minister strongly to make this a mining reserve. It was at that time thought it would turn out a wonderful piece of mining country.

250. Hon. E. Blake.] What is the date of that resolution?—The 21st August, 1889. It is as follows: "Resolved, on the motion of Mr. Bevan, seconded by Mr. Northcroft, That the Government be recommended to reserve for mining purposes the unsold Crown lands between the sea-coast, Teremakau River, Kumara Road, and Kapitea Creek." This takes in not only this block but a considerable portion more.

251. *Mr. Stringer.*] And because you considered it necessary, in your opinion, was that the ground upon which you marked that out?—Yes. I admit I am disappointed with it—I expected better things.

Mr. Stringer: You must not abandon hope yet.

Hon. E. Blake: We have not to try it by the present, but by what were the reasonable expectations at the time you did the thing.

252. *Mr. Stringer.*] Then, as to No. 1, there has been rather a discrepancy in the evidence on that point. I do not know how it is hatched?—It is all hatched.

255. Hon. E. Blake.] Can you state what you object to on that?

Mr. Jones: Some of our witnesses recommended a slice off there [indicating on map] should not be reserved, and others took a piece off there [indicating on map].

254. *Mr. Stringer.*] Just tell us generally, Mr. Mueller, about the whole of that Block 1?—First of all, on Block 1 there are the principal Kumara diggings with its various rich leads. Then, it was expected at that time that these would extend up the Teremakau, and this expectation was confirmed by several parties working in small creeks running into the Teremakau—Little Stony Creek, for instance, before you go out on to the Christchurch Road. I went there, and some miners expressed themselves very hopeful. The workings in many of the claims were successful, but it ran out afterwards. It was proof enough to me that this is mining country, and that it would be a terrible risk to allow that to be taken up for any other purpose. Then there is the Okuku and Kumara Water-race running through there.

255. And the mining done at Kumara was steadily extending in that direction?—Yes; towards Blake's sawmills.

256. We will go now to Block 7, where there is only about one-tenth part objected to?—I would never dream of keeping such a small piece out; and, moreover, that piece is up the New River. There have been men at work there. I often travelled it, and saw men working at the river's bank there, not large workings, but there were men working there.

257. Now look at No. 9, where 1,900 acres is admitted and 1,100 disputed: the north part is objected to?—Well, I do not remember any mining being carried on in this piece. But it is such useless land—limestone, broken country. We had not only to secure the land that was actually required for mining, but we had to make provision for timber, and for other things. Now, the working on that Block 7 would involve the construction of races and dams along this very slope of that range—that is, the northern part of it.

258. And you agree that it is desirable to include it?—Yes.

259. Is it of any value for any other purpose?—No; it is very, very rough country, but the timber will come in very well for mining purposes.

260. Go to 8A, Mr. Mueller—Kaimate. You see, that is all objected to but a small corner. When you recommended that, what was the condition of things then?—This is not contained in my recommendation, but, still, I reported upon it some time afterwards. I went up and found some eight or ten miners were at work there. There was a little bit of a rush, and it was expected that some leads would be found that had been worked over on the saddle. Some of them got very good indications, but I do not believe it came to anything. But they were working there, and I reported that I found some miners on it; and probably on Mr. Gordon's recommendation it was included, or perhaps the Minister did it himself.

261. You think it was right to reserve that?—Yes. It would be quite impossible to say what may come of these things.

262. You found ten or twelve men working there, and the country was such in your opinion as might have produced payable gold?—Yes.

263. I think that is the last of the specific blocks. Now, in the course of your investigations for these reports of yours, had you any representations made to you by the local authorities and the miners' associations?—Oh, yes; again and again. We had some special applications from, I believe, what was called the Marsden Miners' Association. They were most unreasonable in their demands. They wanted to have the whole country reserved for them. Then, there was the Kumara Miners' Association, and several local bodies. The County Councils always nibbled at this mining-reserves question. In fact, every Board day it turned up in some shape or form.

264. Then, will you tell me generally whether, apart from actual mining, any considerable areas are often required for purposes incidental to mining?—Oh, very often. We have had to pay very dearly for not having made provision for it. Take Ross, for instance. The Ross workings are on the slopes of Greenland; and in front of it there is a flat of about two miles by one mile, or a little more. In the early days we sold some lands close to the coast, and then as soon as these large companies—Greenland, Prince of Wales, and others—commenced sluicing into the flat, blackmailing commenced, and they had to pay enormous amounts. I had the return from the Clerk of the Court at Ross once. One company alone paid by way of conciliating these people about £850 odd apart from the expenses connected with the Warden's Court.

265. I only want to get the fact. Within your own knowledge, have there been many instances where the sale of the low lands has produced that result?—Yes. And then the Government itself, in passing the Reservation of Rivers Act for tailing-sites, must have paid £6,000 or £7,000 in pacifying these people. They paid enormous sums. It was clearly proved we had made a great mistake in allowing stretches of these low lands to be acquired by private individuals.

266. And, of course, the policy latterly has been to preserve those for mining purposes?—Exactly.

267. Then, does it often happen that catchwater areas of large size are required?—Yes. That is another thing. In high-lying mining districts, where the auriferous drifts are lying high up, it is often impossible for the water, lifted out of the river, to reach those spots. Then, in these cases the procedure is to cut contour lines, as it were, along the hills and catch every drop of water, lead that into reservoirs, and then pay out the water from these reservoirs and carry on the sluicing in the ordinary way. So, therefore, in that Marsden district and Maori Creek district the whole of these hills are required for that purpose, because you cannot possibly get water up to the auriferous drift. This is the only way you can get it—to have the catchwater area to store the water and pay it out.

On resuming after luncheon, Mr. Cooper made the following statement: "In consequence of an incident which occurred immediately before the adjournment, I have to inform your Honour that Mr. Hutchison has withdrawn from the conduct of this case, and the company request that your Honour will record the fact that the imputation of personal misconduct on Mr. Seddon or any other Minister of the Crown is no part of the company's case, or of the instructions to counsel. If you desire it, counsel's briefs can be laid before you." Mr. Cooper added, I have to express my regret that we are deprived of the services of Mr. Hutchison, and that the heavy responsibility of the future conduct of this case will rest upon myself and Mr. Jones, and I am sure my learned friend will take that into consideration as the case proceeds. I should like to say that, for my own part, since I have been associated in the conduct of this case I have received from the Crown and from the Minister every reasonable concession and personal facility for making my examinations.

Hon. E. Blake: What you have said will be recorded in the words you used. I need not say that any incident that occurred which involved the withdrawal of the leading counsel for the company is greatly to be regretted. I am glad you have been able to make the statement which has been made, and which has been verified by my own observations. I think it can be fairly said it will be reciprocated by the counsel on the other side as to the general conduct of the case up to this moment. I am quite sure that you may depend upon both counsel opposite and upon myself, as far as it devolves upon me, to give every facility that is necessary for the attainment of justice.

Gerhard Mueller's examination resumed.

268. *Mr. Stringer.*] Your experience in the Westland District, Mr. Mueller, has, of course, enabled you to form an opinion as to the lands there available for agricultural and pastoral purposes?—Certainly.

269. Generally speaking, will you say what lands are fit for agriculture?—The agricultural land is confined to the valleys of the principal rivers, and there are also some flats, but they are further inland and away from the rivers. They are really good agricultural land. A very great deal of the land along the sea-coast, within a mile or a mile and a half of the coast in some instances, comprises swamps and lagoons.

270. Are those what you call pakihis?—No; lagoons and swamps. Around these lagoons the land is always very good. Next to the flats come these terraces. Where they are not too much broken they will make fair grazing country, if cleared of timber; but that is the difficulty. Then come the higher lands, which are good for nothing. They are only available as mineral lands, and some of them have a little rough grass, and it will do for feed for sheep during a few months in the summer before the snow comes on.

271. With regard to these agricultural lands, are there many available tracts of agricultural land in the river-flats?—Yes, there is, particularly in the south where the larger population is. We have the Hokitika River flats—from there to the Kokatahi River. They are very extensive. Up the Arahura there is not much land, as it does not extend more than half a mile on either side of the river, where it strikes the terraces again. Then, there is good soil and fine flat land about Lake Brunner. The greater part of this land has been taken up in the early days, but there is a fair proportion still available.

272. Hon. E. BLAKE.] Is any part of what you have been speaking of included in the reserve?—Yes.

273. I am speaking of the agricultural land that you speak of?—In connection with the agricultural land, perhaps I had better explain that in Westland we have some 3,400,000 acres. About 60,000 acres of this are what might be called open lands. I am speaking roughly.

274. What do you mean by open land?—River-flats, grass-growing and tussock-growing land, not covered by bush.

275. And available for agricultural purposes?—Yes, where it is good enough; but a great many of these river-flats are sandy. The rest of the land is all bush land, and, although there are a good many places where excellent soil is to be found, to bring it into cultivation—that is the great desideratum—the clearing of the heavy timber land on the rivers is a work of great difficulty on account of what is called getting a good burn. This trouble is owing to the tremendous rainfall. I believe we averaged about 124in. a year for several years. When I myself had the observations taken we came out as high as 150in. in the year. That will give you an idea what the rainfall is. It generally turns out that these burns are bad, and the work of clearing the timber has to be carried on for several years. I know that a great many farmers have paid on an average £10 an acre, and as high as £15 per acre, to get their land under cultivation. The land of the West Coast is far better than the land we have in the Auckland District, but the poor land up there can be cleared of the bush, as one can make sure of getting a good burn. It is very seldom that it costs more than £2 an acre.

276. *Mr. Stringer.*] What proportion of the agricultural land has already been taken up and alienated from the Crown?—A large proportion of the Hokitika Valley—perhaps two-thirds of it—and all the good agricultural land in the Arahura Valley.

277. But a great portion of that is Native land?—Yes.

278. We can take it, then, that only a very small proportion of good agricultural land is left?—Yes. There are some fair patches down at Wanganui.

279. Is that within the mining reserves?—Yes; it is far south, about thirty or forty miles from Hokitika.

280. I ask you whether that land is within the boundaries of the mining reserves?—No; within the Midland Railway reservation.

281. Is the good land you are speaking of within the mining reserves?—No; not in any part of this block [indicating on map] is there good agricultural land.

[The witness explained that his previous answers were given under the impression that the questions referred to land within the Midland Railway reservation generally, and not to land within the mining reserves. Within the mining reserves there was no good land.]

282. Do you know the land in the Grey Valley?—Yes; I know something about it. I have been travelling there several times.

282A. Is it within your land district?—No; it is not.

283. You know, of course, that most of the flat land in the Grey Valley was sold by the Crown many years ago, in the early days of the Coast?—Yes, it was all sold then.

284. In those days was stock at a high price?—Very high. At Arahura cattle-sales the prices of cattle ranged from £12 to £18 a head for bullocks. It was quite a usual thing for bullocks to bring £15 a head.

285. What was the price of sheep?—It was certainly three times as high as it is now.

286. What did produce fetch—potatoes, for instance?—All those things formerly were expensive.

287. Hon. E. BLAKE.] Because, I suppose, there was a large mining population there was no competition; the local farmers were few?—Yes.

288. *Mr. Stringer.*] The land on the terraces, now included in the mining reserves, was then open for selection?—I believe they were. You are referring to the Nelson Land District?

289. Yes. What were the prices?—They ranged from 10s. to £1 10s. an acre. They might have been up to £2. In Westland the price was £1.

290. And little, if any, of those slopes was taken up by the settlers?—Scarce any, unless it was for an accommodation-house, or for some special reason, such as the junction of two roads for a stopping place, and so on. There was not much settlement going on.

291. You are familiar with the working of clause 33 in your district?—Yes, quite.

292. I want to ask you generally, do you remember the assessments that were made from time to time by you in terms of the contract?—Quite so.

293. Was there, as far as you are aware, any unnecessary delay in carrying out the terms of the contract?—Nothing beyond what the contract itself brought about. It was very stupidly framed in some respects. For instance, the manager had to make application to the Minister, giving him notice, under clause 33, that an application for a piece of land was made to him. The Minister then wrote to me at Hokitika, calling upon me to assess the land in accordance with the manager's request to the Minister. Then, I assessed the land, and wrote back to Wellington and reported on it. Then, the Minister sent it down to Christchurch to the manager; so that, really, when the manager had the assessed value, he could fix his price for the land. If I assessed a piece at £1, he was then prepared to sell it at £1 15s. He then gave the Minister notice of that, and then it came round to me, and I kept it until the deposit was made.

294. That was the working of the contract?—Yes. Mr. Alan Scott and Mr. Wilson and myself had several interviews on the subject, and we came to a conclusion to make a representation to the Minister, which I did, and pointed out to him that it really meant a loss of three or four months before a transaction could be completed, and I asked that the company's application might come direct to me. This was done on certain conditions. These conditions were that if that land was supposed to be auriferous, then an advertisement should be inserted in the newspapers twice a week for a month or a fortnight—I forget which—inviting objections to the sale of it to be

lodged with the Warden. Then the Warden heard the objection and reported to me, and it was decided.

295. You know that a great many assessments were made, as far as the Crown is concerned, under clause 33?—Yes.

296. Do you know that these assessments have never been carried out by the company?—Yes.

297. Have people who purchased land and paid for it made complaints to you about not getting the titles?—No, not that I remember.

298. That would be afterwards. You went to Auckland?—Yes.

Hon. E. Blake: We know all about that; we have got it in evidence.

299. *Mr. Stringer.*] Now, with regard to timber-cutting. Do you remember an arrangement being made between yourself, Mr. Wilson, and Mr. Alan Scott, as to the cutting of timber within the authorised area, but outside the mining reserves?—Yes.

300. Tell us when that was?—It was towards the end of 1889, when Mr. Wilson and Mr. Scott met me by appointment at my office, and they represented to me that they were very much dissatisfied with the way in which the timber business was carried on on the Coast. I may say that under our land regulations I issued licenses for a month for 10s. and for three months at £1 5s. for cutting timber, and they expressed themselves anxious to make this timber industry a paying matter for the company; and the first they required to be done was to stop issuing these licenses. I may say that I issued licenses, not because I had a right to do so under the contract, but because the matter stood in this way: if I did not, the company could not do so, and the people would cut the timber whether they held any licenses or not; and I thought it would be better to continue issuing the licenses until I got other instructions, and keep accounts and let it be decided afterwards who were entitled to these license-fees. If I had not done that, the money would have been absolutely lost. It was quite a friendly interview with Mr. Wilson and Mr. Scott, and, after talking the matter over, we agreed that we would stop the issue of the timber-licenses; that they would prepare regulations, and I should submit them to the Government, in order that we could come to a conclusion on the matter. After that was properly put in order I submitted this to the Government. I discontinued the issue of licenses on the 31st December, 1889. Then the Government disagreed with some of the provisions of these timber regulations, and new regulations were drafted in Wellington and submitted to the company. They took exception to some of the provisions, and so the thing was hanging over, I believe, up to the time I left—until May, 1891.

301. During these negotiations notice was given I think, by the company, to stop trespassing. Did you take proceedings to recover royalties from people who had been cutting timber without authority?—Yes, over and over again. In one case I gave instructions to have the timber seized on board the boat.

302. After collecting these royalties they were paid into a suspense account?—Yes; I have got the whole of the names of those persons who paid, and the money was put into the suspense account. The royalty collected on these mining blocks went to the Warden.

303. But all moneys collected on blocks outside the mining reserves were paid into a suspense account?—Yes.

Mr. Cooper: I will simply take Mr. Mueller over a few simple matters, and then Mr. Jones will deal with him as to the blocks. I wish to draw attention in connection with the timber question to the correspondence in Parliamentary Proceedings, 1890, D.—8D, pages 4, 5, 6, and 7. It is a separate correspondence between Mr. Mueller, the Commissioner of Crown Lands, and the Under-Secretary.

304. Hon. E. Blake (to witness).] You say that this correspondence is in its general character the correspondence referring to the timber cutting?—Yes.

305. *Mr. Cooper.*] With reference to the timber on these blocks, we will take the timber mainly on the block of the Kapitea Creek. That is very valuable timber, is it not?—Yes, very fair.

306. We may take it, in order to shorten your evidence, that there is a considerable quantity of valuable timber on the blocks coloured yellow—silver-pine?—Yes, there was silver-pine on some of these blocks near the coast; the rest of it would be the ordinary mixed bush and birch, and you would have a square mile or more good for nothing, not even for props, and then you would come to some good kinds.

307. May I take it that the main value of the blocks is the timber upon them, or is it the gold within them? You say they are of no value for agricultural purposes?—Some of them will do for grazing; they will do for pastoral purposes, but not for agriculture.

308. Of course, these blocks near Kumara would be valuable on account of their contiguity to it; and we may say the same thing of the blocks near Hokitika?—Some of them are very rough. You would not be able to get the timber out of some of these blocks without much difficulty in hauling it.

309. You did send in a written report, on the 20th November, 1886, to the Minister of Mines?—I could not speak from memory. I sent in many reports. This report was in connection with the reservations.

310. This is a letter of 1888 or 1889: you sent in another report?—I did.

311. You did send in another document later on?—Yes.

312. Hon. E. Blake.] To whom?—To Mr. Richardson.

313. *Mr. Cooper.*] We may take it, then, that the conclusions you arrived at in these reports were arrived at on the basis of the existing state of things?—Yes. Of course, I would touch very lightly on the prospects.

314. *Mr. Jones.*] You gave us your theory of the deposit of gold: that, I think, is pretty well corroborated by Mr. McKay.

315. Hon. E. Blake.] Mr. Mueller gave us his opinion,—which is the same as Mr. McKay's theory in 1893 in the Mining Report,—with reference to the river running from one end of the West Coast and emptying itself into Blind Bay?—Yes.

316. *Mr. Jones.*] With reference to gold in limestone, our witness said that gold is never to be found in limestone or coal formation; the gold may be found on the top of coal or limestone formation, brought down from the higher level above that. Is that correct?—That is not strictly correct as far as limestone is concerned.

317. You know the diggings there, you have the gold mixed up in the limestone?—You put it through the sluice-boxes, and it is a mass of limestone.

318. In the *débris* you get water-worn pieces of limestone?—Yes.

318A. Associated with the other traces of gold?—Yes.

319. But in the limestone itself, or in the rock limestone, did you ever know of any gold?—Not in the limestone, though you may do so in the loose drift along with the other conditions. I mention it because most of the geological books say that in limestone formation you need not look for gold.

320. I want to show that the gold is not in the limestone, or in the coal?—That is so.

321. If you look at our map, and refer to the Hauhau Block from the Arahura, you spoke then of the auriferous wash on the high level which comes across from Humphrey's Gully right across the country?—Yes.

322. We do not admit that block. Can you point me out, in Westland, any other part of the auriferous drift of a similar nature? The one you spoke of is in Reserve 3?—I cannot think that I was referring to No. 3. I was speaking of this here [indicating], and it goes through reserve No. 3.

323. Yes, that is it. Can you point out any other of the same character in any of the Westland blocks of any area?—This is certainly the most remarkable; but I believe there is one at the Greenstone Township, at Maori Point. I believe that is a similar drift to that which passes through Reserve 3.

324. Have you examined it yourself?—Mr. Jones, I do not pretend to be a geologist. I did not pass through the country with my eyes shut, I picked up a few things as far as mining is concerned, but I am not a geologist.

325. The information you gave is derived from the extraneous surroundings.

Hon. E. BLAKE: I understood him to speak from observation.

326. *Mr. Jones.*] Have you been there?—Yes.

327. And you speak from your own knowledge?—Yes.

328. In the Greenstone, is it on both sides of the creek?—No; only on the north side.

329. If it is only on the north side, all these drifts you speak of are on the north side. Where is the continuation to be found?—I do not know. There are a great many of these puzzles right throughout the whole of Westland.

330. Hon E. BLAKE: You stated the whole of the district was a violation of all the geological rules?—That is so.

331. You say the drift formed by the river is to be found on the north side of the Greenstone Creek, and not on the south side?—That I do not say. I merely say I have travelled along the Hohonu over and over again; and, from my observation, I come to the conclusion that it is the same drift as down the south side.

332. You do not know it is on the south side?—I could not say positively, although I have been there.

333. If you do not know the south side, how can you tell that it has been improperly hatched?—What has hatching to do with it?

334. The company say it should not have been reserved?—I only stated that on this side, here, there was some considerable amount of mining at the time; simply that I knew that here, in Pirani's Creek, they were mining there, because I was up there when they were mining. It might be worked through here further than it has been worked now; and in some places they go further up. A quarter of a mile within the valley will be in the other direction.

335. Do you not see that there is a great deal more than a quarter of a mile improperly reserved in some places—a mile on the average; most of it is half a mile; the furthest back is half a mile?—When I speak of a quarter of a mile I mean from the Erin-go-bragh race.

336. Do you say there are any gold-workings within the hatched portion—any workings at all?—Well, I would not swear to that, whether there are any workings there now. I can certainly swear there were workings in Pirani's Creek.

337. That is outside the block?

338. Hon. E. BLAKE.] What inference do you draw?—That the gold extends right through.

339. *Mr. Jones.*] I thought you had not been there?—I have been on both sides, and am speaking of it.

340. With reference to Block 6, you gave your reasons why that should be reserved for gold-mining purposes. When did you first come to that conclusion?—At the time, I believe, I reported to Mr. Larnach.

341. Was it before you came up to Wellington to prepare that map that you came to the conclusion that the block should be reserved for gold-mining purposes—in 1886?—Yes; but I did not get any information from Wellington. I brought it up from the West Coast.

442. Will you be kind enough to refer to that map—Larnach's. Will you tell me if you have marked that yellow in the map or not?—But look at the report, and you will find that I told Mr. Larnach that there was a large amount of mining ground left out, but that this in the meanwhile, I thought, should be reserved.

343. Subsequent to that you were told to reduce the areas?—Yes.

343A. And then you produced another map: that is the map which is acted upon?—From 1886 to 1891, by that time some prospecting had taken place there, and it was the general opinion, after the Kumara Goldfield extended, and it was found that it did not extend further to the north, then the idea was that it would run in another direction. I knew by that time, and even before, that gold had been worked there, but there has been no extensive working.

344. This is supposed to be a reduced quantity, is it not. Block 2B, even that is not suggested as being required for gold-mining reserves—on the west side of the Lamplough Track?—But when a reduction has to be made from 214,000 acres to 75,000 acres, you cannot possibly do otherwise than leave some of these old workings out.

345. In the first map it is shown that a certain portion of the block is not required?—2B was included in Larnach's.

346. On looking at the map I find you are right; it was included in Larnach's. You say in 2B you have made fifty or sixty surveys there?—No; I do not think I said that.

347. Well, in 2A?—Yes; perhaps sixty would not be enough.

348. What were those surveys for?—Extended claims; and there were a great many disputes amongst the miners about encroachments.

349. On which side of the Lamplough Track did you make those surveys?—On the right side going from Lamplough.

350. And on the east side of the track?—Yes. I would even go this length, and say that it is quite possible that I never made a survey in that small portion on the west side.

351. Have you ever known any gold-mining on 2B?—Yes.

352. Whereabouts?—I could not tell you where it was. There used to be an old track going down from Stafford to the beach, and there was what was called the Star Hotel there, and I had several times to stay there. There were a number of diggers there, and we talked it over, and I knew some of them were prospecting and working there.

353. Where?—Within the first half-mile.

354. That is a great many years ago?- Yes.

355. That was mere prospecting, was it not?—I could not say.

356. You still think that piece of ground is required for gold-mining purposes?—Certainly; for sluicing purposes.

357. What sluicing purposes?—When this race is extended down to Scandinavians, which I think there is very little doubt will come to pass.

358. As a matter of fact, at the present time, and for many years past, there has been no requirement in that block for gold-mining purposes?—Not that I know of.

359. With reference to Block 12—I think it is on Cedar Creek—you produced a plan showing a series of applications for leases on that block. When was that plan prepared?—In 1884.

360. Before the final map was agreed upon for the reserves—Mr. Larnach's Proclamation—were not all those leases pretty well deserted and abandoned?—A good few of them were. One company subsequently put up a large battery there.

361. Subsequent to 1884—not subsequent to the making of the reserves?—Subsequent to the making of the reserves. I think so. At all events, the reason why it was made was this: that these different quartz outcrops were proved to be gold-bearing, and it happened, as often is the case in a quartz-mining district, the caps contain the best specimens of gold, and, as you get down the reef, you get very little or nothing—it runs out. But then we knew quite well that these freaks are very frequent. For instance at Reefton, they never went to the expense of trying the reef lower down. But we considered it absolutely necessary to reserve these reefs, which we knew were proved to be gold-bearing.

362. *Mr. Jones:* I only want to show that the information upon which that map was made was not correct at the time.

363. Hon. E. BLAKE: How do you mean "not correct"? You mean, most of the diggings have been abandoned?

364. *Mr. Jones.*] Yes; and since that every one of them have been abandoned?—I believe so, but I have not been down there lately.

Sir R. Stout: Look at the Waihi, and other mines.

Mr. Mueller: Yes; the Waihi Gold-mine is the very best claim in the colony, and it was abandoned over and over again.

365. *Mr. Jones.*] When did you leave the West Coast?—In May, 1891.

366. And since that have you made any inspection of the ground?—Are you referring to Cedar Creek?

367. Generally?—I ran through the country about six months ago. I spent about five weeks there.

368. On the main roads principally?—No; I commenced at Reefton, and examined all these blocks right through, and went down as far as Ross, but we did not go up Cedar Creek.

369. But the other blocks we have been speaking of?—Yes; every one of them.

370. Did you go on all those blocks?—Yes; every one of them.

371. *Mr. Stringer.*] Mr. Jones asked you with reference to that drift you were speaking of at Humphrey's Gully, and you mentioned Hohonu as another instance where it occurs. Do you know Greeks' No. 2?—Yes. By-the-by I forgot about that. Greeks' No. 2 is that drift. That is on the northern side of the range towards Kumara Flat.

372. Is that in the same line?—Yes.

373. It is in Block 2, I think?—Yes.

374. All in the same line?—Yes; I forgot about that. It is very plain at Greeks'.

375. You have also been asked the question as to the variation between your first and second map. Your first map was made by yourself alone?—Yes.

376. The second map, I think, was made in conjunction with Major Keddell?—Yes. We had a difference of opinion on the subject, and it took us three meetings before we at last agreed.

377. And that was the result of your joint labours?—Yes.

ALEXANDER MCKAY sworn and examined.

378. *Sir R. Stout.*] You are the mining geologist of the colony?—Yes.

379. And you are also a Fellow of the Geological Society of London, are you not?—Yes.

380. Have you had any experience as a practical miner?—Yes; as a practical miner between 1863 and 1871.

381. You mined, I think, in Otago?—Yes.

382. Anywhere else?—In Queensland.

383. You have not mined on the West Coast?—No.

384. You have, however, examined the West Coast geologically on many occasions, I believe?—On some four or five special occasions.

385. You know the different leads of gold on the West Coast?—I know the different deposits of gold and arrangement of the geological formations.

386. Can you state the forms of geological formation in which gold is found?—In the first instance, gold is found in the most recent and modern gravels of the creek-beds and river-banks, and these deposits run parallel generally with the stream; secondly, there are the higher terraces, which, practically, may be said to be the same thing. Next to that, both modern and older than those I have spoken of, are the beach-leads and higher inland elevated old beach-leads due to the elevation of the land generally, and which are found from near the shore-line to some three or four miles inland. These have been traversed by the creeks, and much gold liberated from them to the first-mentioned form. The recent creeks thus crossing at right-angles the leads of black sand, they are still in part preserved in the higher ground. Such are the black-sand leads that, from the Kanieri, at 200ft. above the sea-level, extend at various levels right through to Westport.

387. Which side of the Paparoa Range?—On the western side; and the black-sand leads have a culminating height of 650ft. between Brighton and Four-mile Creek, south of Charleston.

388. These are the different leads you speak of?—Yes; but not all of them.

388A. What are the others?—Next or intermediate in age are the glacier deposits, which are so largely worked round Kumara, and underneath these are the old Pleistocene river deposits, which are illustrated in Seddon's Terrace, and Big Creek.

389. Is there any other you wish to refer to?—There is one greater than the others mentioned.

390. What is that?—The "Old-man bottom."

391. What do you say is the "Old-man bottom"?—It is the gravel, the proceeds of the denudation of New Zealand when New Zealand was not the New Zealand of to-day nor anything like it. They are river gravels, though they may often be found on the sea-coast.

392. Your theory is that at one time there was a vast river flowed from Mount Cook right through to Blind Bay?—I have discussed, in the report of 1893, the whole question, and I gave my adhesion to that theory.

393. Then, I understand, Mr. McKay, that the "Old-man bottom" is a deposit by this river that you speak of?—Yes.

394. And that has been, in your opinion, that the heaviest deposit of gold on the coast is in this bottom?—I maintain that four-fifths of all the gold raised on the Coast has been secondarily derived from "Old-man bottom"—that the creeks and rivers crossing it have liberated the gold out of it, and deposited it in the creek-beds.

395. Where do you say you can trace this "Old-man bottom" from?—From Ross to Landing Creek, in the Inangahua Valley. It may be traced, first of all, to Hokitika, then to Ahaura, then up the Teremakau, then to the Big Grey. I have here a map which explains what I say. At this point [indicating on map] the river gravels I have spoken of are 300ft. below the level of the sea at Ross Flat; and to show the movements that have taken place they are here on Mount Greenland [indicating on map] 3,000ft. above sea-level. The gravels extend north-east through the country [indicating on map], but at places are obscured, and covered first by the marine black-sand leads on the coast-line, and secondly, on the inland side, by glacier deposits, and thus partially obscured are traceable into the New River district.

396. What do you call the New River district?—That lying immediately to the south-east of Greymouth. They are largely developed there, though covered over by glacier deposits. We cross to the Arnold. The Arnold has broken through the "Old-man gravels," leaving the New River hills on the one side and the No Town hills on the other. Still the gravels continue on. They continue until they come to the Big Grey. The Big Grey breaks through them, and redeposits the material within the area of Block 65, which is not "Old-man bottom" at all. Beyond this they continue along the east side of the Little Grey Valley until you pass into that of the Inangahua River, and then, having reached the Inangahua River, the gravels of the "Old-man bottom" continue along the east side of the Inangahua Valley to Landing Creek, and are then no longer seen. Formerly I thought the same line ran through here [indicating on map] to Blind Bay, but it turns out not to be the case.

397. Now, you say the "Old-man bottom" has really been the source from which the river-deposits have come, by being cut through by these rivers. Having stated generally what is the deposit on the West Coast, I suppose I need not ask you whether all these river-bottoms have been worked out. What do you imagine will be the future of the West Coast as far as gold-producing is concerned?—From No Town to Noble's Blocks they have scarcely yet begun it.

398. I understand that you and Mr. Gordon went over all the blocks that have been reserved for mining purposes this year?—All of them except two.

399. Where were the two you did not visit?—One was the Cedar Creek Block and the other was on the Doughboy. The numbers are twelve in the Western District and thirty in the Nelson District.

400. But, leaving these out, you went over every block?—More or less.

401. Now, I want you to come to the various blocks. Where is Block 1, Nelson, situated?—To the north-east of Westport, between Westport and Waimangaroa, along the coast.

402. What is the width of that block, about?—I could not say on the scale here.

403. But you know the block; you have been over it?—Yes, on several occasions. You cannot very well get to Mokihinui without going over it.

404. The Mokihinui is where the coal-mines are?—Yes.

405. You have been there to inspect the coal?—Yes; four or five times.

406. Can you say if there is any gold-mining on the land there?—There was gold-mining in the old days along the beach within four miles of Westport. There were a number of miners—I could not say how many—engaged near the block immediately to the north of the Waimangaroa at the time we were there last April.

407. There were some miners there last April?—Yes.

408. What sort of land is that there?—No land at all—great bogs.

409. Fit for cultivation?—I do not think so.

410. What would you say about the possible future of that block for gold-mining purposes?—Firstly, its chief present value is the beach-combing; secondly, there are terraces at the back; but possibly these last auriferous deposits lie outside the block. As regard the great extent of the pakihis, the manner of their origination is precisely that of Addison's Flat. Addison's Flat has certainly proved gold-bearing, and the causes which brought either the one or the other into existence having been the same I should judge that the high probabilities are that, when the pakihis can be worked, they will prove very much the same as Addison's Flat.

411. In your opinion, was it proper to have made this reserve, Block 1, for mining purposes?—I think so, but not with the same force as many of the other blocks.

412. Now, where is Block 2?—Immediately south of Cape Foulwind, extending two miles along the coast, and six miles inland to Bald Hill, on the road from Westport to Charleston, or Addison's Flat.

413. They have objected to about half of that—to what they call "the hatching" on the plan. What do you say about that?—Well, there is no sense in Wilson's lead or Piper's lead, or any other lead on Addison's, unless it had its complement against the Cape Foulwind hills.

414. It would have been of no use reserving one part of the block and leaving the rest over?—No, you would be leaving out auriferous lands, and you would be depriving yourself of facilities for extracting these auriferous deposits and getting away the material.

415. In your opinion, the whole block should be reserved?—I think so.

416. Where does Block 3 lie?—Immediately to the south.

417. They say about half of that was rightly reserved, and the other half, which is hatched, was not. On looking at that, what would you say about it?—The same thing applies. Near the lagoon at the mouth of the Okari River there are black-sand workings now. At least, I have no special knowledge, but I certainly always understood so.

Mr. Cooper: We admit that.

418. *Sir R. Stout.*] Now, I want to know what is the nature of the soil that has been reserved there—the surface of the ground upon the pahikis?—I have travelled far and wide, and I never saw worse land.

419. Then, the only value attaching to the land would be for mining purposes?—Solely and wholly. Allow me a correction: There is one little corner to the south-west where there is some alluvial soil; but I was speaking of the pakihis.

420. Did you see any mining going on on Block 3?—Yes, there is the Shamrock on the celebrated Addison's lead. Then there is the Piper's lead and Virgin Flat on the other block; it is the same line, however, so it does not matter. Then there are the Bradshaw Terraces on that line.

421. Do you think any of these blocks contain valuable gold?—Yes; both discovered and to be discovered.

422. Then there is Block 4: they seem to say that very little of that is justifiable. What do you think of Block 4?—I say there are workings on the hatched portion. There was sluicing going on there, and the tailings were coming down between the River Totara and the road-line on the terrace. I cannot give you the names of those working, but I saw that men were working.

423. It is on Block 4 that the Shamrock Company's works are?—Yes, on the north-eastern part.

424. Looking at that hatched portion, what do you say about the possibility of leads and of gold being found there?—That to the south-east of the road-line, after rising from the back of the Totara? I see no reason why that should not correspond exactly to the Shamrock.

425. In your opinion, is there any of that land that should have been left out of the Proclamations that have been made?—I cannot declare it to be all auriferous. I think the Big Totara has burst through and carried away the lead, and I am certainly not in favour of thinking that the gravels of the mountains and the channels of the rivers are in any high degree auriferous. The only exclusion I would make is immediately on the banks of the Big Totara itself.

426. But the river would be needed for sluicing and running down the tailings, &c.?—In all probability it would be.

427. Now, as to Block 5, they say all that is justifiable, but they exclude 3,000 acres. You know the mouth of the Nile River: that seems to have a frontage along the coast of about eight miles?—Yes.

428. The average width is about two miles and a half?—Yes.

429. Is there any agricultural land there?—There are two or three cabbage-gardens about.

430. Can you say if mining has been carried on in that block?—Extensively.

431. I suppose that is where the Charleston Mine was in the old days, in the northern portion?—And also Brighton.

432. I want to know if, in your opinion, that is an improper reservation—the hatched portion?—I have told you that the land was depressed until it was 650ft. lower than it is now—that is to

say, you get black sand at elevations 650ft. above the sea-level, and I must therefore infer that all points under 650ft. in height are right and proper to be reserved since black-sand deposits may exist at any point below that level.

433. Are there any mining plants working this black cement at present?—There are nine crushing-plants along the Back Lead.

433A. You think all lands less than 650ft. in height should be reserved for mining purposes?—Yes, for the reason that it is so submerged that it necessarily accumulates upon it black sand which is auriferous.

434. You are now going up the eastern side of the Paparoa Range?—No, going south on the western side.

435. Can you say if there were any reefs found on the eastward side of the Paparoa Range?—Not in the northern blocks. Quartz leads do occur in Block 5.

436. The next block is Block 6. The company say that almost all of these blocks ought not to have been reserved. What about Block 6?—The unhatched portion is altogether too little, for the reason that there is nothing shown east of Woodpecker Bay; neither is there anything shown where there are workings on the terraces south of Brighton. That part of the block is entirely hatched over,

437. You mean the allowance made by the hatching is too little?—They have hatched over the area immediately south of Fox's River, between there and Seal Island. That part should not have been hatched.

438. You think it should have been reserved for mining?—Yes, and the hatching is certainly wrong.

439. You consider that Block 6 ought to be reserved. Could any part of it be eliminated?—The immediate south portion of it I have no special knowledge of, but taking again the general law as to elevation of the coast line, I would expect that there would be black-sand deposits there.

440. Take Block 25: you were up the Maruia River; you know this block?—I went up here [indicating on map].

441. What is the nature of the reservation that is made up this river, taking the Maruia and not the Matakitaki?—In the lower portion, immediately at the junction of the Buller and Maruia, there is a moderately-sized flat reserved. You are speaking of land?

442. Tell us the nature of the reserve?—It is gravelly terraces covered in places with splendid birch, and also areas of mixed timber; as to the land, in all probability when the timber is felled it will take a lot of trouble to make anything grow but fern. The fern is doing very well there. As regards the western side of the valley, that is simply a bluff mountain slope of granite. That applies to the country for six miles, and, at the end of six miles, pine bush for the last time is met with. Then, passing over high bluff country, you come to a flat of three or four miles long, and of comparatively narrow width. That leads you to the crossing of Casolani. This is simply the bank of the river, varying from 3, 4, to 10 and 15 chains in width, composed of granite and shingle. It is timbered, mainly birch.

443. Is the land of any value for agricultural and forest purposes?—There is many a good birch tree there.

444. You know that birch is not saleable on the Coast to any extent?—I pity the Coast, then.

445. Is it black birch or white birch?—I could not say, for that is a question that no man can determine, unless he is a botanist. It is a large-leaved birch.

446. What about the mining on this reserve?—We saw mining on the banks of the river within that block—two or three parties of two each.

447. What do you say about the possibility of mining?—There were miners, chiefly on the banks on the river, for 2 chains back. They were bringing small races from the range, diverting the creeks to bring them into their claims. I am perfectly certain, as far as I could judge, that if these men were making a living, many more might, provided there were facilities for bringing the water on. Of course, as regards dump, the get-away from the claims is into the river.

448. In your opinion, is this reserve likely to be used for mining purposes?—I think the great portion of the river banks for some distance back will be so used.

449. Now we come to Block 26, that is also along the Maruia River. Does your remark as to the lower part apply to the upper part also?—I visited each together.

450. What is the difference between the two?—The only other land is from Casolani up to the crossing, where you come down from the Shenandoah. I know of no other land.

451. Did you see any mining on the block?—We saw mining at the junction of the Shenandoah, and further down, before reaching Casolani, at three different points.

452. In your opinion, will there be more gold-mining or less on that river?—Provided tracks were made, and provisions could be packed at a reasonable cost, there would be a very considerable increase of population.

453. For mining purposes?—Yes.

454. Now we come to Block 27. That is also in the Maruia?—Yes.

455. Can you say anything about miners working there?—There were two men working at the Warwick.

456. I have no need to refer to that portion?—At the present time no one is working on Block 27, but it has great possibilities, for the simple reason that the conglomerates of Station Creek, from the Warwick, run along the whole of this range, and this line is promising for gold-mining; especially some of the land outside the block. Two or three years ago forty men were working in Station Creek outside the limits of the block.

457. What do you say about Block 28?—That is open land, comprised of river-flats. No miners are working there. Miners have been prospecting in the neighbourhood, and the Alfred drains into the river. Therefore I hold that the area is certainly gold-bearing.

458. What about the value of it for agricultural purposes?—It will not grow anything between April and October, whatever it may at any other time.

459. Why?—Because the climate is severe, and the soil indifferent.

460. Now Block 30—that is at Doughboy Creek?—I have not seen that.

461. What do you say as to Block 51, in the Inangahua Valley?—That contains Coal Creek and Landing Creek. It has great possibilities.

462. Tell us what it is?—It is composed of reefing country in most of the eastern part, coal drifts which are auriferous in the central portion, and "Old-man bottom" in the more western portion. The ground then sinks into alluvial flats along the Inangahua River.

463. Are there any miners working there?—There are several Chinamen. I do not know whether there were any Europeans working there when we visited it.

464. You think there are great possibilities there?—Yes, for hydraulic sluicing, if water was provided on the ground, and which may be brought from Larry's Creek and the mountainous region to the north.

465. In your opinion, should it have been reserved?—It should have been reserved.

466. Now, Block 53, between Larry's Creek and Boatman's: what do you say about that?—I say it is generally auriferous. It contains auriferous coal-drifts and auriferous slates.

467. What do you say about the parts hatched?—It is chiefly composed of "Old-man bottom."

468. Which you consider the richest land on the Coast?—Certainly; it is in places rich in gold.

469. You say the part hatched is the richest part of the block?—I do not say it would pay for cradling; but if you put on twenty or thirty heads of water you would discover that it would.

470. Now I come to Block 54, called the Reefton mining area?—It is coal which is covered over with river gravels which may possibly be auriferous.

471. Do you admit that little bit which is objected to?—No. It might be good, but it is coal-bearing. There are the old high river-gravels of the Inangahua, and if they were sluiced off I would expect to find gold.

472. Block 59—that lies south of Inangahua from Reefton to Rainy Creek Junction. What do you say about this block? It contains the Globe, Progress, Drake, Cumberland, and Inkerman Claims?—That is reefing country, and there is a liability of reefing.

473. Is the land of Blocks 54 and 59 fit for agriculture?—Of course, except along the low ground going to Reefton, it has been birch-bush, and grows excellent fern. There are hills all through the Reefton mining district. I do not think anybody would contend about the land. There are bits of flat land, but even the flat lands are poor.

474. The hills cannot grow anything?—I do not say they cannot grow anything. The land may grow grass, and run one sheep to several acres.

475. I want you to say whether Block 59 does not include the chief mines of Reefton?—Certainly not, because they are on the other side of the river. It contains important mines.

476. What does it include?—It includes the Globe, Cumberland, Drake, Progress, and others.

477. Ought that block to be reserved?—As reefing country, yes. This point at the mouth of Rainy Creek is carboniferous rock, containing quartz reefs. If I ran a geological section across that part to the north I know what I say of Rainy Creek would apply there also.

478. Block 61 lies to the south-east of that line. The company objects, apparently, to 7,000 acres of it. What do you say about that country?—I say certainly that all that is unhatched is most emphatically required. I am not exactly determined as to where the granite junction is, but all that is not granite should be most emphatically reserved for mining.

479. Do granite and slate come together there?—Yes; the granite and metamorphic slate run together and are overlain with coal.

480. All except the granite should have been reserved for mining purposes?—Yes.

481. This land, I suppose, is mountainous, and not agricultural land?—It is mountainous, and unfit for agricultural purposes.

482. Now I come to Block 62. I see they object to most of that. That is on the Little Grey, and Antonio's Flat is there, I presume. What do you say about that?—I think I can say, without fear or favour, that every inch of that should have been reserved.

483. Are there people working there now?—There are a number of people working at Antonio's Creek, a number of Chinamen at Slab-hut Creek, and there was a considerable rush at Adamstown.

484. And the whole block should have been reserved?—Yes; I have no hesitation in saying that.

485. Now, Block 63, where does that lie?—To the south-east of 62.

486. What is the nature of the country?—The lower slopes of that is "Old-man bottom" underlain by slate, the middle portion is slate, and the inland portion is upland gravels. There is Merrijigs and Table Flat, which is auriferous, as is shown by the workings at Merrijigs Hill.

487. Is the land of use for agriculture?—In some of the bottoms you could make a good garden. For the higher lands I should have to have a subsidy to take them up.

488. Block 65: The company object to most of that block being reserved. It is between Big River and the Big Grey?—I should like to expatiate on its geological peculiarities; but I suppose I must not.

489. I want to know whether it is auriferous, or suitable for mining purposes?—It certainly is.

490. What sort of mining land is that?—In the northern portion it is "Old-man" bottom; in the southern portion it is the high alluvial terrace-land of the Grey, which I have already mentioned.

491. In your opinion, ought it to have been reserved for mining purposes?—I think so. I base my opinion on what I saw in Mossy Creek.

492. Well, then we come to 66. You see that on the map. They object to the area there being reserved?—To say that they object to that is to say that it is put in precisely the same pass as 65. the rejected part in the other side of the block runs out on the slate reefs.

493. And what about the nature of the land in 66?—A man tried to give it away, and he could not.

494. It is mountainous land?—No; terrace land. It has a most magnificent appearance. You would fancy you could locate half the population in New Zealand there, but you could not do it.

495. I suppose it is all birch?—No; there are fine timbers near the Grey River.

496. I believe part of it would be birch?—The greater portion of it.

497. This is Block 69, south-west of the Big Grey?—Now, the piece that they have taken objection to constitutes the middle section of the "Old-man bottom."

498. But is there gold in the middle of the "Old-man bottom"?—Yes, there is. In Napoleon Hill it is extremely auriferous. The hill requires attention. It is extremely rich again in the lower portion. In evidence of that—but expert evidence will be given on that point. It is auriferous in Boatman's.

499. In your opinion, that should be reserved?—I think so; the portions objected to should have been reserved, although I do not contend that it is the most auriferous portion of the block. I admit it is the least auriferous.

500. Is the part objected to as being reserved any use for agricultural purposes?—Well, it is very steep.

501. Block 70, between Duffer's Creek and the Ahaura River?—They do not seem to have raised any objections.

502. What do you say about the part hatched?—I do not understand hatching across a hard line like that, because in various parts it would certainly follow a sinuous line, and why it should take that course transcends my understanding.

503. Hon. E. Blake.] What would you do with it?—I would put it in as auriferous.

504. *Sir R. Stout.*] Do you know of any rushes on that block? It runs to the Ahaura?—We have had a recent rush at the Ahaura.

Mr. Jones: It is on the next block.

Witness: It does not matter, you can have three or four rushes there.

505. The land between Orwell Creek and Duffer's?—This portion that is objected to, the northerly part, that is "Old-man bottom," and the southerly part is the high level where the former Ahaura ran. I suppose this again must be reserved for the expert.

506. This block, No. 71, you see that block on the north-eastern bank of the Ahaura River?—I do not know much about that, except the portion allowed. I have not been up the river there; but I may state, generally, that from this block immediately to the north the "Old-man" hills continue, and I lay it down as a general rule that wherever the "Old-man bottom" exists it wants to be carefully guarded.

507. We next come to Block 74. They objected to that also. They admit half of that. What about the parts which are hatched?—As regards the more western portion, there might be a possibility that the parts hatched are rich; as regards the eastern portion, there is an absolute certainty that the hatchings are wrong, because that is the direct line in continuation from Napoleon Hill, and it is the denudation of this hill and line of "Old-man" gravels that has afforded all the gold found in Orwell Creek and that neighbourhood.

508. In 75, to the south-east of 74, along Nelson Creek to Lake Hochstetter? You know the Nelson Creek Water-race came from Lake Hochsetter? Can you speak of any portion of that?—I would not dare to speak to the eastern portion, but as to those pieces lower down, they did not go across the Ahaura River there. The piece admitted is the area I have knowledge of.

509. Block 77, the Twelve-mile Creek; what about that—Red Jack's?—I say there is a wonderful thing there. They give the piece I do not care about, and left the other. I know perfectly well there is nothing there.

510. Do you say that the piece they have held is the more valuable piece as a block for mining purposes?—According to my general theory, for the simple reason that it is a piece of the "Old-man" hills on the line that extends from Napoleon Hill to No Town.

511. Can you say that gold-mining is carried on in that block?—I was not on that particular portion of the valley. I do not know particularly the hatched portion.

511. Then, we come to Block 80?—But, first, what about 79, Deadman's Creek, on the left hand branch, and Red Jack's?—I have no special knowledge of 79.

513. Then we come to 80?—That is the No Town workings; I have been there. There has been a considerable amount of working in the past there, from which I infer a considerable amount in the future.

514. Does that apply to the hatched portion?—Yes, because it is "Old-man bottom." My contention is that the gold can be derived from nowhere else than from that region itself to the gravel in the creek-beds.

515. You consider 80 should be reserved?—I state generally that where the "Old-man" gravels are it should be reserved. It is hilly, broken country. The same may be said of Block 81. It is the portion that comes down to the Arnold River; that is flat. From the margin of the No Town Hills to Portuguese Creek, whenever you touch the hills, there you are on "Old man," and you are on the No Town Creek there.

516. I believe there is a difference of opinion as to the Arnold Flat. What is your opinion?—My opinion is that it has been overflowed by the denudation from the No Town Hills, and that therefore there ought to be shallow auriferous ground, due to the auriferous discharge from the hills. As regards the general body of the Arnold Flat, the most of the material has been brought there from the Teremakau, carried by the glaciers into that region and afterwards re-assorted by the action of water. The larger portion of the material is not auriferous—it does not come from the auriferous region. At the same time, out some distance from the foot of the No Town Hills it probably is auriferous.

517. Now we come to 85—Cobden ; what do you say about that region?—I have been over that block a hundred times, at least, the greater portion of it. The same remark applies to this block as to some others. Heights of 200ft. and all heights below 200ft. should be reserved.

518. Block 86. You see the part hatched. What do you say about that land?—I see no reason why the company should not give that portion. As regards a portion of it, there is a possibility of a perfect Johannesberg there.

519. What about the bottoms where they find gold there near the coal-bearing land?—There is coal there, it is true, but portions of it are gold-bearing; for instance, there is Maori Creek, and towards the Maruia. Nine-tenths of all the gold found in Otago came from the same geological formation.

520. You know, of course, in the Kakanui Range, in Otago, gold and coal is in close proximity? —Yes ; and there is the same thing here in Grey Valley.

521. And you know in Otago, in the Kyburn Range, there are exceedingly rich deposits of gold? —I have washed an ounce to the tin dish from such deposits.

522. Block 87 : what do you say about that?— That is a coalfield ; it is also a goldfield.

523. Ford's Creek : what about that?—As far as its left branch is concerned, it is auriferous to its source. As far as the middle branch is concerned, it is auriferous to the foot of Mount Davy.

524. In your opinion, the whole of that block should have been reserved ?—I think so.

525. Block 89 : what do you say about that—the hatched portions ?—A large portion of it is freehold, apparently, so far as I know ; there are farms there. As regards the northern hatched portion, that has been worked for gold, and Johnston himself made a very considerable fortune out of that little creek.

526. That is Johnston's farm?—Yes, and a small creek in the range, where you go up.

527. Ought the hatched portion to have been proclaimed?—Yes.

528. As to 93?—There is one triangular flat there, near the source of the main branch of Tenmile, about three times as big as this room. That is certainly all the flat land in it. A portion of this land is coal-mining land, and the rest of the ground is certainly liable to the occurrence of reefs in it.

529. Hon. E. Blake.] You think it should be reserved?—Yes ; the whole of it should be reserved, and, although the rocks on the coast-line do not look so favourable for the occurrence of reefs, still reefs may be found there.

530. Block 94 : what do you say about that?—It is all mountainous, except a strip about a mile wide in the north on the sea-beach side, gradually attenuating till it runs out at Baker's Creek. It is auriferous along the beach, and men were working there when we passed along. So far as I know, there has been no working in Baker's Creek, although I have never heard any reason why there should not be. There is working in Fagan's. The Barrytown lead lies partly within this area, and that has been very rich. The country is thoroughly charged with reefs more or less auriferous.

531. Hon. E. Blake.] You think it ought to be reserved?—Yes; the whole of this region abounds in reefs.

532. *Sir R. Stout.*] Block 95 : what do you say to that?—It has the same general character. A great many people think it is rich in gold, and the miners in the neighbourhood insist that the swamp is full of gold. They contend that the Barrytown reef has been broken across by so many creeks that by these has been carried away over four-fifths of the entire lead into the swamp. They contend that it must be richly auriferous. They think that the gravels were carried forward, and that they are even more concentrated than they were in the lead.

533. Hon. E. Blake.] What other use could be made of the swamp?—I do not know. It is very near the sea-level, and is very boggy, and I know not how you could drain it.

534. *Sir R. Stout.*] You do not think it is possible to reclaim it, and it would not pay to reclaim it?—It would be a matter of great cost.

535. Block 97—what about it?—It partakes of the general character of the previous block, 95, and much cannot be said of it, for it, or against it other than what can be said as to 95. The region to the east is a reefing country.

536. Is that land of any value for agricultural settlement at all?—A portion of the range is held by Mr. Marshall as a sheep run at present.

537. But that is not reserved?—It is extremely broken country along the valley of Deadman's in Block 97.

538. Now we come to the Westland Block, near the Westland-Kumara Block?—I think the entirety of it should be reserved.

539. These are the moraine deposits you speak of?—Largely.

540. Blocks 2A and 2B—what do you say about that?—As to 2B, it has through it the modern live beaches—blacksand ; and there is the old Hauhau lead, which reaches elevations of 200ft. And the Lamplough is a continuation of the same line which runs through to the north ; and therefore the elevations below 200ft. have to be considered to have the presence of these marine auriferous deposits.

541. Now we come to Block 5, the next one objected to. They object to the half of that block. Will you look at that Greenstone River block and tell me what you say about that?—I am astonished they should object to any there.

542. Your opinion is that it is auriferous?—I think so.

543. Now Block 6, the next objection, the south-west bank of the Teremakau River : what do you say about that?—Well, I say, if I was astonished they made any objection to the Greenstone reservation, it holds equally here.

544. We come to Block 7. They object to very little, but they object to part of it.

Mr. Jones : It is hardly worth speaking about.

545. *Sir R. Stout.*] Well, then, 8A : what do you say about that?—I cannot speak as to that.

546. Block 9, the next they object to: did you see that, and what do you say about it?—The front part of it contains deposits of black sand, the middle portion "Old-man bottom," and the back portion of it limestone.

547. In your opinion, ought that to be auriferous?—All to the west of the limestone range ought to be reserved.

548. Block 12: you did not see that?—Yes, I have formerly seen it. I simply say it is reefing-country. The top of Mount Greenland shows gravels of the "Old-man bottom" character. I have seen the presence of these gravels there. The reefing portion should certainly be reserved; and it extends to the western portion of the range, and should be reserved quite irrespective of whether the "Old-man" gravels are auriferous or not.

549. *Mr. Jones.*] Really, the sum and substance of your evidence is this: that wherever the ground is under a level of 200ft., and on the sea-beach line, whether there has been gold-working in it or not, it should be reserved on account of the black-sand deposits?—The liability of black-sand deposits, and their frequent occurrence.

550. Then, you have another level of 650ft. high of lands on the western slope. Within 650ft. level should also be reserved, you say, because they are within the specified limits?—Yes, such as Fox's River, Charleston, Addison's, and so on.

551. Then, you have another general answer to all our questions—that all the other goldfields, such as the Grey Valley and those places, should be reserved because they are full of "Old-man bottom": is that it?—That is a general statement.

552. Now, have you ever found a miner in your life who will believe you when you say that the "Old-man bottom" contains any gold?—Yes.

553. Was he a cousin of yours?—No; he was a near relative of your own.

553A. I have not a relative in the colony. Who was the man?—Boardman, in Boardman's Creek, and Rodgers. The latter declared in my presence that his son took out 1dwt. to the dish in "Old-man" reef.

554. Is that gold which is in the "old-man" reef difficult to be discovered?—Not with a tin dish. . . .

555. Do you think it would be possible, after thirty-one years' goldfield life, men working in the "Old-man" reef every day, they would not discover gold there as well as you?—They did discover it.

556. I am talking in a general way?—I will talk to you about Napoleon Hill if you like.

557. Do you think it is probable, with a population of at least 30,000 miners, all working in the "Old-man bottom," going on to the Coast and knowing anything about it, sinking shafts actually into it, trying prospects every foot they went—do you think it probable that they would not have discovered gold long before you found it?—I say they did discover gold, and in the "Old-man bottom."

558. Where?—At Napoleon Hill they have worked the "Old-man bottom."

559. Whereabouts at Napoleon Hill have they worked the "Old-man bottom"?—Everywhere.

560. Did you ever work in that lead?—Certainly not.

561. Have you ever been in the lead?—Yes, I have been at the northern face and at the western side.

562. Up at the head of Noble's where the lead was first discovered?—Yes.

563. And do you mean to say it is the "Old-man bottom" they discovered the gold in?—Yes.

564. Is there not a marked line between the bottom they got the gold in and the bottom at which they worked? Is it not quite a distinct formation?—No.

565. How did they know when they had taken out all the auriferous wash?—Because they were dealing with the upper portion of the strata and that had coarser gravel. When they came to the bottom that was again a finer gravel, but geologically there was no difference.

566. But there was a sufficiently marked line to indicate to the miner when he came to the bottom and when not?—Generally.

567. And you contend that hill is "Old-man bottom." What is the formation above—what they have left over their heads?—Coarse gravel.

568. Is that "Old-man bottom" too?—Certainly, right up to the crown of the hill or for 200ft. down. You will find nothing on Napoleon Hill but "Old-man bottom." It was the old river-bed.

569. Then, the whole of Napoleon Hill is the "Old-man bottom"?—I know of nothing but "Old-man bottom" in that region, except the mere modern drifts ground out of the mountains.

570. Does not Orwell Creek and Noble's and Duffer's contain the same wash exactly that is in Napoleon Hill?—Yes, most undoubtedly.

571. Is the wash we get in Noble's Creek, Duffer's, and those places "Old-man bottom"?—Not in the immediate creek; but wherever you get beyond the bank of the creek, and you pass into the solid, that is "Old-man bottom."

572. Does not the same theory apply to Napoleon Hill, which is an old river-bed?—I say, no.

573. Why?—For this reason: that in the case of Napoleon Hill you have had geological movements that have vastly displaced the rocks, and the consequence is you have them thrown into foldings. So, thus, comparisons cannot be made in this respect with gravels of yesterday in the creek-beds.

573A. We have the same factors, the same wash, the same bottom in both places?—True; but you have not got the geological movements.

574. When you tell me it is "Old-man" reef, you are talking of such formation as Napoleon's, Noble's, and so on?—And the whole line of that belt right through to the Arnold.

575. And it is on that general assumption that the "Old-man" reef will pay, you say the bulk of these reserves were rightly made?—Generally as concerns this district.

576. Could you give me an illustration, or name any place where any man is working at any of that "Old-man bottom"?—Yes; there is Howell's claim, at the back of Boatman's.

577. Is that what you call "Old-man bottom"?—Certainly. It may not be so rough, but I swear it is the same period.

578. Are there any other deposits on the Coast except the one you have mentioned of the same kind?—Try the west side of the Grey Valley.

579. Is there any place where it could be got at?—Yes; in the Black Ball, in Ford's Creek, also in the Slaty River Block, and all along the Grey Valley.

580. Do you know how far the gold which is payable goes up to Callaghan's—I mean south of the Ahaura?—We simply passed over the range from Hatter's Terrace, and down to the workings in the creek, and thence to the main road.

581. Does not the future of the West Coast, so far as the "Old-man" is concerned, all lie in the gold which we shall extract from the "Old-man" reef in after time?—You do not mean to say you have worked out all the creeks yet.

582. But that is a great factor in the future, is it not?—It should be a great factor in that particular region.

583. You were on the diggings in the early days?—Yes.

584. And you were on the West Coast in 1870?—Yes.

585. What was the number of the population then?—I could not make any estimate as regards population, my business was of a totally different character.

586. In the early days of the Coast was there a great deal of prospecting done?—I never saw on the Coast anything like the amount of prospecting that has been done in Otago. From the time I went to the Coast, with the exception of some prospecting for reefs about Reefton, there was certainly very little prospecting. There was very little alluvial prospecting.

587. You differ from other witnesses, who say that a great deal of alluvial prospecting was carried on?—In the early days there were workings, but I seldom met with real prospecting. I seldom met a man with his swag on his back, and with his pick and tin dish, starting off over the mountains to prospect.

588. Now, again, with reference to this "Old-man bottom," it is of rather a hard gravelly substance to break, is it not?—In Humphrey's Gully they would be satisfied if it was a little harder to break.

589. Do you call Humphrey's Gully "Old-man" reef?—Yes.

590. I wish to confine you to Noble's, and what is left of Napoleon Hill. Is that not hard to work?—No.

591. Do you think that water, with the ordinary hydraulic-sluicing power, would be sufficient to work it?—Give me a 200ft. head, and I will pull down every inch of it.

592. Is that not a very difficult thing to obtain?—No; when Mount Napoleon is nearly 1,200ft. high to the top of the mountain. There is a drive right at the foot of the mountain of light grey schistose rock which could be easily sluiced.

593. Would it not be difficult to work that?—Not a quarter as difficult as Tuapeka. Tuapeka is certainly the hardest piece of ground in the whole colony.

594. With reference to the general opinions of geologists, I think they, like yourself, often express opinions as to where gold is to be found?—I never expressed an opinion in that direction.

595. Have you ever heard of a geologist of some eminence giving an opinion as to the probabilities of the West Coast being payable, which differs from the report of Sir Julius von Haast, published in 1861?—He (Haast) spoke only of the Upper Buller. He said that the men got two or three small colours in their prospect, and he said the rocks certainly proved that the country was gold-bearing.

596. But did he not go further, and say the country never could be payable?—No; he did not say that.

597. Have you ever known geologists to be wrong in their estimate?—I have been wrong.

598. Have you ever advised with reference to sinking of deep levels in any part of the Coast?—Yes.

599. Did you not once, in connection with Mr. Gordon, at Kumara, say that they would require to go a certain depth to get gold?—Yes.

599A. And did they get gold?—Yes.

599B. Was it a payable prospect?—A sluicing prospect.

600. Do you know anything about Charleston?—Yes.

601. Were you in company with Mr. Gordon when four or five shafts were laid off to be sunk there?—I was taken round to several of the proposed places, which I utterly condemned.

602. I suppose you will admit frankly that all you have said is theory?—No. What I have said is based on facts.

603. It is theory, though; it is not practical?—Look at my hands.

604. Those hands are not gold-bearing, at any rate?—They bear testimony to the pick and shovel and the tin dish. I have had some practical experience about these things.

The Court adjourned at 5.15 p.m.

FRIDAY, 13TH DECEMBER, 1895.

The Court sat at 10 a.m.

JOHN SNODGRASS sworn and examined.

1. *Mr. Stringer.*] I think you are District Surveyor for the Westland District?—For the Westport District.

2. I think in 1891 you were instructed to define and report on the areas required for mining urposes under the Midland Railway contract?—I was.

3. You had at that time, I think, an intimate knowledge of that part of the Coast?—Yes. I had been thirteen years in the Westport District at that time.

4. How many years have you been on the Coast itself?—I am thirty years now altogether on the Coast.

5. For how long have you occupied an official position in the Westport District?—Fifteen years now.

6. As what?—District Surveyor.

7. And your duties necessitated you going over the whole of the Westport land area?—I have an intimate knowledge of the land through which the reserves have been taken, through making gold-mining surveys over them.

8. I want to take you shortly over the blocks [Plan 10 produced]. Take Block 1: That block was laid off by you?—It was.

9. As shown on that plan?—As shown there.

10. Can you remember the exact nature of your instructions before you laid this block off?—They were simply to select lands required for gold-mining purposes, or for purposes conducive thereto, or containing timber that would be required for gold-mining.

11. Have you got the written instructions, or were they verbal?—I have got the written instructions.

12. Have you got them with you?—I believe so. [Letter of instructions from Mr. Percy Smith and memorandum to witness read. Exhibit No. 147.]

13. Hon. E. Blake.] These [Exhibit No. 147] were your instructions?—Yes.

Hon. E. Blake: You see his commission was a limited one.

Mr. Stringer: Yes.

14. *Mr. Stringer.*] Then, as you say, you laid off Block 1?—Yes.

15. In 1891, when that was done, were there many miners working on that block?—There were about fifty or sixty men on the beach in front of the block.

16. And there is, I think, a prospecting tunnel being sunk there?—Since. There has been a prospecting association formed in Westport, and they are driving the tunnel.

17. Have you seen the tunnel?—I have seen the ground it goes under. I have not been in the tunnel.

18. It is not finished yet?—No.

19. I think it has not been prospected?—They have got gold, but not to pay; so far they are not upon the bottom.

20. In your opinion, was not that a proper reserve to make?—I considered so, and reported so.

21. That block was, I think, open for selection from 1879 until the Midland Railway contract was made?—Yes, until then it was open for selection under the Land Act of the day; that is, the area.

22. And I think some of the land was taken up in that block?—There have been a few sections—very few.

23. How many acres altogether?—I could not say, but probably not 10 per cent. of the block.

24. Have the purchasers cleared the land in many instances?—No, they have not. I think there are only one or two small clearings, probably 40 or 50 acres of clearing altogether on the block.

25. Are there any races through the reserve?—Yes, a number of old races.

26. Have you known the miners being interfered with on that land by any of the freeholders towards the beach?—I know of one instance where permission to mine was refused to work the beach; it was payable gold—he was refused permission to mine on it.

27. There is some timber on that block?—Yes, a little.

28. Is it necessary for mining purposes?—All that remains.

29. There has been a great deal of timber cut off it?—Two-thirds was originally timber, and one-third open land. Most of the timber has been cut, and what is now left I consider is required.

30. Hon. E. Blake.] What has been cut was cut mostly before or after the reserve was made?—Both before and after. They have been cutting timber a good many years on that block.

31. *Mr. Stringer.*] What is the character of the land itself?—Open land—what are called pakihis—completely worthless; towards the sea-coast the land is a little better, being the sea-sand with a little soil on the top. The whole of the land is very inferior. It would have been taken up years ago if it had been worth it. It is probably two or three miles from Westport.

32. Hon. E. Blake.] And therefore eligible?—Yes, it is very eligible in that respect, but no one would take up the land.

33. *Mr. Stringer.*] Look at Block 2?—Yes.

34. Did you lay that reserve off?—I did.

35. And, in your opinion, was that required?—It was.

36. The whole of it?—The whole of it.

37. What is the character of that land?—It is gradually sloping down from the eastern boundary to the sea, and probably two-thirds would be open land, and one-third bush, towards the sea.

Hon. E. Blake: Your evidence may, as a rule, be limited to the hatched portion.

38. *Mr. Stringer.*] What kind of land is that?—Very poor land; miserable land.

39. Not suitable for agricultural or pastoral purposes?—With the exception of a very small portion near the sea-coast, which would grow grass, there is none of it fit for ploughing.

40. You see the hatched portion of Block 2: do you think that is necessary for mining purposes?—I do.

41. Why?—Because I believe it contains payable gold. It is deeper and wetter than the eastern portion, and requires prospecting, and the miners ought to be allowed to prospect it; and

also it is required for running the tailings from the eastern portion towards the sea. It would get covered by tailings if the land was sold, and, it might in the future be in the way of the miners on the higher ground.

42. Is there any other purpose for which it ought to be reserved?—Yes; even if it is not auriferous. I have surveyed claims on the sea-coast, and we know that gold exists on the coast. It is the same character in the one block as in the other.

43. You think the leads will extend into that land?—Yes.

44. Look at Block 3 now—what do you say as to that?—It is exactly similar to Block 2; the same applies to that as to the other.

45. I want to ask one question. Has any difficulty occurred with the miners on Block 3 in consequence of any freehold being sold on either of these blocks?—On Block 4.

46. Well, we will come to Block 4 itself: what about it?—There was a difficulty with the miners which was known as the Croninville difficulty. Costello applied for the land on the Totara River, or a small branch of it, and afterwards gold was found on the high lands above his farm, and the miners ran the tailings down, and were destroying his farm, and he eventually got an injunction from the Supreme Court, and the Government had to buy him out to allow the miners to work.

47. Did that stop the miners from working?—It did for a considerable time. They were stopped. I had to be very careful in surveying the land that might be required for mining, or which might come in the way of mining. I had to object to two or three applications, and they were refused.

48. Block 4 generally—the hatched portion—what about that?—With reference to the land?

49. No; the necessity to reserve it?—I consider it was all required for mining or purposes incidental thereto.

50. What is the character of the land in that block?—Well, it is about the poorest land in the colony, as far as agricultural purposes go.

51. I think it is a very rugged section?—Portions of it. I think the limestone ridge goes in at the back of it, but the remaining portion is very poor land.

52. What about the timber on that land?—Well, there is very little timber on it at all.

53. Now, Block 5, No. 9. Did you mark that block?—I did.

54. And was that, in your opinion, necessary for mining?—It was.

55. You see the hatched portion: what do you say about that?—I include the hatched portion, because, in my opinion, it was necessary. If it did not contain gold, it contained dams and one thing and another, and for the working of the lower portion.

56. Is it essential for the working that the hatched portion should be reserved?—Yes.

57. Are there any drainage-areas in that high portion?—There are a number; I could not say how many.

58. There are several?—Yes.

59. What is the character of the land?—Limestone ridge. I think a little portion of it is limestone ridge.

60. But, generally, what is the land?—The remaining portion of the block is miserably poor land.

61. Any timber on it?—The limestone portion is timbered.

62. Do you think the timber is necessary for the mining?—Yes; I should say it was. There is very little timber on the other portion. In fact, it would be all cut off for the use of the miners for household purposes but that the miners use coal for household purposes.

63. If the mining were to go on to any extent in the lower portion that timber would be required for mining purposes?—Yes.

64. Block 6: did you mark off that?—Yes.

65. And recommended that?—Yes.

66. You see the hatched portion of that block?—Yes; I say that is required for gold-mining.

67. Why?—There are a number of gold-mining claims upon it. I have surveyed claims upon it, claims which are not shown there at all.

68. In your opinion, is it auriferous land all along there?—I would not say that it is all auriferous, because there is a high limestone ridge coming to the terraces going back from the sea. There has been gold found on those terraces, and the dams and races come out of this land.

69. Is there any timber on that land?—Yes; it is all timbered.

70. And is that necessary, or any part of it?—Part of it may be necessary, but it is inaccessible almost for any purpose.

71. Is it such country as there is any reasonable prospect of a sawmill starting there?—No; you could not get the timber down, it is so rugged.

72. It is away from any means of communication; there are no roads, nor any way of exporting the timber?—There is no harbour, nor any way of getting it from the shore.

73. Hon E. Blake.] It has no mercantile value?—None whatever.

74. *Mr. Jones.*] Block 6: you say there are gold-mining claims on the hatched portion. Will you be kind enough to tell me where there has ever been any gold-mining claim on the hatched portion?—Opposite Seal Rock, on that point.

75. We have admitted that there is an error there; but any other portion?—On the sea-beach.

76. I am asking about the hatched portion?—The hatched portion runs down to the sea.

77. Allowing that the sea-beach is not intended to be included in the hatched portion—I mean further back?—They are all within not a great distance from the sea; I could not say how far back from the sea. I have travelled over the road shown here, and straight out to the sea. I have travelled across the country there, and I have come across races and dams supplying water to those men working on the sea-frontage.

78. Do you know how many men are working on that frontage?—I could not say.
79. Do you know that they have been reduced to three?—I could not say how many there are.
80. Higher up the block, above Brighton, in the hatched portion, you do not mean to say there are any men working there?—I cannot say.
81. Nor ever worked there?—They are working at the back if they are not working on it; they were working at the creek at Fox's River.
82. What is the name of the creek?—I cannot give the name of it now, but we can get evidence.
83. How long ago has anybody been working there? There were no men working on any creek running into Fox's River at the time you made the reserve in 1891?—I cannot say there were.
84. You say the timber on the block is wanted for mining purposes; for what mining purposes?—Boxes, fluming, and all purposes required by miners.
85. Hon. E. BLAKE.] He only said in part it was required, but he says the rest is of no use to anybody else.
86. *Mr. Jones.*] Block 5: You say that hatched portion does not contain gold, but it has races, and dams, and drainage-areas. Could you show me any head-race which is not marked on the hatched portion?—There are races going up the Ngahere River. I do not see them marked.
87. I mean in the hatched portion?—I do not see any races marked on the hatched portions at the northern head of the block.
88. It is not hatched right up to the river. There is a very little piece there between the hatched portion and the Nile—certainly 20 chains?—It appears at one corner to touch the Nile River.
Hon. E. BLAKE: He said there were a number of drainage areas.
89. *Mr. Jones.*] Will you give me one?—My knowledge is not so intimate as to head-races without going on the ground. There is this head-race going up the Nile.
90. Who uses any head-race going up the Nile? Or can you say, to your own knowledge, that in 1891 any person used water at Charleston diggings raised from the Nile?—This water-race was coming from the Nile.
91. And being used?—The race was there. I do not know that they were using water there at that time.
92. Was it in actual use in 1891, when you marked off that map; was any single individual then using that race?—I am unable to say whether the water was running into it. I travelled along the race.
93. You are not prepared to say that there was any actual user of easer on that particular block in 1891 when you made the survey?—No; I am not able to say.
94. Barring the Argyle Race, which we admit?—I am not able to say.
95. Do you recollect the Crown Rating Act of 1882 being in force in that district?—No; I do not.
96. Do you know of your own knowledge that the Crown paid rates on this land up to 1894?—I am aware that there was a Crown Lands Rating Act in force.
97. Can you tell me what rates the Crown paid on these lands which you say are not worth anything?—I do not know.
Sir R. Stout: The Act fixed the minimum.
Mr. Jones: It does not fix the maximum.
Sir R. Stout: No. They paid rates on glaciers.

JOHN BIRD sworn and examined.

98. *Mr. Stringer.*] You are Clerk of the Warden's Court, and also constable at Charleston?—Yes.
99. You have seen these plans, have you?—Yes; I have seen them.
100. And you know the reserves numbered 4, 5, and 6?—Yes; I know them all.
101. How long have you been in the district?—Nearly five years.
102. You have, I think, been over these blocks with the view of ascertaining the number of water-races, tail-races, &c.?—I have not been over them, but I know them from my position as Registrar.
103. Hon. E. BLAKE.] Do you mean you have never been over them?—I have been over a great many of them, but not for the purpose of exploring or forming an opinion expressly.
104. *Mr. Stringer.*] How many water-race licenses are there in your district?—At the present time there are 230 in existence in my district.
105. That extends, I think, from the Totara to Fox's River?—Yes.
106. Do you know the total length?—The approximate number of miles I reckon about 225 in length of races in the whole district.
107. There may be, I suppose, branch races?—That is independent of branch races. These are all main races. I have not brought the number of the branch races, and could not tell you.
108. How many sluice-heads do these races carry?—I did not take a note of that before I came. I do not remember it.
109. Hon. E. BLAKE: Is there a large number?—A very large number.
110. *Mr. Stringer:* Are there many tail-races?—Yes, there are 160.
111. Many dams?—Yes, 330.
112. Any reservoirs?—Two.
113. Are there any reservoirs other than the two you have mentioned?—No. One is a Government dam—a very large dam, and the other is a private reservoir.
114. Are there any what you call ground-sluices?—Yes, there are some, but I do not remember the number.

115. Hon. E. BLAKE: How far does this district correspond with Blocks 4, 5, and 6?
Sir R. Stout: Fox's River is about the centre of Block 6. It takes 3, 4, 5, and 6. It is the half of 3, the half of 6, and 4 and 5.
116. Hon. E. BLAKE.] Is that about your idea of what your district would comprise—half of 3, half of 6, and 4 and 5?—That is about the area.
117. *Mr. Stringer.*] And are there any agricultural leases?—Yes, there are two or three agricultural leases.
118. So that there is very little agriculture on the blocks?—Very little indeed.
119. Have you any knowledge of the value of the land over these blocks?—Well, with the exception of a very little land on the river-beds, the other land is practically worthless.
120. Do you know how many mining-rights have been in force in the same district?—On the 6th December—the day I came away—there were 188.
121. Do you know how many were in force in 1891?—No. There were considerably more than that, because the population has been decreasing all the while.
122. *Mr. Cooper.*] You say the population is decreasing. It has been a falling population ever since you have been there?—Yes.
123. Where were you before you went to this district?—I was at Kumara before I went to Charleston.
124. I understand that the population of what you call Charleston diggings has been falling for many years, even prior to 1891?—Oh, yes.
Hon. E. BLAKE: I intend to infer that is the general condition of the population, unless where it has been specified to the contrary in the general evidence. The general evidence I should hold to apply everywhere, unless the Crown proves to me it differs.
125. *Mr. Cooper.*] Do I understand you to say there are 230 water-race licenses in existence in your district?—Yes.
126. Are they annual licenses?—Yes.
127. Renewed year by year?—I might state that some of them have not been renewed lately; but these are on the register at the present time.
128. *Sir R. Stout.*] They are not forfeited?—They are not forfeited.
129. *Mr. Cooper.*] A number of them have not been renewed?—Yes; but they still hold them.
130. The men have gone away?—Some of them have gone away.
131. Did you make any search in your books to see how many licenses there were in existence in 1891?—No.
131A. Can you say how many of these 230 licenses are what we may call living licenses? How many were renewed last year?—I cannot say.
132. For all you know, they may have been all abandoned?—Oh, no; they have not been all abandoned.
133. At any rate, they have not been renewed?—They have not.
134. Can you give us any general statement as to how many have been abandoned—not forfeited by the Warden, but abandoned by the men—within the past three or four years?—No.
135. The greater number?—No; because the greater number are still good.
136. Hon. E. BLAKE.] What Mr. Cooper means, are being acted on, used?—I think they are nearly all used now.
137. *Mr. Cooper.*] Can you give us any estimate of the number that are actually living licenses in existence and working?—Perhaps half of these have been renewed within the last twelve months; quite that, I should say.
138. Now, do these same general remarks apply to the licenses for the tail-races?—Yes; tail-races do not require to be renewed.
139. Do I understand that you have in your books 160 tail-race licenses?—Yes.
140. For what length of time do they go back?—For a great many years.
141. You have included in that 160 all the tail-race licenses that have ever been issued?—No; all that have not been surrendered, and are still in use.
142. And the dams. Are those 330 dam licenses which have neither been surrendered nor cancelled?—Yes; and the greater part of them are in use at the present time.
143. I understood you to say you made no examination of the ground for the purpose of checking these?—No; that would be too big a job.
144. Is it not a fact that many of these tail-races and dams have fallen into ruin and decay?—Yes; a great many of them have fallen into ruin and decay.
145. A very large proportion of them?—Yes, a large proportion of them.
146. In fact, I think we may say this goldfield is practically a deserted goldfield?—No; I would not say that.
147. *Mr. Stringer.*] Is there any water running to waste in Charleston district at all?—Yes; in time of a heavy rain there is plenty of water running to waste.
148. I am not talking of that. I meant water brought down by the races. Is the water being brought down by the races at the present time all in use?—Oh, yes; certainly.

BENJAMIN SUTHERLAND sworn and examined.

149. *Mr. Gully.*] What are you?—A mine-manager.
150. You were for some time in the Government employ?—I was.
151. Was it seven years?—I was four years actually in their employ, and three years on the Nelson Creek Water-race—the construction of it.
152. And since that period how long have you been engaged in mining?—Twenty-six years.
153. Then, you have been over thirty years altogether?—Thirty-three years altogether—thirty years on the West Coast and three years in Otago.

154. What classes of mining have you had experience of?—Every class.

155. Where are you at the present time residing?—In the Merryjigs district, Reefton.

156. How long have you been there?—Five years.

157. Will you look at plan No. 4. We will first take together Blocks 51 and 53: what is your opinion as to whether the hatched portions of those blocks are required for gold-mining reservation?—I am quite satisfied that the greater portion hatched is gold-bearing. It is only a question of time: though some of it may be poor, yet we know not when rich patches may be found.

158. Have you worked upon Block 53?—Yes.

159. What manner of work have you done there?—I have been prospecting for several months there.

160. For quartz reefs?—Yes. I was also in charge of a quartz mine, sinking and driving at the Golden Arch.

161. Whereabouts is that?—At Italian Creek.

162. Have you been on the hatched portion of the block?—Yes.

163. To what extent have you been over the hatched portion?—I have been actually all over it, and through it, and around it.

164. Does the hatched portion of the block contain alluvial gold?—It does.

165. Is any portion of it what might be called quartz-reefing ground?—I should say the north-east portion of it contains reefs—that is, of Block 53.

166. In your opinion, does any of the hatched portion of Block 51 contain reefing country?—It being in the direct reefing line, I can see no reason why reefs should not be discovered in the hatched portion.

167. Hon. E. Blake.] Is it your belief that reefs will be discovered?—It is my belief that eventually they will be discovered.

168. *Mr. Gully.*] Can you say where quartz has been got?—It has been got at various places.

169. Do you know of any quartz having been found on the hatched portions of the block?—I have found quartz myself on the north-east portion of this block—north of Raglan's.

170. Do you say generally that the reservations on Blocks 51 and 53 are proper?—Most decidedly. Every inch of it is required for prospecting purposes and mining.

171. What do you say as to the capability of Blocks 51 and 53 for agricultural and pastoral purposes?—All the land that was really any good for agriculture has been taken up some time ago.

172. That is shown on the plan?—Yes.

173. Look at the small hatched portion of Block 54: do you see any reason why that should be picked out and excluded from reservation?—I am aware that some distance down from the crossing of the short track, there are terraces which give a fair prospect for ground sluicing. The only reason why work is not going on is the cost of constructing water-races from the river. There are some steep bluffs which would make the construction of the water-races expensive.

174. Do you say for that reason the hatched portion ought not to be excluded from the reservation?—It is my conviction that all that ground is required.

175. Now, speaking generally of the whole of these reserves on Plan 4, would the introduction of capital and of water be likely to lead to a more extended working of the block?—There is no question of it, or there should be none.

176. Now look at Plan 3, Block 59. What do you say as to the portions excluded on the east and on the west? Take 59 and 61, and look at the strip of hatched area on the eastern side: do you think that ought to be excluded from the reservation?—I do not think so.

177. Why do you think the hatched portion ought to be reserved for mining purposes?—It is in the direct line of reefs, and in addition to that I can say that coming up to Deep Creek about the centre of the hatched portion there has been mining carried on many years ago.

178. What kind of mining?—Alluvial mining. There are the tail-races and the remnants of the huts and paddocks there now. That is about the centre of the hatched portion of Block 61.

179. Do you know of any other workings on that portion of the block?—Rainy Creek has been worked down to near the mouth of it.

180. Not quite down to the mouth?—I could not fix an exact point, but I know they have worked as far as they could bottom without appliances. In my opinion the only reason why the workings have not been extended right through the hatched portions is simply the want of pumping machinery. If the miners were able to go to the expense of machinery there is no knowing what the results might be.

181. That means, when you get below the river levels you cannot go any deeper?—Exactly so; you come then to the water.

182. Is there anything to be said as to the hatched portion with regard to future reefing?—Most decidedly.

183. What do you say as to that?—It is a known fact that opposite the Big River, on the fall into the Inangahua, many years ago a creek was worked, which is not shown here, and which would be coming down here [indicating on map] into the Inangahua. It was worked for alluvial, and some specimen stone was got in the alluvial workings. That I believe to be a continuation of the present Big River reef, and that it will run parallel with the reefs now being worked northwards, and taking in this hatched portion.

184. Hon. E. Blake.] You say the Big River reef will run through the hatched portion?—Yes.

185. *Mr. Gully.*] When specimens of gold-bearing quartz are found in streams, what is the inference? Is it not that it has been produced from the hill opposite or just ahead?—They must have come from some higher level.

186. I must ask you a question about the plans. This plan you are looking at [Plan 3], does t correctly represent the contour of the country and the workings?—No, it does not. I find here

Deep Creek, in Block 61, is shown altogether wrong on this plan. The position of the Golden Lead battery, and also the Cumberland battery, is altogether wrong.

187. Do you think any of the existing workings on the ground are really—I do not know whether you can answer the question—within the hatched portion of that boundary indicated on the plan?—I have stated that I know of my own knowledge that the old workings are about the centre of the hatched portion.

188. Supposing there were no workings shown on the plan, would you consider that the hatched area included any of the existing workings?—When it becomes a question of a few chains it is not easy to determine, and I would not care to determine it.

Hon. E. Blake: I would not care to have my faith in the accuracy of the map shaken too much, as we have gone on it all along.

Mr. Cooper: The map has not been attacked before.

Mr. Gully: Our main objection to the plan is that the streams are not shown as going to anywhere near the sources of the rivers.

Hon. E. Blake: I have noticed that the streams do not go to their sources.

Mr. Gully: I will not press the question.

Witness: I might state, regarding Block 61 and Deep Creek, that I am the only one who has made a traverse survey of the creek.

189. *Mr. Gully:* When did you make that?—Five years ago.

190. Was it adopted?—I made a survey on account of the Golden Lead Company and the Merrijigs Company. It was necessary to do so, because certain things were represented to them. I went to the Government office, and Mr. Montgomery was so satisfied with my survey that he put it on the Government plan and adopted it as the Government plan.

191. Look at Sections 62 and 63; first of all look at the hatched block of 3,600 acres in 62: what do you say about that? In your judgment, ought that to be in part reserved?—In my judgment it should not, for the simple reason that we find here workings now going on at Adamstown. The country which is now hatched may at any minute be found to be not only gold-bearing—it is gold-bearing we know—but also payable.

192. Is there any distinction in the character of the ground to make it safe to assume that it will not be gold-bearing?—There is none. The whole country is composed of creeks and terraces. The terraces, in my opinion, have supplied the creeks with the gold. They have acted like sluices running from the hills, and the remaining portion of the gold is there still.

193. It is reasonable to expect gold to be found there?—Yes.

193A. As to the lower portion of Blocks 62 and 63, which is hatched: what do you say about that?—The same remark applies.

194. Has that been long worked?—What might be called a small rush took place at Adamstown a few months ago. One party was found to be making £7 a week per man. There are six parties of men now digging two tail-races at the present moment in Adam's Creek, and testing the ground.

195. Is there any land in this group of blocks available for the purposes of agricultural or for pastoral purposes?—It is all stony, rocky, and hilly. Provided we could expend from £20 to £50 an acre in clearing the land, you might get poor grass land; but, a great deal of it being gravel and poor soil, no one would ever think of taking it up as agricultural land.

196. Now as to Blocks 74 and 75, in Plan 1: do you know those blocks, Mr. Sutherland?—Yes.

197. What do you say, first of all, as to the hatched portion northwards?—Do you mean the hatched portion near Lake Hochstetter, to the east?

198. I will take that first—that part of the east: what do you say about that?—Knowing that Bell Hill is east of that portion of that block, and having worked a claim there myself—knowing that there is not only gold but good gold at Bell Hill—a company now taking a large water-race to the claim I worked; and knowing in addition that good gold has been found—I found it myself about four miles to the east, near the source of Deep Creek—and that Granity Creek falling into the Haupere Lake is east of that place, and east of Lake Hochstetter, I cannot see any reason why that portion of that block should be excluded, it being in the direct golden belt.

199. I see a Sutherland Creek here: is that named after you?—Probably it is. There was another Sutherland there.

200. At any rate, you know the district well?—Yes.

201. Take the northern portions of Blocks 74 and 75: what do you say as to them?—The workings in Riverview should be sufficient to show that the other portions should not be thrown out, and also the workings along Callaghan's indicate the same.

201A. What about the creeks and gullies in the hatched portion of both these Blocks 74 and 75—are they, generally speaking, auriferous?—Nearly the whole of them—probably the whole are auriferous, and nearly the whole of them are payable; that is, along Callaghan's.

202. What about the agricultural capacities of those portions of those two blocks?—It is all stony and hilly, in every case "old-man bottom," and not good for much—too cold, and very little soil.

203. What is the class of timber on these hatched portions?—Principally birch.

204. Now, take the remainder of the blocks in the group—79, 77, 81, and 80: you have not so intimate a knowledge of those blocks as of the others you have been speaking of?—No; except generally.

205. Generally speaking, then, what do you say about the hatched portions? Do you think it is reasonable or unreasonable to cut out those strips or odd-shaped pieces from the area of the reservations?—I may say that when I made the preliminary survey of the Midland Railway land I was all through this country. I was in charge of a survey party, and went through the Arnold River

country, up to Bell Hill, and through the Nelson Creek District, and also up to the Tutukuri, and so have been practically all through this country, trying to find out the best railway route. That being so, I have a knowledge of the whole of it, and say it is all required for prospecting purposes and mining. I would not leave a single inch of it out of the reservation. You do not know the day when something may turn out to be good.

206. Take the hatched portion between 80 and 79, that very large strip: do you think that is properly shown on the plan with reference to the sources of the two sets of creeks running in different directions?—I am satisfied that the creeks are not produced as far as they should have been—that there is not the quantity of level country shown between both sources. I have been through all that, prospecting for the survey of the line.

Hon. E. Blake: I do not think it was pretended in the evidence that the creeks were shown to the end. I was a little puzzled at first about it, but it was cleared up as we went on.

Mr. Gully: Yes, that is so.

207. *Mr. Gully* (to witness).] First of all—taking your idea as to reserving land for mining purposes, apart from the land itself being auriferous—speaking generally, what kind of demand is there for timber?—We now find in Reefton that some of the claims had to cart their timber for twenty-six and twenty-nine miles—that is, the sawn timber.

208. What has your own experience been?—My own experience for mining timber is that at the present moment the Golden Lead, the Cumberland, the Drake, the Progress, the Globe, and Keep it Dark companies have to get their timber outside their own areas, and some for a considerable distance outside their own areas.

209. Hon. E. Blake.] What do you mean by "outside their own areas"?—Outside their own leases.

210. *Mr. Gully.*] Can you say whether it is a common thing for these old areas to be exhausted?—In some cases it did not last more than three months when the mine was going on—that is, for mining timber.

211. What kind of timber is required for mining purposes?—We use timber for mining purposes from 2ft. in diameter down to from 8in. to 6in.

212. For some purposes you use sawn timber, and for others you use the timber in the rough?—Rough timber is used for the main levels and stopes, and also for the winzes and passes. For the shafts it is generally sawn timber. Sawn timber is wanted for many other purposes as well as shafts.

213. Are you dealing with quartz-mining now?—Yes.

214. Now, as to alluvial mining?—In that case, if ground sluicing is carried on, a large amount of timber is required for paving-blocks in tail-races; if not blocks, then ripples; and for rails, 8 x 2½, and a large amount is required. My experience is that 8in. blocks stay for about six weeks. When placed longitudinally, they sometimes wear away an inch per day.

215. With stones coming down up to what size?—As much as two strong men can tumble or roll into the sluice-box.

216. *Mr. Jones.*] Now with regard to Blocks 51 and 53, in the north of Reefton (Plan 4): I think you say the hatched portion is generally gold-bearing?—Yes.

217. Can you point out to me in any of the hatched portion of Blocks 51 and 53 where any gold-mining is going on now, or has been going on since 1891?—I have not been over the blocks since 1891—on 53 I have.

218. What portion of 53?—On Raglan's, previous to 1891.

219. I am speaking of the hatched portions?—I have not been over the hatched portions since 1891.

220. Then, you are only speaking generally as a miner when you say that pieces of ground may be required for mining purposes at any moment?—And from my own prospecting previous to 1891.

221. In Italian Gully?—Not only Italian Gully, but right through to Larry's, and right away back.

222. What were you prospecting for?—Reefs principally; but at the same time I was on claims—passed through them, and saw them trying prospects where the alluvial working was then going on.

223. They are not in the hatched portions?—Not in the ones I passed over.

Hon. E. Blake: Limit yourself to the hatched portions.

224. *Mr. Jones.*] You know nothing about the hatched portions since 1891?—Not since 1891.

225. I will take you now to Blocks 62 and 63, and ask you just to look at the hatched portions, and tell me if, since 1891, any gold-mining at all has been going on in the hatched portions; and if so, where?—It is impossible, you not having shown the different gullies, to determine the exact position.

226. Tell me of any gully that has been worked and which is not shown on the map in the hatched portion?—I say I would not attempt to swear positively, although I believe working has been going on.

227. I want you to tell me where there is any creek, and state its locality within the hatched portion, where gold-mining has been going on since 1891?—No; I would not fix any particular spot.

Hon. E. Blake: I did not like to interrupt, but thought he had given no proof of workings on the hatched portion of this particular part.

228. Now we will go to 74 and 75, near Callaghan's, (map No. 1). A good many years you were engaged on the race: when were you down on Blocks 74 and 75 inspecting that land the last time?—In 1878, I think, or 1879.

229. Then, you have not visited there lately?—Not since.

230. May I take that answer to apply not only to 74 and 75 but to 77, 79, 80, 81, and 87: those are the blocks you gave evidence on, the whole of map No. 1?—To 78 and 79?

231. Yes; the blocks you gave evidence on?—Yes; that applies to the whole up to 79.

232. And since then you have not been there?—No.

233. Do not you think that there have been the same chances, between 1889 and 1895, for the gold being wanted at any moment as at the present time?—[Answer not given, nor pressed for.]

234. With reference to timber in Reefton, the timber was got twenty-two miles or twenty-eight miles away. Do you not think that answer, if unexplained, is rather misleading; why had they to go that distance?—I do not think it is misleading.

235. Why?—Because the timber could be got cheaper from that district than on the spot.

236. Exactly so, and therefore the timbers in the lower country are being cut out, while the timber near the line is being conserved?—In some cases the timber is not near the line. In some instances they have to import it.

237. I am not speaking of an individual case?—It is not an individual case. In the Golden Lead we have no timber on the leasehold, and we have to go outside. We have not got even good rough mining-timber.

238. You admit at once, frankly, the necessity to reserve land for a purpose?

Hon. E. Blake: No; but it may be necessary to reserve other land near it.

Witness: There are no questionable reserves there.

239. *Mr. Jones:* Do you know what is called the "old-man reef"?

Sir R. Stout: The "old-man bottom."

240. *Mr. Jones.*] I know you are an old miner; I have known you for several years; have you ever worked on the "old-man bottom"?—Several times.

241. But did you ever get any gold?—Yes.

242. In the bottom?—Yes.

243. Where?—Well, even in Nelson Creek, gold has been found in the "old-man bottom"——

244. Never mind; I asked you whether you got it?—Your question means this——

Mr. Jones: It means exactly what I say.

245. Hon. E. Blake.] It is a very simple question. Have you, yourself, got gold on the "old-man bottom"?—In the Nelson Creek it is on the "old-man bottom;" the gold is on it.

245A. Probably Mr. Jones's question means is it right through it?—I would not say that.

246. You mean that for a little distance down, where it is a little loose, possibly you might get gold in it?—Yes, for some distance.

247. That would have been taken down into the loose portion; how—by water?

248. Hon. E. Blake.] Is it your impression that that gold might come from some superimposed stratum, or was it deposited in the bottom?—Probably the greater portion of it which you get near the surface has been carried through; but my belief is that the "old man," when it exists at the higher level, has been gradually worn away, and has produced the gold now being got in the gullies. It would not be payable—and we know it is not payable—taken as a whole; but when the whole hill has been washed away, then it is that which supplies the gold in the gullies.

249. I should like you to give one illustration in your mining experience wherever you found the "old man" payable to work.—I never found it payable to work.

250. Never found it payable?—No.

[*Mr. Gully* intimated he would not re-examine.]

Thomas Thompson sworn and examined.

251. *Mr. Stringer.*] You are the County Engineer for the Buller District?—Yes.

252. You remember when it was first proposed to make mining reserves in the Buller County?—Yes.

253. I think the County Council was requested by the Government to report on the matter?—Yes. The Council was requested to give an expression of opinion as to what land should be reserved, and what should not be, and the matter was referred to me to make remarks on. I suggested that, in my opinion, the whole district should be reserved.

254. You thought the whole of the county should be reserved?—Yes.

255. Why?—Because the gold was discovered from time to time in portions of the blocks of the land; and the land that might not have gold was required in connection with those blocks, either for water-races, or dams, or tailing-sites, or various things required for mining.

256. You thought the whole district was essential?—Yes.

257. What did the County Council think?—The goldfields members, with the exception of the Karamea, came to the same opinion.

258 Hon. E. Blake.] Is there not a resolution of the Council?—I am not sure, but I fancy there is.

259. *Mr. Stringer.*] Therefore, when you say that, it is of your own knowledge that that was so, and the Council recommended it to the Government?—Yes.

260. Of course, that could not be done?—No. The Government itself made the reserves apart from the opinion of the County Council, after getting the expression of opinion from it.

261. You know the blocks that were afterwards reserved in your district?—Yes.

262. 1, 2, 3, 4, 5, and 6?—Yes.

263. I need hardly ask you, after you have said you considered the whole should be reserved, if these should be; your objection is that they are too small?—I think so still.

264. Tell me about Block 1?—Well, the principal minings have, of course, been on the sea side of the block, and there are old leads which were discovered in the early days, when the larger goldfields were opened; and they have been gone through again partially since. The back-lead on the beach should have been allowed. Owing to the land having been sold, the parties have been negotiating with the owners of the land to work the lead.

265. Hon. E. BLAKE.] There is a lead then?—Yes; a man named Conway commenced to work on the land.

266. *Mr. Stringer.*] That lead a mile inland would be worked?—Yes.

267. Have the Council constructed a road?—We got three rods of it done, but the sea carried away some chains, and the miners work the gold as it comes out of what is washed away.

268. The sea makes breaches in that block; have you known gold to be found in it?—There is a little gold close on to the beach. It is found after the sea has washed it.

269. Hon. E. BLAKE.] You say the sea is making on that coast?—Yes; it has made several chains in my time.

270. *Mr. Stringer.*] Tell me about the quality of the land itself?—The land there near the sea-beach—on that the miners have small gardens in patches; half a mile back the ground is very wet, and it is covered with a large mass of roots. I have an acre cleared in this block for a cemetery; it cost £60 an acre to clear. It is quite a mass of roots.

271. Is it suitable for any agricultural or pastoral purposes?—No, it is not. One portion of the land—part of it is cement near the surface, and the other portion is covered with roots.

272. You see the corner near the south of the block?—Yes; that is near the railway-station, it is about a mile from the station.

273. Is that part of the block here, to your knowledge, auriferous?—That portion is the part that feeds the terrace; they are gold-bearing terraces there.

274. Hon. E. BLAKE.] You are still on Block 1?—Yes.

275. *Mr. Stringer.*] That is in the neighbourhood of the prospecting tunnel?—Yes; the tunnel is near the southern boundary of the block.

276. Do you know how many men were working on that block at the time the reserve was made in 1892?—I counted seventy men on the beach at that time.

277. Block 2: what do you say about that land?—That block is too small, and should have taken in leads of gold which have been started since at Bradshaw's Creek. And it only requires more men to extend Bradshaw's lead right through this portion. It is only the want of water which limits it being extended now.

278. Look at the hatched portion of Block 2. Will you give specific reasons why you think they should be reserved?—For one reason, Bradshaw's Terrace will extend further; and there are also various other leads between Addison's and the sea.

279. Do you think that portion has been prospected thoroughly yet?—I had a survey made through this down to the lighthouse some five or six years ago. Before we went to work in the morning the staff used to go prospecting, and they invariably found gold, but I had not time to allow them to follow it up. In one case they found coarse gold in a small quantity.

280. On that hatched portion?—Yes.

281. What is the nature of the land, apart from gold-mining purposes, on that block?—There are about two miles of land near the sea-beach. The frontage of the best portion of it has been taken up. Then it gets something like the land on Block 1; it gets wet land, with the western pine growing in a mass of roots on the surface. All the first line of sections have already been taken up.

282. Block 3: what do you say about that—the hatched portion?—On Block 3 there has been gold discovered. Land was taken up some time back on mining leases, with the view of dredging, but it has not been gone on with. The land was taken up. At Virgin Flat there have been some leases taken up lately, and there is no doubt that gold will extend nearly through this block. I am now starting to make a road through this block, from Addison's to the sea, by Piper's Flat. This road is to be made for mining purposes.

283. The Council think it is necessary to do that in the interests of the miners?—Yes.

284. What is the quality of the land in that block?—The frontage is limestone for half a mile back.

285. Hon. E. BLAKE.] Has that been taken up?—Nearly all except the bluff which comes out at the river. Then you get back to this western pine and birch land, which becomes inferior.

286. That is the same description as you have given of Block 2?—Yes; it is the same line of country.

287. *Mr. Stringer.*] Even if that hatched portion were not auriferous, do you think it should be parted with?—The tailings going down from Addison's Flat are stacking up, and during the last three months three parties of miners have started to work the tailings. There is no doubt the tailings will be brought down to the mouth of the river after a time.

288. Would that necessitate it being reserved?—Yes.

289. Hon. E. BLAKE.] You say there are large quantities of tailings on the hatched part now?—Yes; as there is no fall there, the tailings extend out.

290. Block 4: what do you say to that?—It contains the Nine-mile Beach. The frontage of all that land has been taken up.

291. As to the hatched portion?—A portion of this takes in the Shamrock lead.

292. But they leave out the Shamrock lead?—There is what is called Virgin Flat. This creek going towards Virgin Flat has never been properly explored—that is, in the hatched portion. There are various leads at Croninville, also in the hatched portion. Those leads will be extended when water is obtained to work them. It is the want of water which really prevents a lot of gold being worked up there. Individual labour cannot bring water to that place.

293. Hon. E. BLAKE.] You say it is auriferous, and that it only requires water to develop it?—Yes; and there are hills at the back which are required for water-races and timber.

294. *Mr. Stringer.*] I think some land has been sought to be taken up on the lower portions of the block?—Yes; just below the road at Totara Bridge. There is one block taken up of very fair land. It would be a very undesirable thing to part with the land, as the miners will eventually bring pressure on the Government to resume the land.

295. The principal portions of the block, you think, could not be worked without having that land?—You require access to the creeks.

296. To your knowledge, have applications in the neighbourhood been refused for that very reason?—I believe so.

297. Block 5: As to the hatched portion, do you think that is necessary for mining purposes?—You could not work there without it. There are water-races, timber, and so forth. There is the Argyle dam. They have races that are not shown here—what are called inner races, which extend through the hatched portion. The Four-mile water-race is shown; but there is a network of races going away back over the various valleys of the limestone country collecting water. Those are not shown on this plan.

298. Then, you think, for those purposes, that land is required?—Yes; absolutely necessary.

299. Is the land in the hatched portion of any value for purposes other than mining?—No, it is of no value.

300. Block 6: what do you say about that?—The reserve for mining purposes ought to have been larger. We put a bridge over the Brighton River at a cost of £600, and we have constructed about two miles and a half of road through this hatched portion for the miners. There has been gold discovered at various times in about, I should say, the half of this block, up against the limestone country, which runs parallel with the sea there.

301. You say the county have made that road entirely for the miners?—Yes; and also a suspension bridge across Fox's River, entirely for the miners.

302. There is no agricultural or pastoral work going on there?—There are little gardens here and there made by the miners.

303. Hon. E. Blake.] What about the back part?—About half of it is limestone country. There are rock bluffs here and there. The water-races go out of this country, for the work done in the terraces and at various points.

304. *Mr. Stringer.*] That is why you say the whole of that should be reserved?—Yes.

305. How long have you been in this district?—I have been county engineer for eighteen years, and I have cut road-lines and made roads through all those blocks more or less, and have camped on them.

306. *Mr. Jones.*] I suppose you are one of those gentlemen who think that all that country from the dividing range is auriferous, and should be reserved?—I confine myself to the County of Buller.

307. In the Buller County?—Yes.

308. Take it altogether, you say it should be reserved for gold-mining purposes?—Yes.

309. Irrespective of whether there has been any payable gold found anywhere near it or not?—That is my opinion; where we find gold discovered from day to day on the various blocks.

Michael Phillips sworn and examined.

310. *Mr. Gully.*] You are Clerk to the Grey County Council?—Yes.

311. And you have been in that position since 1888?—Yes.

312. You produce, first of all, copy of a letter dated 6th April, 1888, and also copy of a letter dated 11th December, 1889?—Yes.

313. You remember, in 1889, the matter coming before the Council of the proposed mining reserves?—Yes.

314. And what method did the Council adopt in dealing with this question?—They received a tracing from the Government, showing the lands proposed to be reserved.

315. Have you got the tracing here?—Yes. [Tracing marked Exhibit No. 149 put in.]

316. Was there a letter with that tracing?—Yes, there was a letter.

317. Have you got the letter?—I have not.

318. A copy of it?—No.

319. A letter was sent with the tracing?—Yes.

320. Thereupon the Council arranged that each member was to hold a meeting of miners in his particular riding?—Before answering that question, might I correct my last statement? That tracing refers to a letter received from the Government in 1892.

321. Hon. E. Blake.] You say this tracing refers to a letter received from the Government, about when?—The 20th May, 1892.

322. *Mr. Gully.*] Were you in error in stating that the tracing was received in 1889?—I was.

323. You were going on to say that, upon being requested to consider the question of the proposed reserves, the Council proposed that each Councillor should hold a meeting of miners in his own riding?—Yes, in 1889, a considerable time before the tracing was received, to consider what reserves should be made for mining purposes.

324. Were meetings held accordingly?—Yes.

325. Do you know generally the effect of the conclusions come to at these meetings?—I have got copies of some of the resolutions here. These are the originals forwarded by the chairmen of the meetings. [Original resolutions produced.]

326. What was the general effect of these resolutions?—The general effect of the resolutions was: They recommended that the whole of their ridings should be reserved for gold-mining purposes.

327. Now, the aggregate of that would have exceeded the 750,000 acres in the Grey County?—Yes; they were adopted, too.

328. But you say that, owing to the fact that the areas which the miners required would more than exceed 750,000 acres, they concluded not to agree to any specific reservation?—Yes.

329. But to deal with the matter in another way?—Yes.

330. Now, before making reserves from time to time, was the County Council consulted by the Government: were plans forwarded and submitted to the County Council?—Yes.

331. In 1888, was there any dispute as to the taking of timber?—Yes.
332. Whereabouts?—In the Riding of Nelson Creek.
333. Were meetings held?—Yes.
334. And were any complaints sent in to the Council?—A series of resolutions which I produce was sent in to the Council.
335. What was the effect of those resolutions?—I do not think the Council took any steps in the matter.
336. What was the effect of the resolutions forwarded to them?—I could not say what the effect was.
337. Was due care exercised in each case, where the proposed reserves were submitted to the Council, before these proposals were assented to?—Yes; they were submitted to the whole of the councillors.
338. Do you know the land generally in your district where these reserves are?—Yes.
339. You have been a miner also for some time?—Yes.
340. Speaking generally, do you consider these reserves are required for mining purposes?—I do, with a small exception.
341. What is that exception?—A small strip in Block 81, main Grey Valley Road.
342. *Mr. Jones.*] I believe you have had considerable experience with regard to the rating of land in the Grey Valley district?—Yes, considerable experience.
343. Can you tell me the amount the Government land was rated at in 1889 in the Grey Valley?—I think the average per acre in the Grey County was 15s.
344. And that included hill-tops?—Yes; and also the gold in the different districts was taken into consideration in making the valuations. To prove that, I may say that we at one time had communication with the Commissioner of Taxes as to some auriferous land in certain blocks which would cost £100 an acre to work, and I had to take the gold in the district into consideration in valuing the land.
345. Did the Government ever dispute the valuation put on the land by you in the Nelson District?—Only on one occasion. I made the first valuation in 1893; they did not exactly dispute it, but they thought the valuation rather high.
346. There was no trial over it?—No.
347. Do you know of your own knowledge where there was a dispute between the Government and any County Council?—Yes; in Westland there was one; I was a witness at the time.
348. Can you tell us what was the general rating for land in the Westland District which the Government disputed?—It was one-third less than ours. It was the local bodies that disputed it, not the Government. I think it averaged 10s.
349. Can you tell us what was the average for the Reefton district?—I could not say.
350. Do you recollect in April having a conversation with me about giving evidence on behalf of the Midland Railway Company with reference to these reserves?—Yes.
351. Do you recollect my coming down to the County Council, and bringing a book with me, and writing down your evidence, and asking you if that was correct, and you said "Yes"?—Yes.
352. Do you recollect that you came down on another occasion; and you told me you could not give evidence on behalf of the Midland Railway Company owing to your position in the County Council?—No; I told you I could not go for the company, as any evidence would do the company more harm than good according to my opinion of the reserves. I have always expressed my opinion about the reserves publicly since they were made. I am on oath now, Mr. Jones, and what I said to you before was only in the course of a conversation.
353. Is this not exactly what I wrote down that day: "Michael Philips, Grey County Council. Clerk, valuer, since 1882, made triennial valuations; rate-collector and road-inspector from 1878–1888; constantly travelling through country; Crown Lands Ranger, 1886 to 1888. Mining on Coast in 1865; resided in Maori Gully from 1863 to 1878, during that time miner and storekeeper. Since 1878 have several times yearly visited all the land lying in the Grey County between the Arnold and Big River inclusive, and as far as Mackley's Station, including Noble's and Waipuna Diggings. Between Arnold and Twelve-mile Creek never has been any gold-mining with the exception of a narrow streak on the western side of Twelve-mile Creek, in Block 81"?—No; I referred to the strip along the main road.
354. Do you mean to say it is along the road?—I knew there had been mining a long way in from No Town, in all the gullies there, and some of the gullies extended nearly on the watershed of the Arnold.
355. I shall read the whole of that evidence:—
"There has been considerable mining in Block 80, and there are a good few miners working there now, and I think Block 80 should be reserved for mining. The country between Twelve-mile and Arnold River is comparatively low land, terraces, and flats; good timber country; Feary Brothers, sawmillers, getting all their timber off it; silver-pine patch very good; after land cleared, would grow grass and carry settlement. The general opinion of all miners of Block 81 (save and except a strip on the western side of Twelve-mile Creek) has always been that the land did not carry payable gold. I have often been through the old track on the right-side bank of the Arnold, and never saw or heard of any mining operations of a successful nature. Block 81, except western side of Twelve-mile, not required for mining purposes. The first known diggings in Twelve-mile Creek from the main road are situated about one mile therefrom, up stream, called Bullock Creek. That creek runs inland towards the Arnold for a distance of about three-quarters of a mile. There are Chinese working there now; workings confined to the bed of the creek and low terraces adjoining. From Bullock's Creek to No Town, mining more confined on both sides of Twelve-mile Creek. I do not think the mining extends for more than half a mile on either side of creek. Above No Town Township, in Block 80, the workings are scattered; and it is always supposed by miners that a lead

of gold runs from above No Town in the direction of Maori Gully, and this is a continuation of the golden belt of ground which has fed No Town Creek, Red Jack's Creek, Kangaroo, Sunday Creek, German Gully, Callaghan's Creek, and Riverview, thence to Orwell Creek, Napoleon Hill, and Noble's. Lately, Mr. Livingstone and party (subsidised by a Greymouth party) have sunk two or three shafts on this run of supposed golden country, but without finding any payable gold. They were working there five or six months.

"I consider that the north-western half of Block 79 should be reserved, and that about three-quarters of Block 77 should also be reserved; but the land lying for about two miles inland from the road, commencing at Twelve-mile Creek, thence across Deadman's Creek to Red Jack's, about one mile up it from the road, has never produced payable gold, and is not required for *bonâ fide* mining or purposes conducive thereto. The country is heavily-timbered country, and would grow grass if cleared. Between the mouth of Red Jack's Creek and Nelsons Creek I do not consider there is payable gold within two miles from the railway. This country is low-lying flats and terraces, heavily timbered, and would grow grass if cleared. Is not required for *bona fide* mining purposes.

"The whole of Block 75 should be reserved; also the greater portion of Block 74, leaving a block of about a mile and a half parallel with road unreserved, which is not required for *bona fide* mining purposes, &c. German Gully and Brian Boru lease have been worked at their leads by the Government water-race, but are now nearly abandoned.

"No new ground found in this district for the last twenty years. The country is flat terrace country, timbered, and fit for cultivation. There is a portion of the terrace occupied by one Mr. Smith, an orchard which yields excellent crops of apples, &c. In Callaghan's Creek the nearest workings are about a mile and a half from the road, where Brian Boru junctions with it. There are two parties of Chinese working there. The lower end of the flat land in Callaghan's Creek is not required for *bona fide* mining or purposes conducive thereto. Between Callaghan's Creek and the Ahaura River is a large flat terrace, timbered, and fit for grass after timber cleared. Mr. Garth has a large patch cleared on the railway side of the road and laid down in grass. No gold has been discovered on this terrace, and it is not required for gold-mining purposes. In all the mining centres before spoken of the population has been for many years gradually diminishing, no new ground having been discovered there for ten years, except a small rush of a few claims on Sunday Creek, a tributary of Kangaroo Creek, but which is included in Block 77, already spoken of as being partly auriferous."

Is the statement down to there correct?—Yes, it is correct.

356. Hon. E. BLAKE.] You have heard that statement read to you from beginning to end; what do you say about it?—It is fairly correct.

357. It expresses your opinion as well?—Yes; but my principal evidence was in reference to the strip along the main road.

Sir JAMES HECTOR recalled.

358. *Sir R. Stout.*] You have seen this plan of the reserves, Sir James [plan produced] ?—I saw it to-day for the first time.

359. Do you know the district?—Yes. I have been there frequently since 1866, which was the first occasion I visited it.

360. We have heard it said that there was originally a large river flowing northwards and towards Blind Bay: do you agree with that suggestion?—I do not think it goes over this country [indicating on map]. It was at a much higher level, and was close in with the foot of the main range.

361. Has there been any ancient-river system?—I believe the first delivery of the Buller River was right down the Grey Valley, and out at the coast, a considerable distance to the south of Greymouth.

362. You know the terrace land from the foot of the hills along the Grey Valley?—Yes; the year of the first discovery of gold I was over there.

363. In your opinion, have the Westland and South-West Goldfields of Nelson been so prospected as to show that there have been no further discoveries of gold?—Certainly not.

364. Do you look, then, to this district of Westland and the south-west of the Nelson goldfields as a district where there will be yet much gold obtained?—I quite expect that it will maintain a considerable mining population for a very long time.

365. What about the terraces we have heard about at the foot of the hills—the terraces along the Grey Valley? You see the river system coming into the terraces: what do you say in reference to these terraces? Could any one say that there are possibilities of their being gold-bearing?—On most of these terraces there have been diggers at work from time to time. They bear gold. The country is of the nature of alluvial gravels on the west side of the main range. The west side almost invariably carries more gold than the eastern side of the main range. These gravels are very complicated affairs: there may be three or four kinds of gravel of more and more ancient date, and their richness, in my opinion, depends on how far these gravels have been concentrated—how far, for instance, the most recent concentrates of previously-formed gravels have come from the original matrix. I believe the amount of gold in this country that has come out of the matrix direct is very insignificant—that is, what has been washed out by the present drainage system. The present drainage system has contributed a very insignificant portion of the whole gold in the country.

366. Hon. E. BLAKE.] Do you include in that the effect of the present drainage system?—I mean what has actually been got out of the reefs themselves by it.

367. *Sir R. Stout.*] What about the Reefton district?—The Reefton district is smothered in a very ancient quartz of gravelly cement, and this is known to be auriferous. That formation underlies the coal. That is the real coal formation in all our coalfields on the West Coast, and points to a

very high antiquity, during which long period there have been most enormous changes in the drainage system of the country. That is a great point to bear in mind, because you might find auriferous gravels in the most unexpected positions in consequence.

368. I suppose this country has been very much broken up by recent geological changes?—Yes. Great movements have taken place in the rocks, and the result has been that there have been great changes in the distribution of drainage, exceeding anything to be found in any other part of the world where there has been a dense population like a mining population that could make the matter apparent.

369. Hon. E. BLAKE.] Therefore it might be taken that the gold deposit in the earlier times has been sometimes in one direction and sometimes in another?—Sometimes concentrated and sometimes dispersed. As a rule, almost always concentrated, but the places where the real concentration has taken place are extremely difficult to trace.

370. *Sir R. Stout.*] Could you say that it would be safe for the Government to sell these terraces as non-auriferous?—I know many of them that it would certainly not be safe to sell. The terraces are generally of an underlying sandy gravel upon conglomerate. On the top of each is a blue cemented clay, with ironstone bands. That is formed, you might say, into one solid bottom formation. The top has been worn into very irregular formations by the action of water, streams, and tributaries, called by the miners gutters. These gutters may be exceedingly shallow; at other times exceedingly steep narrow valleys. It is in gutters of this kind that there is most likely to be found a sandy wash. Now, these gutters have been covered by the alluvium of the rivers in recent times, so that they have been formed into flat terrace lands that stretch back step by step through the deepening of the river-channel in such a way as to obliterate all superficial evidence of the existence or non-existence of the gutters. In country of that kind it is exceedingly difficult to indicate where one of these gutters will be discovered. They are very numerous all over the Coast, where in many cases they have been worked out. I believe that many more will be found. Wherever one of these gutters or old water-channels is found, it then becomes the nucleus for a great diggings like Humphrey's Gully, Callaghan's, and Kumara. The surface is cleared off, the water is brought in, sluicing begins, and the work is carried on on a very extensive scale. In those places there is still a very great prospect of the gold being worked on a large scale. With cheap and improved methods it is quite possible to make them pay. I know of many claims, not, perhaps, in that part of the country, but in other parts of New Zealand, where a quarter of a pennyweight will pay handsomely, and in some parts of California less than a quarter will pay for sluicing these old river-channels.

371. I suppose the work of mining on the Coast is very different now to what it was in the early days?—Yes. All these flats and creeks were then prospected in a very rough way. A man would go with a shovel and a little bit of a box made of three boards nailed together with cleats. That was called prospecting in those days, and it required very rich stuff indeed to make it pay. But with modern appliances it is very different. I expect a great deal of the ground which has already been worked on the West Coast will hereafter be worked again. In Otago I know ground that has been worked as many as seven times over.

372. Yes; that is so. There is the Bluespur?—No; Gabriel's Gully. I think the Bluespur is only being worked now the second time.

373. You do not know these individual blocks?—I could not say from memory. I have tried since I saw this map this morning to look up the geological surveys and reports, but it is very difficult to understand them, because the topographical knowledge of the country has been so altered. If the principle, in making the blocks from the Arnold River up to the Inangahua Saddle, has been that the land selected has been terrace land—the surfaces of the river alluvium—then it is perfectly fair that they should be taken. I said the Inangahua Saddle, I meant up from the Arnold to the Inangahua Landing.

[It was here explained that the map witness had been looking at was the same as Exhibit 24.]

JOHN HIGGINS sworn and examined.

374. *Mr. Gully.*] You are engineer to the Grey County Council?—Yes.

375. And you have been in that position for eleven years?—Yes.

376. And in the course of your duties you have become intimately acquainted with the land in your district within the area between the Teremakau and the Grey?—Yes.

377. Does that include the Grey Valley?—Yes.

378. *Sir R. Stout.*] How far in extent do you go—to the Grey County?—Yes; to the junction of the Main Grey and Little Grey.

379. *Mr. Gully.*] Were you consulted in 1889 and 1890, before the Government made the proposals to make reservations in your district?—I was consulted in conjunction with the Council—by the Council.

380. As an officer of the Council you were consulted on that question?—Yes.

381. And from your knowledge of the locality do you think, as a matter of opinion, that the proposed reservations that have been made were proper?—Well, there is a portion of one block which was not considered proper at the time—that is, Block 81, adjoining the Arnold.

382. With a frontage to?—The main Grey Valley Road.

383. You considered that unnecessary?—Yes.

384. Hon. E. BLAKE.] Apart from that portion you thought unnecessary, you say?—Apart from that I think the reservations have been properly made.

385. Was that your opinion at the time?—Yes.

386. *Mr. Gully.*] And still is?—Yes.

387. Do you remember a question arising as to Block 28?—Where is it situated.

388. In the B 1 Block?—That is the block round Lake Brunner—on the western shores of Lake Brunner, going round to the Arnold.

389. Kaimata—Block 28?—Yes.

390. You remember some question arising as to that block?—Yes. What exactly led up to it I do not recollect; it is some years ago. But I visited this block with Mr. Gordon, of the Mines Department, in order to point out to him the workings on the block, and to have a reservation made there. We went up together, and visited the workings in the neighbourhood of Kaimata, pointing them out with a view to having reservations made there; and there were also some workings at Brown's Terrace.

391. Workings that were there at the time?—Yes.

392. You knew, as a matter of fact, that there were other workings besides those you were pointing out to Mr. Gordon?—Yes. It came on at the same time that the company got some land they wanted to purchase.

393. And that reservation was made partly upon your judgment and partly upon the judgment of Mr. Gordon?—Yes.

394. And in your opinion the reservation was properly made?—Yes.

395. Are there not, as a matter of fact, gold-workings outside the reserved area?—Yes.

396. With reference to lands within this reservation area, could you suggest any land that is fit for agricultural or pastoral purposes except in connection with the mining industry?—Well, I have no doubt there are some small blocks here and there that would be suitable. There is the Ahaura Plain, portion of it, that might be of use for pastoral purposes.

397. In small areas?—Yes.

398. This, however, is the point: Do you think any of these small blocks could be taken up exclusively for farming purposes without interfering with the mining industry?—No, I think not.

CLEMENT PARFITT sworn and examined.

399. *Mr. Gully.*] You are a storekeeper at No Town?—Yes.

400. How long have you been there?—Twenty-six years. I have been on the Coast over twenty-seven.

401. You have been carrying on business as a storekeeper at No Town, Nelson Creek, and Stillwater?—Yes.

402. During that time your principal occupation has been supplying the miners of the whole of these places in the locality constantly?—Yes.

403. You have also been a gold-buyer in the locality?—Yes.

404. And have you been constantly over the locality?—Yes.

404A. You might give us the quantity of gold you bought during the last five years. You have got the information there?—I have it in my note-book.

405. For the year ending the 31st March, 1891, how many ounces?—1,626oz.

406. For the year ending the 31st March, 1892?—1,672oz.

407. For the year ending the 31st March, 1893?—1,944oz.

408. For the year ending the 31st March, 1894?—1,940oz.

409. And for the year ending the 31st March, 1895?—1,825oz.

410. Making a total of?—9,077oz.

411. And you are not by any means the only gold-buyer in the district?—No.

412. Now I will take the first blocks—74 and 75: look at these two?—Yes.

413. Will you say, first, as a matter of opinion, that the hatched portion of these two ought to be reserved for mining purposes?—I believe this portion, and a portion of that, should be reserved.

414. That is, the whole of the 3,300 acres and a portion of the 1,090 acres?—Yes.

415. What is the character of the country there?—Hilly and broken country.

416. Any streams?—Small streams.

417. Is it, generally speaking, auriferous?—Yes.

418. Do you know of any actual workings on the hatched portions, either past or present?—Yes, I know of workings in the German Gully, and also in those blocks—German Gully and Brian Boru.

Hon. E. BLAKE: You must confine yourself to these two.

Witness: I am wrong. It is the German Gully at Riverview I am speaking of. It is close to the hatched part.

Hon. E. BLAKE: He means it ought to be extended in the middle of the hatching at Riverview.

419. *Mr. Gully.*] You say the whole or part of 74 ought to be reserved; and what about the 1,090 acres?—I think these tributaries are not carried far enough.

420. On Callaghan's Creek?—German Gully, and these tributaries.

421. Now look at the 1,090 acres: do you think a portion of that should also be reserved?—Yes; there is a party of men working very close to it; either into it or close to it.

422. Are the streams on these portions of the block which are hatched, generally speaking, gold-bearing?—Yes.

423. And are they, generally speaking, payable?—Well, the men have been working there for twenty years.

424. Is there any question of water-supply? I will put it in this way: would not an increased water-supply increase the gold return?—My opinion is that if water was there you would get gold.

425. In payable quantities?—Yes.

426. There is a portion I omitted to mention on the east of Block 75, bounding on Lake Hochstetter: do you know that locality?—No.

427. Now as to 77 and 79: do you think the whole of these two blocks ought to be reserved for gold-mining purposes?—I do. I think that should be reserved for the tailings, if not for actual workings, with the exception of just a small portion at Ngahere.

428. Are the main creeks the only gold-bearing ones, or are the side creeks flowing into the main creeks also gold-bearing?—The gold is got in the terrace higher up, at present, in a good many places—in the tributary creeks.

429. Now as to 80 and 81: what about these two blocks?—81 should be reserved with the exception of a very small part close to the Arnold River, near the Arnold Bridge.

430. How much would you leave out there, exactly, if you had to cut it out?—About half a mile at the outside.

431. What would the effect of an additional supply of water be on these blocks?—I think it would pay very fair wages.

432. The Arnold Flat, generally: has it been pretty well worked?—Not very much.

433. It has been prospected to a certain extent?—Yes.

434. Do you know what are the difficulties as to making it payable?—Too much expense in prospecting.

435. What about the water-supply?—The water-supply is very limited.

436. In respect to 80, do you know of any workings upon the hatched area? I had better, perhaps, ask about particular localities. You know the gold-workings at Menschikoff?—Yes.

437. Does any portion of that continue into the portion of Block 81?—Yes.

438. In what direction?—Towards the range—right up the range.

439. Is that towards the No Town Road?—Yes.

440. Are there any other gullies running into the larger creek, or Candlelight?—There is Maori Gully No. 2. It is not given on the plan here.

441. Any others?—I know Candlelight there.

442. Running into the hatched portion of the block?—Running into the portion of the main range.

443. Is Delaney's Creek shown properly there?—Yes; I think so.

444. Does that go at all towards Menschikoff?—I am inclined to think that this plan is slightly deceiving. I cannot say that the plan is sufficient as regards the creek.

445. Would streams running into No Town Creek go back into the hatched portion of the reserve?—Yes; into the ranges.

446. They would?—Yes.

447. Would it be auriferous there?—Yes; it would.

448. Are there any persons working on the hatched portion of that part of 81 between Spring Creek and Chinese Creek?—I am inclined to think that they would be working that creek from the Twelve-mile.

449. Describe the locality?—The locality is from Chinese Creek, half a mile from the Twelve-mile; it extends into the Arnold Flat. They are working within 5 chains of the top of the creek.

450. What sort of road is that between the two creeks?—Very narrow. There is a water-race coming in on the other side.

451. Look at Block 80, and look at the range between Paddy's Gully and Red Jack's: are there any persons working on that range?—Yes; Robinson is working close to that, and into it; and another person named Stalker, and Rutherford.

452. On the range above?—Quite up in the range.

453. Then, it is a mistake to say the gold-mining is confined to the terraces?—Yes.

454. They are working there actually at the present time?—Yes.

455. Now 77 again: what actual workings are there on the hatched portion of 77? I will draw your attention to the locality between No Town Creek and Connor's Creek: is there any person working there on the hatched area—do you know of any working on that hatched portion between these two creeks?—There is working on what we call Rangi's Creek, on the range.

456. Is there any working there now?—There is a man named Dean working there.

456A. How far from the Grey Valley Road?—It may be three miles and a half.

456B. Are there any working nearer the Grey Valley Road than there?—Chinamen.

456C. How far in?—I think about three miles.

456D. Have there been former workings on that part of the block?—There have been workings there for twenty years, on and off, in the gullies.

456E. On the hatched portion?—I take it this would take in the terraces.

456F. Look at the 1,300 acres on Block 77, above Deadman's: are there any workings on that?—That is where Dean is working.

456G. Anybody else?—A man named Macintyre.

456H. Is there payable ground, in your opinion, in the hatched portion, suitable for sluicing?—I am of opinion that with the present system of hydraulic sluicing there is.

456I. *Mr. Jones.*] With reference to Blocks 74 and 75, how long is it since you were over those hatched portions?—It may be four or five years.

456J. And it is from your knowledge at that time you say there are men working at German Gully?—Not from my knowledge. I have seen the men since, who have told me.

457. All the evidence which you have given which refers to the hatched portion of 74 and 75 is heresay evidence?—I do not see it.

458. You have not been there?—Not for the last four or five years.

459. You are speaking from what the men have told you. You have not seen it yourself?—Four or five years ago.

460. Have you seen them working there since?—No.

461. Who do you say is working at German Gully on the hatched portion of Block 74?—A German; I have forgotten his name.

462. He has been dealing with you?—Yes.

463. For five years?—Not for the last year or two. He paid me money more than three years ago.

464. Since then he has not been dealing with you?—No.

465. When did you have this conversation with him as a result of which you say he is working there now?—About six months ago.

466. Block 81: when were you over that block—the hatched portion?—About twelve months ago.

467. What portion?—Deadman's.

468. I mean Block 81: when where you over that?—About five months ago I was there pigeon-shooting.

469. Whereabouts?—Portuguese Gully and Maori Gully—that is, in the main range.

470. Is that the only portion you have been in?—Yes; I was along the range there.

471. Do you mean to tell me seriously you saw any men working on that block—that four or five men were working anywhere near Portuguese Gully?—There were three of them out shooting.

472. That is not mining for gold?—They were working there.

473. How do you know?—We are supplying them at the present time.

474. Did you see those men working there for gold?—I should not send beef and other goods there every week if they were not working.

475. Did you see them working?—Gifford is working there, high up in the Menschikoff Range.

476. That is in the next block?—No; that is high up in the range.

477. I am speaking of Block 81?—I am also speaking of 81.

478. Did you see any one working between Spring Creek and Portuguese Creek?—No.

479. Have you ever traversed the country between Spring Creek and Portuguese Creek?—Yes, many a time, and prospected.

480. How long ago?—Twenty years.

481. You did not find payable gold?—Yes.

482. Did you take it out?—Yes, and I sold it.

483. Where did you get it?—At the head of Portuguese.

484. You say there are men working on Block 77, in the hatched portion, close to No Town, and the eastern portion between Conner's Gully and Deadman's?—Yes.

485. In the hatched portion?—I am inclined to think there is too much of it hatched. There should not be any hatch at all there. It is merely a saddle.

486. And no good?—Yes, good for gold.

487. Where is the man working you spoke of, and what is his name?—In Rangi's Creek—Dean.

488. That is not 77: that is 81?—6,750 acres: I should take it that is in 77; it is between Deadman's and Kangaroo.

489. It is there he is working?—Yes.

490. Is he working on the right-hand or the left-hand?—I could not tell you. He spoke to me last week.

491. That is not hatched. Who is working in Block 77, between Deadman's and Red Jack's?—There are several men working there. I could not say whether they are in the hatched portion or not.

JAMES HARGRAVES sworn and examined.

492. *Mr. Gully.*] You are a Justice of the Peace, Mr. Hargraves?—Yes.

493. What is your occupation?—Mining agent.

494. Living at Ahaura?—Yes.

495. You have had considerable opportunities of becoming acquainted with the mining reserves in the Grey Valley?—I have.

496. Within what limits?—From No Town Creek to the Grey River, on the eastern side of the Grey Valley Road, and also from Big River down to Langden's Creek on the western side of the Grey River.

497. How long have you been in the district?—I have been in the Ahaura twenty-three years. I have been thirty years on the West Coast.

498. Blocks 69 and 71: what is the general character of those blocks?—It comprises a very large mining district. Orwell Creek and other places are there.

499. It comprises a number of gully-workings; but what is the general nature of the country?—It is principally terraces, intersected by creeks.

500. And ranges up to what height?—About 250ft. or 300ft. above the level of the Grey River; and in one particular place it may possibly be more.

501. Would you look at the hatched portion of both 69 and 71. Do you think that ought to be cut out of the reserves for mining purposes?—No, I would hardly think so. Of course, with regard to the hatched portion of 69, there is a portion of that, from the Grey River going towards Duffer's Creek, where the hatched portion is on.

502. Taking the eastern hatching first, on the right-hand side, do you think it reasonable that that area should be reserved for gold-mining purposes?—I do; I think that portion should be reserved.

503. What do you think as to the existence of gold, or, rather, of the places in which gold is likely to be found, on that block?—It has been found in various places up that way.

504. And you think, as a matter of opinion, it is likely to be found again?—Yes.

505. Is it a locality which can be improved by the introduction of further water-supply?—Yes, that portion would be benefited by a further water-supply.

506. Which, of course, would increase the capabilities of the land for gold-production?—Yes.

507. Well, take the western part of 69: what do you say as to that? You say you think a portion of that might be cut out?—From Duffer's Creek, going in a northern direction, there is actually no mining on a portion of that.

508. Does that portion differ in any respect from the unhatched portion of the block next to it?—I particularly examined that when proceeding up the Grey River. So long as I could see the conglomerate bottom reach near the surface, it offered no lodgment for gold.

509. Over what area would your observations in this respect apply?—It did not cover a great deal—a portion of the north-west corner.

510. Then you think it probable there is a small portion there which should not be reserved?—Yes.

511. Can you give any rough idea of the area of that?—I do not think there would be more than, at the outside, 1,000 acres; possibly more.

512. About Napoleon Hill: we have been told that this so-called "old-man bottom" is the formation?—Yes; that is, the bottom.

513. Would you describe how gold is found, if it is found at all, in this formation, there or elsewhere?—The whole of Napoleon Hill, in my opinion, is glacier formation from the surface downwards. There are only 10ft. on the top of what you would call secondary drift. I examined it particularly when I was round there with Mr. McKay. They work on various bottoms there at Napoleon Hill. Wherever they come to a layer of harder stuff than others, they call it a bottom, and work upon it.

514. Although it is part of the same formation?—Yes.

515. It varies, I suppose, in density as you go down?—The layer worked upon is harder until it gets exposed to the air, and then it becomes soft.

516. Look at Block 70. In your opinion, was it reasonable to reserve the whole of Block 70 for mining purposes?—I think so, the whole of it.

517. Is there any reason, in your judgment, why the south-western half, practically, of the block should be excluded from the reservation?—No; I think the whole of that should be reserved.

518. Now, look at 71 and give us an opinion upon that in the same way. Do you think it reasonable to exclude that hatched portion from the reservation?—I do not; although I could not really say that gold has been obtained above this gully [indicating on map].

519. I am not asking you where there is actually existing payable gold at present. It is whether it ought reasonably to be reserved for the future. You say that, taking that into account, it ought to be reserved?—Yes.

520. Is there any reason, geologically or practically, to the contrary, that it should not be?—No.

521. Are there any races upon the unhatched portion of these blocks?—There is one in course of construction now on the hatched portion.

522. It is from Randell's Creek, is it not; No; it is from Blackwater Creek.

523. To what extent, roughly speaking, do you suppose it extends on the hatched portion?—It would be about a mile and a half.

524. Now, how many men are there relying upon that water-race?—Three, just at present.

525. Who are they?—There is myself, and Hugh Calder, and Walter Cressy.

526. Do you know whether any grant of a water-race has been recently acquired on Block 71?—Yes; Newcombe and party, in February last.

527. How many men are there with Newcombe?—Twelve shareholders.

558. Where does that grant extend to?—It comes from Randall Creek right across the hatched land.

529. Any other on any of these blocks on Plan 2? Any other workings that you recollect on the hatched portions, or affected by the hatched portions?—There is a water-race on the hatched portion of Block 70. It runs from Orwell Creek to near Ahaura, nearly four miles in length.

530. Any others on any of these Blocks 69, 70, or 71?—There is also a water-race pending in the Warden's Court, to construct another race through the hatched portion of Block 70, carrying the water from Orwell Creek to the north bank of the Ahaura River.

531. Is that all?—That is all.

532. With reference to these water-races, is it possible to predicate where a particular water-race may be required to run in the future?—No; it is not possible.

533. Generally, as to the character of this hatched portion of the block for agricultural or pastoral purposes, what do you say?—There is no possibility of making it available for agricultural purposes. It is not susceptible of improvement for that purpose.

534. Would it pay to purchase, to clear, and to put into grass, as far as you know?—There is a portion of Block 7 on which there is no timber. It is a large plain called the Ahaura Plain.

535. That is taken up?—There is a large portion freehold. There is a reservation made by the Government. Efforts were made to improve it, but it did not succeed; there is too much stone, and too little soil.

536. As to the other blocks, is there any possibility of their being worked at a profit by a farmer or a pastoralist?—No.

537. Look at Plan No. 1. Do you know that locality?—Yes; I have been very much over that.

538. We will begin with 81. What do you say as to the hatched portion; that comprises the Arnold Flat?—With regard to the hatched portion, that is, down about the Arnold Flat; I am not conversant with that locality.

539. You are prepared to speak upwards from No Town Creek. Take 77; what do you say about that?—Do you think it reasonable to cut out from reservation those strips of hatched land?—No; I do not.

540. Why?—I should object to having those areas cut out on the ground of future possibilities of mining.

541. Has there been mining in the past in these hatched portions?—There has been considerable mining in the creeks and along the banks within the hatched areas.

542. Is there any at the present time?—Yes.

543. At all events, taking the whole of the facts into consideration, you think it is reasonable to reserve that for the future?—Yes.

544. Can you give us any idea what workings there are on the hatched portions on Block 77?—There are people working about Connor's Gully. There were also two men at Deadman's.

545. Is there any one working between Deadman's and McLaughlan's in the hatched portion?—I could not say; it is all high land, and I do not think there is any one working there.

546. You rely on the fact that there have been workings there before, and may be again?—No; I am thinking of the future possibilities of water being brought in and made available for the high levels.

547. Hon. E. Blake.] You believe that all that is wanted is water to make the high levels productive?—Yes.

548. And that water may be brought in in the future?—Yes.

549. *Mr. Gully.*] Do the same observations apply to the hatched portions on Block 79?—Yes, equally so.

550. What are the features of the country in Blocks 77 and 79?—Between the creeks the terraces are fairly high.

551. Can you give a general estimate of about the height of the ranges there?—From 250ft. to 300ft. In fact, between No Town and Deadman's, and from there to Red Jack's, they would possibly be over 300ft.

552. Have you been able to form any judgment as to whether it would be feasible to bring water on to those higher levels?—It has been surveyed, and, although I have not been connected with it, I should say it is possible to put water on to the high level there.

553. Now, with regard to Block 74, what about the hatched portion to the north of Callaghan's Creek—do you think it would be reasonable to include that in the mining reserve or to exclude it, having regard to the future as well as to the present, of course?—I think it is reasonable that it should be reserved. On the northern boundaries of that, abutting on the Ahaura River, I applied for certain rights myself in June last.

554. Has there been any prospecting or working in recent years?—No.

555. But in the more distant past?—Goff's Creek has been worked twenty-seven or twenty-eight years ago. That is on the hatched portion.

556. As to Block 75: have you any opinion on the portion which is hatched near Lake Hochstetter?—I cannot express any opinion on that portion.

557. Now, turn to plan 5: that is the block back to Black-ball Creek. Speaking generally, that is a considerable mining locality?—Yes.

558. Now, Block 86: do you think it is unreasonable to include the hatched portion of that in the mining reservation?—I do not.

559. In your opinion, then, it ought to be so included?—Yes.

560. Has there been any prospecting or working or prospecting on the hatched portion within recent years?—Not to my knowledge.

561. What reason have you for supposing that the hatched portions of Blocks 86 and 87 may in the future be reasonably expected to produce gold-bearing quartz reefs or alluvial diggings?—Simply because the locality has been very little prospected.

562. And it is a gold-bearing region?—Yes.

563. Except for the fact that the unhatched portions have been worked, have you any reason for drawing a distinction between the hatched and the unhatched portions?—Only looking to future possibilities.

564. Where is Curtis's Reef?—At Langdon's Creek.

565. Is it on one of these blocks?—Yes; it is on Block 86.

566. It has only recently been discovered to be payable?—Yes, quite recently.

567. That is a quartz-reef rather high up on the shoulder of Mount Sewell?—Yes.

568. And you are aware that the locality has been prospected for many years past?—Yes.

569. And this discovery only took place quite recently?—Yes.

570. Do you know what has been got from this reef, so far as they have gone at present?—I met Mr. Curtis, and he told me it yielded very well; and I also heard that it yielded from 3oz. to 4oz. to the ton.

571. Now, Block 89: do you think it proper, having regard to the future as well as to the past, to reserve the whole of that block for mining purposes?—I should say, with the exception of the surveyed sections, the whole of the hatched portions should be reserved.

572. Which are the exceptions?—Nos. 8, 7, and 6, and also 12, 13 and 14.

573. You think there is less chance of gold in those sections than in the other parts that are hatched?—It has never been tried. There has been no prospecting.

574. Why do you except those sections?—It is a granite formation, and miners do not look for gold in a granity formation. The BA Creek is a granity formation.

575. Hon. E. Blake.] What is Granity Creek?—The BA Creek is another name for the Granity Creek.

576. Substantially you agree with the whole of these reservations?—With some exceptions.

577. You allow, I suppose, for all lands for mining purposes, and also for future mining?—Yes.

578. *Mr. Cooper.*] We will deal with the last block, 89, first, Mr. Hargreaves. There is a good deal of land in the hatched portion of that block that is of good quality and adapted for settlement, is there not?—All of the surveyed sections.

579. I understood you to say that there is no gold on the surveyed sections of that block?—I would not pronounce an opinion that there is no gold. I simply said there is no prospecting there; and it is generally considered that the granite formation is less favourable for gold than other formations.

580. Supposing that block was thrown open—I mean the hatched portion—do you think it would be readily settled?—The surveyed sections would be readily settled.

581. Take Block 77. Have you known within the last ten years any new discoveries of gold upon that block?—Yes. Connor's Gully has been discovered, and all the work has been done there within the last ten years.

582. In the hatched portion?—No. I should not say I have known any one working on the hatched portion within the same number of years.

583. Within, say, a period of ten years?—I do not know of one man working there during the past ten years; that is, on the hatched part.

584. You have made a general statement in reference to this hatched portion. Just look at it a little particularly. Do you think that hatched portion is required for gold-mining purposes?—I do.

585. Can you see Twelve-mile Creek and Nelson Creek?—Yes.

586. Between Twelve-mile Creek and Nelson Creek, do you think that the land that runs parallel with the main Grey Valley Road is required for mining purposes?—Yes; in all the hollows and creeks going off the Grey Valley Road, for 12 chains, more or less, gold is got.

587. Have you ever told any one—Mr. Jones, for instance—that that land was not required for gold-mining?—I have not told Mr. Jones that it was not required.

588. Just listen to this: Did you make this statement to Mr. Jones: "The Twelve-mile Creek should be reserved for mining purposes. Between Twelve-mile Creek and Nelson Creek there is a strip of land running parallel with the main Grey Valley Road, from one to two miles wide, which is not required for *bona fide* gold-mining, or purposes conducive thereto; with the exception of a small area in Connor's Gully, where two or three parties are now working, there are no gold-workings in the land mentioned. No new discoveries, save and except Sunday Creek, have been made in this district for many years. There are patches of country along that strip that would grow grass"?—I never made such a statement.

589. You say you did not make any such statement?—No.

590. Did you tell Mr Jones this, regarding Block 74: "Between Nelson Creek and Ahaura there is a strip of country along the main road extending back from one to two miles that is not payably auriferous, and not required for gold-mining purposes. The country has been prospected, but no payable gold found. On the terrace between Ahaura and Nelson Creek several of the surveyed sections have been applied for for settlement purposes, but were not granted, owing to the ground being locked up. A good deal of this land would have been cleared and settled if it had been open for selection"?—I told him so; but I was referring to the sections outside the blocks. I gave him particulars. I referred to the sections outside the blocks, on the eastern side of the Grey Valley Road.

591. Hon. E. Blake.] It is correct, but irrelevant?—Yes.

592. Did you tell Mr. Jones, in reference to Block 70, that, "Between Hatter's Creek and the Big Grey there is a strip of land on the eastern side of the road which is not required for *bona fide* mining, or purposes conducive thereto, and would, I think, if open for selection, be taken up"?—That is the portion I have referred to in Block 69.

Richard Harman Jeffreys Reeves sworn and examined.

593. *Mr. Gully.*] You are at present resident in Nelson, Mr. Reeves?—Yes.

594. You had previously resided a great many years on the West Coast?—Yes.

595. What parts of the West Coast?—Reefton principally, Ahaura, also in Hokitika.

596. You were many years a member of the House of Representatives for the Grey Valley, and afterwards for Inangahua?—Yes, up to 1893.

597. Do you know the country well?—Pretty well. I have had to travel it frequently.

598. You have had a good deal to do with the mining element on the Coast?—Yes; I have been engaged principally in mining matters.

599. You have looked at the reserves marked on the plans?—Yes.

600. You know the reserves and the localities?—Yes.

600A. I will just ask you a general question. From your experience and knowledge, do you consider that these reserves have been reasonably and properly made?—All those I saw marked off on the plans are decidly so. I could not give you much information about the Westport blocks.

601. From the Teremakau northwards: what do you say about those reserves?—The reserves I saw from the Teremakau are all auriferous.

602. In your opinion they are all auriferous, and reasonably and properly reserved?—Yes, I think so.

[Exhibit No. 151 put in—map of reserves.]

603. Hon. E. Blake.] This is the plan you say you looked at?—I know this plan.

604. *Mr. Gully.*] This is a duplicate of the plan you mentioned when you were speaking a little while ago. You believe these reserves are properly reserved?—Yes.

605. How far south can you speak about?—I will go down as far as the Teremakau.

606. North of the Teremakau would you say the reserves are properly made?—They are all auriferous, and all properly reserved for mining purposes north of the Teremakau.

607. As to the Maruia?—I cannot say positively about that portion from my own knowledge.

608. Were you living anywhere near the locality?—No. I was living in Reefton.

609. Look at the Doughboys, on the Buller River, north of the Maruia. What about that portion?—Up here, by the Buller—I can say all about those reserves. That part is all auriferous and properly reserved.

610. Properly reserved?—Yes.

611. You have been over that, of course?—Yes.

612. Were you a member of the House in 1890 and 1891?—Yes.

613. Block 53 (Plan 4), do you know that block?—Yes; Boatman's.

614. Is that block properly reserved?—Oh, yes; I know absolutely, from my own experience.

615. One of the witnesses said that at Due North and Frying-pan there is no gold?—There is actual gold-workings at Due North, on one side of the range, and Frying-pan on the other. I was interested in a company, and we got a subsidy from the Government for the purpose of bring up a tail-race, but we could not get the water. We prospected, and put down two or three shafts, and got 7gr. or 8gr. to the dish.

616. When the proposal in 1890 and 1891 was made for the reservations, what was the general opinion on the West Coast as to the necessity for them?—All the miners on the West Coast were in a state of scare. They thought all the land would be taken up by the company, and that they would lose their rights.

617. Was a petition presented by you yourself to the House of Representatives on behalf of the miners?—Yes, with regard to getting the reserves.

618. *Mr. Cooper.*] When you say you think all these reserves were properly made, and that there is auriferous ground in them, have you applied your mind to the acreage of them?—I have not applied my mind to the acreage.

619. And there is gold—and payable gold—all along?—Yes.

620. As to whether the reserves are too large, or not large enough, you have not applied your mind?—No.

621. It is not disputed that there is auriferous ground all along there?—No.

. . . FREDERICK JAMES GLEESON sworn and examined.

622. *Mr. Gully.*] You are a Justice of the Peace and a builder by occupation, living at Greymouth?—Yes; I am a builder and contractor.

623. Like most people on the West Coast, you have had some experience in exploring and gold-mining?—Yes.

624. Do you know Block 88?—I have been over it.

625. When?—There is a borough reserve close to it which is not marked.

626. When were you over it?—About three years ago.

627. Were there any workings on the block at the time actually going on?—There were workings in the neighbourhood, but whether in this block or not I cannot say. I do not know the boundaries.

628. Were the workings far from the Arnold?—Close to the Arnold—close up to the river.

629. Did you go back into the block at all?—No; we just crossed the block.

[Exhibit No. 90 referred to.]

630. Take Blocks 7, 8, and 9?—I have been considerably over No. 9, and done a lot of prospecting up Sawyers' Creek.

631. You have knowledge of that Block 9?—Yes.

632. What is your opinion as to whether it has been properly reserved?—Yes; you could not leave it out if you wish to reserve auriferous land.

633. When was it you prospected the block?—I have been on it off and on for the last ten years. It has been payable in the past, and with water on some of those terraces it would pay yet.

634. As to Blocks 7 and 8?—I have been on Block 7, and did a little prospecting there in a cement lead.

635. What is your opinion of that block?—It is gold-bearing, and no doubt there will be payable gold got on it.

636. Is it therefore, in your judgment, reasonable to reserve the whole of that block?—Certainly.

637. What have you got to say about Block 8? Have you been on that block also?—I do not know much about Block 8. I know it is gold-bearing. I have been through the saddle marked on the block.

638. Are you prepared to give an opinion on it?—I am certain it is auriferous.

639. Now turn to the hatched plan, No. 1. I want you to give your attention to Blocks 80 and 81, particularly 81. Do you know that block?—Yes.

640. Do you think the hatched portion of that block ought to be excluded from the reserve?—No.

641. It ought to be left in?—Yes.

642. You own a piece of freehold land, I think, on the borders of Block 81?—Yes.

643. How long ago did you buy that section?—About eight or ten years ago.

644. Is there any demand for land there?—There would be if it was opened up. My son has tried to get a bit, and others that I know of have tried.

645. Do you know Block 79?—No, not personally.

646. Look at 80: what about the hatched portion of that?—I should say that should be reserved.

647. In your opinion, is it now payable ground, or likely to be in the future?—I do not know of my own knowledge, only generally. I have been up to No Town.

648. You judge generally from going through the block and seeing the workings?—Yes.

649. Do you know the blocks on Plan 5? Do you know Block 86?—Yes.

650. Do you get reefs or alluvial workings on that block?—I think there are both reefs and alluvial. Rocky Creek should be here somewhere. I have been up that. It does not seem to me to be extended far enough on the plan.

651. Now, what do you say about the back portion, the hatched portion?—The upper portion I have not been on. I have been up the creek.

652. You do not know the hatched portion. You think the creek goes into the hatched portion of 81?—Of course, the principal portion is coal-measures, but still there may be alluvial gold.

653. As far as your opinion goes?—I think it should be reserved.

654. And now as to Block 89?—Well, I have been up the Moonlight Creek, but not over to Slatey Creek. I could not say.

655. *Mr. Cooper.*] I understand from you that there is some demand for land for settlement in this district, the Arnold and the Ahaura?—Yes; there was some demand close to where I bought the freehold.

656. There was some demand?—Yes.

657. As I understand your evidence, you have not made any examination of this block at all?—Not for the purpose of giving an opinion.

Hon. E. Blake: I understand his knowledge is very general.

Witness: I have prospected some of this.

658. Hon. E. Blake.] Have you examined the lower portion of it?—You cannot tell where it commences and where it ends. I may have been in some of the hatched portions; I do not know. I am certain I have been on the 1,700 acres up the Arnold River.

Denis Ryall sworn and examined.

659. *Mr. Gully.*] You are a member of the Grey County Council?—Yes.

660. And chairman?—No, I am not chairman; I have been at one time, but am not at the present.

661. Which locality are you acquainted with principally?—Barrytown, north of Greymouth. I locate it on the map.

662. Do you know all these four blocks, 93, 94, 95, and 97?—Yes.

663. What is your acquaintance with them—have you been on the blocks?—Yes.

664. And have you done any mining or prospecting on them?—Yes, I have done both.

665. And you are acquainted generally with what has been done there by other people?—Yes.

666. How long have you been there?—About thirty years, since February, 1867, with the exception of a few months I was away.

667. What do you say about the hatched portions of all these reserves?—I think they are no good except for mining. There are several outcrops of quartz reefs along those ranges. I was down through them several times, cattle-hunting, and in some places the dog could not follow you through them.

668. Whereabouts are the signs of the quartz?—In these places [indicating on the plan].

669. In the streams?—No; up on the sides of the ranges—the spurs.

670. That would be in the back part?—Yes.

671. On the portion coloured blue?—Yes.

672. What is the general character of the country at the back there?—It is very rough; all spurs and precipices, and very difficult to get over. Unless you go on the leading spur, in some places you could not get down.

673. It is difficult to prospect and to travel through?—Yes.

674. In your opinion, is there a probability of payable quartz reefs being discovered in those districts?—Yes, on the Paparoa Ranges.

675. Do you know, as a matter of fact, whether reefs have been discovered and worked on the eastern side of the range?—There has been a reef discovered on the Moonlight side—the east side of the same range.

676. Now, as to the portion hatched, between the blue strip and the sea: do you think it proper to leave that piece reserved?—I think it necessary to have it reserved.

677. Why?—For the reason that these leads all run along into this blue part. There is a mere speck here and there. The spurs are along where the working is carried out on the terraces. Where the spurs are the gold has been swept out into the flat, and on each portion of the flat there have been workings while I was in the district, and I am under the impression that these flats have not been tried. It is wet, and you could not get through it, in fact.

678. Is there any portion of this block hatched that is fit for settlement apart from mining?—I cleared some of it, and it cost me £60 an acre to clear; at Canoe Creek, there is some of my land there, and I would not get £2 an acre for it now.

679. Why does it cost so much to clear?—On account of the stumping; it would not cost so much but for the stumping. I was offered £5 an acre for a few acres for mining, but I could not sell it for mining purposes. I had an offer for 5 acres for the mining on it.

680. I come next to Plan No. 8; you know some of the other blocks, but not so well?—Yes; I know something about them, but not so much as the other.

Mr. Cooper said he did not propose to cross-examine the witness.

Thomas George Davis sworn and examined.

681. *Mr. Gully.*] You also live at Barrytown?—Yes.

682. What is your occupation?—I am a miner.

683. Would you look at Plan No. 8? What is your opinion as to the whole of these blocks, 93, 94, 95, and 97: should they be reserved for gold-mining purposes?—Yes.

684. How long have you been mining here?—Six years.

684A. Whereabouts have your own operations been carried on?—At the place marked on the plan as Davis's Creek.

685. Do you think the hatched portion on the plan on the seaward side, coloured blue, ought to be kept for reserves for mining purposes?—Yes, decidedly.

686. Why?—Both as for containing gold and for putting tailings and *débris* on from the claims above it. It would be impossible to work the claims without it.

687. Where the blue colour is, what kind of land is that; is it level or otherwise?—Terrace land.

688. What height above the sea?—150ft.

689. And then you go inland: what do you come to?—Ranges rising higher still.

690. Whereabouts would they come in?—They run up into the terrace half a mile east of the road where the range starts.

691. And the country, we have heard already, is exceedingly rough as soon as you get on to the hills?—Yes.

692. It is not fit for agricultural purposes?—No.

693. *Mr. Jones.*] Do you recollect when Mr. Perotti, myself, and Mr. Harper went up with you from your claim to the range near it?—Yes.

694. Do you remember pointing out to us where the wash ceased on the terraces?—Yes.

695. Did you not say that was the outside of the alluvial wash along that race?—Outside of our limit.

696. The outside of the auriferous wash; and was that being worked?—Yes.

697. And is that included in the part marked blue?—I do not know how far the blue goes back from the road.

698. It goes half a mile straight in?—Yes; that is included in that.

699. In the back part of that, and behind there, have you ever known payable gold got there?—Yes; in Norris's Creek, in the ranges, and Lawson's Creek.

700. Lawson's Creek never traverses outside of that blue line?—Yes; both of them go beyond the blue line.

701. Have they been working there lately?—No.

702. A long while ago, is it not?—Not long. They have been getting gold there off and on for a long time back.

Sir R. Stout: He has only been there a few years.

Mr. Jones: I know that.

703. *Mr. Jones.*] There are no other workings except those two that you know of?—Not that I know of.

704. Are you aware of a trial having been made on the flat at Baker's Creek?—Do you mean the little tail-race?

705. Between Baker's Creek and Fagan's Creek—I think it was called the Barrytown Gold-mining Company?—I know the spot.

706. Were you there when the trial was made?—I was not there. That was years ago.

707. If you look at the blue part you will see there is allowed on that track an average of about a quarter of a mile to the west of the track. Outside of that limit is there any deposit of tailings at all?—Yes.

708. Where?—Opposite Davis's Creek.

709. More than a quarter of a mile away?—They run right down to the sea there.

710. I mean on the flat land?—You must have that flat to work the terraces.

711. You say in Davis's Creek; any other part of that terrace?—I am not well acquainted with the northern part, but I fancy in Hibernian Creek they go out to the sea.

712. From Barrytown itself to Canoe Creek, are there any tailings there more than a quarter of a mile past the road?—No, very little.

713. There is very little work there?—No, it is not started yet. It will be worked when water is brought in.

714. Did you try any of the ground in the flat there at all; have you ever sunk any holes in the flat?—I have seen some sunk, but I have never sunk any.

FREDERICK JAMES GLEESON recalled.

715. *Mr. Gully.*] Your son was mining on some land near Greymouth?—Yes.

716. In what block?—Within the Borough of Greymouth, on land belonging to myself.

716A. Freehold land?—Yes.

717. Was much of it worked?—It has been prospected for the last twenty-nine years all round, and about three years ago my son found a very good patch.

718. What sort?—It was coarse gold. He worked about eight months. His brother worked with him sometimes; sometimes he worked by himself, and sometimes with another party. He got about one hundred and fifty pounds' worth of gold.

719. Hon. E. BLAKE: That was after about twenty-five years' trying?—Yes. The whole extent would be only about two acres.

JAMES ROBERTSON sworn and examined.

720. *Mr. Gully.*] You are a miner living at No Town, Mr. Robertson?—Yes.

721. How long have you been there?—I came there in 1866.

722. Do you think the hatched portion of Block 80 and the hatched portion of 79, on the lower margin—do you think those ought to be kept out of the mining reserves, or do you think they ought to be included in them?—Certainly, the hatched portion in 80 ought to be included. I cannot speak of the triangle in 79.

723. You know that ground on 80 pretty well?—Thoroughly.

724. About what distance is there between the source of the creeks on the one side of the hatched portion and upon the other, between the head of, say, Paddy and Joyce's Creek on the one side, and Red Jack's Creek on the other?—The distance on top of the saddle opposite Paddy's would be about 10 chains.

725. Hon. E. BLAKE.] There is just a summit there, and there is a watershed on each side?—Yes.

726. *Mr. Gully.*] You yourself have a drainage area on this ridge. Could you describe somewhere near where your drainage area is?—It is about parallel to the boundary between Blocks 79 and 80, and in the middle of the hatched part.

727. What is the size of your drainage area?—I could not state exactly. I think it is about two miles in length by half a mile in width.

728. Are there any workings on that hatched portion that you know of?—As it is drawn here I could not say. I am not working on the hatched part.

729. You know Stalker and Rutherford?—Yes.

730. Whereabouts are they working?—In the one branch, and I am working in the other. I am working in a branch of Paddy's Gully.

731. Have they got water-races?—Yes.

732. Do you know whether they hold drainage areas or not?—I do not know, but it must be higher up. I know some of them have water-races in this direction.

733. Whereabouts is McKenzie's Terrace? Is that high up on the range?—No; it comes down closer to No Town.

734. Do you think it comes within the hatched portion or close to the hatched portion?—Yes; McKenzie's Terrace is in the hatched portion.

735. Do you know of any payable workings on McKenzie's Terrace?—Yes, I forget how many claims. There were a few claims. There was very good gold got there.

736. Some portions of that block, I suppose, are still untried?—Yes.

737. And, in your opinion, they might turn out valuable?—Yes.

738. Now, there is considerable land towards Deep Creek?—There is in a lower level at the head of No Town Creek.

739. On the hatched portion from the head of Red Jack's Creek to the boundary of the block towards Deep Creek there is a table-land?—There is a table-land on the lower level on the hatched part at the head of No Town Creek.

740. Did you ever do any prospecting there?—No.

741. Just look at Block 81. Do you know that well, too?—Yes; at least part of it.

742. You have prospected portion of the Arnold Flat, have you not?—Yes.

743. How many shafts did you sink?—We sank three shafts.

744. Did you get gold?—Yes, we got gold in each; but in the one furthest in the flat we could only call it the colour.

745. And was there any special difficulty in reference to prospecting in these places in the Arnold Flat?—It was deep ground and very wet.

746. In your opinion, is it reasonably possible in the future that will be worked?—Yes; in my opinion, in the future there will be gold-mining there. It is a very large flat.

747. Do you recollect whether there was not a run of gold worked along Maori Gully, Candlelight, Spring Creek, and Menschikoff?—You refer to the lead of gold crossing the range into the flat, I expect?

748. Yes: that is what I am referring to?—Yes; there was.

749. Did that continue into the hatched portion of the block?—Yes.

750. Were you with Livingstone when a claim was taken up of 95 acres?—Yes; I was his partner in it.

751. And you held that claim, I think, from 1891 to 1893?—Yes.

752. And worked it?—Yes; part of the time.

753. Did that run into the hatched portion of the blocks, this claim of yours?—It did.

754. Whereabouts?—It went fourteen or fifteen chains into the hatched portion of 81.

755. Now, is the land on 81, in your opinion, any good for agricultural purposes or pastoral purposes?—There may be a small strip along the edge of the range, but the flat is very barren; it is stunted timber.

756. Is the silver-pine there any good?—There is silver-pine, but it is very stunted; it is poor land.

757. Do you know what kind of land it is at Red Jack's Flat?—Yes, between Red Jack's and No Town.

758. Would you tell us what you think would be the value of that land, if any, for agricultural purposes?—It is of no value whatever.

759. Would it cost much to get the timber cleared?—Yes.

760. And it is not worth anything when you get it cleared?—No.

Mr. Cooper: I have no questions to ask.

JEREMIAH MCCARTHY sworn and examined.

761. *Mr. Stringer.*] You are a hotelkeeper at present at No Town?—Yes.

762. I think you have been there about twenty-nine years?—I went there in 1869.

763. You were mining there for many years?—I have been mining since 1876.

764. Just look at that plan: 77, 79, 80, and 81—do you know those blocks well?—Yes, I know all those blocks; some, perhaps, a little better than others.

765. But, generally, you know the whole of them?—Yes.

766. You see the unhatched portion, the blue: that I do not want you to refer to at all, because that is admitted to be properly reserved. You see the hatched portion. In your opinion, should this hatched portion be reserved for mining purposes?—Yes, it is my opinion that it should be reserved for mining purposes.

767. And the unhatched portion, I think, mainly consists of terrace?—Yes, high-levelled terraces.

768. And, in your opinion, are these auriferous?—In my opinion they are.

769. And what is required to enable them to be worked?—What is required to enable them to be worked is water. They are high levels, and there is no water on them.

770. And that is the only reason they are left as they are?—Yes.

771. With a sufficient water-supply, have you any doubt that in the future those terraces will be worked?—I have no doubt whatever they will be, because I believe the district I live in depends in the future on these high levels.

772. Is there any land on the hatched portion that is desirable land for settlement purposes, in your opinion?—None at all that I am aware of. I know on these high levels it is perfectly worthless for agricultural purposes.

773. Would it be fit for pastoral purposes?—No; I think it will take too much to clear it.

774. Were you present when some meetings of miners took place before these reserves were made?—Yes. I was present at two meetings in my district—one in No Town, and one at Red Jack's.

775. Were you present at the meetings?—I was chairman at one meeting, and was present at the other to explain what it was required the miners should give their opinion on.

776. And you, I think, were member for the district in the County Council?—Yes.

777. And can you say what was the result of those meetings?—The result was we had the whole of the miners there. They attended that meeting pretty well. Their opinion was that not only this portion already proclaimed but that the whole of the riding should be proclaimed auriferous. They did not consider that there was any portion of the whole of that land that was not auriferous—or, if not auriferous, would be required for mining purposes, timber, and so on.

778. That was the general opinion of the miners of that district?—Yes.

779. Within your knowledge, have there been any recent discoveries in that group of blocks?—Yes; we have one here in Block 79, Sunday Creek. We have, within the last eighteen months, a new terrace opened there. It has lain there for the last twenty-five years. It was considered there was no gold in it. They worked the gullies out and left it, and the gullies were abandoned, except by an odd miner. Within the last eighteen months they have opened the terrace in that district.

780. You have a claim there yourself?—I am a shareholder in a claim.

781. And is it proving fairly good?—Yes. There are three claims there altogether, paying very well.

782. Will you give us an idea what these claims are paying?—I know in my own claim the last washing paid us £6 10s. a week each man. In the claim above us the last washing was supposed to be at the rate of £8 a week.

783. *Mr. Cooper.*] Do you share the general opinion that has been expressed at the meeting referred to, that the whole country should be reserved?—Yes; certainly.

JOHN FLYNN sworn and examined.

784. *Mr. Stringer.*] You are a miner living at Red Jack's?—Yes.

785. How long have you been living there?—Twenty-nine years.

785A. Mining all that time?—No, twenty-four years; principally ground-sluicing.

786. I think you also hold some water-races?—Yes; I hold two races.

787. You know these blocks, Nos. 77, 79, 80, and 81, shown on the map?—Yes.

787A. Do you think the hatched portions are properly reserved for mining purposes?—Yes.

788. The hatched portions, we have heard, are mostly the higher terraces. Do you think those are auriferous?—Undoubtedly.

789. Why are they not worked at the present time?—For the want of water. There is very little water to be got at present.

790. Can water be made available by races?—I think it might be.

791. To bring water from Deep Creek would be too expensive?—There might be reservoirs made on the higher levels. It would not take a great deal of water from the table-land.

792. At any rate, with water, you have no doubt these terraces will be worked between Red Jack's, Newtown, and Nelson Creek.

793. Do you know the Arnold Flat, Block 81?—I have been about four miles up from the Arnold Bridge. We were looking for timber there once, about four years ago.

794. Have you prospected at all on the Arnold Flat?—No; I have not.

794A. Now, on the hatched portions of these four blocks there is timber. In the event of these terraces being worked with water, will the timber be required for the miners?—Yes; for sluicing-boxes and other appliances, and for props, if there is any tunnelling.

795. You think the timber will be necessary for the miners?—It might not all be, but most of it will be necessary.

796. *Mr. Jones.*] I have heard a great many say they could have water from the Deep Creek. I should like to know how far up you would have to go for it?—I could not answer that question. It would take somebody to survey it.

797. Then, you are talking about something you know nothing about? You have taken no levels?—No, indeed, I have not.

798. You do not know at what height a dam would have to be erected?—No; but the general impression is that water can be brought from Deep Creek.

799. And it is only an impression. Would you have to go anywhere near Bell Hill to get it? —I could not say.

800. Have you been far up Deep Creek?—I have.

801. And you do not know where you would get the water from?—No.

802. Just one word about the timber. You say that if these high levels are ground-sluiced, they will require the timber there. Will not the timber be washed away if the terraces are ground-sluiced, so that it will be of no use for timber purposes?—They would use what they want of it.

803. Is it not a fact that if the country was being worked you would have to draw your supplies of timber from the lower country where the sawmills are, and would it not be supplied at a cheaper rate?—It would be a long time.

804. Where does No Town at present get its sawn timber?—They get it from the lower land, but it is not sawn.

805. *Mr. Stringer.*] It is only where you have got roads that it would pay to get sawn timber from a mill?—It is cheaper to pay more for timber where I am living than to carry it.

806. The sawn timber you get from the mill is only a small proportion of the timber you want for sluicing?—Yes.

807. You mostly want it for blocks?—Yes, and tail-races, and for props if there is tunnelling.

SAMUEL FRANKPITT sworn and examined.

808. *Mr. Stringer*: You live at Red Jack's, I think?—Yes.

809. How long have you been there?—Thirty years.

810. What have you been doing all that time?—Mining for the first five years, and store-keeping afterwards.

811. Have you had an interest in mining-claims during the whole of that time?—Yes.

812. Do you know Blocks 77, 79, 80, and 81 on the plan?—Yes. I know Blocks 77 and 79 better than I know the others.

813. Do you think the hatched portions are necessary for mining purposes?—I believe they are all gold-bearing.

814. Hon. E. BLAKE.] Do you refer to all the blocks?—I am speaking of Blocks 77 and 79.

815. *Mr. Stringer.*] Look at Block 79 on the plan, and Blackwater Creek marked upon it: Can you say from your own knowledge whether or not it extends into the hatched portion?—Yes; and there are gold-workings extending into that hatched portion.

816. Is it not gold-bearing right along?—Yes.

817. Do you know about Blocks 80 and 81?—I do not know them very well.

818. *Mr. Cooper.*] Are you one of the miners who would like to see the whole of the Coast reserved?—Yes.

The Court adjourned at 5.20 p.m.

SATURDAY, 14TH DECEMBER, 1895.

The Court sat at 10 o'clock.

Sir R. Stout asked for an adjournment till Monday. If that were done, the Crown would try and classify their evidence, and eliminate the evidence of a great number of witnesses who had been summoned, so as to try and shorten the proceedings. If they could so classify the evidence he thought they would be able to finish in a day or so. He might add that they had a large array of witnesses present that morning, but their evidence would simply be a repetition of that given yesterday.

The Hon. E. BLAKE said that a repetition of yesterday's evidence would be a waste of time, and would be occupying the time of the Court unnecessarily, and he did not think it would be desirable. If in the meantime they would systematize the evidence he would grant an adjournment till Monday, at 10 a.m.

The Court rose at 20 minutes to 11 o'clock a.m.

MONDAY, 16TH DECEMBER, 1895.

The Court sat at 10 a.m.

[Exhibit No. 152, census abstract, put in by Sir R. Stout. Exhibit No. 153, return of miners from official reports, put in by Mr. Cooper.]

JOHN DELLOW sworn and examined.

1. *Sir R. Stout.*] How long have you been a gold-miner, Mr. Dellow?—In the Maruia district, twenty-six or twenty-seven years, off and on.

2. Have you been mining in any other place?—Yes.

3. Where?—Wakamarina, and on the Coast.

4. That was before you went to Maruia?—Yes.

5. What part of Maruia have you been mining on?—I am working at present four miles below the junction of the Warwick River, on the opposite side.

6. There is "Dellow and party" marked on the map. Is that where you are working?—Yes.

7. How long have you been working there?—In that claim I have been working this last four years.

8. Have you ever worked in the Maruia Valley below that, between that and the Buller?—Yes.

9. Where?—I opened a claim above the junction and the Shenandoah.

10. Anywhere else?—Yes; about a mile and a half above that.

11. Anywhere below that, nearer to the Buller?—Yes; at a place called Pea-soup Creek. I worked a claim there.

12. How many claims have you worked in the Maruia Valley altogether?—I have worked six or seven claims.

13. What is your opinion about the auriferous character of the land? You see what is marked yellow on the map is reserved. What is your opinion of the auriferous character of the land fronting the Maruia River?—My opinion of it is that any man who likes to set to work can make from half an ounce of gold to £2 per week, and sometimes you can get more.

14. There is gold through the land?—Yes.

15. Have you worked on the terraces?—Yes.

16. As well as on the river?—Yes; I am working on a terrace at the present time.

17. How far back from the river is the terrace you are working on?—I think, a little over 3 chains.

18. What sort of gold do you get?—Some of it is specimens, but the general run of it is very fine gold. Here is a sample.

19. That is very coarse gold mixed with quartz pebbles. You get also very fine gold?—Yes. This is another sample, which comes from a creek called Glencairn.

20. Now, have you worked anywhere above your present claim?—Yes, I have worked in what is called the "Wheel Claim." It had been worked before. I put a fresh water-wheel in.

21. Where is that?—Two miles above where I am working at the present time.

22. Now, as far as you have seen, do you consider the terraces to be auriferous?—I do.

23. As well as the bed of the river?—Yes.

24. Do you know what has been reserved?—Yes.

25. You have seen what is marked there?—Yes, I know the land that is reserved.

26. What is your opinion about the reservation—is it auriferous country?—Yes.

27. Do you look forward to any more miners settling in the Maruia?—Undoubtedly there will be.

28. Where is the Glencairn Creek you speak of?—You go up there from just between Pea-soup Creek and Casolani. You go over the saddle.

29. Is that what is called the Doughboy?—Yes, the old name was Doughboy; now it is christened Glencairn. There was a bit of a rush there caused by Cairns and Glen, and it was named after the two men.

30. You say there was a bit of a rush there?—Yes; and it was very good during the time it lasted.

31. Do you know the Doughboy reservation?—Yes. I think that ought to be reserved too.

32. Do you think it necessary for present mining?—Yes.

33. Have you any brothers working in the Maruia district?—Yes.

34. Where are they working?—Just below Casolani, nearer to the junction of the Buller. I have three brothers there—in fact, one is married and settled down.

35. You do not know anybody working above you, do you?—Yes; there are the Flowers and the Norrises working claims above.

36. How are they doing?—They are getting very good gold.

37. And you yourself have been working backwards and forwards in this Maruia district for twenty-six years?—Yes.

38. And nothing has tempted you to leave it?—No.

39. *Mr. Cooper.*] What have you been averaging during, say, the last three years?—The way myself and my brother Ted are working now is this: we are felling a little bush to make a home.

40. You are only filling in your odd time in getting gold?—Yes.

41. Has that been so for the last four years?—Yes, for three or four years. My brother has got his wife out.

42. If these diggings are very payable and auriferous, would you not rather dig gold than fell bush?—You want a home to live in. We cannot always live in tents. We want to clear a bit of ground to run a cow or two.

43. Is it not a fact that during the last few years you have only been able to find a very little gold—during the last two years, a hundred pounds' worth of gold?—I dare say I did. I have spent as much as that in whiskey.

44. Well, of course, that would be an average of 10s. a week. Have you worked each week for gold?—I told you, no.

45. Can you give me any estimate of the total quantity of gold you have obtained from the Maruia during the last five years?—I cannot give you any estimate.

46. Is it not also a fact that during the last five years people have left the Maruia, and that there are fewer miners there now than there were five years ago?—They are increasing now.

47. What is the total number on the Maruia now—are there twenty miners on the whole fifty miles of the Maruia River?—Yes.

48. Can you say whether there are twenty miners working from the Buller to Walker's?—Yes.

49. Can you give us any estimate of the total number: are there fifty in that forty or fifty miles?—There are six of my brothers; then five of the Norris's and their father; then there is Mitchell, then Flowers and his son—there are between fifteen and twenty.

50. Are there more than twenty men working in that forty miles?—I suppose that is just about what it is.

51. And most of those men are doing other things besides gold-mining?—Yes; felling a bit of bush; and they have got a clear book with the storekeepers.

52. Do you anticipate there will be more than twenty men from time to time on that river?—I think so.

53. Many more?—You see, these diggers have been settling down, and getting a cow or two.

54. You think the only digging population will be diggers who will go and settle?—No; there are the back terraces which will be worked when water is on them; these terraces would carry a good population of diggers.

55. You have been there twenty-six years, and the population is twenty men?—There is a distance of six or seven miles blocked up, and you have to go a long way round to get to it or from it.

56. You are mining about 2 chains from the river-bank?—Yes.

57. Has there ever been any mining further back than that?—Yes.

58. Can you show me where?—There has been mining on several creeks, and on the edges of the terraces going from point to point of these creeks.

59. Can you tell me something about the land on the banks of the river. You are settled there yourself. Is it good land?—It will grow grass.

60. Can it be brought under cultivation?—It might for grazing, but not for farming.

61. How many acres have you got on your clearing?—I suppose, with the bush we shall burn this year, about 50 acres.

62. Have you no title to it?—No title to it yet; we just felled it "on spec."

63. Is your land equal to Casolani's?—No; Casolani's is the best land there.

64. You told us that during the last five years there have been about twenty men employed within this place from the Buller down to Walker's; can you speak as to the men above Walker's? No; I cannot say anything about them.

65. You say that, in your opinion, Doughboys ought to be reserved. Is there a man working there now?—I do not think there is at the present moment.

66. Can you say why there are no men there?—I cannot say.

67. *Sir R. Stout.*] I understand there is no road from the Buller up this Maruia Valley?—Only for a certain distance, and it is a very bad road.

68. I suppose it is only fit for packing?—In wet weather it is very bad even for packing.

69. There is no road you could take a dray up?—No.

70. It is only fit for packing in the best of weather?—That is all. It is all dense bush. There is plenty of wet, and there is only a pack-track, which can only be used in finer weather.

71. And you say it is all dense bush?—Yes.

72. And I suppose that makes prospecting back in the terraces very hard on diggers?—Yes, it does.

73. And the getting of supplies, I suppose, is pretty difficult?—It has been very difficult to get supplies. It is better than it used to be, because the County Council gets a few shillings to keep the track open.

74. And I suppose when you get further up there is no track at all?—Yes; after you go to the Shenandoah Junction the track ends.

75. There is no possible road right through?—No.

76. And that makes digging very difficult?—Yes, it does.

77. You have had to clear a bit to get some cows for milking, &c.?—Yes.

78. Is it difficult to clear?—There is very heavy bush.

79. You get good burns there?—We have not got much of a burn there yet—just a few acres. I do not know how we shall get on this year, when we are going to try and burn fifty acres.

80. I suppose the wet stops a good burn?—Yes.

81. You say there is gold in the terraces as well as in the flats?—Yes.

82. Is there any road in there?—There is a bit of a pack-track.

83. It is difficult, I suppose, to get there?—It is.

84. Is there bush, too?—Yes.

85. That makes the land difficult to prospect, on account of the heavy bush?—Yes.

GEORGE WALKER sworn and examined.

86. *Sir R. Stout.*] Where do you live, Mr. Walker?—At Rocklands, in the Buller Valley, Inangahua Junction.

87. Do you know the Maruia?—Yes.

88. Have you lived there?—Yes.

89. Where have you lived?—At the homestead on the Maruia.

90. Will you point out where that is on the map?—[Position indicated on map.]

91. How long have you lived there?—About twenty years.

92. How do you get to your homestead—do you go up the Buller River, and up the Gorge?—No; we go to Hampden, and over the saddle to the Matakitaki. You can go up the Maruia, but it is narrow and rough, and it would cost a lot of money to make a road there.

93. Are there any miners up the Maruia?—Yes; there are a few about the junction of the Warwick and the Maruia, and from that going down the river. On the road down to the Buller there are miners here and there all along.

94. Are there any above the junction of the Warwick?—Yes.

95. Where are they?—I think, about half a mile above the junction.

96. How long have you known miners to be working there?—About thirty years.

97. What sort of gold do they get?—Fine gold.

98. Where do they get the gold—up the river or in the terraces?—In the terraces, and along the sides of the river. There are very few of them working in the river—it is generally along the banks and in the terraces.

99. Is the land bush-clad?—It is bush from the Buller up to the Warwick, a distance of about twenty-five miles, but I do not know exactly.

100. Is it thick bush?—It is scanty birch in the higher portions, but there are a few flats about the lower land where there are better trees. The upper part is covered with small birch-trees with their branches starting out before they get very high.

101. You have known miners to be working all the way from the Buller to the Warwick?—Yes, and they are still working.

102. And you say they are getting gold both on the flats and the terraces?—Yes.

103. Above the Warwick, have you known people to be working?—Yes.

104. How far up?—About twenty miles.

105. What sort of gold do they get?—Fine gold. It appears to be nearly all of the same quality of gold, but there is a difference after you get away up beyond twenty miles. Then, what they get there is heavier and in larger pieces.

106. What do you say about the agricultural land in this Maruia Valley?—We will take from the Buller to the Warwick first. Is there any land there fit for settlement?—There is none fit for farming or ploughing, or anything of that kind.

107. What would it be used for?—It is only used for rearing stock. It grows poor grass, which is not rich enough for fattening cattle. You can rear cattle upon it, but not fatten them.

108. Where do you rear cattle?—From the Warwick—about twenty-five miles up. We rent a strip about twenty-five miles long.

109. For pastoral purposes?—Yes.

110. Out of the bush?—Yes.

111. What do you do in winter? What about the snow?—Some winters we have a lot of snow, and sometimes we have not so much. This last winter it was not so heavy, though we lost some sheep and cattle. Last year we shore 3,000 sheep, and this year 1,800.

112. I suppose, from the Warwick down to the Buller it would not pay to cut down the bush and put grass upon it?—No.

113. Not for pastoral purposes?—No; it is very "gorgey." In many cases the hills come straight down to the river, and you would have to cross the river to get to the other side.

114. So far as the land from the Warwick to the Buller is concerned, is it fit for agricultural or pastoral settlement?—No, it would never pay for that.

115. Do you think it is a proper reserve for gold-mining purposes?—Yes. If there is one mile of water-races going over there, there must be thirty. As they work along the river they are easily able to get a fall, but when they got on the terraces it is much more difficult.

116. They do not use elevators, or apply any of the new machinery to it at all?—No.

117. They just go in for the ordinary sluicing?—Yes; some of them cradle, and some use the long-tom.

118. Now we will take the land above the Warwick. You say that is also auriferous. What do you say about reserving it for mining purposes?—They ought to be reserved if there could be water brought up there, I should think, because there is gold in all the creeks and in many of the terraces.

119. You think it is a gold-bearing country?—Yes. I should say, about six miles back from the river it should be reserved. It ought to be reserved far enough back to take in these cement terraces. The first terraces are about a mile and a half wide, and at the back of that there is a spur without any wash upon it; but at the back of that again there is wash and cement for a distance of about seven miles long and five miles through.

120. Then, in your opinion, there is more auriferous land than has been reserved in this Maruia Valley?—Yes.

121. And suppose they worked all this country with a system of elevators, and could get dams of water, the terraces would pay, you think?—I do not think there is the slightest doubt about it.

122. I suppose there have never been any large companies with modern appliances working this Maruia Valley yet?—No. There are generally small parties of two, three, and four men, and sometimes there are "hatters."

123. *Mr. Jones.*] Whereabouts do you think any large company could work any portion of the Maruia?—If they brought water-races in from Lake Alfred on to the terraces they could be worked from Station Creek down to Warwick, because there is gold in all the creeks, and in some of the terraces.

124. Have you known anybody to try any of these terraces?—Yes.

125. With what result?—They had to give up on account of the want of water.

126. The terraces you refer to are those on the eastern side of your property, are they not?—Yes. I refer to the terraces from the homestead right down to the Warwick on that side of the river.

127. What height are they above your place?—I should think about 200ft., some of them.

128. How far would they have to go up Station Creek to be sufficiently high to bring in water for sluicing operations?—They would have to go a long way. Probably six or seven miles, as the creek lays pretty flat.

129. Now, Mr. Walker, have you ever, with a view to bringing in water, taken even a casual notice of the rise of Station Creek for that purpose?—I have.

130. For the purpose of bringing in water?—Yes.

131. Where were you going to bring it to, and what for?—The first year we had the homestead we decided to grow oats, and we thought that by putting in a water-wheel we would be able to pump up the water and also have power to cut timber. We fenced in a lot of land and ploughed it, but we found that the ploughing spoiled the land, so we shifted the homestead down the river. That was the reason we did not bring the water in.

132. Do you think, if there were payable gold in that terrace, with all its facilities for working, such as a good fall in the river, plenty of bush and water, a mere matter of six or seven miles of fair country to bring the water-race through would prevent that race being made? With all those facilities and the prospect of payable gold, would not a party of diggers have brought in a race years ago?—There is not sufficient water to make it payable to bring the water in.

133. How many heads of water would you get six miles up Station Creek?—I do not believe you would have more than one head six miles up.

134. What! How many heads are there near to your station?—I suppose there would be seven or eight heads.

135. Do you know what the Government head is?—I think about 40in.

136. Do you mean to say that there is only 40in. of water there?—I do not think there is any more than that.

137. How far would you have to go to Lake Alfred to get water?—I could not tell the exact distance it is from Station Creek. Do you mean from the mouth of the creek?

138. No; from those terraces?—I suppose it is nine or ten miles.

139. Has there ever been any attempt to apply for or to make a water-race by any body of miners during the last thirty years?—I do not think there has. In fact, there are very few men who know anything about that country. There are only a few men working there getting gold.

140. These terraces are practically within the square block which surrounds your homestead—are they not?—Yes.

141. And therefore they are within the reserve?—I think they are out of the reserve, or, at least, the bulk of the land.

142. If they are out of the reserve, I need not talk to you about it?—The terraces are about one mile and a half wide.

143. Hon. E. Blake.] Within the cement leads?—No; the cement lays at the back of the terraces again.

144. *Mr. Jones.*] The cement lead is not within any of these reserves?—No.

145. That is all right. I will not ask you about them. You say that the miners have worked the terraces, but that at a certain distance back they lost the fall, and that is the only reason they did not go further back on the terraces?—Yes. I have heard men say there is plenty of gold further back, but that the difficulty was to get the tailings away.

146. Do you know Mr. Casolani there. He is one of the oldest diggers there, is he not?—Yes.

147. Do you think he would come into this Court and state that the gold ran out 2 chains from the river unless it was true?—I always found Mr. Casolani a straightforward man. I have had dealings with him; but as to his notions about gold-mining, I do not know anything about them.

148. Do you know any place on that river where they have ceased to work it before the fall has run out, and not more than 2 chains from the river?—I do not know. I never went into any particular mine. The general reason given is that I have said; they do not go any further back on account of the trouble in lifting the tailings.

149. Do you know the terraces that have been worked opposite the Shenandoah?—Yes.

150. Do you know any terraces there that have had water-races up to them for a considerable distance, and that have been worked for a chain and a half back, and that are now abandoned?—The reason they did not go back was the one I have given.

151. Do you know any such terraces?—Yes. The face has been washed up, but the miners could not carry the floor any higher to lift the tailings away, so the place was abandoned.

152. I am asking you if you knew of one terrace where there was plenty of fall to go further back?—I said they lost the fall.

153. Do you know any terrace about the junction of the Shenandoah on this side of the river [indicating on map] where the tail-races have been taken in, the face of the terrace washed away, and where there is plenty of fall for new tail-races to be taken in for a distance of at least 3 chains back?—I know a place at the mouth of the Shenandoah where they were working for 10 or 12 chains back.

154. I will take you to the opposite side of the Shenandoah. Do you know that place?—Yes. I do not know the reason the men shifted from that place. They may have found a better place.

155. You think that might have been the reason why these men abandoned it?—I could not say.

156. Do you know where Sullivan has made a clearing?—Yes.

157. And the opposite side of the river where John Lowe is working?—I do not know his place.

158. On the opposite side of the river, where there is a clearing near the mouth, four or five miles up?—I do not know that place.

159. Have you been there lately?—Yes, I have. I saw a little clearing there, but I did not know who the places belonged to.

160. Do you know where there was a 20 acre or 30 acre block of bush lately felled and burnt?—Yes; on the right-hand side coming down.

161. Well, opposite there, do you know any terraces where there has been a working 1 chain back and now abandoned?—I have not been across the river for the last seven or eight years.

162. Then, you cannot say why the men abandoned those terraces?—No.

163. Now I will take you further up the Warwick: Do you know Norris's, working below the Warwick River?—Yes.

164. Do you know the distance they have worked back from the river?—I suppose they have worked about 4 or 5 chains.

164A. Four or five chains, Mr Walker? Do you mean to tell me that the Norris's have worked for that distance just below the river?—Do you mean where they are now?

165. Yes, or anywhere down within ordinary limits on the side of the river the Warwick goes into?—I do not think that they are far down towards the "Wheel" claim, where they are working now. They have worked away back.

166. How far back?—I should say for 4 or 5 chains.

167. And you say they abandoned the place because they could not get the fall?—That is the reason most of the workings were abandoned.

168. Do tell me if you know of one particular spot in that river where the miners have ceased to work on the terraces because they could not get fall enough?—There is a case in point, which we each seem to know, on the right of the Shenanodah. They worked back there as far as they could get their tailings away.

169. Why did the miners abandon it?—They abandoned it because they got so far back.

170. How do you know that?—That is what men have told me.

170A. If the men could not clear the tailings which would come from a small head of water, how would it be possible with more expensive machinery for a big head of water to clear it?—I am not a practical miner, but at the same time I think a large head of water will carry away what a small head of water will not.

171. Do you mean to say that the land alongside of that river has not been taken up and cleared by miners in patches, say, of 15 acres and 20 acres, wherever they have settled?—There is Casolani's, that is a little clearing down at the lower end. That is the only clearing worth anything.

172. Are not Norris's people clearing the land?—They have cleared some.

173. Have not Dellow's cleared some?—No one could get along there on that land without the mining. They clear it on days that they cannot mine.

174. And the land is valuable to them for clearing purposes. It is valuable to the miner to enable him to grow a few vegetables.

175. Mitchell has got a 50 acre section there, has he not?—He has not got any land at all.

176. What is this piece here fenced in [indicating on map]?—He has fenced in my land to keep his horses in, and prevent them disturbing my stock.

177. What is your land valued at by the local body?—I cannot tell from memory. We have 20,000 acres, and our rates are about £28 10s. a year.

178. As a matter of fact, is not your land valued at 12s. an acre?—I do not know.

179. *Sir R. Stout.*] Do you know what the rates are?—No.

180. *Mr. Jones.*] There is one remark you made—to the effect that there were only thirty miles of head-races: do you mean to tell the Court that there are not more than thirty miles of head-races in active operation at the present time?—I mean to tell the Court that there are not more than from twenty-five to thirty miles of head-races cut at the present time.

181. At the present time?—Yes, that are cut for mining purposes.

182. Are there not a great number abandoned?—I think there are.

183. Could you give me any estimate of the actual number of water-races, or the length of them in active operation at the present time, in the Maruia?—No, I could not.

184. How far back does the furthest extend on either bank of the river?—We will take one—the Shenandoah—that is two miles.

185. Up to where?—Up to a gully on the opposite side.

186. That goes down to another gully?—Yes.

187. On the ground running parallel to the river?—I could not say. The race goes along the river for a few chains and then turns up the gully to get the fall.

188. Whose race is that?—I believe it is Baxter and party's; I would not be certain.

189. There are no miners working above your station?—Yes.

190. I mean in the reserve?—I do not think there are at present.

191. Have you known any?—Yes.

192. In the Maruia?—Yes.

193. Where?—At the clump of trees above the homestead; just where you cross the flax.

194. How long did they work there?—Perhaps four or five months.

195. How many years ago is that?—Ten or eleven years since.

196. *Sir R. Stout.*] I understand you to say that the lead of gold is such that if they go far back they will not get sufficient fall into the river?—No. You will see in some places where they have had to cut deep trenches to try and get the fall.

197. You know they have had difficulty in one instance, but you do not know whether they have in all?—Yes.

198. You say there are from twenty-five to thirty miles of races cut?—Yes. I cannot tell them all. Some of the owners afterwards found that they could get a better prospect in other parts and left what they had cut.

199. I understand that all the land from the Warwick down is bush-clad?—Yes. It is all very steep. In some places you could not get down either one side or the other.

200. I suppose if the land had been opened for settlement you would not find many thriving farmers there?—No, it is not fit for them.

GEORGE WALE sworn and examined.

201. *Sir R. Stout.*] How many years have you been a digger?—Somewhere about forty years.

202. Where have you been working?—At Collingwood, Otago, and principally on the Buller.

203. Have you been working in the Maruia?—Yes.

204. How many years?—Not very long.

205. How many years?—Altogether I do not think above one year in the Maruia.

206. Were you at Doughboy?—Yes.

207. How long were you there?—Somewhere about seven years.
208. Where are you working now?—At the junction of the Doughboy and the Buller.
209. You know the goldfield at the Doughboy?—Yes.
210. You were there at the rush?—Yes.
211. Is that auriferous land?—Yes.
212. Are there any people working there now at all?—Yes, I think some three or four.
213. And you are working at the junction of the Doughboy and the Buller?—Yes.
214. On the reserve there?—Yes.
215. Have you any water-races?—Yes.
216. How long is your water-race?—9 chains.
217. Where do you get your water from?—On the rise. I put an embankment across the Doughboy Creek.
218. You lift the water?—Yes.
219. Were these other people working on the reserve?—The others would be four miles up the creek.
220. Were you getting any gold?—Yes.
221. How long were you working at Doughboy?—About nine months.
222. Where were you working before that?—In Doughboys, four miles higher up.
223. How long have you been working at Doughboys altogether?—Seven years.
224. Continuously?—Yes.
225. When where you working at the Maruia?—I suppose fifteen or sixteen years ago.
226. Where were you working then?—About five miles up.
227. Were you getting gold there?—Yes.
228. Were you ever higher up than that on the Maruia?—Not working.
229. Have you been up there visiting?—Yes; about that time.
230. Not since?—No.
231. You have been speaking of Doughboy, and what you have seen there?—Yes.
232. Have you seen it on the map?—No.
233. Do you know this reserve [map referred to]? There is half a mile of a reserve along either side of the creek?—Some portion of that would be hilly. The lower ground is alluvial, right enough.
234. And payably auriferous?—Yes.
235. All up the creek?—Yes. I have been nine months there and not got anything, but I expect to get it by-and-by.
236. You say that is auriferous and ought to be reserved for mining?—Yes.
237. Is it any good for agriculture?—Not particularly good. There are isolated patches here and there.
238. Would it grow anything?—It would pay in this way: If you could get a few pennyweights of gold combined with what you could grow in the ground you would get on all right.
239. And if the land was not reserved?—It would depopulate the country, and put an end to it.
240. I suppose you have not got very good roads up there?—No; not very good.
241. *Mr. Jones.*] How long is it since you were up at Doughboy?—About nine months ago.
242. You cannot say whether Mr. John Keith is working at Doughboy now?—I think so, but could not be sure.
343. And the other two men?—They are working a little above him.
244. Do you know their names?—Yes; the Dellows.
245. Have they not left there?—I cannot say.
246. I think you were working on the banks just above the Buller?—Yes.
247. And you are now working a little up the creek?—Yes; not far up. My tail-race is taken from the Buller.
248. Practically you would be working not more than a quarter of a mile from the Buller?—Yes; I am not more than 9 chains up from the Buller.
249. As you are going over the Murchison to go up by Doughboy, do you know of a lot of bush which is being felled just going up the creek?—Yes; at Thomson's land.
250. There is a big area of bush being felled?—There is a big patch of bush.
251. Is that land no good?—That is good enough bush land, but even that is auriferous.
252. But does not that bush land run up a good deal by Doughboy?—No; because the conformation of the country will not admit of it. There are hills up there, and then the country opens up a bit.
253. Is that not good land if it was cleared?—No doubt it will grow something if cleared, if only weeds.
254. Will it not grow good grass?—It might in places, if it is drained.

THOMAS HUTCHISON sworn and examined.

255. *Sir R. Stout.*] Have you been working in the Maruia?—Yes.
256. How long have you been working there?—Twenty-six years.
257. Where have you been mining—how far back up the river?—About twenty miles, in different localities—inside of twenty miles.
258. From the Buller?—Yes.
259. Have you got any gold?—Oh, yes.
260. How far back does the gold go into the terraces?—I have worked 3 chains back.
261. Why did you not go further back?—On account of the want of fall. That kept you from going back.

262. What do you say about the land being reserved? Have you seen the plan of the reserve? —Yes.

263. What do you think about the land being reserved, Mr. Hutchison?—It is auriferous.

264. The land you have been working on?—Yes, it is auriferous.

265. *Mr. Cooper.*] You have been mining there for twenty-six years, have you?—Yes. [Witness here pointed out the locality of his work.]

266. Have you any idea of the number of the digging population which was the largest on the Maruia?—It was the largest about twenty years ago.

267. Can you give me any estimate of what the population then was, the digging population? —I believe about one hundred.

268. It has been falling ever since, has it not, till it is about twenty now?—Yes.

THOMAS BELL sworn and examined.

269. *Mr. Gully.*] Where do you live?—Four-river Plain, Murchison.

270. You are a member of the County Council?—Yes.

271. Were you a member of the County Council when the reserves were made at Maruia, and at Doughboy?—Yes.

272. Had you a knowledge of the locality?—I had a pretty good general knowledge, and also from the information I got from the various miners.

273. And did you recommend the reservations?—Yes.

274. Then, as far as your knowledge goes, you are prepared to affirm the opinion that these reservations are properly made?—Yes; the whole of them are auriferous, more or less. Of course, some of them are very good patches, and some of them are not so good; but the miners are working the ground, and most of them are payable—all of them, you might say.

275. You think there is a better future for the locality?—I may say that some day, when improved appliances are brought to bear, it will be good.

276. Is the land reserved, generally speaking, any good for purposes other than mining?—There are patches of 50 acres in places here and there, three or four miles apart, which would do to settle on, but the best of the land has been already chosen.

277. Hon. E. BLAKE.] These patches, you say, would be 50 acres?—Yes. The most of them have been already taken up.

278. *Mr. Gully.*] Do you know—you have not been asked this question before—generally what kind of traffic there is between your district and Nelson?—You mean the coach? Twice a week there is a coach, and there are five wagons on the road altogether.

279. Do they go the whole distance?—Most of them to Murchison, and two as far as the Upper Matakitaki from Belgrove. That is as far as the through road goes, fourteen miles above Murchison.

280. And how many go on the rest of the road?—Three run regularly into Murchison.

281. Is that all?—Most of the settlers bring their own goods. The settlers have their wagons and carry for themselves, but these are the carriers going constantly.

282. *Mr. Cooper.*] Do you consider that the whole country should be reserved, Mr. Bell?—The most of it, or nearly all.

283. I am not dealing with the reserve marked, but the whole country?—I could not say exactly as to the whole of it. Most of it is auriferous.

284. Most of it is more or less auriferous?—Yes.

285. Is not that the fact as regards all the land on the West Coast?—Well, I do not know so much about the west side of the Maruia. In this part to the north there is gold—that patch of the Matakitaki from the watersheds into the Maruia.

286. You are speaking of the place between the Matikitaki and Maruia?—Yes; I have prospected them and found gold in nearly every one.

286A. Do you know anything of this other portion?—Yes; at the time these reserves were made a number of miners were working here, and they were telling me these high terraces were all payable; but they could not get water unless it came from the other side, or from Station Creek.

287. Have they left it since?—Most of them. There are 120 working at Doughboys.

288. Hon. E. BLAKE.] What is your own idea of the reason they did not go further back from the river?—The reason was, that this Doughboy rush took them away from the Station Creek.

289. There was a rush there?—Yes; and after the best of it was rushed they went to the Mahakipawa; they followed the best of the rushes.

CHARLES DOWNIE sworn and examined.

290. *Sir R. Stout.*] You worked at the Maruia?—Yes.

291. How long?—It is about twenty-one years ago since I was there first.

292. And when were you there last?—I have not worked there for the last fourteen or fifteen years.

293. How far back have you worked on the terraces?—About 4 or 5 chains.

294. Why did you stop at that distance?—Because the ground dips into the hill, and you lose the fall.

295. How far does the terrace extend?—Sometimes about 10 or 20 chains; one rises on the top of the other; they run back to the hills.

296. *Mr. Cooper.*] You have not been there for fifteen years?—No; I have not been digging there for that time.

JAKETH H. WEARNE sworn and examined.

297. *Mr. Gully.*] What are you, Mr. Wearne?—For twenty-three years I have been a mining manager, and for the last two years I have been reporting for mining companies.

298. Have you recently been in the Maruia?—Yes, very recently.

299. What month was it you were there?—In October.

300. You went to inspect the locality with the view of reporting on it?—Yes.

301. For whom?—For a syndicate in Wellington.

302. Who were proposing operations in the locality?—Yes.

303. How far up the Maruia and its branches did you go?—I went up the Alfred River first.

304. That is one of the tributaries. And then you also went up Station Creek?—Yes.

305. Did you find gold?—Yes; in the terraces, and up the Alfred River.

306. What about Station Creek?—We found a little in Station Creek.

307. Do you think it is proper to make a reservation there?—It is between Station Creek and the Alfred River that I have been over.

308. In your opinion is it proper to make a mining reserve of that part of the Maruia?—Yes; I certainly think there should be a reserve there. There are extensive alluvial terraces on the Alfred and Maruia Rivers, which will be sluiced eventually. The Maruia is a very shallow river, and the sluicing will bring the *débris* down to the Maruia, and probably divert the channels.

309. In your judgment the reserve is properly made?—Yes.

310. *Mr. Cooper.*] When was it you inspected this reserve?—Between October and November.

311. Of this year?—Yes.

312. Did you know anything of it before then?—Nothing.

313. Did you find any miners at work in that reserve at the time you inspected it?—I found miners on Alfred River.

314. But that is outside?—I do not think we found any miners actually at work on this reserve at the Maruia River.

HENRY ANDREW GORDON sworn and examined.

315. *Sir R. Stout.*] What are you, Mr. Gordon?—Inspecting Engineer to the Mines Department.

316. How long have you held that appointment?—About twelve or thirteen years.

317. Have you been engaged in mining yourself?—Yes.

318. Where?—Both in Victoria and New Zealand.

319. On the West Coast?—Yes.

320. Were you mining in Otago?—I was interested in mining claims, but not actually mining.

321. Part of your duty, I think, is to visit the goldfields periodically?—Yes.

322. How often do you visit the West Coast in a year, generally?—Once a year, and sometimes twice.

323. When you make your inspection, do you visit all the mines?—I do not visit all the mines; I could not possibly do that.

324. Where do you go mainly?—I visit all the mining districts.

325. Not each individual claim?—No.

326. I understand you advised the Government as to the mining reserves?—Yes.

327. Did you, in connection with the Midland Railway, advise the Government in connection with the reserves?—I did.

328. On all of them that have been reserved?—I would not be perfectly positive, but I think I have. I am certain of all the reserves in Nelson.

329. You are not sure of all the reserves in Westland?—No; but I believe I have. If I did not actually recommend them at the time, I have advised that they should be taken.

330. You were in the Mines Department when Mr. Larnach was Minister of Mines?—Yes.

331. You remember his reservation?—Yes.

332. Were you consulted about that?—I was.

333. Have you been over all the blocks reserved by the Government?—Yes; every block.

334. Were you on every block before the reserve was made?—I have been on most of them. I believe I was over most of them before the reserves were made.

335. In making recommendations about the blocks, did you see any one else—Government officers—as to the reserves to be made?—When these reserves were made first letters were sent out to miners' associations, Wardens, Commissioners of Crown Lands, and to County Councils, asking them to recommend what lands they thought should be reserved for mining purposes in order to make these reserves. Skeleton plans were forwarded to them, and these plans were coloured, and sent to the Government, asking them to make certain reserves, which amounted to far more than the Government could take under the Midland Railway contract; and the reserves now taken are only a portion of that which was recommended by these bodies.

336. Did you yourself make a recommendation about them?—I did. I commenced first and recommended a block which I knew perfectly was required for mining.

337. Were your recommendations in writing, or did you simply hand in the map?—I think most of my recommendations were in writing.

338. You say, "what you thought were necessary for mining"?—Yes. A great many other things have to be taken into consideration with reference to mining. Not only is the ground required for mining, but low ground is required for tailings; timber is required for mining purposes; and ground is also required for tail-races and head-races, and everything contingent upon mining.

339. It is upon that footing you made your recommendation?—Yes.

340. Have you been over all the reserves since?—Yes.

341. You may have been over them all before, but at all events you have been over them since?—Yes.

[Further examination of Mr. Gordon was postponed till a copy of his recommendations *re* reserves was obtained.]

JOHN BURN sworn and examined.

342. *Mr. Gully.*] Where do you live, Mr. Burn?—At Paroa.

343. How long have you been there?—I have been on the Coast since 1865.

344. I want to draw your attention particularly to Blocks 7 and 9 [Exhibit 90]. Do you know these blocks?—Yes.

345. Block 7 is admittedly auriferous. Do you agree with that?—Yes.

346. First of all, in your opinion is Block 9 auriferous?—Well, all the portion of it that I know is.

347. There is a small strip of freehold land between Block 7 and Block 9, is there not?—Yes.

348. Is that strip of freehold land being worked?—Yes; it has been worked for the last three years.

349. And does that same formation as you found in the freehold land continue on to Block 9? Do you think the gold found on the freehold land continues on to Block 9?—Yes; in a part of it.

350. Have you any idea what amount of working is going on in this freehold?—Yes; there are four parties working there at the present time.

351. Do you know what royalties they are paying?—Yes; £5 an acre per annum, and £5 in addition for the tailing-sites. I am not quite sure about the tailing-sites being £5 per annum, but the royalty is £5 per annum per acre.

352. You say that the portions of Block 9 which you know are auriferous, and ought to be reserved?—Yes.

353. What portion is that?—It is the portion within three-quarters of a mile of Greymouth. I am not quite clear about that, because I have not examined that particular portion. The rest of the block I do know, and it is auriferous. There is a creek there on the slope of the north-eastern portion.

354. Is the locality of that creek auriferous?—Yes; to the point I have gone to.

355. How far have you gone in that direction?—I have been in the early days within a mile of Greymouth, and I have been through the saddle of the range.

356. What is the character, generally, of the part of the block you have been through, as to its natural features?—It is very hilly, broken country.

357. Any use for settlement purposes?—I could not see any use of it for settlement purposes.

358. Hon. E. BLAKE.] What proportion of the block do you say you cannot speak about?—The portion I cannot speak about is the northern portion. There is about a mile at the north end I have not been through. I think I can speak as to about three-quarters of the block.

359. *Mr. Cooper.*] I see a creek marked "Sawyers' Creek." Can you speak of any portion of the block about Sawyers' Creek, north of Sawyers' Creek?—Yes; about a quarter of a mile up that creek is auriferous.

360. Is there any mining going on on that block at the present time?—Yes; at the continuation of what is called "The Welshman's."

361. That is about midway through the block?—Yes.

DENIS RYALL recalled.

362. *Mr. Gully.*] Will you look at plan No. 7. Do you know Block 85?—Yes; I know this block.

363. Are you well acquainted with it?—Yes.

364. And, in your opinion, is it properly reserved for gold-mining purposes?—Yes; that is my opinion.

365. The whole of the block?—Yes. I have prospected down here [indicating on map], and found payable gold in the south end of the block, north of Currie's claim.

366. What is the general character of the gold which is found there?—You could pan it off with a dish; it was not very fine.

367. Do you know whether there was an attempt made to resume Parke's portion for mining purposes?—Yes.

368. By whom?—By some miners there.

369. Did it come before the County Council?—It was merely mentioned before the County Council. The Government refused to pay the compensation required, and the County Council did not think it had the means of doing it.

370. In your opinion, the whole of that block ought to be reserved?—Yes.

371. *Mr. Jones.*] How far back is Parke's land from the sea-coast line?—I did not measure it. It goes up on top of the terraces.

372. How far back does it extend from the coast-line?—I could not tell you the distance. I should think it would be 200 or 300 yards from the foot of the terrace. There is a formation of a beach from the foot of the terrace out to the present high-water mark; what I mean is, from the foot of the terrace. It is about a couple of hundred yards from the foot of the terrace out to high-water mark.

373. Will you look at that map and tell me the distance. This map is done to a scale of 80 chains to the inch: a mile to an inch. Will you tell me whether that is not far enough back to take in the land you have been describing? At all events, 400 or 500 yards would take in all the ground you have mentioned?—I am not certain about it. I am only speaking from guess-work.

THOMAS DAVIS recalled.

374. *Mr. Gully.*] I want you to look at the plan of Block 85. Do you also know that block?—Yes.

375. Have you worked upon it?—Never.

376. You know it from what?—Travelling up and down.
377. And you are acquainted with the workings already going on?—Several of them.
378. In your opinion, is the whole of that reservation a proper one for gold-mining purposes?—Yes, I think so.
379. Including the portions that have been hatched as unnecessary?—Yes.
380. What is the character of the block as regards natural features?—Terraces rising from the beach.
381. And backed by what?—At the back of that again is the Coal Creek Flat.
382. You think the whole of that block is required for mining purposes?—Yes.
383. *Mr. Jones.*] You have done nothing more than ride or walk past on the track from Barrytown to Greymouth?—Yes.
384. Therefore you are only speaking from general knowledge, and after simply having gone along the track, when you say this is all wanted for gold-mining purposes?—Between Spencer's claim and Parks's claim there must be gold, because they want to——
385. You have really never prospected it in any part?—No, but I have seen prospects from it by other parties.
386. Have you ever been over that terrace?—I have been on it.
387. On Parks's land?—No.
388. You have not been on the back terraces?—No.
389. What distance is Parks's land back from the sea high-water mark?—I suppose it would be a quarter of a mile or a little more.
390. Would it extend more than a quarter of a mile from high-water mark?—I do not think it would.

BERNARD MCGUIRE sworn and examined.

391. *Mr. Gully.*] What are you?—A baker and hotelkeeper.
392. How long have you been on the West Coast?—Since 1866.
393. Have you done any mining?—Yes.
394. How many years, off and on, during that period?—Part of it, not all of it.
395. Will you look at Block 8A on the plan?—I know that block very well.
396. It is 1,700 acres in extent?—Yes.
397. Do you know whether at the present time there are any parties working on that block?—I do.
398. Do you know how many?—There are six altogether, I suppose, upon it now.
399. Hon. E. BLAKE.] Do you mean six parties or individuals?—Six individuals. One man got two prospects, which were shown to me.
400. From your knowledge of the block, do you think it probable that other portions of the block would yield payable gold?—I do; and not only that, but down at Stillwater, where the reserve has, unfortunately, been taken away, the miners view it with great dissatisfaction.
401. *Mr. Cooper.*] Where are these people working on the northern side?—They are working all over the block.
402. You say there are six men working there now?—There are the O'Donnells and the Haslems. I should think that not an inch of that country should be taken away from the gold-miners.
403. You entertain a very strong opinion that all the land on the West Coast should be reserved for gold-mining purposes?—I have advocated for years that the whole of the west side should be reserved for gold-mining purposes.
404. Do I understand that you think the whole of Westland should be reserved?—I only speak of what I know.

MALCOLM GRAHAM sworn and examined.

405. *Mr. Gully.*] You live at Orwell Creek?—At Noble's.
406. You have been on the West Coast, I think, since 1868?—Yes.
407. And constantly engaged in prospecting and mining?—Yes, with the exception of twelve months I spent at Kimberley.
408. First of all I shall ask you about Blocks 69 and 70 and 71 on plan No. 2. Do you know those three blocks well?—Yes, thoroughly well.
409. Have you been over them prospecting?—I have been working on each of them for a certain time.
410. When were you working on these three blocks?—I was working in 1869 in Half-ounce.
411. There was a rush in Half-ounce in 1868?—Well, shortly after that.
412. Do you think these blocks ought to be reserved for gold-mining purposes?—Yes, the principal land in those parts should be reserved for gold-mining purposes.
413. Do you think the whole of the blocks as shown on the plan should be reserved for gold-mining purposes?—Yes, I think so.
414. Do you think the introduction of more capital and water upon these blocks would lead to further workings?—In Blocks 70 and 71 it would, in the high levels.
415. Your opinion is that the gold is not merely found in the beds of the creeks, but is also to be found on the terraces on the higher levels?—Yes; the principal drawback is that we have not any water upon the high levels.
416. There is a race proposed through Randell's Creek, is there not?—Yes.
417. Would that open up further ground and make it available?—Certainly it will.
418. Now, as to what is called the Arnold Block: is that auriferous?—I have not any knowledge of that block.
419. As to Blocks 65 and 66: did you and two others prospect those localities in 1869—I refer to the blocks between the Snowy River and the Grey?—Yes; we were out there for five months.

420. Did you find gold?—Yes; we found gold everywhere, but not in sufficient quantity to induce us to stop there many days. We found payable gold in one or two places, but we would not stop then for anything less than £6 or £10 a week.

421. But the miners would take less than that now?—Certainly. I went out about three months ago to try some of these places again, as I have such confidence in that part of the country, but on account of the snow we had to come back.

422. Is it not rather difficult country to prospect?—There are no tracks, as the hurricane we had completely blocked the only track.

423. Is it not rather difficult to pick up the leads owing to the country being so intersected with streams?—It is not very difficult if a party goes well equipped.

424. *Mr. Jones.*] Please look at Block 71 again: do you see the road from Ahaura to Napoleon's Hill?—Yes; the hatched portion.

425. Is that a payably auriferous country?—We suppose that the Orwell Creek lead goes right through that block.

426. And that is the reason you say it is payable?—I did not say it is payable.

427. But you say that piece of land will be required for a mining reserve?—There is no doubt about that.

428. Is the reason you say that a portion of Block 71 is also required for a mining reserve because the country is auriferous?—In a certain line it is.

429. Is that your only reason?—We have always known that the lead passes from Napoleon Hill down Orwell Creek across the flat to Riverview, and it all comprises gold-bearing country.

430. That is your reason for asking that this portion of the flat should be reserved?—Certainly.

431. If you will be good enough to look at the map you will find that the lead runs from Napoleon Hill through Orwell Creek across to Riverview. That is where we say the lead goes, and not through that hatched portion at all [indicating on map]?—I do not know how the lead goes, but it is gold-bearing, and we certainly desire the reserve to include a certain portion of that hatched part.

432. Will you admit that the line you describe the lead to run is not within a mile of the hatched portion?—This hatched portion I do not think is drawn correctly.

433. Here is your lead running here [indicating on map], and going on here [indicating on map], thence it goes into Napoleon's Hill, and out at the southern point towards the source of the Orwell, a mile from Block 71?—I should certainly reserve between two and three miles of the flat.

434. Just for that one lead?—It is not only one lead. There are three or four. You know that as well as I do, Mr. Jones. I want to see that block reserved.

435. Have you ever known of payable gold being found on this part of the hatched portion of Block 71 [indicating on map]?—I cannot say I have known of gold being got there.

436. Have you been at Randall's Creek?—Yes; I have been through the whole of them.

437. Do you know how far up Randall Creek miners would have to go to get water to Napoleon's Hill?—Pretty high.

438. Have you ever gauged the stream as to the quantity of water that could be obtained in moderately dry weather?—I have not the means to gauge it.

439. What do you think?—I was there in wet weather and in dry weather. There is an abundant supply in wet weather, and I suppose enough for six heads of water in ordinary dry weather.

440. Do you know what height the water taken from Randell Creek, where you would get these six heads, would be lifted to get it to Napoleon's Hill?—I could not give the height definitely.

441. Do you recollect twenty or twenty-one years ago a survey being made by Young Brothers of the water from Orwell Creek to Napoleon's Hill?—Yes.

442. Do you recollect that it was found impracticable to bring a supply of water in from that place?—No, it was not impracticable.

443. Did not the Young Brothers report that it was impracticable to bring water in from Randell Creek to Napoleon Hill?—I never saw Young's report. I once had a conversation with Young with reference to the level of that creek and different other creeks, such as the Nancy, and Clark, and another.

444. What did Mr. Young say?——

Hon. E. Blake: We do not want that, Mr. Jones.

Mr. Jones: I only want to show that it is impracticable to draw water from that source. I will not ask the question.

445. *Mr. Jones* (to witness).] When did you say that you did that prospecting in Blocks 65 and 66?—At the time of the Napoleon rush in 1869 and 1870.

446. What was the payable prospect that you got on an average per man per week?—In one place we were out three months, and I reckon we got from £4 to £5 a week with ordinary appliances.

447. What part of Block 66 was that in?—It is at the head of the Waipuna.

448. That is not on Block 66 at all. It is further in?—That is my contention—that this land is not in the reserve at all. The reserve should extend past the head of the Waipuna.

449. But you referred to having got payable gold at the head of the Waipuna, and not within the hatched portion?—I found this gold a few months ago outside Blocks 69 and 71.

Hon. E. Blake (to witness): You appear to be mixing up two things. The last thing you spoke about was as to your finding gold in 1869 and 1870.

450. *Mr. Jones.*] Take Blocks 65 and 66, near the Snowy River: what about those blocks?—I did very little prospecting between Snowy Creek and the Grey River at the head of Brown's Creek. I only got colour there.

451. In Blocks 65 and 66 you did a little prospecting, and just got the colour. You were labouring under a misapprehension when you told Mr. Gully what you did?—Well, no; I do not admit that.

452. But you said it was at the head of Waipuna?—Very well, we will leave it at that.

453. *Mr. Gully.*] Do you know this water-race at Randall's Creek?—Yes; it is in course of survey.

454. Do you know if tenders have been called for its construction?—No.

GEORGE ERRICKSON sworn and examined.

455. *Mr. Gully.*] You live at Orwell Creek?—I do.

456. And you know Blocks 69, 70, and 71?—I do.

457. How long have you been working near Orwell Creek?—For a number of years.

458. Have you abandoned some of the workings there?—We are working there now.

459. But have you not abandoned some of them?—We have worked out some portions and these we have abandoned.

460. What was the width of the lead of the last ground you worked?—Where we drove across last, I think, is about thirty sets—120ft. or thereabouts—in width.

461. Can you give us about the average of gold it yielded?—Yes; it averaged about 12dwt. to the set—that is, to the 4ft.—good payable ground.

462. And you think that lead where you are working will continue?—I am perfectly satisfied of that.

463. In what direction does it go?—The lead runs east and west.

464. Towards the Ahaura River?—No; not exactly. It shoots out to a flat. There is Duggan's farm there, which, I think, should not have been granted, as the lead goes right through it.

465. In your opinion, does that lead continue on the north side of the Ahaura?—The Orwell Creek goes through the farm; I am positive of that.

466. Do you think a drainage-race could be of use there?—Yes. I tried very hard to get in a drainage-race some years ago, and I am going to try it again; but it is rather an expensive work.

467. The difficulty is want of capital?—Yes.

468. Do you know of any recent finds of gold on Block 71?—Orwell Creek is situated on Block 71.

469. I am referring to a find by some Chinamen?—Yes; just below my occupation-license, some Chinamen are working there.

470. Is it on that hatched portion of the ground?—Yes, they are sluicing there.

471. Do you know how much they have got?—I think they got about half an ounce just before I came away.

472. Are they getting payable gold?—Yes; there is payable gold there, and it was got some time ago.

473. Are there Chinamen working about seven miles up the river?—Yes; they used to go by my place; but I do not know exactly where they are working. There used to be numerous Chinamen there—dozens and dozens, coming and going.

474. Are they, to your knowledge, on gold?—They must have been, because they used to sell the gold at Orwell Creek Township.

475. Do you know the proposed race from Randell's Creek?—Yes.

476. That will lead through Blocks 69, 70, and 71?—Yes. Block 71 is this block which is hatched. They are principally ranges, and they go alongside the proposed race.

477. Will that ground be worked when the race is made?—When that water goes out it will be the means of opening up a large amount of country there.

478. Can you tell us whether they have called for tenders for the proposed race?—They have not called for tenders. They are surveying it now. Mr. Young is at work there, and had done about seven miles when I saw him.

479. Taking all the circumstances into consideration, are you of opinion that the whole of those blocks ought to be reserved for mining purposes?—I am, certainly.

480. *Mr. Jones.*] Where were these Chinamen working seven miles up the river?—I told you where they are. They used to go up by my place.

481. Yes; they may have gone by your place, but they may have been working on the banks of the Ahaura River?—I could not tell you.

482. You are not prepared to say that any are working within the hatched portion?—There is one party I know, and another party at the McCooler Range, about half a mile from where my occupation-license is.

483. Do you know whether anybody is working on the rest of the block?—No; but I know it is auriferous from my own prospecting. But they want water, and cannot do anything without water.

484. The Orwell Creek goes through it?—It goes east and west, and runs into the hatched portion there. The lead runs toward Duggan's farm, and must go through there and fall into this hatched portion.

485. I think you applied for a piece of land at the Orwell Creek?—That is the line of my tail-race. We went there and dug the ground on each side. We intend to strike the lead at the end of Orwell Creek. The lead is worked east and west.

[Exhibit 154, being a statement of traffic receipts from August, 1889, to 1895, and of the cash receipts for the sale of lands, &c., for one year, put in by the company at the request of the Hon. E. Blake.]

WILLIAM WILLIAMS sworn and examined.

486. *Mr. Gully.*] What are you?—A miner.

487. Where do you live?—At the Upper Blackball.

488. How long have you been there?—In that district, seven years this time.

489. Would you look at Block 87 on plan No. 54? Do you know that block?—Yes.

490. How is your information of it derived? Have you been over the block?—Yes, all over it, and working round about it at different times.

491. What kind of work?—Mining—alluvial mining.

492. In your opinion, is the whole of that block properly reserved for gold-mining purposes?—The lower portion of it—the gullies going into it. There is one called Soldier's, and another also goes into it.

493. You see the hatched portion. Do you think that should be reserved for present or for future mining purposes?—Yes.

494. You think that portion of the block is auriferous?—Some part of it—the lower portion.

495. Have you been working on any portion of the hatched portion of the block?—I have been prospecting into the gullies coming out of 87.

496. On the hatched part?—Yes.

497. Are there any reefs on that block?—The reefs would be at the back country.

498. Can you speak to them?—I have been on the reefs on that part at the back of that block.

499. Can you speak to them?—Yes.

500. That piece running down to the Grey: what about that?—Parties have been working there; they had tunnels in under the track.

501. That is the strip on the hatched portion running down to the Grey. Do you say that parties have been working on that block?—Yes.

502. It is properly reserved for mining purposes, in your opinion?—Yes.

503. *Mr. Jones.*] In fact, the only part of Block 87—who were working there?—Cole and party were working there in this one [indicating], and the Chinamen were working the gully which empties into Ford's Creek a quarter of a mile above.

504. How long ago?—Seven or eight years ago.

505. Leaving out that portion: you say that other portion of 87 should be reserved?—Yes; gold has been got in this creek: it is Soldier's. Then it runs right into the other; it is about two miles and a half from the junction.

506. That does not show quite two miles and a half. Anybody working there at Soldier's?—I could not say. I have not been there for seven years.

Mr. Jones: That is on that portion of the block.

THOMAS JOLIFFE sworn and examined.

508. *Mr. Gully.*] Look at this plan No. 5 of Blocks 86 and 87: where do you live?—At Blackball.

509. Have you been there for some years?—Six years.

510. What are you?—Publican, storekeeper, and speculator.

511. Do you know well the locality of these two blocks?—Yes.

512. And have been on both those blocks?—Yes.

513. Have you any experience in mining?—Yes.

514. Look at the hatched portions of 86 and 87: do you think those portions ought to be reserved for gold-mining purposes?—I do.

515. What kind of gold-mining do you think should be carried on on those portions?—On the terraces, sluicing; up above that, no doubt, the quartz-mining will run through it.

516. Do you see that small strip of 300 by 400 acres running down to the River Grey?—That is between Big Creek——

Mr. Gully: It is a parallelogram: it is the hatched portion.

Witness: Big Creek is on the one side and Ford's Creek on the other. I know it.

517. Do you think it ought to be reserved, or cut off?—It ought to be reserved.

518. What kind of country is there there?—Sluicing country.

319. Do you know whether it has been prospected already?—I have prospected it myself.

520. What did you find?—It would be payable provided you could get the water on a high level.

521. *Mr. Cooper.*] Have you been on this hatched portion yourself—the western portion of 86?—Right from the top of the range down to the side of the Big Creek, I have been through it.

552. How long ago?—Two years and a half ago.

523. At that time was there any mining going on upon that hatched portion?—Only on a portion of it. The head of the Big Creek, at the head of Soldier's Creek, and at the head of what is called the "Left-hand Branch" (of Ford's Creek).

524. Then, I understand, you think that payable mining could be carried out on that hatched portion if the water was brought in?—If it was high enough.

525. Have you studied the question of water?—We got up a company for the purpose of getting water on that block.

526. Where?—Out of Stony Creek.

527. Is the company formed yet?—No.

528. Then it is a proposed company?—Yes.

529. Do you know whether there have been any investigations made to show whether you could get water from Stony Creek?—We have been surveying.

530. With what result?—We could get the water at great expense.

531. Has the expense been estimated?—Yes; it would cost about £3,000.

532. Then, your prospects on this hatched portion are confined to that?—I mean to say the whole of it, here and there, confined to the heads of these creeks.

533. Does the same remark apply to the 700 acres?—Yes; all has been prospected long ago; in fact, men have been working in that. There is a track runs through it.

534. It is a well-known goldfield, this portion; how long has it been a goldfield?—For the last twenty-five or twenty-six years.

535. Large quantities of gold have been obtained from there?—Yes.

536. Very successful mining?—In some instances, and in some not.

537. Why has no attempt been made before to get water on to that other portion of the block?—Because of the poor ground. It is paying now that which would not pay before. Men go into poor ground now that would not go into before.

538. Hon. E. Blake.] They are content with less?—Yes.

539. *Mr. Cooper.*] Even though they have got to pay more for it?—Yes.

540. What is the population of Blackball?—Close upon 300.

541. Does that include men, women, and children?—Yes.

542. How many of that 300 are miners?—There are 34 Chinamen, and about 70 miners.

543. About 100, including Chinamen?—Yes.

544. In that population are you including those who are working in the coal-mines?—Yes.

544A. But in the 100?—No.

Henry A. Gordon recalled.

545. *Sir R. Stout.*] You have studied the question of geology, Mr. Gordon. You are one of the Fellows of the Geological Society of London?—Yes.

546. And you have considered, I presume, the question of gold deposits on the West Coast?—Yes.

547. Gravels, &c., and leads?—Yes.

548. What do you say as being the main deposit of gold on the West Coast?—I think you could see it better on this map. [Exhibit No. 55 put in.] Here is Maori Creek, and here is Maori Gully, in Block 8. These are mining centres. Here is No Town, Red Jack's, and Nelson Creek; then there are Hatters' Terrace, German Gully, Callaghan's, Riverview, Orwell Creek, Napoleon Creek, Half-ounce Creek, and all other creeks intervening; then there are Snowy, Blackwater, Antonio's, Slab Hut Creek, Soldiers Creek, &c., right to the Inangahua River. It is all of the same character of material, with the exception of where the present streams run at right angles, and have denuded the formation to a great extent. This line of auriferous drifts runs almost parallel with the Grey River. It is in this formation that all the principal mining centres are, where they are getting the gold in the alluvial drifts.

549. Hon. E. Blake.] How do you describe the formation?—The formation is Older Pleiocene formation—quite different from the recent or glacial drifts in other parts of the country.

550. Speaking generally, you say it runs parallel to the Grey River?—Yes. A similar formation runs right through north of Reefton, parallel to the Inangahua.

551. But in the same general course?—Yes.

552. *Sir R. Stout.*] Has this been laid down by the sea or river?—That is a question not easily determined. I think there has been an immense river running from south to north at one time. At any rate, this gold is got in what they call the "Old-man bottom." There is a little gold in it, but the gold got at Napoleon Hill and a lot of those places is nothing but a large concentration of that drift.

553. It has been washed down by the rivers?—I think that is a question, as to the way it was deposited. Then, the same formation goes out to the sea in an almost unbroken line south of Ross. You also get the same formation at Waimea and at Ross.

554. I suppose in this region there are deposits of various ages, and, according to you, the older deposit has been cut through by creeks and made new deposits in more recent geological times?—The creeks have cut through this auriferous belt, and they have become natural sluice-boxes; and a great deal of the gold has been got in the valleys of these creeks very easily. As it was very shallow, quite naturally there would be larger deposits; the water carrying away the lighter material, it left the heavier part behind. But, taking the whole formation, if there was a good stream of water brought into that country, there is very little of the country but would pay for hydraulic sluicing on a large scale.

555. Even the tops of the terraces?—Yes.

556. The difficulty has been, I suppose, capital to get the water, and the difficulty of getting water high enough to work the terraces?—That has been the difficulty—getting water. The Government has constructed a large water-race from Lake Hochstetter, between 800ft. and 900ft. above the level of the sea. A very large reservoir has been constructed, and that will command all the country between Nelson Creek and the Ahaura River, and also between Lake Hochstetter and the Arnold River.

557. That is a new race, from Lake Hochstetter?—Yes; a new race may be constructed from Lake Hochstetter, and it would command the whole of that country.

558. I believe it is correct that the difficulty in this region is that there are no lakes at high levels from which water can be got?—Lake Hochstetter is the highest lake of any size there.

559. Hon. E. Blake.] Did you say works were being constructed, or have been constructed?—Have been constructed to Nelson Creek, and command the country in that district; but from the same supply works could be constructed to command the whole of that district.

560. *Sir R. Stout.*] Nelson Creek works—they are called Hatters' terrace?—Yes; the Government constructed a large water-supply at a cost of a little over £90,000, to command that portion of the country in the vicinity of Nelson Creek—Hatters' Terrace.

561. Will you look at the yellow patch on the coast line—to the coast side of Paparoa Range? —That includes the diggings at Barry Town, and they are working both along the beach and likewise a mile and a half back from the beach on the terraces. But wherever you get gravel on the terraces it carries gold. There is no doubt these blocks are required for mining purposes.

562. Do you know of any deposits along the coast. I want to know as to the general run of the gold?—The gold at Addison's is get from two sources—one source is got from the Buller. There have been high-level terraces on the Buller, and there are different leads coming across Addison's flat—high-level old ocean-beach leads. You also meet the ocean-beach leads again at Blue Spur. You see the remains of one—it has been partially worked—on the terrace between Gillam's Gully and the Waimea. You get it likewise across the Waimea, going northwards, on the Scandinavian and different terraces towards Lamplough. As to Block 6, there is no doubt in my mind that, if the Teremakau River has not denuded that lead, the same lead will be found right across Block 6.

563. Hon. E. BLAKE.] In a general sense, along the present coast-line and so right up to Cape Foulwind?—You get gold on the beach all the way to Cape Foulwind.

564. But is there a high-level back lead?—Yes; but there is a break.

565. Locate it?—There is a break between Deadman's and Bullock Creek—the rocks come close to the ocean.

566. *Sir R. Stout.*] In fact, the beach that had been there must have been denuded by the sea?—It has been denuded by the sea, and I think there is evidence to prove that the land has been raised and depressed at different times.

567. Now, you have told us the general trend. I wish to ask you generally, where is the reefing country now. You have talked simply about alluvial mining?—The reefing country is across here [indicating on map], and these reserves do not take in anything like the reefing country. The reefing country goes through the head of Block 51, or it might be outside 51. It goes through Blocks 53, 54, 59, 61, and likewise in Snowy, Block 66; and also outside that.

568. You say there is also reefing country outside, which has not been reserved?—Yes.

569. That is where the general reefing country in the Nelson District is?—Yes; there is also reefing country away on the north side of the Grey River—88, 89, and 86. At the present time they are working in 86 and 88.

570. That gives us the general outlook to the reefing country. They are working the reefing country at Lyell too?—Yes.

571. And further up the river, at Owen: is there not supposed to be reefing country there?—Yes.

572. That gives us the general outlook of the mining country. I now come to speak about the reserves. I find that, except in a general way, you do not seem to have given special recommendations on the Westland blocks?—I might not have given written recommendations, but I know that I advised the Minister for Public Works, at the time these reserves were recommended, that they were required for mining purposes. I refer to the Westland blocks.

573. I find written recommendations in all the Nelson south-western blocks; but I do not find written recommendations, except in one general recommendation, with regard to the Westland blocks?—I advised the Minister to proclaim every one of these blocks.

574. Then, were you asked your opinion before the Proclamations were issued on the blocks? —Yes.

575. Hon. E. BLAKE.] It was upon request that you gave this advice?—Yes.

576. *Sir R Stout.*] You are aware, are you not, that the local bodies asked for a great deal more land to be proclaimed?—Yes; I have brought the original map of the Inangahua County.

577. They wanted the Government to proclaim a great many more reserves than have been proclaimed—a much larger area?—Yes.

578. I notice that on the 16th December, 1892, you made a recommendation in respect of 2A and 2B?—Yes, I made that recommendation; and the reason of that was that the County Council, and, I think, Mr. Mueller, who was Chief Surveyor at the time, agreed to a number of blocks to be proclaimed; and the map that was sent up omitted that part of the country, and that was the reason of the special recommendation. It was an additional piece of ground which was not proposed by Mr. Mueller.

579. Hon. E. BLAKE.] So that what you did was to recommend what they sent up, with this addition?—Yes; I specially recommended the addition because it was not in the plan sent up.

580. Then, on the 24th December, 1892, you made another recommendation?—Yes; I remember making that recommendation.

581. Do you remember the recommendation with regard to mining reserves in the Grey District?—Yes.

582. I want to know whether, in giving these recommendations, there was any influence used on you in any way to make these recommendations?—Not the slightest. I made them as I conscientiously believed them to be required.

583. Hon. E. BLAKE.] You are speaking generally of all the advice you gave?—Yes.

584. *Sir R. Stout.*] No one used any endeavour to influence your mind?—No.

585. Do you remember the recommendation with regard to the 1,500 acres, Westland District?—Yes. The reason of that was, that after getting the other blocks proclaimed, we found that within the boundaries we had not included those, and that was the reason why the 1,500 acres was reserved.

586. Then we find that the next recommendation is on the 3rd August, 1893. Do you remember making that recommendation?—Yes.

587. And that was, you say, necessary?—Yes.

588. The next, I see, is on the 4th November, 1893. Do you say that land was necessary for reservation?—Yes.

589. Do you remember another on the 15th August, 1894?—I do not think that reserve has ever been proclaimed.

590. Then, in another you recommend 61, 63, 64, 66, 71, 75, and 80. Have these been proclaimed?—I think these are made with the exception of 64.

591. You mention in one of these recommendations Callaghan's: what about that being proclaimed?—There is a deal of gold-working at Callaghan's, which was omitted from Block 2, and at the time that block was proclaimed they sunk a deep shaft some 200ft. deep and got payable gold there. There were also a great deal of other workings not included in Block 2, and that was the reason that reserve was made.

593. I notice in all your recommendations you use not only the word "auriferous," but say they are required for something connected therewith, or conducive to mining. What do you mean by that?—I mean there would be no use merely reserving the claims taken up, because mining would cease when the present claims would get worked out. You also require any flat land for tail-races. You require other land in addition to that to a great extent for head-races. We will take, for instance, the Government race at Waimea, Kumara, and also the Nelson Creek Race. The latter is eighteen miles long. You require a considerable amount of land in addition to the actual ground required for mining in order to carry on mining operations. You also require a large amount of timber land. On such a field as the Kumara the timber is denuded. There are four sawmills cutting steadily for mining purposes alone, and the timber is almost denuded for a mile and a half radius all round Kumara. There is nothing but small timber left—that is not fit for mining purposes. In a very short time there will not be sufficient timber to carry on mining, and they will have to go a long way to get timber to carry on the workings.

594. Then, you say, in addition to the actual ground required for sluicing, you require land for the deposit of tailings for the construction of water-races, and you also need land for timber for the purpose of using the timber in mining?—Yes, and for dams.

595. Has any water-race been constructed at Callaghan's?—Yes; one has been lately constructed by the Government to Callaghan's. It is a branch of the Waimea.

596. And it cost a large sum of money?—It cost close on £4,000.

597. When you made these recommendations I understand you to say you had been over most of the blocks?—Yes; I know the blocks personally, with the exception of the Maruia, and upon that I got information from other people.

598. You have, since the blocks have been proclaimed, gone over them?—Yes.

599. In company with Mr. Mackay?—Yes, and other people.

600. But Mr. Mackay is a geologist, and you know him by repute as such?—Yes.

601. You and he, I think, went over the blocks, and gave an elaborate report to the Government upon every block?—Yes. There are two errors in the report, which I will get put right.

602. We will first take the Nelson district, No. 1: do you know it?—Yes.

603. Where is it situated?—North of the Buller, between the by-wash of the Buller, the Orowaiti, and the Waimangaroa River, running along the sea-beach, and back to Mount Rochfort Range.

604. What do you say about that?—They have been digging along the beach where the sea is encroaching, and a large portion has been washed away. To my recollection, there have been a number of miners working there for the last twenty-five years.

605. Hon. E. Blake.] Each fresh incursion of the sea opens more diggings?—Yes. At the foot of the Mount Rochfort Range again—that is, on the eastern side of the block—there are high sea-beach leads, and the natural inference is that there will be other leads between that and the sea; but the ground is so deep and wet that it would require heavy machinery to test it. They are at the present time putting a tunnel in that flat, but the tunnel is not deep enough to test the ground. It can only be tested by shafts, and machinery for pumping water.

606. *Sir R. Stout.*] Do you say it was necessary to make that reserve for gold-mining purposes?—Yes. There is also a large portion of that reserve a pakihi, which is totally valueless for agricultural purposes or grass.

607. The pakihi will not grow much grass?—No; it will grow nothing but small fern and fog.

608. Now I come to Block 2. 4,000 acres of that is objected to?—Block 2 is on the southern side of the Buller, starting at Cape Foulwind. There are some cement workings on Block 2. The Venture Company has been getting cement, and doing well. There are also a very large number of dams on the block.

609. What is the nature of the land on Block 2?—A great portion of it is pakihi land, and valueless. Some portion of it next the sea is covered with timber.

610. What do you say about the value of the land, except for gold-mining purposes?—The only portion of the land that has any value is the bush part, and it is only valuable because of the timber. There is low-lying land towards Cape Foulwind, and if that was taken away it would be impossible to work the terraces when water is brought in to work them.

611. Now we come to Block 3?—That includes the diggings at Addison's and Wilson's Lead, and the cement workings about a mile and a half or two miles nearer the sea than Addison's Flat.

612. What about the agricultural nature of the land?—It is similar to the land on Block 2. North of it is pakihi land.

613. There are workings on that ground?—Yes; and also a large number of dams. At Addison's they cannot work the ground without cutting a long tunnel. Some of the tail-races are 2,000ft. or 2,500ft. long.

614. You can see them as you pass along the road at Addison's, can you not?—Yes.

615. Now, Block 4?—The Shamrock Company has now got a considerable amount of gold, partly on Block 3 and partly on Block 4. Block 4 also takes in the workings on the patch known as Shetland beach-workings, where a good deal of gold has been got, and there is still gold there. It also takes in the Croninville and Brown's Terrace.

616. Have you seen the plans with the hatched portions they object to?—If they say the hatched portions are not wanted, they are wrong altogether.

617. In what way?—The leads are running across these terraces; there is a bank of gravel that has been carried down by the Totara River at one time and left a great depth of recent gravels, but there is no doubt these leads will be found running right across. There are two or three leads at Addison's, and I do not know how many more may yet be found.

618. Now, look at Blocks 5 and 6?—Block 5 includes diggings at Charleston, and I think there is scarcely a portion of that ground that is not payable. The difficulty has been with regard to water. Portions of Block 5 have been worked with water from the Argyle Water-race, but there was not a sufficient supply in that race. The County Council wanted the Government to hand over the race to them, and they would extend it to the Four-mile. They have extended it to the Four-mile, and I believe they will want an additional water-supply yet to work the whole of this ground. There is auriferous cement on a great deal of this ground that will pay for working.

619. What about Block 6?—The same thing applies to that.

620. You will notice they have hatched almost the whole of that Block 6?—It goes back to the limestone range, but there is gold on the top of that limestone.

621. Gold has been got on the limestone?—Yes; in various places on the West Coast.

622. Do you know the Buller River and the Inangahua Junction?—Yes.

623. Gold has been got out of the limestone caves there?—Yes; I have known gold to be got out of the limestone caves at the Inangahua Junction.

624. You see Block 85 and others, before you get to Cobden—the blocks north of Deadman's, and along the coast?—Yes.

625. What do you say about those?—There is a large amount of gold being got out of them at the present time; at Barrytown and for a mile and a half back along the sea-beach there is a large number of men at work.

Hon. E. Blake: The company did not generally object to the sea-beach, but to the back part of the blocks.

Witness: Wherever there is gravel on the land, there you can get gold. Quartz has also been got down there—auriferous specimens—and that, I think, was taken into consideration when these reserves were made.

625A. *Sir R. Stout.*] Look at the part that is hatched; it is mainly the back part the company object to. They have allowed the part in between. What do you say about that part?—This lower portion here [indicating on map] ought to be reserved. Several people have time after time wanted a subsidy from the Government to construct a tail-race through this portion of the block [indicating on map], and all the miners in that locality believe that there are rich deposits there. But it is swampy ground, and it would take considerable capital to develop it.

626. What about the back part of the block?—The back part is an immense terrace of gravel. I have not been right out at the top of the boundary. I have seen auriferous specimens of quartz that have been obtained in these blocks.

627. At the back?—Yes.

628. I will leave these blocks, and go down to this one—at Cobden, near the mouth of the Grey River—that little bit there [indicating on map]. What do you say about that?—Gold has been got through the whole of that block, right up to the top of the limestone range, and the Government has been asked to resume some lands on this limestone range, near the top, for mining purposes. At Darkie's Terrace there is a very rich deposit of gold, and the land is taken up all along the beach.

629. We have done with the sea-coast, and we must go to the north. You see the Doughboys, between the Matakitaki and Maruia: what do you say about that part?—At the time that reserve was made there were about two hundred men working on it (Block 30).

630. That part is recommended to be reserved?—Yes.

631. Coming to the Maruia: I understood you to say you did not see it before it was reserved?—No.

632. Have you been up it since?—I think there is not any too much land reserved in the Maruia.

633. You have been up it since then?—Yes.

634. Hon. E. Blake.] With the same party?—Yes; Mr. McKay, Mr. Walker, and myself.

635. *Sir R. Stout.*] Will you explain the nature of the land, please?—Mining is not carried back far from the river, but the gravelly terraces appear to be the same, and I am satisfied that, if there were a supply of water, there would be a large number of workings yet in the Maruia. The whole of the country in Blocks 25 and 26 is very hard to get at, there being no roads. In fact, it is quite an undertaking to go through on horseback. The people have great difficulty in getting in provisions, or else I have no doubt that a large number of men would be working that country at the present time. They have water-races, but there is only half a mile on each side reserved, and half a mile is not enough for water-races. It is not sufficient to allow them to get water even to work the present workings; but if there was a large supply of water, it could be worked. There is a lake at the head——

636. Is that the Alfred Lake?—Between Alfred and Station Creek. From there a good supply of water could be brought in to command the whole of this terrace. A like supply could be got from the Warwick River. The whole of this terrace I am certain is rightly reserved.

637. Take, now, Block 51, Inangahua; you see that?—Yes.

638. You see the hatched portion of this Block 51 to begin with?—Yes. Coal Creek is not shown here. Coal Creek comes in from this block [indicating on map].

639. Hon. E. Blake.] Through the upper hatched portion?—I do not see Coal Creek here.

640. *Sir R. Stout.*] Can you speak with reference to the hatched portion?—At the time Mr. McKay and I went over the ground we found men working on the terraces. It might have been half a mile back from the road on this upper terrace, winding along here [indicating on the map], through the hatched portion. The creeks that are shown on the plan are not shown nearly long enough. St. Helena and some of the other creeks have been worked, but there are a lot of others that have been worked. It is old formation similar to the reserved belt going down the Grey Valley.

641. Hon. E. BLAKE.] What about the hatched portion near Landing Creek?—The same remark applies. The whole belt is auriferous, not only the portion that is hatched. The auriferous belt goes beyond even the belt that is reserved, and the recommendation of the County Council extended to the whole of the reserve.

642. *Sir R. Stout.*] You say the reserve line goes through that hatched portion?—Yes.

643. Section 53: what do you say as to the hatched portion of that block?—That is also auriferous. There is a creek on the plan shown as Yorkey's Creek. The small drop of water going through that creek is cut through by this reserved belt going through here [indicating on map], and a rich deposit of gold was found in this creek going through this block. If the water is brought in there is not one of the terraces that will not be worked.

644. Take the next block—59—going towards Reefton. Look at the hatched portion beginning at 59. What do you say about that?—Even supposing there was no gold at all on the hatched portions on each side of Block 59, far more is reserved than would be required for mining timber. The timber is denuded, and if there was no reserve the diggers would have to go an immense distance to get timber.

645. That land is bush-clad?—Yes.

646. What do you say about the chance of gold?—They are getting gold there. It is a reefing district, but no one can tell exactly what is likely to be found. The inference is that reefs are going in this direction.

647. Hon. E. BLAKE.] The indications are that it will be a reefing country, and that it will be wanted for timber as well?—Yes.

648. *Sir R. Stout.*] As to Block 61, of 10,000 acres, fronting the Inangahua River, what do you say as to that?—The Cumberland, Inkerman, Sir Francis Drake, and Golden Lead claims are in that block.

649. Hon. E. BLAKE.] They are not objected to. We only want you to refer to the hatched portions?—The same remark applies as to the others. The reefs run through that country, but you cannot tell exactly where they will go. It would never do to take the actual workings as an indication; and the hatchings only show the actual workings.

650. Do you say the indications are that the reefs extend through the hatched portions?—The indications are so, but I would not say that the reefs are there. There is a small portion at the upper end of this end [indicating on map] of Block 61 of granite formation, but even that is required for timber.

651. *Sir R. Stout.*] You say a small portion of that mining reserve consists of granite formation?—Yes.

652. I suppose that the bottom of the granite comes slap up to the slate?—It comes up to the Maitai slate.

653. Let us go to Block 63; there is a little objected to there, through which the Big River runs, on the western side?—There is not a portion of that but will, when water is brought in, be all worked by the miners. You are now going into the auriferous belt which runs parallel with the Grey River.

654. And do your remarks apply to Block 62 as well?—Yes.

654A. That will be worked when water is brought in?—Yes, that is my impression, judging from the character of the gravels that are on those blocks.

654B. Now, go down, following these blocks, and you come to 65?—The same thing applies to that.

655. Take plan 2 and look at the hatched portions of that?—The portion reserved for mining is a little bit alongside the creeks.

656. The terraces seem to be hatched?—The terraces are auriferous; the whole of these are gravel terraces, and I know that licensed holdings have been applied for on the top of the terrace, between Slab Hut Creek and Antonio's.

657. Hon. E. BLAKE.] They are auriferous gravel terraces?—Yes.

658. *Sir R. Stout.*] Look generally at the plan—at Blocks 65, 66, 69, and 71?—Yes.

659. You see that all these hatched portions on the left-hand branch of the Ahaura River, right through, are objected to?—That land, with the exception of what little timber it has, is not fit for agriculture at all. If you were to clear the timber, and spend very likely £60 to £80 an acre on it, it would not grow anything in a year or two but rushes and fog.

660. Is it terrace land as well?—Yes, and very broken.

661. Does what you say about bringing water in apply to that?—Yes. There are some flat portions, but the general character of the country is broken terraces.

662. On Block 70 you notice that Orwell Creek is hatched?—That is about the richest portion of the district. There has been remarkably rich ground got all through there. They are getting good gold along the Orwell Creek and Napoleon Hill, and all through that run of country.

663. Now follow Blocks 74 and 75, on Plan No. 1: do you know this region pretty well?—Yes, I know that very well.

664. It includes No Town, Kangaroo Creek, the top of Nelson Creek, Callaghan's Creek, Red Jack's, Spring Creek; and I suppose you have been all through these lands pretty often?—Yes, a good deal. I had charge of the construction of a water-race there for the Government from Lake Hochstetter.

665. You see they have hatched to the north of Callaghan's Creek?—Yes. There are terraces there where, when we were cutting the race for the Government, we got payable gold above Sutherland's Creek. There is likewise gold all along Riverview, and the different creeks going out of Riverview; and it was at one time intended to take a race from Lake Hochstetter to command this ground between Callaghan's and the Ahaura River.

666. That is, the hatched portion?—Yes.

667. That race has not been carried out?—No.

668. You see the portion to the north there?—That is the portion I was referring to when speaking of Lake Hochstetter. You can depend upon a supply of sixty sluice-heads of water there. That is between 800ft. and 900ft. above the level of the sea; and it is high enough to command the whole country down to the Arnold River.

669. Hon. E. BLAKE.] And it would make the ground payable?—I do not know that it would make it all payable. The timber on the reserves is required for mining purposes.

670. *Sir R. Stout.*] Now we get across the Arnold River, and we are in Westland. Take the reserves from the top and go right through them. No. 8A is at the top: what do you say about that?—That is a block that is included in the area, which the miners through the County Council represented to the Government as being required for mining purposes. The Government sent me down to examine it. The Midland Railway Company had applied for a certain block of land which was objected to as being auriferous, and I had to see if the block was actually required. Mr. Higgins went with me up to this land, and we found some miners working on that block. It is on the same line of country in which Maori Gully is, and there are some miners working on that block still. There is no doubt about it being auriferous.

671. Hon. E. BLAKE.] You formed an opinion after your examination of it, and reported to the Government?—Yes; I requested the Government to take that 1,700 acres.

672. *Sir R. Stout.*] Now, come to the next block adjoining that—No. 9, is it not—next to the Grey River?—The whole of this, as far as the south-eastern portion goes, is auriferous.

Mr. Jones: We have admitted that.

674. *Sir R. Stout.*] What about the northern part up the Grey Valley?—I cannot speak much about that northern part; but away in there there is a block of land which has been alienated, and which the miners are now working, and paying £5 an acre to be allowed to mine.

675. You cannot speak of the northernmost part from knowledge?—No; but even the northern part is required for timber purposes. There is not enough timber on these mining reserves to carry the mining.

676. I now come to the block adjoining that, No. 7. They only object to 1,000 acres in that?—I do not think there is an acre there but what is wanted.

677. Well, south of that is Block 6. They object to almost the whole of 6?—The diggings are extending, and gold has been got a long way below the Greenstone Road, which goes through Kumara; and gold has been got on this portion, and there have been gold-workings along the banks of the Teremakau. A lead of gold goes through the Lamplough, and there ought to be a very rich lead of gold going right through this block. But independent of the gold there is far too little timber in this block even to supply the diggings at Kumara at the present time.

678. This block is heavily timbered, except about Hughes's Creek, is it not?—There is a good deal of timber on it, but even with all the timber there is not enough in this and the other block together to supply the workings of Kumara for any length of time.

679. Half of No. 5 is objected to: that is about the Greenstone River, along the valley of the Big Hohonui?—At the present time this goes on to a terrace and falls down into the valley towards the Teremakau. The whole of this portion not taken in is auriferous; there is No Name, and a lot of creeks there. What I mean to say is that the gold goes outside this block altogether.

680. Is there gold in the block?—There is gold in the block and gold outside the block.

681. And the assumption is that it runs between?—Yes.

682. And that is the hatched portion?—Yes.

683. Go further south, to 2A and 2B: they agree that one is right?—2A and 2B are perfectly right. They take in Callaghan's, Italian's, Maori Creek, and work all down there, and there are leads of gold being got on these different terraces that are marked on the plan. The Lamplough goes right across.

684. I want you to speak as to whether you know anything of Cedar Creek, in the south there?—Yes; I have been there.

685. What about that?—I say it is all wanted for the quartz reefs—not only for the quartz-working, but there is alluvial ground on the top of Mount Greenland. Wherever there is gravel in that direction it is gold-bearing.

686. Now, No. 1, which is that it is at the back of the Kapitea Creek?—There has gold been got in the terraces, along the face of the terraces on the south side of the road, the Christchurch and Kumara Road. Gold has been got on the south of the terrace, and in some of the creeks good gold has been got. One creek there gold has been got in, near Holmes's water-race, which goes right through it. But, supposing there was no gold there, the timber is required. I think it is auriferous, and Holmes's water-race goes through it.

687. You know Mr. Mueller: what is your opinion of his knowledge of Westland?—He has a very good knowledge of it; I do not think any one has a better. I am aware he recommended these reserves.

688. Did you ask for and have the opinions of the district surveyors before you recommended these?—Yes.

689. Did you see them?—I had Mr. Snodgrass, the District Surveyor of Westport, and Mr. Montgomerie, District Surveyor of Reefton, with me in marking the proposed reserves on a map.

690. If any person outside the Midland Company had asked for or applied for the lands you have marked reserved, what would you have said?—On several occasions, before the Midland Company was in existence, people had applied for lands to my knowledge between No Town Creek and the Ahaura, and Mr. Greenfield, the Commissioner of Crown Lands at that time, sent down these applications to me to inquire into, and they were strongly objected to by the miners as being auriferous, and were refused.

691. That was before the Midland Company made this contract at all?—Yes.

Hon. E. BLAKE: I see this map referred to by Mr. Cooper.

Sir R. Stout: There are some slight alterations in it.

Mr. Cooper: I do not know that I have any objection to it, but would like to have till to-morrow morning to read through it, and save the time of the Court.

Hon. E. BLAKE: Very well.

693. *Mr. Cooper* (to witness).] Did you yourself have anything to do with the recommendations from Mr. Larnach, Mr. Gordon?—I did.

694. Did you prepare or certify to the plan upon which these reservations were made?—I do not know that I certified to the plan. I do not think so.

695. Did you recommend?—I recommended that certain pieces of land were required for mining purposes.

696. I want the report of Mr. Gordon for the 25th February, 1892. I will read an extract for you. It is addressed to Mr. Eliott, Under-Secretary for Mines: "The plan of the mining reserves are now cut down to come within the 750,000 acres. We have marked the blocks with the original numbers, with the exception of the Maruia, Matakitaki, Mangles, and the upper portion of the Buller River. In addition to the red numbers there are small yellow figures, numbered from 1 consecutively, indicating the manner in which they should be proclaimed. The Hon. Minister of Mines wishes to have reserves made up to the extent of 500,000 acres, leaving 250,000 acres as a stand-by in case of future development.—HENRY A. GORDON.—25/2/92." There is a postscript: "P.S.—The area in Nelson marked reserves 598,800. This leaves 137,120 for Westland, of which 77,303 has already been proclaimed." Now, you can carry in your mind what I have said?—That has nothing to do with Mr. Larnach.

697. *Mr. Cooper.*] It says, "We have marked with the original numbers"; does that refer to Larnach's number in his Proclamations?—No; it refers to others. We got maps sent in from the different counties recommending certain blocks to be taken, and we numbered them consecutively, Mr. Snodgrass, Mr. Montgomerie, and myself.

698. Hon. E. BLAKE.] You laid out these recommendations on the map and numbered them, and when you speak of the original numbers you refer to them?—Yes.

Mr. Cooper: I mean he took the numbers marked off on the maps submitted to the County Councils.

Hon. E. BLAKE: He got recommendations from the County Councils; they then laid out on the map these recommendations, and numbered the applications containing the recommendations, and then proceeded to make this selection.

699. *Mr. Cooper* (to witness).] Was that so?—Yes; they were first numbered in red or yellow, and we altered the figures. I cannot call them to my recollection exactly.

Mr. Cooper: I call for the plan showing these numbers. I am instructed these numbers are the identical numbers of these applications, and could not be the numbers of the Councils.

Witness: The numbers we have on the maps are the proper ones. I think the plan itself was sent to the Chief Surveyor at Nelson.

Mr. Cooper: Attached to that plan is a schedule of the numbers you had before taking the schedule you now have in your hand; please look at it.

Witness: I have not the least doubt it is correct.

700. *Mr. Cooper.*] Is not that the schedule as afterwards proclaimed?—No; they were not all proclaimed.

701. Does that schedule show all the reserves which were afterwards proclaimed?—It shows some.

702. But does it show more—does it show all that were afterwards proclaimed?—I do not think it shows 2A or 2B. I am not sure. There is another block up in Nelson. I think there is a reserve put in Block 89. I am not sure of that. I think there is another block, but I am not certain.

Mr. Cooper: With the exception of 2A and 2B, this shows the whole of the reserves that were afterwards proclaimed, and a number which have not yet been proclaimed.

Hon. E. BLAKE: What is this document?

Mr. Cooper: It is Mr. Gordon's report to the Minister of Mines.

Sir R. Stout: It is not a report; it is simply a memorandum passing between the officers of the department.

Mr. Cooper: It has the words, "Reserved accordingly—R. J. Seddon," on it.

Hon. E. BLAKE: You should have called for it now. It will be Exhibit No. 156. With the exception of three or possibly four blocks, this includes every one of those afterwards proclaimed.

Witness: Yes, I think so.

703. And more?—Yes.

Sir R. Stout: I would ask that it should be noted here now that the date of this memorandum is the 15th February, 1892. At that time considerable reserves had been already made.

Mr. Cooper: Yes, the letter shows that 77,000 acres had been proclaimed.

[Document put in. Exhibit No. 156.]

703A. *Mr. Cooper.*] There are two other documents which can be attached to it. I understand we can take it this way: All the blocks mentioned in that schedule which have been afterwards

proclaimed were reported upon by you by that memorandum of the 25th February, 1892?—They were either given verbally, or I made the recommendations in writing.

704. What do you mean by the reference in that letter, "in addition to the red numbers, there are small yellow figures, numbered from one consecutively, indicating the manner in which they should be proclaimed"—what do you mean by that reference?—I cannot remember now.

705. Hon. E. BLAKE.] I suppose you meant the order in which they should be proclaimed?—I would not like to say. I cannot exactly carry it in my memory.

706. *Sir R. Stout.*] Whose writing is that giving list of blocks?—Mr. Montgomerie's.

Hon. E. BLAKE: The suggestion apparently was, that the blocks should be proclaimed in that order.

707. *Mr. Cooper.*] As a rule, you reported upon a number of blocks together?—I did.

708. Then, the practice that was adopted was the selection of the whole of the blocks practically at one time?—No; certainly not.

709. As to the 77,000 acres in Westland, which had already been proclaimed, and which are referred to by you in your letter of the 25th of February, can you tell us whether those selections were made at the one time—whether you recommended them at the one time?—I do not think so. I think at first I did not make any written recommendations; but the recommendation to proclaim these blocks having come from the Chief Surveyor at Hokitika, I submitted, very likely, two or three of them at a time to the Minister of Mines as blocks that ought to be proclaimed, when it was decided that we would have to proclaim these blocks in order to protect the mining.

710. The minute of the 26th August, 1891, from yourself to the Surveyor-General is in these words: "It is intended to reserve about 170,000 acres as mining reserves in Nelson. Ask District Surveyor to mark off on the plan the blocks actually required for gold-mining. Information urgently required, so that the reserve may be made without delay"?—I recollect that. It was to mark off the ground that was required as a reserve.

Mr. Cooper: I have asked for a lithographic plan dated 5th September, 1892, referred to in a letter from Mr. Barron, the Superintendent Surveyor, dated the 29th December, 1892, to Mr. Eliott, Under-Secretary, Lands Department.

Sir R. Stout: I do not see it on this file. It is probably in the Lands Department.

Mr. Cooper: I believe we can solve the difficulty. Here is a plan attached to the proceedings of the Public Accounts Committee dated the 5th September, 1892. Probably this is the one. It is a plan showing the reserves which have been proclaimed and the reserves which are contemplated.

Witness: I know that plan.

711. We will assume this is the plan. Does that plan show the reserves as contemplated by you in your letter of the 25th February, 1892?—That showed the reserves contemplated as far as the Nelson District is concerned, but not the Westland District.

712. It shows the reserves contemplated by you in your letter of the 25th February, 1892?—Yes, with the exception of the Westland group. I think we picked out the areas, but we had not definite boundaries, and they were sent, to get definite boundaries and to put on trig. stations, to the Chief Surveyor at Nelson, and some alterations might be made. Very likely the areas might not correspond with this plan, but it is practically the same land.

713. And practically the same boundaries?—No; the boundaries might be a little altered, but it is practically the same land.

714. Then, as I understand, long, long before these reserves were proclaimed it was determined they should be made and taken in rotation?—It was always understood that they would require at some time to be made in order to protect mining.

715. So far as the reserves up the Grey Valley were concerned, from 81 to 51, there appears to have been a complete and definite system—the continuation and carrying-out of one system?—Yes, for the same reason—that it is one auriferous belt of country.

716. Now, in recommending these reserves, how far have you looked ahead—can you give us any indication as to that?—I could not tell you the number of years, but I recommended them as being required, or would likely be required, for mining purposes; but, even if the whole of these reserves were taken, it would not cover the auriferous land.

717. I only ask, as a general question, if you can give us any indication how far you looked ahead?—I could not give you the number of years.

718. Fifteen or twenty years?—I would not like to give the number of years.

719. Assuming now that these reserves were made in 1891—four years have elapsed—is there any material difference in the state of the mining industry in the district covered by these reserves now and what it was in 1891?—Well, there is a material difference in a great many respects. The timber is getting cut out, and to get it the miners will have to go a long way back.

720. Is there any material difference in the state of the mining industry along these Grey Valley reserves to what was the condition of that industry in 1891?—As far as the number of miners is concerned, I do not think there is any material difference.

721. If there is any difference it is rather in a retrograde manner?—I do not know as far as working the land is concerned, because every year people are getting a little more water, and water is the thing that works away the ground. It is not the number of men—it is the principle of working it.

722. May I take it the same answer will apply to the Westland reserves—that there is no material difference?—I do not think there is a material difference.

723. And in reference also to the Maruia reserves?—I am not so conversant with them.

724. Hon. E. BLAKE.] I have from the beginning apprehended, and stated it more than once, that I did not understand that there was any issue of fact raised upon your contention that the Government acted upon the theory that Parliament allowed them to consider the future, and even the distant and indefinitely distant future, within the limits of the 750,000. I say that with reference to your inquiry as to the length of time.

Mr. Cooper: I do not understand there was any dispute about that. I only wanted to get his own personal idea on the question.

725. *Mr. Cooper* (to witness).] Can you say why these two other reserves were not made, the balance of the reserves that were recommended in your report?—I have no doubt they will have to be made to protect the mining industry.

726. Hon. E. BLAKE.] Do you know why they were not made?—I do not, but they will have to be made in order to protect the mining industry in the future.

727. *Mr. Cooper.*] Do I understand that you did not recommend the Maruia reserves?—Yes, I did recommend them upon other information.

728. Not personal information obtained by you?—No.

729. Can you say whether some of these reserves were gazetted before you made any recommendation at all?—There were none of the reserves gazetted before I verbally recommended, but some were made before I put a written recommendation in to have it on record. I verbally recommended all the reserves. They were gazetted on my recommendation.

730. The written recommendation came in afterwards?—Yes.

731. *Mr. Jones.*] Am I to understand from your evidence in chief that wherever there is a run of country containing "old-man bottom" you recommended that the run of country should be reserved for gold-mining purposes?—I never said anything of the sort.

732. You have said, though, that there is the same run of country, the same formation, running from Ross right up to Landing Creek?—A similar formation.

733. But not the same—only similar?—Well, you can hardly describe the two apart from between the Inangahua and Landing Creek. It is a little different, but it belongs to the same age; but between Inangahua and Ross, and different other places, it is a similar formation, and somewhat similar to that below.

734. Is not your reason for recommending these reserves the fact that these formations are to be found at different places from the Landing down to Ross?—It is not because it contains the formation, but all the different mining centres are right in the centre of that formation in this auriferous belt, and good gold has been got wherever the rivers and streams cut through that formation. It shows this same formation in the belt running in a northerly direction contains gold.

735. That has been your reason, that because these rivers have cut through that belt, therefore it should be reserved for future working?—I know that gold is in the terraces, independently of the creeks cutting through.

736. I will put it in another way. Between Antonio's Flat and the Big Grey River, Blocks 62, 63, and 65, the same line of country traverses there—the same line of gravel, does it not?—There are some places where it is denuded and more recent gravels cover it.

737. On the southern side of Snowy River, in Block 65, is that the same formation?—That is more recent gravel, covered the older gravels there.

738. What reasons do you give for saying that should be reserved, with more recent gravel and no work, except at Snowy and Mossy Creek?—They are working, and likewise gold is got fronting the Grey. There is gold got in Mossy Creek, and no doubt there are some older gravels there, although partly denuded and covered by more recent drifts; but some of these more recent drifts are auriferous as well as older ones.

739. And because a little bit of gold has been got in Mossy Creek, and on the banks of the Grey River, you say therefore that should be reserved?—Yes, I think so.

740. That is your only reason?—No; it is not the only reason. The reason is, looking at the gravel-work on the terraces and on the banks of the river, if water was brought on to all these blocks, most of them will eventually be wanted for mining.

741. Simply because it is a similar class of ground?—And gold being got.

742. In your actual practical experience as a miner, how many times have you found the same class of gravel continuing for miles without finding any gold, although you may have worked a rich claim in another part of it?—That refers to definite leads; but where the gravels are left there is a certain amount of gold actually distributed through the whole of the drifts. I do not say the terraces are rich. It is simply a question of a large quantity of water being brought on to these terraces and sluicing them away, and that will be done.

743. Is not that the condition of affairs that you say there has been an old river-bed at a great altitude, that the streams have cut through it and concentrated the gold in the lower creeks. Do you not say that there is gold wherever that Pleiocene formation exists?—I say this is a concentration, and a further concentration with the rivers cutting through at right angles.

744. Then we have two formations: the first formation which contains the concentration from some greater altitude, and then we have the second concentration going at right angles through it?—All the creeks have been going at right angles through it. Gold has been got all along that line. Any one would come to the same conclusion that gold would be got in all the terraces along there.

745. Did you ever try any of the "old-man reef" for gold?—I have got good prospects in the "old-man reef."

746. Where?—At Ross; in Ross Flat. Down where the deep workings are.

747. Do you not know that is very wet ground?—Yes.

748. Do you think it possible to sink a shaft there and cut through the layers of ground to get a prospect on that "old-man reef" without the gold being carried down from the higher level?—The gold would never come down.

748. Why not?—Because there is no water going through that reef. The water from Ross Flat comes from a higher level, and you get a perfectly impervious bottom, and you get water in the shaft——

Hon. E. BLAKE: Do you think I have to try all this?

Mr. Jones: I thought it was necessary to show upon what basis Mr. Gordon forms his opinion. However, I will leave that.

749. *Mr. Jones.*] Can you tell me within what measurable time there is any probability of water being introduced to work these levels you talk about?—It depends upon the amount of capital. It might come in a year's time, or it might take some time. It is a question of getting capital.

750. Have you gone into the question of what would be the cost of bringing in water to work these several levels?—The cost would be different in different places; but I believe the water will be brought in eventually.

751. With one exception, that of Kumara, can you tell of any race having been brought in by the Crown or by any company that has paid for its construction. I am including Holmes's race, and the races at Kumara——

Hon. E. BLAKE: In what sense do you mean "paid for construction"? Do you mean the duties the Government would get from the gold, or do you mean in a general sense?

Mr. Jones: I mean in the general sense in which a private company might expect it to pay.

Witness: Jones's Creek Water-race paid very well, and the Greenstone Race also paid very well.

752. *Mr. Jones.*] That is in the Kumara District; but, looking at all the water-races the Government have constructed—and the Government are the biggest constructors—can you name any that have paid?—I believe they have paid indirectly.

753. How much have they spent at Mikonui?—It might be £25,000; but the race is only partly constructed, and it is not possible for it to pay, because it was never brought to a point where they could get the water.

754. Why was it not carried on to a paying point?—That is purely a question of Government policy.

755. Has the Waimea Water-race been a payable speculation?—I do not think it has been very profitable.

756. Has there been any direct loss?—I do not think so.

757. Has the Humphrey's Gully Race paid the shareholders?—I could not tell you that.

758. Do you not know there has been a heavy loss on that?—I think the Humphrey's Gully Race, if it was properly constructed, would be one of the finest paying races in the country. I do not think it has paid them much as yet, but the race has not been constructed properly.

759. Has the Kanieri Race paid properly, to your own knowledge?—I do not know of my own knowledge.

760. What about the Argyle Race?—There was no direct loss upon that.

761. Do the returns from it pay actual working-expenses and keeping up of the race? I mean, if a private party of men had erected this race, would they have got their money back?—The Argyle Water-race was never brought far enough back to get a sufficient quantity of water. It is really a question of capital to extend these races far enough to make them pay.

762. Has that race been extended to the Four-mile Creek?—Yes; but I am not sure that they are getting water from the Four-mile Creek.

763. I think you have been over that block with Mr. McKay, and how could you have done that without seeing the Argyle Race?—I have seen it. I have been over pretty well every inch of the block, but I could not tell exactly. I know there have been slips in that race, and I am not sure whether they have been repaired.

764. Were they running with as much water as the race could carry in the months of May, June, July, and August last year?—I could not tell that.

765. Is it not a fact that since the Argyle Water-race has had its full complement of water from the Four-mile Creek the population of Charleston has gradually decreased?—I could not answer that.

766. Do you know the population is decreasing this year?—No.

767. What about the Nelson Creek; has that been a success for the Government?—If that race had been properly constructed it would have paid, but there are too many flumes in it, and it has been badly designed, so that it did not get a chance to pay. If it had been constructed in tunnels and ditching it would have been better.

768. Were you not there at the construction?—I had a certain plan to go by.

769. You were not responsible?—No.

769A. Do you think it would pay any party of men to bring in that water from Lake Hochstetter to wash away the country on the south side of Nelson Creek and No Town?—Yes; I say that is a part of the country that would pay.

770. Notwithstanding the extensive rough and rugged country it would have to go over?—Yes; I think you could take a race over there that would pay.

771. *Mr. Gully.*] You were asked whether there was any material improvement between 1891 and the present time. Have you any reason to expect more improvement in the immediate future of the mining industry on the West Coast?—Yes.

772. Are there signs of probable future improvement?—There are signs so far as quartz-reefing is concerned.

773. Are there not also signs so far as alluvial workings are concerned?—Yes.

774. The fact is that capital means water and water means gold on that coast?—Yes.

775. Is not Humphrey's Gully an instance of that—that is to say, that a large amount of capital is being subscribed with a view of carrying the Humphrey's Gully Water-race further back, so that they will be able to do more work than they have been able to do hitherto?—Yes; it is intended to bring in a permanent supply from the Arahura River.

776. Is not the reason of that race not being satisfactory because there has not been sufficient capital spent upon it to take it back to a permanent source of water?—Yes. Some of the races in other places have been carried to a paying point, but others have been too perishable.

777. There has been capital introduced lately in other places besides Humphrey's Gully to your knowledge?—Yes.

778. Are there not some races which do pay on the West Coast to your knowledge?—Yes, there are some races which pay.

779. Do you know what percentage the Kumara and Waimea Water-races are paying?—The Kumara Race has paid as much as 15 per cent.; but I do not remember what the Waimea has paid.

780. Is there not another water-race held by a private person at Kumara?—It is held by Mr. Holmes, and it has paid very well.

781. Do you know the length of that water-race?—I could not exactly tell, but it must be seven or eight miles in length.

782. Many of these water-races were built many years ago, were they not?—Yes.

783. How would you compare the cost of construction then with the cost of construction now?—The cost of construction would be much less now, as the construction would be on a different principle. We have more experience now in the matter in regard to the construction of them in the best manner.

784. We might also take it, I suppose, that material and carriage is cheaper than formerly?—Yes. To give an instance, I might mention the Waimea Race, where there was over a mile of costly fluming, and we are at present constructing a race in the form of an open ditch.

785. To put it generally, in your opinion there will probably be a considerable expenditure in water-races and other works for mining purposes?—Yes.

786. As to the taking of these blocks. I understand that in all cases the blocks were from time to time submitted to you for your advice?—Yes.

787. And that in all cases you gave advice verbally or in writing?—And in writing.

788. But after that you had nothing to do with the selection of the blocks?—No.

789. In your judgment would it have been prudent to have left the selection of these mining reserves open for a period of six, eight, or ten years—that is, only to make selections from time to time for a period of six, eight, or ten years?—No. In some parts of Nelson Creek complaints were made that as the mining reserves were not taken the miners could not take timber from the land within the Midland Company's area of selection without being charged royalty upon it. They also complained that they could not get residential areas; I do not know why, but that was the complaint made to the Government. They said that the applications for residential areas were hung up owing to the difficulty mentioned.

790. Do you think it would have been prudent or safe to have extended the period for the selection of these lands for a long time?—No.

791. You were asked why the reservations have been stopped?—Yes.

792. They have been stopped since notice of arbitration has been given, have they not?—No reserves have been made since.

793. Were you aware that before the question of making these reserves came before you the local bodies were consulted?—Yes.

794. After they were consulted you went into details and advised the Government about them?—Yes.

795. And the Government acted, or not, upon your recommendation, as they thought fit?—Yes.

796. There is a race called the Kanieri Race, is there not?—Yes.

797. The Pioneer Race, is that the Kanieri?—I believe that will be the Kanieri Race.

797A. The Hohonu?—Yes; at Greenstone.

798. Is that an existing race?—Yes.

798A. The Erin-go-bragh, is that also an existing race?—I am not sure of that.

998B. Do you know the Mont d'Or Race?—Yes.

FREDERICK EDWARD SMITH sworn and examined.

799. *Mr. Gully.*] Where do you live, Mr. Smith?—I am living four miles above Ahaura.

800. What is your occupation?—Miner.

801. Please look at Plan No. 2?—I have no experience in plans.

802. Have you been shown on the plan Blocks 70 and 71, and do you know where they are?—Yes.

803. Have you a knowledge of those blocks?—Yes. I have got two claims on one of the blocks.

803A. Which block do you know best?—Block 70.

804. How long have you worked your claim on that block?—Over two years.

805. And you had another claim on another part of the same block?—Yes.

806. Can you tell us which part of the block it is on?—It is within a short distance of Blacksand Creek. Blacksand is on the southern side of the river, and the claim is on the north side.

807. Do you know what river Blacksand runs into?—The Ahaura River.

808. Do you know Ericson's mill?—Yes.

809. Is your claim anywhere near that mill?—No. Blacksand Creek is about four miles above Ahaura, and Ericson's mill is a little way above that.

810. What do you say about the portion of Block 70, shown as hatched on the map? Ought that to be reserved for mining purposes?—It ought to be kept for mining purposes.

811. What do you say about this piece in Block 71, the hatched piece? Do you think that ought to be be kept for mining purposes also?—Yes. I have been on the Ahaura for the last twenty-six years, and there is gold there.

812. Do you say that the land further up the river than Erickson's sawmill ought to be reserved for mining purposes?—Yes.

813. Have you done any work in that part of the river?—I have worked on the southern side, and prospected on the northern side during the time I had no water to work on the southern side.

814. Did you find any gold on the land on the northern side where you were prospecting?—Yes.

815. Do you think it might in the future be made to pay?—It would be made to pay if we could get water enough to work it.

816. Do you say the same about the hatched portion of Block 70?—Yes.

817. You are working now on the north side?—Yes.

818. How do you get rid of your tailings?—Into the river.

819. How?—By means of a tail-race.

820. Where do you wash your washdirt—in the creek itself?—No. In the claim itself.

821. Have you ever had to carry it down the river to wash it?—No.

822. How many months' work per annum do you average?—The new claim I took up averaged about one month's work in the twelve.

823. Before that how much did you average—on the old claim?—About three months in the year.

824. Did you manage to make it pay?—Yes.

825. Why were you only able to work that time?—We have no water. We have to work when it rains, and cannot work in the fine weather.

ARTHUR DUNN sworn and examined.

826. *Mr. Gully.*] You are a miner?—Yes.

827. Living where?—Riverview, Ahaura.

828. Have you been on these blocks, 70 and 71, prospecting?—I have.

829. Have you been on payable gold in these blocks?—Yes.

830. Always?—Yes. I have a claim on Block 70 now.

831. You have driven a tunnel there?—Yes, and am sluicing.

832. What distance have you been in?—150ft. I could not go further for the water.

833. Is that on the hatched portion?—It is just on the banks of the river.

834. It would be about the south-eastern corner of the hatched portion of the block?—Yes.

835. What is the best quantity of gold you ever got there?—I have worked there eighteen months, and I have had from £2 to £12 worth a week. When I had £2 worth it was when we had not any water. When we had constant water we could earn from £10 to £12 a week; but sometimes for six weeks there would be no water, and we did not do any work then.

836. Have you tried any farming operations on this block?—Yes, within half a mile of the claim. We have land on both sides of that river.

837. What did you do?—The land we have within half a mile of the claim is a small little bight in the river, and the claim is a little higher, on a terrace. That small portion is not bad land. There are only about 30 acres in the block. All we have done is to run sheep and cattle on it.

838. Have you tried any of the other land?—We have 100 acres in Block 70, of what is called Reece's claim.

839. *Mr. Cooper.*] Your claim, where you are getting gold, is on the portion not hatched [part referred to on map] ?—It would be about that corner.

840. When you say you have been making from £10 to £12 per week, does that mean per man or per party?—Sometimes per man; sometimes for two men. Some places have gone 3dwts. to the load, and others have been poorer.

841. How long have you mining altogether in the district?—Off and on, for the last twelve years.

842. Have you ever prospected in any other portions of these blocks that are hatched?—I prospected the lower end, by Erickson's sawmill, and I know a party that is working there now, just under Erickson's sawmill.

STEWART ROBERT HARRIS sworn and examined.

843. *Mr. Stringer.*] You are a miner?—Yes, and a publican.

844. You are a hotelkeeper and also a miner?—Yes.

845. How long have you been mining?—Off and on, thirty-one years.

846. You know what is called the Greenstone Diggings, Block 5?—Yes.

847. You see the hatched portions of Plan 5 there?—Yes.

848. In your opinion, are those hatched portions required for mining purposes?—They are.

849. Do you know the whole of that block quite well?—Quite well.

850. How long have you been on that part?—Twenty-five years.

851. Have you been there the whole time?—Yes.

852. And the northern part is known as what terrace?—The Duke's Terrace.

853. Are you interested in a mine that has been putting through a large quantity of material there?—No, but I know of it.

854. What quantity have you found to pay by putting through large quantities of stuff?—There is one party I know who consider that half a grain would pay wages.

855. That is where there is a good supply of water?—Yes, about thirty or forty heads of water, with 3ft. boxes.
856. That water enables a very large quantity of stuff to be put through?—Yes.

PATRICK TANSY sworn and examined.

857. *Mr. Stringer.*] You are a miner, at the Greenstone Diggings?—Yes.
858. How long have you been working there?—Twenty-six years, thereabouts.
859. You know what is called Block 5?—Yes.
860. You see the hatched portion of that plan?—Yes.
861. In your opinion, is the whole of that required for mining purposes?—It is.
862. Is it all sluicing ground?—Yes, in my opinion, it is.
863. And there are several water-races in the block?—Yes.

ARTHUR ELLIS sworn and examined.

864. *Mr. Stringer.*] You are a miner?—Yes; a gold-miner.
865. And you are living where?—At Nelson Creek.
866. And you are intimately acquainted with the land proposed to be reserved in Blocks 74 and 75 (Plan 1)?—Yes.
867. In your opinion, and from your mining experience, ought the hatched portions of these two blocks be reserved for mining purposes?—I think so; that is my opinion.
867A. I will take, first of all, the left-hand corner, 3,300 acres: is that payably auriferous, supposing you got plenty of water?—A great many hold that opinion.
868. A good many held the opinion that it is payable if you had got water?
869. Hon. E. BLAKE.] Is that your own opinion?—I believe it would pay if there was an abundance of water. There are one or two working there now. What they are doing I cannot say.
870. *Mr. Stringer.*] What do you say about the 1,090 acres?—That is towards Riverview; I would not be so positive about that.
871. You are not prepared to speak about it?—I think it should be reserved all the same for mining purposes.
872. Without having any knowledge as to its actually being reserved?—There is a possibility of gold being found there.
873. Can you give an opinion on the hatched part of the block abutting on Lake Hochstetter? I am not very well acquainted with it.
874. Do you know of an application made by a man named Roache to buy land on either 74 or 75?—Yes.
875. On what part of the block was it?—At Ngahere.
876. That is on the hatched part of the block?—Yes.
877. And do you know what became of that application?—It was refused.
878. On what ground?—That the public opposed it.
879. That was before the Midland Railway Company contract was in existence? It was opposed by the miners and refused?—Yes.
880. *Mr. Cooper:* Do I understand this: that you think all the land in which there is a possibility of any gold being discovered should be reserved?—I do. I hold that opinion. That would cover the whole of the Grey County. I think that really the greater part of the Grey County should be reserved.

RICHARD LARKIN sworn and examined.

881. *Mr. Gully.*] What are you?—A miner.
882. You know Blocks 74 and 75: look at them on the plan?—I know these blocks.
883. You have seen the plans before?—Yes.
884. Look first of all at the hatched part of 74—the whole of the hatched portion, 3,300 acres?—I know that part.
885. Have you been on it?—Yes.
886. And prospected it?—No, I have not. I know there have been workings there for the last twenty-seven years.
887. Do you think that hatched portion should be reserved for mining purposes?—Yes; north by Callaghan's Creek. My claim is above, on the rise. I expect to work that myself.
888. Is yours the general opinion of the people who know the block?—The miners of Callaghan's Creek—most decidedly.
889. And do you also think the same thing of 95?—I am not acquainted with that.
890. Are you acquainted with the portion of the Block near Lake Hochstetter?—Yes; I am acquainted with that. I think it should be reserved. It is at the head of Sutherland's Creek.
891. And therefore you would expect that, sooner or later, it would be worked?—Yes.
892. *Mr. Cooper.*] Do I understand you to say there were workings on this 3,300 acres north of the creek?—Yes.
892A. Workings?—Yes.
893. How far from the bank of the creek do the workings go?—I could not say. They are working in a distance from the front of the creek. I did not measure it. It is a high terrace.
894. What principle, then, do you apply to the reservations? Do you think that all the land in which there is any possibility that gold may be found ought to be reserved for mining?—Yes. Eighteen or nineteen years ago we objected to any of these lands being granted: we went before the Warden to stop the lands being taken.

895. I will put the question again, and ask you to give a distinct answer. There are many men —miners—who hold the opinion that, wherever there is a possibility of gold being found on the West Coast, the land ought to be conserved for the mining industry: you understand what I mean?

Witness: Right through the West Coast?

896. *Mr. Cooper.*] Along the Grey Valley?—I am giving an opinion only on these places.

DAVID COCHRANE sworn and examined.

897. *Mr. Stringer.*] Plan 4. You are a mining manager, I think?—Yes, a first-class manager.

898. You hold a first-class certificate?—Yes.

899. And how long have you been in the Reefton district?—In Reefton and the Grey Valley, about twenty-two years.

900. You have seen this plan. Just start at Block 51: are you familiar with the block?—Yes.

901. I want to ask you, with regard to the hatched portion of it, do you think it should be reserved?—Well, there have been gold-workings on the side of the creek, Larkin's Creek, about half a mile from the main road. I do not know of any other workings on this hatched portion. The other part here is reserved, where the workings are.

902. Is that hatched ground, in your opinion, auriferous ground?—In all probability it is, because it is alluvial ground. There are alluvial gold-workings on either side of it. In all probability there are leads going through it.

903. In your opinion, it is ground that will be worked eventually?—Yes, I think so.

904. Is lack of water the reason of it not being worked at present?—Yes, and sometimes the miners, when they go there, make small wages, and when they get something better to do they take a job at the mines, and when the mines are slack they go to the diggings again.

905. I see; they go to work at the mines?—Yes, unless they get something good in the other workings.

906. There is a little piece hatched in the Northern terrace, on 51, north of the landing creek?—Well, the same thing applies there, because there is another creek in which there are gold-workings—Coal Creek; the alluvial runs through that.

907. They are working on Coal Creek outside the reserve altogether?—Yes.

908. You think that runs right through the hatched portion?—Yes.

909. Now, come down lower—53: you see the hatched portion there—Yorkey's Creek?—Well, Yorkey's Creek has been worked for some little distance up, and the water-race will come through alluvial country. It is high terrace land. I do not know of any workings on it; but from my own knowledge I do not know whether it would pay for working or not; probably if water was on it it might. From my own knowledge, I could not say.

910. You think it should be reserved for mining purposes?—Yes; I think so.

911. You see to the south of that block, 1,600 acres?—Yes.

912. What about that?—Well, if any water was brought up to Frying-pan to Due North it would have to go right round that ground. I do not know of any gold being on it.

913. Is it in the same alluvial run of country?—Yes.

914. And you think it should be reserved?—Yes.

915. Do you know Block 59, Plan 3?—Yes.

916. We had better, perhaps, take 59 and 61 together. You see the long strip of hatched portion running along the Inangahua River; have you formed an opinion about that? Is it necessary to reserve it?—Certainly. The greater portion. I do not know what may be in the slate country. I do not know whether there is anything in it or not.

917. You speak of the greater portion of it from your own knowledge?—Yes.

918. That you think should be certainly reserved?—Yes.

919. Is there timber on this southern point?—No, it is a high range.

920. Look at 62 and 63?—I beg your pardon; it is a low flat, with some manuka on it, this upper portion.

921. Now, look at 62 and 63: you see the hatched portions there: what do you think about those?—Slab-hut Creek has been worked, and the tributaries coming in from the south side. I do not know anything about this corner; it may be payable. I have got small prospects on it, but they were not payable.

922. Look at Adamstown Creek. There is a large block of hatched ground on each side of that, both north and south. Do you think that ought to be reserved?—Certainly.

924. Is it the same auriferous land?—There is alluvial land running down to this country.

925. You think that ought to be reserved?—Yes.

926. Do you know anything about 65 and 66?—In the first place, Mossy Creek is not drawn near the place where it ought to be.

927. You know it to be wrong from your own experience?—Yes; it runs more in the middle of the hatched portion, and more nearly parallel to Snowy Creek.

928. Is that auriferous up there?—Yes; it is fairly good.

929. Does it run as far back as 66?—I think it comes back to the corner of it.

930. What about the hatched portion on each side of Mossy Creek?—I think it should be reserved. Some rich gold was got on the edge of it, called Tape-line Terrace. A lead was lost there, and was driven on for some time, but was not picked up.

931. In your opinion, does it extend into that hatched portion?—I think so.

932. You think that is properly reserved?—I think so.

933. Block 69: what do say about the hatched portion of that?—Noble's Creek turns round into the centre of it, and very good gold has been got there.

934. *Mr. Cooper.*] Do I understand that you have prospected each of these blocks?—Some of them.

936. Which ones did you prospect?—I worked in 69 and 65.

937. On the hatched portion here are there any miners at work, or have there been for many years?—I do not know whether there are any now, but there have been during the last eight or ten years.

938. You knowledge only carries you to a period of about eight or ten years—since that time you cannot speak?—Not as to 65.

939. As to Blocks 61, 62, and 63: how far back are you speaking?—I am speaking to within this last four years. I have applied for Adamstown since that time. Adamstown has been rushed, in fact. There is good gold there.

HENRY BOYD sworn and examined.

940. *Mr. Gully.*] What are you, Mr. Boyd?—A miner.

941. Where are you living?—At Moonlight Creek.

942. Do you know Block 89?—I know the top part of it, and part of the lower part.

943. What is the character of the country generally on this block?—It is mining country more than anything else.

944. Have you mined or prospected on it?—I have prospected a part of it.

945. Are the creeks generally gold-bearing?—Most of them are.

946. Do you think it is proper that the whole of that block should be made a mining reserve?—It should, according to my notion.

947. Have you been long in the locality?—About twenty-nine years.

948. Do you think it is likely to come in for gold-mining or for purposes connected with gold-mining in the future?—Yes.

The Court rose at 5.25 o'clock p.m.

TUESDAY, 17TH DECEMBER, 1895.

The Court sat at 10 a.m.

JOHN A. MONTGOMERIE sworn and examined.

1. *Mr. Gully.*] What are you, Mr. Montgomerie?—I am a surveyor.

2. Where do you live?—At Reefton.

3. Are you in the Government employ?—Yes.

4. And you were there in charge of the district at the time when the reservations were proposed?—Yes.

5. Under instructions, did you take steps to ascertain the proper area and locality for mining reserves?—Yes.

6. Were you assisted by any one else?—By the Inangahua County Council and others.

7. You made careful inquiry?—Yes.

8. And as the result of that inquiry you marked off the reservations upon the plan?—Yes.

9. Was that plan submitted to the County Council?—It was.

10. Did you report to the Government or to the County Council?—I just made out the reservations from their instructions.

11. You did not report direct to the Government?—No.

12. At that time you had not critically examined the reservations themselves?—No.

13. But recently, with the view of testing the correctness, you have carefully examined these reserves?—I have been over most of them.

14. From your observation, and generally from information which you have, are you of opinion that the area of reservation is a proper one?—I am.

15. *Mr. Cooper.*] Can you say how these reserves were laid off?—The Council and others selected the ground throughout the district, and I marked it on the plan in accordance with their wish.

16. What plan did you mark it on?—There ought to be a plan here.

17. Then, I understand you marked all the reservations as they were selected by the local bodies on a plan which you submitted to the County Council?—Yes; and the Council forwarded the plan to the Government.

18. Were those the reserves which were afterwards made?—Yes.

19. I understand you to say you were District Surveyor at Reefton?—Yes.

20. What reserves, then, do you speak of—of the whole of them, or of those in the Grey Valley?—They come down to the Arnold.

21. Tell me what section of reserves you speak of, what general system of reserves?—From 51, 53, 54, 59, 61, 62, 63, 65, and 66.

22. We may take it to begin with that; that system of reserves, from 51 to 66 inclusive, were all marked out at the same time?—Yes, and more.

23. On the one plan?—Yes.

24. Take the next block, from the Grey River downwards—69?—I have been over those since.

25. Were those dealt with as a system of blocks together?—They were dealt with by the Grey County.

26. Had you anything to do with it?—No.

27. What surveyor was it who had to do with that lot?—I think Mr. Mueller.

28. Then, you do not speak to any other system of reserves but those you have just spoken of?—That is all.

29. Then, although for convenience' sake those reserves were divided into blocks of so many acres, yet they were only one reservation?—That is how I understood it.

30. Had you anything to do with preparing Proclamations and boundaries?—Only with the western boundary of the whole of the blocks from 51 to 66.

31. Hon. E. BLAKE.] Do you mean an outline altogether or a boundary on one side?—On one side—the western boundary.

32. When did you make that?—In 1891; it was after that was forwarded up to the Government.

33. *Mr. Cooper.*] Then, at the request of the Government, you made a complete western boundary of that system of blocks?—Yes.

34. And sent that on to the Government?—Yes.

35. Hon. E. BLAKE.] And this, you think, was in 1891?—I think it was 1891.

36. Can you give any idea how long it was after you sent in the plan to the County Council?—I cannot from memory.

37. *Mr. Cooper.*] Do you know whether the map known as Mr. Larnach's map was the one sent to the County Council?—I am not certain about Larnach's map, but I fancy that was the one.

JOHN HAY sworn and examined.

38. *Mr. Gully.*] What are you, Mr. Hay?—A miner.

39. Living where?—Kumara, Larrikins.

40. How long have you been in the locality?—I have been in Kumara since the start of it, I suppose about twenty years, with a short interval of eighteen months or so.

41. And I take it you know the surrounding locality well?—Yes.

42. Will you look at Blocks 1 and 6 first of all? Do you know Block 1?—I do.

43. In what way do you know it?—I have lived there and worked there, and prospected in different parts of it.

44. In your judgment, is the whole of that block required as a mining reserve?—Yes, in my opinion, the whole of it.

45. What are your reasons for saying so?—I consider it is gold-bearing country, and also that the timber on one portion of it is required for mining purposes.

46. Will you look at the hatched portion of the block which it is suggested ought to be left out of the reserve? What do you think of it?—I think it ought to be reserved.

47. Are you able to say whether the land on the hatched portion is auriferous?—I cannot say that every part of it all through is auriferous, but the surroundings would lead one to believe that the whole of it is auriferous. I know there is one portion on the eastern boundary of the block that is auriferous.

48. Is that the same character of ground as that in the hatched portion?—Yes; all of the same character. Gold has been found in small quantities all along the Christchurch Road, which, in my opinion; would pay for sluicing.

49. Is there a sufficient supply of water to work the hatched portion in No. 1, or would it pay to bring in a proper supply?—Yes; it would be worked immediately the water was at hand.

50. In sufficient quantities?—Just so.

51. Is it feasible from a practical point of view to bring more water upon that portion of the block if capital were available?—I do not think it is possible to bring much more water on to that portion.

52. Could it be brought on with the expenditure of capital?—Yes; but it would require heavy expenditure.

53. Is the timber on the hatched portion of the block required for mining purposes?—Yes.

54. It is getting very scarce on that particular block?—Yes; there is not much timber left.

55. There is timber on the hatched portion of the block?—Yes.

56. Is there a demand in the immediate locality of the block for timber for gold-mining purposes?—Yes, a very great demand.

57. Now look at Block 6: in like manner I ask you whether you consider the whole of that block ought to be reserved for mining purposes?—Yes. The same thing applies as applies to the other—more could have been taken in with advantage.

58. Hon. E. BLAKE.] They are both too small instead of too large?—Yes.

59. *Mr. Gully.*] Are there gold-workings outside Block 6?—Yes; there are some right round the block, and through the block, and some about the centre. There are some men working at the present time just outside the boundary.

60. Is the character of the block generally the same?—Very much the same, except, I believe, any gold that has been found in the central portion is heavier than it is outside, nearer the Teremakau.

61. Is the soil generally gold-bearing throughout the block?—Yes; and the appearance of the country is much the same.

62. And you think there is a prospect of that hatched portion of the block being worked in the future?—Yes; I am perfectly satisfied of that.

63. Is there timber on that block also?—Yes; but there is a great deal of it taken off. It is only on the lower portion that there is timber.

64. It has been originally heavily timbered?—Yes.

65. There is only some left on the southern portion?—No, on the western portion.

66. You say there is a demand for that timber for gold-mining purposes?—Yes.

67. Are there workings, past or present, on the hatched portions of the block?—Yes; and workings all round it.

68. Can you indicate any particular locality, confining your attention to the hatched portion? —Seven or eight acres near Passmore's freehold property has been worked. That was known as Stones' Rush at one time.

69. Are there any workings, past or present, on the hatched portions?—Yes; within the past week or two two men started working about half a mile from Passmore's.

70. Any others?—Yes; at Drake's Terrace, about a mile and a half still lower, there are men working at the present time.

71. To what extent has Drake's been carried on?—There is a creek at Drake's Terrace, and the working has been carried down it about 10 chains. Some sluicing has been done on a portion of it; but, owing to the scarcity of water, it could not be continued unless the gold was rich. I prospected there myself, and it would give something like 4gr. to the load, and that is a pretty high return for sluicing. Water is required there for sluicing, and there is only a small quantity.

72. Could the water be obtained by the extension of any existing water-races?—It could.

73. What water-race could be extended to give water to that block?—There are four water-races: there is Holmes's Water-race, the Government Race, Pearn's Race, and the Long Tunnel.

74. They are all being used in the block to the westward of Kumara?—Yes.

75. The workings come right into the town?—Yes.

76. These races should be extended so as to command No. 6?—Yes.

77. Are there any other workings you could mention besides those you have indicated on the hatched portion?—Yes, about two miles and a half from Kumara, on the E B Road, and about 10 chains away from it.

78. Any others?—On the railway-line itself; I found several men had been working there within the last twelve months. One man has been working at Blake's for a considerable time. That is good sluicing-ground if they only get water. Then, a little nearer the town, about a quarter of a mile, two men were at work cradling, and if the ground would pay to cradle it would pay by any other method.

79. Are there any others past or present?—There are the Acre Creek workings, but a good portion of that is in the education endowment, which only partly, I think, runs into the block.

80. Any others?—No; beyond the fact that there are several shafts sunk. Most of them contain water. About two miles and a half from Kumara two shafts were sunk by an association about two years ago, but they were unable to get on without more water.

81. Do you know Blocks 2A and 2B?—I have been round them.

82. Do you know them as well as you know Block 6?—I have only made acquaintance with them lately.

83. Then, your information is mainly derived from having been over these blocks to give evidence?—Yes.

84. In your opinion, as a whole, has the ground in Block 2A been properly reserved for mining purposes?—I think so.

85. Have you prospected on that part of the block?—Yes.

86. In your opinion, what would the alluvial soil there yield?—At Chinaman's, to the right of Maori Gully, and a mile from the confluence of the Kapitea Creek, it would give over half a grain to the dish, which is a very high yield. The gold is difficult to work there, and a bit thin; one would think it came from the terrace.

87. Did you prospect any other Chinaman's claim?—No; but the very fact of a man working there still proves that he is making a living, otherwise he would not be there any length of time.

88. That is the only place you actually prospected?—Yes; in this gully.

89. You were on the hatched portion of the block?—Yes.

90. In your opinion that contains payable soil?—Yes. There are thirteen men working in Maori Gully at the present time also.

91. Assuming that there was a reservation along the banks of the stream in Maori Gully about 2 or 3 chains wide, would that cover the workings you have spoken of in Maori Gully?—Not at all, as there is a great deal of work on the terraces.

92. Are there other men working besides the men working in Maori Gully and the other terraces adjacent to the hatched portion of the block?—Yes; there are eight men on the western boundary at work, or eight claims.

93. Just look at the other block, 2B: do you know that block?—Yes.

94. From recent examination?—Yes.

95. Do you think the hatched portion ought to be included in the mining reservation?—I do.

96. Why?—In the first place, at Drake's terraces, right along the beach-line, there are old workings, nearly all of which have been proved to be payable for sluicing over again; on the terraces, immediately above the prospecting, yielding half a pennyweight to the load. This terrace would also be commanded by the water from Kumara—better so, I believe, than by the water from Callaghan's. Callaghan's water would be better on the other terraces.

97. Would Blocks 2A and 2B be better commanded by the Kumara water-supply?—2A, I think, would be better commanded by Callaghan's race.

98. And 2B?—By the Kumara race, although it is possible to take both there.

99. Are there actual workings going on at the present time on the hatched portion?—Yes; there are three different claims at work on the hatched portion.

100. How many men are there in each claim?—There is one man each in two claims and two men in another.

101. In your opinion that is a proper reservation?—Yes.

102. And there is a probability of future workings on a more extended scale?—Yes.

103. Is there timber on that block?—Yes; there is some very valuable timber on that block.

104. Is that likely to be acquired for mining purposes, in your opinion?—Yes; I am perfectly certain some of it is being used for mining purposes. It is being taken to Waimea, Stafford, and Rimu for mining, and more will be required when the terraces above are working.

105. *Mr. Cooper.*] You think that this land is required for timber as well as for gold-mining?—Yes.

106. Is it not a fact that a very large quantity of timber has been taken and is now being taken from these blocks for export?—Yes; I believe some has been taken for export purposes from this particular Block 2B.

107. Is not the Westland sawmill the biggest sawmill on the Coast?—I could not swear to it; it might be.

108. That sawmill has been for years past cutting timber out of this block for export?—I do not think it has been cutting for years.

109. Is it cutting now?—Yes.

110. For export, and not for mining?—So far as I know they are cutting for mining also.

111. Might I take it in this way—that by far the greater quantity of timber that has been removed from this locality has been removed to export?—I could not say, but I should imagine that to be so.

112. Would that apply to Block 6 as well?—It would apply to the lower portion of Block 6.

113. And also to the bush along the Kapitea Creek that is not reserved?—There is no bush there, it is pakihi.

114. I refer to the silver-pine?—There is some silver-pine there.

115. Does the previous answer refer to silver-pine?—Yes.

116. Has there been any cutting of silver-pine there for export?—I think so.

117. *Mr. Gully.*] Is silver-pine used for mining purposes?—Yes.

118. What purpose?—For legs chiefly.

119. Is it not mainly used for sleepers?—You are referring to railway-sleepers?

120. Yes?—Some of it is used for railway-sleepers.

121. Is it not used for sluicing at Kumara as well as the red-pine?—Yes, it is used for tail-races and for fluming.

THOMAS MCCARTHY sworn and examined.

122. *Mr. Gully.*] You are a miner living at Paeroa, Mr. McCarthy?—Yes.

123. Do you know Blocks 2A and 2B?—Yes.

124. Have you ever worked on either of those blocks?—Yes.

125. Which of them?—Both.

126. When?—In 1872.

127. How many shafts did you sink?—I worked on the old Lamplough lead. I sank three shafts in Block 2A.

128. Did you find that soil to be payably auriferous?—Yes.

129. How long were you working there?—About three months I was sinking the three shafts.

130. How long were you working on Block 2A?—About eighteen months.

131. Do you know of any workings on the hatched portion of the block, either past or present?—Yes.

132. Would you tell us what workings there are there at the present time?—One claim, I think.

133. Now working?—Yes.

134. Have there been other workings on the block in the past?—Yes, in the early days, between 1865 and 1866.

135. About what yield would the alluvial ground in Block 2A give?—The alluvial ground would give probably about two pennyweights to the load.

136. That would pay well?—Yes, with proper appliances.

137. What is it that prevents the block being successfully worked at the present time?—We got beaten out of the shaft by water.

138. With proper appliances that could be got rid of?—Yes.

139. In your opinion, the whole of that block, including the hatched portion, ought to be reserved?—Yes.

140. Now, look at Block 2B?—Yes. Maori Gully runs through 2B.

141. Do you think the hatched portion ought to be included in the mining reservation?—Yes. All that block is auriferous. There are two probable leads running through the block which have never been wrought.

142. Do you know of any workings on the hatched portion of that block?—Yes, I do.

143. Is there timber on both those blocks?—No, very little. It is partly pakihi on Block 2B, but there is some timber.

144. Would the timber be useful for mining purposes?—It would be required on that block for mining.

145. *Mr. Jones.*] When did you visit Blocks 2A and 2B?—Not since 1872.

146. Then you cannot possibly say that there are workings on Block 2B now, can you?—I have been informed that there is one party there.

147. Hon. E. BLAKE.] You have not been there since 1872?—No.

148. *Mr. Jones.*] And your evidence relates back to that period?—Yes.

149. You know nothing whatever about the conditions at the present time, or since 1891?—No.

150. You know nothing about the block since then?—Not since I left there.

JOHN SKIPPER sworn and examined.

151. *Mr. Gully.*] Where are you living?—At present in Kumara.

152. What are you?—A miner.

153. Do you know Blocks 1 and 6, near Kumara [map referred to] ?—Yes.

154. From your knowledge of those two blocks, and in your opinion as a practical miner, do you think those blocks ought to be reserved for mining purposes?—Yes, I do.

155. Is the soil, in your opinion, payably auriferous?—It is, indeed.

156. On both those blocks?—Yes.

157. Including the hatched portions?—Yes. I may state that I have been twenty-eight years in the colony.

158. And been engaged in gold-mining all the time?—Yes.

159. Well, now, come down to 2A and 2B. Take 2A first. What is your opinion as to the hatched portion of 2A?—I have been actually working and prospecting there.

160. On the hatched portion?—Yes.

161. When were you working on the hatched portion of 2A?—I was there about three weeks ago prospecting.

162. And before that?—Before that I was working on Drake's Terrace.

163. What block is that in?—That is in 2B. I was working there for seven or eight years.

164. Had you worked on the hatched portion, where you were prospecting three weeks ago on 2A, before that?—I have worked there before.

165. How long ago?—That might be about twelve years; but I was actually at work.

166. Are there to your knowledge workings, past or present, upon the hatched part of 2A?—Yes; there are certain workings at the present time.

167. Being worked at the present time?—Yes.

168. Have there been workings on that hatched portion of the block in the past?—There have been.

169. Alluvial, of course?—Alluvial mining.

170. In more than one place?—In more than one place. I can state that there is a little gold all over it, and I have not the slightest doubt that, if water were brought in, there would be more.

171. Are there leads running through the hatched portion of the block?—Yes; that is my opinion.

172. When prospecting three weeks ago, did you prospect in more than one place?—Yes; I got a little prospect in several places where I could make from £1 10s. to £2 a week.

173. I suppose there are a good many men on the West Coast working for that, or less?—Yes; they are working for less. The time has come when we have got to work for less.

174. It might be made much more payable if plenty of water were brought on the ground?—Yes.

175. And you could make more than you make now?—Yes.

176. You have been on 2B actually at work within the last two years?—Yes; my principal work has been between Kapitea and Waimea.

177. Is that on the hatched portion?—Yes, on the hatched portion—that is the auriferous ground.

178. Hon. E. BLAKE: I think the witness misunderstands. (To witness.)] One side thinks that the whole of that block should be reserved for gold-mining purposes, and the other side suggests that that little piece which has been pointed out to you ought not to be reserved?—I can assure you that there is gold all over that part.

179. *Mr. Gully.*] Looking at the map, have you worked on that portion crossed with lines, called the "hatched portion"?—I have been working on it.

180. Are there other workings on that part of the block?—Yes, and it runs right along towards the Waimea and into Staffordtown.

181. Does that portion of the block, as far as you know, contain payable washdirt?—Yes. I can honestly state that there is a little gold all over it, and that if water was brought in it would pay to work.

182. Are there other parties working on the block besides yourself?—Yes.

183. Have there been workings in the past on that portion of the block?—Yes.

184. Can you give an idea of the extent of ground that has been worked?—It has been worked for two and three-quarter miles, and there is gold on each side of it which has been worked.

185. Speaking generally, you are prepared to say that that hatched portion ought to be reserved?—Yes, I do, indeed.

186. And are you able to say that that is the opinion of a number of other persons who know the locality well?—Yes.

187. *Mr. Jones.*] Where has the lead been worked for two and three-quarter miles?—That is from Drake's Terrace, and it goes as far as the fourth terrace; and I say there is gold on each side of that.

188. On which side is the Chesterfield Track? Is Drake's Terrace going from Chesterfield to Waimea?—It is on the south side.

189. It runs east and west. Is it on the east or west side of this track?—It is on the west side of it—on the sea side.

190. Who is working on that block now?—There is Neil Grey, and Garrick, and Anderson. Then, there are some Chinamen working there. I do not know of anybody else, because there is a scarcity of water.

191. You are quite sure that Neil Grey, Garrick, and Anderson are working on Block 2B?—Yes.

192. Quite positive of it?—Yes.

193. Do you not know that Neil Grey and Garrick are working above Block 2B, on the east side [map referred to]?—Oh, yes. Well, there are some Chinamen working there. I am mistaken as to Neil Grey. He is working above.

194. But you will say that the Chinamen are working on it?—Yes.

195. Where is Anderson working?—Below the track, on the sixth terrace.

196. When did you see him working there?—About a week ago.

197. Are you sure?—Yes.

198. Positive?—Yes.

199. The Chinamen are working where?—A little higher up, below the track.

200. Do you see that mark: is not that just about where they are working?—Yes; they are working below the track.

201. That is marked, is it not?—Yes, Neil Grey is working up there.

202. Where do you say Garrick is working?—On the north-west corner.

203. Is not that just outside the line of the Chesterfield Track? Do you know where the road has been turned where part of the terrace has been washed away?—Yes, I follow you. A little above. We call both of them Chesterfield. One goes to the beach and the other to Staffordtown.

204. You know where Garrick is working?—Yes.

205. To the right of the track?—Yes, below that.

206. You know where the track is washed away?—I do.

207. You know the track used to make a sweep to get round the hill, and it has been washed away?—Yes.

208. Did you ever take a straight line from the line of the track on the hill and the next point?—I never took a line of it, but I am told Morris is working below.

209. Did you ever take a straight line, a view from one point to another point of the road, to see if it is on the east or west?—It is on the west side. I did take a view for the present purposes.

210. When?—I was down there a week ago.

211. What caused you to do it?—To see what work there was done.

212. For the purpose of this case: did you take it expressly to give evidence as to where Garrick was working?—I think so; it was only lately.

213. Do you mean to tell me that you took that view on that point, and that it was for the very express purpose of saying whether Garrick was working there?—No; I know the ground so well for years. The ground has been cut away; it makes a deal of difference in it.

DAVID GARRICK sworn and examined.

214. *Mr. Gully.*] You are a miner?—Yes.

215. Where are you carrying on business?—On the old Lamplough lead.

216. On what block?—Blocks 2A and 2B. My claim is divided by the road; it is on both sides of the road.

217. Would you look at that plan and just notice the hatched portion of 2A and 2B? Is your claim which you are working on the hatched portion of both these blocks?—Half-way on each side of the Chesterfield and Stafford Road.

218. Is your claim on the hatched portion of the block?—I do not understand what is meant by "hatched."

[After this had been explained to witness,]

Witness: My opinion is that this should be reserved.

Hon. E. BLAKE: We must get him back to the question.

219. *Mr. Gully.*] My question is whether your claim is on the hatched portion of these two blocks?—Yes; it is on the hatched portion of these two blocks.

220. How long have you been working there?—Twenty-eight years.

221. On that particular portion hatched?—Yes; for twenty-eight years and six months.

222. Have you been there all the time?—Yes.

223. Look at the plan again, please. Are there any other workings that you know of on the hatched portion of Block 2A?—Yes, there are workings about half a mile down from this track towards the sea, on Block 8; there is gold-bearing cement there.

224. Is it being worked?—Partly worked, but only a short distance into the face of the terrace. It has never been rightly prospected.

225. Is it being worked at the present time?—No.

226. How long ago is it since it was worked?—In 1874. I think that was the last time.

226A. Are there any other old workings on the hatched portion of Block 2A?—There are workings lower down called "The Italians."

227. Is that being worked now?—No, not now.

228. Are there any other old workings on the hatched portion of Block 2A? The last answer refers to Block 2B. Now come back to Block 2A. Are there any other workings on the hatched part of Block 2A?—The old Lamplough lead is on it.

229. Look at the hatched portion of Block 2B. Are there any, first of all, old workings on the hatched portion of Block 2B?—There is Drake's Terrace on it, is it not?

Hon. E. BLAKE: You must look and find out; it is what we want you to say.

230. *Mr. Gully.*] Never mind, if you cannot say. Are there any other workings besides the Lamplough lead?—[No answer.]

231. *Mr. Jones.*] Which side of the track is Drake's Terrace on, the east or the west of Stafford Town?—On the west. It is on Block 1A.

Mr. Jones: If it is on the west, it will be on Block 2, I think.

WILLIAM BERDINER sworn and examined.

233. *Mr. Gully.*] Where do you live?—At Kumara.
234. What are you?—A miner.
235. Do you know Block 1B, and Block 6?—Yes.
236. Have you been on both of these blocks?—Yes.
237. Prospecting and working on both of them?—Yes.
238. Would you look at Block 1 on the plan, please? What portion of Block 1 have you been working on in that?—Right through Kumara altogether.
239. Give us the localities on Block 1 where you have been working?—I have been all over the Kumara block.
240. Is the hatched portion properly reserved for mining purposes?—Yes; it has gold more or less all over it.
241. Have you worked on that portion of the block?—I have sunk shafts on it. It is back from the sluicing.
242. About what proportion of gold would it yield?—It is good enough for sluicing-ground.
243. Could you describe what localities on that block you have been on?—I have never been past the road going over the Government water-race.
244. Look at Block 6: have you done any work on that block?—Yes.
245. What work have you done?—I have sunk three or four shafts there.
246. What length of shaft have you sunk there?—I sunk one about 30ft., and put in a tunnel.
247. How long were you at work there?—I have been at work there seven or eight months.
248. At what time?—I was done there about two months ago, and also about eighteen months ago.
249. Was any one else with you?—No; not at that time.
250. Have you been on any other portion of Block 6?—Yes, at Anderson's Creek.
251. Were you working there?—Yes.
252. When?—About thirteen years ago.
253. What work did you do there?—We bailed a 40ft. shaft out first; then we drove it.
254. What depth did you drive it?—We sunk it about 6ft. for a well-hole, and then drove it about 20ft.
255. Were you working with a party then?—Yes.
256. From your observations, about what yield would you say the deposit on this block would give?—We could not get rid of the water.
257. Have you tried any other place on Block 6?—Yes, five or six shafts in the same locality.
258. Anywhere else?—Yes, at Acre Creek.
259. What did you do there?—Drove four or five tunnels.
260. What was the result?—We got a little gold. The association thought it was payable, but we did not think it was payable ourselves. We got it in about 15ft. or 20ft., and then we got water.
261. Do you think it would be payable if you had the proper appliances?—Yes.
262. Is there any other place where you have worked?—Maori Gully.
263. How long were you at work?—About twenty-five or twenty-six years ago I worked there for about twelve months.
264. Were there other people at work then?—Scores—nearly a hundred.
265. Is there any other place where you have worked?—Yes, German Gully, about twenty-eight years ago.
266. From your experience, are you prepared to say that the whole of Block 6 ought to be reserved for mining purposes?—Yes; there is more or less gold through it.
267. Did you drive a tunnel from Kapitea Creek to Hunter Block—that is, outside Block 1?—Yes.
268. What length of tunnel did you drive there?—I think about 40 chains.
269. How long were you at it?—Close on two years.
270. Is it common on the Coast to drive tunnels as long as that and take so much time?—This ground was sunk on before.
271. You were driving for two years?—Yes.
272. That was a prospecting drive?—Yes.
273. What prospects did you get?—We got gold in two or three places going in. It was not considered payable then, but it is good sluicing-ground.
274. You think the area of Block 1 ought to be extended so as to cover the ground you have been speaking of?—Yes.
275. *Mr. Jones.*] You said you have been working in Maori Gully and German Gully. That is not in Block 6: these are in Block 2A, are they not?—Yes.
276. That is an error of yours?—Yes.

JOSEPH GRIMMOND sworn and examined.

277. *Mr. Stringer.*] You are a member of the Westland County Council, I think?—Yes; and have been Chairman from the end of last month.
278. Do you remember when the reserves were proposed to be made for mining under the Midland Railway contract?—I do.
279. You were then Chairman?—Yes.
280. What steps did the county take with reference to those proposed reservations?—They called a conference of the various local bodies to meet at Hokitika to consider the question.
281. And, as a result of that conference, I think an area of about 300,000 acres was recommended to be reserved?—Yes; that was the least they recommended the Government to make in that county.

282. And that recommendation was forwarded to the Government with an indication of the proposed areas in the various districts?—Yes.

283. The Government, of course, did not grant that?—No; they made reserves of about 78,000 acres—about a quarter of the total amount recommended.

284. You know the reserves that were actually made?—Yes.

285. Those were all included in your recommendation?—Yes.

286. You know these reserves, generally speaking?—I do.

287. You have been in that district for how many years?—Thirty years.

288. And you have, I think, been a miner yourself, and also a mine-manager?—I am a mine-manager now.

289. Then, from your own personal knowledge, what is your opinion as to the reserves that have actually been made?—That they are too small, especially in the districts I am intimately acquainted with—the Totara district, the Kaneiri district, and Ross.

290. *Mr. Cooper.*] I think there was a strong feeling that the whole district should be reserved?—I do not think there was. There may have been in the minds of a few people, but certainly not in the minds of most people there.

291. Then, I understand that what was recommended by the conference of the local bodies in the Westland County, was the making of one reserve of 300,000 acres?—No, I do not think that, because we dotted them on the maps.

292. These were the Westland reserves which were afterwards adopted?—I suppose so.

293. A portion of what you proposed was included?—Yes; only portion.

294. You know the Cedar Creek Block?—I do.

295. I think you had a special knowledge of that?—Yes.

296. Had you any claims there yourself?—Yes. Claims were taken up for a considerable distance outside the reserve made.

297. That reserve was not large enough?—No; not by half or more.

HENRY BUGER sworn and examined.

298. *Mr. Gully.*] What are you?—A storekeeper.

299. Where?—At Kumara.

300. You were at one time—I do not know whether you still are—President of the Miners' Association?—I was.

301. In what year?—In 1883 it started.

302. And since then?—I continued for about two years.

303. Have you been connected with the mining association since that period?—No; not the same association.

304. How many years have you been in the district?—Ever since it started, about nineteen years.

305. Do you know Block No. 6 [witness looks at plan]? Do you know that block?—I do.

306. Have you been on it yourself?—Yes.

307. To what extent?—I may say I have been all over it.

308. Have you prospected on the block?—Not myself; but we had parties out prospecting, and I was acting as general supervisor. I only went out once or twice a week to see what the results were, and to report them to the committee.

309. When was that?—In the years 1883 and 1884.

310. Were there many parties out at that time?—We had three different parties out, sometimes four.

311. And you kept yourself acquainted with the results of what they were doing?—Yes.

312. Was the prospecting done then on Block No. 6?—Yes.

313. Can you give us any idea of the localities on which the prospecting was done on that block? Describe it by local names as far as you can?—We had a party prospecting about half a mile to the northward of the E B line, and half a mile eastward of Lamplough track.

314. That is, on the hatched portion of the block?—Yes.

315. Now, how many were there in that party?—There were only three.

316. And what was the nature of the prospecting?—Sinking shafts, and driving tunnels.

317. I will take you first of all over the whole of the block. On what other localities on the block was prospecting done?—At a place called Acre Creek, about two miles and a half from Kumara, where the first prospecting was done.

318. Was it on the hatched portion of the block?—Yes.

319. Was that by a different party to Berdiner and party?—There were two parties close together at one time—the Anderson party, and Berdiner party.

320. What sort of prospecting was done there?—Driving tunnels.

321. Any shafts sunk?—Not at Acre Creek.

322. Was there any other portion of the block where prospecting was carried on about that period?—Yes, on the block near the Teremakau, on Drake's Terrace.

323. Prospecting of the same kind?—Driving tunnels.

324. Anywhere else?—We had another party between Drake's Terrace and close to the tramway-line.

325. Anywhere else?—Not in Block 6.

326. Has there been prospecting on the block within your knowledge since that time?—Yes; people have been working on it.

327. Can you give instances of that, confining yourself as far as possible to the hatched portion of the block?—As far as I remember, it would be 1886 when a man named Curtis was working there for six months.

328. On the hatched portion of the block?—Yes.

329. Near to the boundary of the block?—Convenient to the E B line, and the line marked D G, close to the junction of those two roads.

330. How long was that party working there?—To my own knowledge, they worked there for six or eight months, because they used to get their supplies from me.

331. Do you know of any other parties working on the hatched portion of the block?—Along the terrace several parties have been working within the hatched portion of the block. The whole block seems to be hatched.

332. Any other parts of the block that have been worked?—There were two parties at the back about a quarter of a mile behind the railway-station.

333. When?—Very lately; within the last eighteen months. They left to work at No. 5 tunnel, because they were interested in it.

334. And any other parties?—Not that I am aware of.

335. Do you say this block ought or ought not to be reserved for gold-mining purposes?—I certainly consider it should be reserved, because we always expect gold to go right across the block. That is the reason why so much prospecting has been done on that block.

336. What rate of yield do you say would pay?—On Drake's Terrace even now a man could make £1 to £1 5s. a week.

337. Even now, without any special appliances?—Yes.

338. And without much capital?—Yes.

339. Would the whole of the block probably be payable, or is it likely to be payable, in the future?—I consider it is only a question of time, when water gets cheap. They work towards Kumara first and gradually come downwards.

340. You say it is likely to be payable in the future?—Yes.

341. Some other witnesses have been asked, and I ask you, do you know the water-races at Kumara?—Yes.

342. Could they be extended so as to command Block 6?—Yes.

343. Without going to a fresh source of supply?—Yes.

344. There are four large water-races supplying the Kumara field at the present time?—Yes.

345. Is there timber on Block 6?—Yes.

346. Is that required, in your opinion, for gold-mining purposes?—Most decidedly.

347. Could you give any idea about the quantity of timber required in the locality yearly for mining purposes?—About two million and a half I consider the very lowest required per annum. [Approximate statement of amount of timber required annually handed in.]

348. And if more capital is brought in, and the workings extended, more timber will be required?—Yes. This estimate is for the workings in existence.

349. This is prepared by you?—Yes.

350. There are two small rushes I think you missed, one in the neighbourhood of Acre Creek?—Yes, I remember that.

351. When were they?—As near as I can remember, the last was five or six years ago.

352. Do you know what it was called?—I do not.

353. Was it Sullivan's?—I do not know. I know a great number of people went to it.

354. There was also a rush at Stone's: do you remember that?—I remember a place called Drake's Terrace, which did not turn out very well. It was all very poor ground.

355. *Mr. Cooper.*] Is not the ground in Block 6 practically abandoned so far as gold-mining is concerned?—I do not know for certain. It is a place where people fossick about and work when they are not at anything else.

356. There is no actual mining on any portion of Block 6?—I do not think so, at the present time.

357. And there has not been for years?—No, except small parties fossicking. Of course, it will be worked eventually.

DAVID MACCONNON sworn and examined.

357A. *Mr. Gully.*] What are you?—A sawmiller.

358. Where do you live?—Just above Dillmanstown, about a mile and a quarter.

359. Do you know Block 6?—Yes.

360. Do you know Blocks 2A and 2B?—No.

361. Do you know how many sawmills there are on Block 6?—There are two.

362. What is the timber being taken from Block 6 used for?—I should have said there are three mills.

363. Is the timber being cut from that block for mining purposes?—Yes; that is, by the Kumara mill.

364. Is there a regular demand for timber for mining purposes?—Yes.

365. Do you agree with the last witness that two and a half millions of feet per annum is a fair estimate of the amount required for mining purposes?—I made a rough estimate myself, and I put it down at two millions and some odd hundred feet.

366. Is timber being cut from other blocks besides Block 6, for the Kumara goldfields?—Yes; Block 1 has been largly cut from.

367. Is there much left on Block 1?—There is very little left now on Block 1; the best portion of the timber has been taken, and what is left is of a very inferior kind. There is, however, a small corner of Block 1 still remaining that has very fair bush upon it.

368. Have you got any practical knowledge of the gold-mining capabilities of Blocks 1 and 6?—I have had a lot of experience of miners, but I have not known much of the miners on Block 6. On Block 1 I do.

369. What do you say as to the reasonableness of the reservation of Block 1?—I think more land will be required. The reservation on Block 1 is too small.

370. About what do you estimate the alluvial soil on Block 1 would pay supposing it were properly sluiced: I mean, how much would it yield, say, to the load?—It would be very small; about a grain and a half or two grains with sluicing.

371. That would be payable if the ground were properly sluiced?—Yes.

372. *Mr. Cooper.*] You say the whole of that Block 1 and more is required for mining purposes?—Yes.

373. Now, there are 5,250 acres in that block: what number of miners would that area support?—It is hard to say.

374. Can you give some idea?——

Hon. E. Blake: I do not attach much importance to the evidence of this witness as to mining. We have already had the evidence of experts.

375. *Mr. Cooper.*] What class of timber is used for mining purposes?—Mostly red-pine.

376. You have been in the district a long time?—I have had my mill sixteen years.

377. Is it not a fact that a million and a half feet have been exported from that district from year to year?—I believe there has been a little timber exported lately from the mills on the lower land.

378. Taking the district as a whole, is it not a fact that many million feet of timber have been exported out of the colony?—Yes, from the other blocks.

379. And the export is still going on?—Yes.

380. From Government lands?—Yes.

Peter Dungan sworn and examined.

382. *Mr. Gully.*] What are you?—A miner.

383. Where are you living?—At Kumara.

384. What experience have you had at mining?—A good many years, both in the Australian Colonies and in New Zealand.

385. How long have you been in the Kumara district?—Since the beginning—some eighteen years ago.

386. Have you been on Block 6?—I have been over it. I have been at Acre Creek, on the lower corner of the block.

387. When?—To the best of my belief, four or five years ago.

388. Have you been working upon it?—I have not; but I have seen others working there.

389. Have you a personal knowledge?—Yes.

390. And you know that persons have been working on other portions of Block 6?—Ground has been worked on the opposite side of block near the old tramway-line.

391. And elsewhere?—No.

392. Are you able to give an opinion, from your observation, as to whether that block generally is auriferous?—I have already stated where gold has been got, but my general opinion is that until the ground has been thoroughly tried, which has not been tried up to the present time, there is a probability of gold existing.

393. Then you think the block is properly reserved for gold-mining purposes?—Yes.

394. Is that an opinion generally shared in by those who know the locality?—Yes, that is the general opinion amongst miners.

395. What is your knowledge of Block 1? Have you been on that block?—I have.

396. To what extent?—To a large extent. I have been over that country many times—the chief portion of it.

397. Have you worked on Block 1?—I have.

398. Have you prospected there?—No; I have been working at Larrikins.

399. Now, do you think the whole of that Block 1 is properly reserved for gold-mining purposes?—Yes, I do.

400. Do you say the hatched portion on the plan is properly reserved?—I do.

401. In your opinion, is the hatched portion of that block likely to become payably worked in the future?—Yes; Kapitea Creek is three-quarters of a mile from Larrikins.

402. Does it run into Block 1?—Yes.

403. Is the hatched portion likely to be used for mining?—Yes.

404. Can you give me any rough estimate of what is likely to be the yield of that particular portion?—I have not made an estimate.

405. *Mr. Cooper.*] How long have you been in the district?—About eighteen years.

406. Mining all the while?—Not all the time.

407. Can you give us any idea of the number of men who are engaged in mining in Kumara? We will take about four years ago—in 1891?—I have not made a calculation, but, roughly speaking, there might be three hundred or four hundred men.

408. Can you give us an estimate of the number of miners engaged now?—I have not made any calculation.

409. Are there fewer or more?—A little less.

410. So the population has fallen during that time?—A little.

411. To support a population of three or four hundred miners, do you think they would require 20,000 or 30,000 acres of land?—Until the country that has been reserved for mining purposes by the Crown is thoroughly tried, the probability is that there is gold there.

412. You think that no land in this district ought to be alienated from the Crown that has not been tried?—Not the gold-bearing belt, which is the piece of country where the miners think gold is.

413. Is it not a fact that on the whole of the West Coast goldfield there have never been more than 20,000 acres worked?—I do not know anything about that.

414. Then, the miners think that, wherever gold is likely to exist, there the ground ought to be reserved?—They think it ought to be reserved for the preservation of present rights, and for the future benefit of mining. That is the principle I go on, and that has been my experience.

415. *Mr. Gully.*] You are a member of the County Council, are you not?—Yes.

416. And of other bodies, too?—Yes.

417. Do you know of any attempts that have been made to purchase land in Block 6?—That would be down by the beach road.

417A. Yes. Attempts to purchase by private persons. I am referring to Sunday Creek?—I do not know anything of that matter.

418. Do you know of any cases where purchases have taken place?—Positively, I do not.

Mr. Edmund Wickes sworn and examined.

419. *Mr. Gully.*] What are you, Mr. Wickes?—A commission agent and mining agent.

420. Are you acquainted with the general position of the timber industry in your locality?—I have had considerable knowledge of the timber industry in the locality.

421. We have heard already that a great deal of timber is required for mining purposes. You know the reservations of land about Kumara, do you not?—Some of them. I know 2A and 2B, Block 6, Kumara.

422. I will ask you generally, whether all the timber on those blocks is likely to be required for mining purposes?—I can confidently say that all that timber is likely to be required, for the mining industry is likely to go on there.

423. Speaking generally, is timber getting scarcer?—Yes; the proof of it is that at the Kumara mines, the country within a distance of three miles is entirely denuded of timber. It has all gone for mining purposes.

424. That is during the last eighteen or twenty years?—In about eighteen years.

425. Have you any knowledge of the timber that has been cut with the sanction of the company in your locality?—I cannot say.

426. Have you made inquiries?—In other districts, but not in the Kumara district.

427. In what districts?—The Arnold district.

428. How have you got your knowledge?—I was in the Arnold district reporting on the timber years ago, before the Midland was in existence. Some timber companies were about to start the timber industry, and I reported on the district for them several times.

429. Have you any knowledge as to the portions of the timber cut by the company in that locality?—Only by the returns of the people paying royalty.

430. Can you say to what extent it has been done? Do you know how many mills there are?—As far as the Arnold is concerned I know of three.

431. Whose are they?—Butler's is one; Adam Blair has another.

432. Can you give us any information as to the amount of royalty paid by Butler's from October, 1891, to June, 1893?—I went through the amounts on the receipts they showed me, and they totalled up to 800,000ft. at 6d. and 1,000,000ft. at 3d.

[Mr. Cooper objected to this evidence. The Court upheld the objection.]

433. *Mr. Cooper.*] Have you formed any estimate as to the quantity of standing timber there is in the districts around Kumara?—Taking the various districts, I have a very good idea of what has been turned out since the estimate I made some years ago.

434. Can you give us an estimate of the timber standing in the district immediately surrounding Kumara?—It would be from 20,000ft. to 25,000ft. to the acre.

435. Can you give us an estimate of how many millions of feet there would be in the district?—I have not taken any observations. I have given you a fair average per acre, taking one acre with another.

436. You mean, taking the whole acreage around there?—Yes; from 20,000ft. to 25,000ft. to the acre, fair second-class bush.

437. And it has taken eighteen years to denude three miles of country?—Yes.

438. In making these reserves with a view to protecting the mining industry, so far as the timber is concerned, do you think a period of say, eighteen, thirty-six, or fifty years is too long for a reservation?—I think the mining will extend in that district.

439. I am assuming that it does not extend?—I cannot alter my opinion, as we still have the ground.

Hon. E. Blake: I should find the timber reserves altogether excessive, excepting in connection with the prospects of mining and the extension of water. That, I think, has been the calculation the Government have professed to have acted on—on a larger extension of the mining industry, and, consequently, a much larger consumption of timber.

John Trennery sworn and examined.

440. *Mr. Stringer.*] You are Chairman of the Inangahua County Council?—Yes.

441. And were you a member of the Council when the reserves were proposed to be made?—Yes; but not Chairman.

442. You remember the question arising as to what reserves should be made?—Yes.

443. The County Council received, I think, a skeleton map from the Government?—Yes.

444. With a view to the Council indicating what reserves they thought should be made?—Yes, that is correct.

445. Will you tell us what steps the Council took?—The skeleton map sent down by the Government covered the whole of the ridings of the Inangahua County, and the Government requested the Council to make such selections from that skeleton map as they thought would be necessary for gold-mining purposes. The Council then appointed a Committee to meet some members of the mining association, to make certain selections from that map that they thought would be desirable

for mining. The Committee consisted of four members of the Council. They were appointed by resolution, and they met some six or seven of the members of the mining association. They adjourned to the Survey Department, and from information they got there from Mr. Montgomery, the then surveyor, they made certain selections from the various ridings of the county, and got them coloured. That map was forwarded to the Government, with a recommendation from the Committee that these reserves should be made in the interests of the mining community.

445A. These proposals, I think, were much larger than those which have been actually reserved by the Government?—If I remember rightly, there was something like 208,000 acres, and I think I have been told—I cannot tell from my own knowledge—that that quantity was reduced by the Government.

446. To what amount?—I could not say.

447. But the reserves made by the Government were included in your proposals?—I believe so; but, of course, the Survey Department must show that.

448. How long have you been in the district?—Since 1871.

449. And from your own knowledge, and as the result of conferring with members of the mining association, do you consider that your original recommendations were right and proper?—Yes, I do, because the Committee were unanimous about them.

450. You know now the reserves that have been made in the Reefton district, from 51 right down?—I have not gone into the details of the matter.

451. You know generally what reserves have been made?—Yes, generally.

452. Are they properly made, in your opinion?—Yes, in my opinion. Of course, it is because they are in accord with the recommendations of the Committee that I am judging from.

453. *Mr. Cooper.*] You were a member of the County Council in 1891?—Yes.

454. Is it not a fact that the Inangahua County Council thought it was better not to make the reserves proposed, but to have the lands dealt with from time to time?—I know that the matter was hung up for some time.

Hon. E. Blake: We have it that the policy of the Inangahua County Council had been against making the reserves at one time.

Edward B. Garvan sworn and examined.

455. *Mr. Stringer.*] You are engineer to the Inangahua County Council?—Yes.

456. How long have you been in the country?—Nearly fifteen years.

457. And you are familiar, I suppose, with the whole of the mining district there?—Yes; I have made about two hundred miles of road through the different localities.

458. I think the district is almost entirely a mining district?—Yes; altogether, you may say.

459. And I suppose you have had a good deal to do with the surveying of mining areas?—I have not.

460. But I suppose your duties took you over the district very frequently?—Yes.

461. You remember, or course, the question of making the reserves under the Midland Railway contract?—Yes.

462. And you remember that a plan was sent from the Government to the County Council, upon which they were asked to advise?—Yes; but I was not a member at the time the reserves were recommended.

463. Do you know what reserves were afterwards made by the Government?—I do.

464. In your opinion, are the reserves properly made in the Inangahua district?—I think so.

465. Can you say whether or not that is the general opinion in the district?—I think so. The whole county, with the exception of a little bush and the agricultural areas, is a mining district.

466. And these agricultural areas, I think, have been taken up years ago?—Yes.

467. I would like you to describe the nature of the country between the Inangahua Junction and Belgrove?—It is a mountainous country altogether. I would confine myself to the country from the Inangahua Junction to the Hope Junction.

468. And the entire distance is through a mountainous country?—Yes. There are small patches of level country, but very small.

469. Is the country difficult for engineering purposes?—Yes; very much so.

470. What is the nature of the traffic at present on the road?—It is confined to supplies to the Matakitaki and the districts round about it.

471. And can you give us any idea of the quantity of the traffic?—I should say it would be about 9 tons per week, from the number of the wagons—approximately.

472. In that distance is there any country that could be developed so as to produce a great increase of traffic between the Inangahua and the Hope?—You mean agriculturally?

473. Agriculturally or pastorally?—No; it would be very expensive. In my opinion the good lands were taken up years ago. It is bush land there, and would require £40 or £50 per acre to be made available for the plough.

474. *Mr. Cooper.*] I understood you to say that you do not anticipate any increase in the population of the district?—Yes.

475. In what way?—From the mining population.

476. Is it not a fact that the mining population has been steadily falling?—Yes, to some extent.

477. Do you consider that the mining industry is in a better position now than it was four years ago?—Only so far as quartz-mining is concerned.

478. *Mr. Stringer.*] Is there at the present time a good deal of fresh capital being introduced into the Reefton district?—Yes, things are looking very prosperous altogether.

479. You know that large sums of capital are being introduced?—Yes; the gold-mines that were used before and abandoned are coming to the front.

HENRY EVANS sworn and examined.

480. *Mr. Gully.*] What are you?—A miner.
481. Living near Reefton?—Yes.
482. And you have been in the district since 1874?—Yes, 1874.
483. Have you worked both at alluvial and quartz-mining?—Yes.
484. Are you acquainted with Block 51 on the plan before you?—Yes.
485. In what way have you been acquainted with it?—Both in prospecting for alluvial and quartz.
486. Have you been all over the block?—Very nearly, especially the lower part on the terraces—on the hatched portion, parallel with Larry's Creek.
487. And the other hatched portion as well?—I have just rambled over it.
488. And not prospected it?—No.
489. The lower hatched portion, you say, you prospected it and examined it thoroughly?—Yes.
490. Do you consider that lower portion should be reserved for gold-mining purposes?—Yes.
491. For what reason? I will put it in this way: What have you found to be the case in respect to that block to lead you to your opinion?—Alluvial gold, sufficient to pay a man his expenses.
492. What do you mean by paying his expenses?—Anything between 10s. and an ounce per week.
493. An ounce would be nearly £4, would it not?—Yes.
494. You say that the lower portion, hatched, is payable at present?—Payable up to that figure.
495. Are you able to give any information as to the higher portion which is hatched?—That is, in this portion?
496. What is your opinion?—I should say from the number of creeks that are worked, the balance, if it has the appearance of auriferous gravel, should be reserved.
497. Do you know Block 53 well?—Yes.
498. Have you been over all that block?—Yes.
499. What doing?—Quartz-mining and alluvial prospecting.
500. You have been both prospecting and working upon it?—Yes.
501. On the hatched portion of the block?—I have prospected the hatched part, but not worked it.
502. Describe the portion you say you have worked?—At the extreme head of Frying-pan Creek, on the hatched portion. The creek is not shown as it should be.
503. Hon. E. BLAKE.] It is, in reality, out of the hatched portion of that block?—Yes; at present there are two men working there.
504. *Mr. Gully.*] What do you say about the hatched portion of that block?—I say it should be reserved for gold-mining purposes. It is practically useless for anything else.
505. Are there any other workings, except what you have mentioned, on the hatched part of that block?—The whole of the creek at Frying-pan is worked for two miles.
506. In the hatched portion?—Yes; right through the hatched portion of the block.
507. Any other workings on the hatched portions of the block?—No.
508. You say the hatched portions could be made payable at the present time?—Yes.
509. What would you say would be the average?—Judging from the prospects on that side of the block (54), which I have worked, it would run 1dwt. to a square yard of bottom, that is to say, 4,000dwts. to the acre.
510. To the load?—No, the pennyweight to the square yard of the bottom, superficial measurement.
511. What about quartz; is there any?—No, it is below. The bottom is the "old-man gravel."
512. Are there any indications of quartz-reefs on Blocks 51 or 53?—On 51, on the higher range above the hatched portion, there is reefing country. That is to the eastward.
513. Hon. E. BLAKE.] That is not on the hatched portion?—No.
514. If Block 51 is not required for gold-mining, is it fit for anything else?—No, only a few acres in the bed of Landing Creek. The higher portions are all cold swampy lands.
515. *Mr. Jones.*] What are you doing now?—Working the Golden Fleece mine on tribute.
516. What are the average earnings?—Last wash-up about £3 10s. each per week.
517. Where is the piece of ground that you say will pay the ounce per man per week? I want to see the piece that pays the ounce?—I say the ground, according to these prospects at Landing Creek, would pay 10s. one week and may pay an ounce next week.
518. Where is that portion?—Along Larry's Creek. There has been a great quantity of gold-workings there for the last seven or eight years.
519. Do you know Mr. Rogers?—Frank Rogers; Yes.
520. Do you know that he is prospecting on that creek?—I do not know lately; it is two years since I have been there.
521. Then, how do you say the gold is payable?—I say it is probably from 10s. a week to an ounce.
522. You know miners will work that sort of ground?—Yes; I have worked ground for less, myself; but if I could get better I would stop working it.
523. A great many miners would be glad to get less than an ounce a week. What are the difficulties in working that piece of land?—There are no special difficulties; but I say a man may get 10s. or an ounce. If there was water——
524. Now, seriously, is there a piece of ground that would be long unworked that would pay from 10s. to £4 a week per man? Do you mean to tell me that—seriously, that such a piece

would be left alone now?—Yes; there are lots of such ground in the same district in the same condition.

525. Where are the two men you speak of working?—They are Russian Jack, and a man named Taylor.

526. Are they not working on the track which goes over from Boatman's?—No; the short track goes over from Boatman's. They are working just below the big face. You know the place as well as I do. They are working on the terrace; that is not shown in the hatched portion of the reserve.

GEORGE BROUGHTON sworn and examined.

527. *Mr. Gully.*] What are you?—A farmer.

528. You have been living at Blackwater, I think, for the last sixteen or seventeen years?—Yes.

529. And you are well acquainted with Blocks 65 and 66?—Yes.

530. Look at 65 and 66 on the plan, and tell us have you been on both those blocks?—Yes.

531. Prospecting?—Yes; and working from time to time, not regularly.

532. You know Block 1?—Yes.

533. Take, first of all, 65. Look at the hatched portion of 65; in your opinion ought that hatched portion on 65 and 66 be reserved for gold-mining purposes?—Yes.

534. Can you see Mossy Creek on the plan?—Yes.

535. Is it correctly shown on the plan?—No; it should come further up into the centre of the block on the hatched portion.

536. Has there been any working on Mossy Creek?—Yes.

536A. What distance up into the hatched portion of the block?—About four miles, roughly speaking.

537. Is there any working going on there now—that is, in Mossy Creek?—No.

538. You are aware that workings have been carried on there?—Yes.

539. Do you know of any other workings on the hatched part of the block besides those of the creek?—I know of the gully going into Snowy Creek.

540. Is that on the hatched portion of the block?—Yes.

541. Has that been worked?—Yes.

542. Any others?—Yes; there are two or three creeks, to my knowledge.

543. Are the whole of these creeks gold-bearing?—Yes; there was gold in all that I know of, or have mentioned.

544. Are the leads payable gold on that block?—Not that I have been aware of on the terrace.

545. Does the wash-dirt run, in what direction?—It seems to run right through the centre.

546. And has been found to be payable in some places?—Not on that terrace.

547. I am not talking about that terrace?—In the gullies.

548. Have you prospected there?—Yes.

549. Can you say what the yield would be if there was plenty of water?—I could not say. It would be payable if there was plenty of water; it would pay small wages.

550. Look at Block 66; you see that?—Yes, it is higher up Snowy Creek.

551. Do you think that portion hatched ought to be reserved for gold-mining purposes?—Yes.

552. You know the ground?—Yes; I have been on that ground.

553. In your opinion, would it pay to work?—There are gold reefs in the district, if it goes up as far as I think it will.

554. We will try the alluvial first: would it pay wages to work the alluvial ground?—I do not know of any alluvial on the top of 66.

555. Whereabouts do you say the reef exists?—There has been one found up close to Snowy Creek.

556. Is that on the hatched portion of the block?—I think so; to the best of my belief it is on it.

557. Are there other reefs discovered there?—That is the only one. There was a lot of ground taken up, but that was the only reef discovered. There is a lead taken up; but that is the only gold that has been discovered.

558. *Mr. Jones:* Do you know where Mossy Creek takes its rise from?—Yes.

559. Is there any man working on that portion of the block, or has there been any one working there for years?—Not on the terraces that I am aware of.

560. You are speaking of years back when there was any gold-mining there?—Yes, in these gullies.

561. It is a good many years ago, is it not?—Six months ago there was a Chinaman working in one part.

ALEXANDER C. FIFE sworn and examined.

562. *Mr. Stringer.*] You are Accountant to the New Zealand Railways?—Yes.

563. And I think this return, which has been prepared by you, shows the proportion of the timber traffic to the general traffic on the New Zealand Midland Railway-line?—Yes, to the general goods traffic.

[Exhibit 158 put in.]

564. The first line shows the through traffic only—that is, the traffic through the Midland Railway-line?—The interchange traffic between it and the Government line.

565. That is, from August, 1889, to May, 1895?—Yes.

566. Hon. E. BLAKE.] "Through traffic" means "interchange traffic"?—Yes.

567. *Mr. Stringer.*] The second line, "local and through traffic," that shows the entire traffic?—Yes.

568. That is a correct return?—Yes.

569. *Mr. Cooper.*] You had not the material to show the local traffic before the line was taken possession of by the Government?—No; that is in the possession of the company.

570. Up to the 26th May, 1895, you only show the traffic that passed over the Government line?—Yes; the interchange traffic.

DAVID DUNCAN sworn and examined.

571. *Mr. Gully.*] What are you, Mr. Duncan?—A settler.

572. Where do you live?—Near Blackwater.

573. Are you acquainted with Blocks 65 and 66?—Yes.

574. Well acquainted with them?—Well acquainted with Block 65, and I have been partly over Block 66, but not on the eastern boundary.

575. You know the nature of the ground?—Yes.

576. You have prospected and worked on the ground?—Yes.

577. And have made a thorough examination of it?—Yes.

578. You have been prospecting there for the last three years?—Not in that block particularly, but round about there.

579. Look at the hatched portion of Block 65. In your opinion ought that hatched portion to be reserved for mining purposes?—Yes, I think so; in fact, there is mining going on in most of the hatched parts now.

580. Take the northern hatched part first, between Blackwater and Big River: is there any mining going on in that hatched part?—Yes; in the terrace.

581. Take the second strip, between Blackwater and Snowy Creek: is there any mining going on there?—Yes. The creeks running down there have been worked from time to time.

582. In your opinion, is it at the present time payable?—Some work is being done in some of them now. I have no doubt there will be payable ground there still.

583. And there is a prospect of the place being worked in the future?—Yes.

584. And as to the lower hatched portion of the block, do you say the same thing about that?—Yes, it is something similar.

585. And there is the same prospect of that being worked?—Yes.

586. As to 66, what do you say about the hatched portion of that?—It is Blackwater and Snowy Creek. Most of the workings run right up a certain distance in the hatched part.

587. Are they auriferous?—Yes, and they have been worked. There are lots of branches when you get up towards the eastern part of Blackwater—that has been worked, as well as the main river.

588. You say all the ground is auriferous?—Yes.

589. And the whole of it ought to be reserved?—Yes.

590. *Mr. Cooper.*] How far to the north of the Blackwater Creek are these workings that you speak of?—I think from the Blackwater to the mouth of the tunnels it would be 200 or 300 yards.

591. I understand that these workings are not more than 200 or 300 yards from the creek?—Yes.

592. The workings you refer to, to the north of Snowy Creek: do I understand that they are close, adjacent to the banks of the creek—say, 200 or 300 yards away?—Yes; but some of the small creeks are worked further back. There are small creeks running back into the hatched part. They are working in small creeks which are not marked on the hatched part.

593. Do you mean they are working there now, or that they have been abandoned?—They have been working there, and there is one party working there now.

594. How many parties are working on the block at the present time?—I could not say exactly how many. There is one party which has been working there for years. A good many others have been prospecting, but I could not say at the present time whether they are working.

595. With the exception of one party which has been working for some years, and one party there now, is there any one else working there, to your knowledge?—They are working in the creeks running down into the Blackwater. Along the hatched part there are men working in the creeks running into it.

596. And on Block 66?—I have never been on the eastern part of it, and the workings at Snowy run into that, and the same applies to Mossey Creek.

JAMES COLLINS sworn and examined.

597. *Mr. Gully.*] What are you, Mr. Collins?—A miner.

598. Living where?—At Bradshaw's Terrace.

599. Look at Block 2. You know that block very well?—Yes.

600. You have been working on it?—No; I have not been working on it.

601. Have you not got a holding on it?—No; but I have got a holding adjacent to it.

602. On which block?—Outside the block.

603. You know the hatched portion of the block?—Yes.

604. Have you been over it yourself, prospected and worked it?—I know of a lead existing in the hatched portion of the block, at Tauranga Bay.

605. You know the hatched portion of the block, and, in your opinion, is that properly reserved for mining purposes?—I know there is gold in the centre of it. I know there has been a man working in the centre of the block about fifteen years ago.

606. And in your opinion that should be reserved?—Yes; it should all be reserved. We had a grant of a reserve there formerly.

607. And it is reasonably expected to be payable?—Yes. Bradshaw's lead must go through the hatched portion of the block.

608. *Mr. Cooper.*] Is there any working going on now in the hatched portion?—No; because we are prevented. It was private property, and they were charging us 10s. a foot for the land, and we had to abandon it.

609. There has been no working there for how long?—There has been no working on that land for twenty-five years, but the lead is there.

JAMES WILD sworn and examined.

610. *Mr. Gully.*] You are a civil engineer and mining surveyor, living at Kumara?—Yes.

611. There has been some evidence as to timber, and the destruction of timber. When the silver-pine is cut, about what proportion of the number of trees which are cut down are found to be of marketable value?—About two-thirds of the number of trees and one-third of the quantity of timber.

612. The rest, then, is waste?—Absolute waste; good for nothing.

613. Now, why is that?—Because the peculiarity of the silver-pine is that when it gets to excessive age it splits at the heart, and gets shakey and hollow.

614. You are, of course, acquainted with the way in which timber is used in the mining industry. About what proportion of silver-pine would be used around your district as compared with other timbers, such as red-pine, and so forth, by miners?—Quite an insignificant proportion, a very small proportion of silver-pine; the miners have not realised the difference, and use it very little.

615. *Mr. Cooper.*] Have you formed any estimate of the quantity of timber in the district you speak of?—Yes; I have a pretty good knowledge of it.

616. Well, give us some estimate?—Do you mean any particular district?

617. Yes; take the district you are acquainted with?—There is very little timber left immediately adjacent to Kumara. Within a mile radius of the centre of Kumara there is practically none.

618. Can you give us an estimate of the total quantity in these blocks immediately surrounding Kumara?—I have not worked it out.

JAMES MCENNIS sworn and examined.

619. *Mr. Stringer.*] You are Clerk of the Warden's Court at Kumara?—Yes.

620. I think you have returns there from the Courts, of all mining rights registered in the Warden's Courts?—Yes; in the mining district of Westland, as far south as Ross. [Return handed in, and marked Exhibit No. 159.]

621. This statement has been made by you from the official returns?—It has.

622. And it shows the total of all existing mining rights in the district?—Yes.

623. *Mr. Cooper.*] You say "existing mining rights"?—Yes.

624. That is, existing on the register?—Yes.

625. But how many of these rights exist to existing working miners on the field?—I can only speak of my own district, Kumara. I made out an actual return in my case. It is as correct as it could be under the circumstances.

626. I see your return gives the number of rights issued before 1885, and issued since January, 1885?—Yes.

627. Hon. E. BLAKE.] Have you got a return of what you understand to be used?—Yes.

628. *Mr. Cooper.*] You say that, since the 1st January, 1885, 285 residence sites have been granted. How many of these residence sites are now occupied? Can you tell us?—I believe there are 404. There are 119 issued before 1885, and 285 since, or a total of 404.

[Return marked Exhibit No. 160, put in.]

629. Do you think every one of these is now occupied?—There might be a few not occupied, but, so far as I could ascertain, they are all occupied.

630. Hon. E. BLAKE.] The 404 you mention are, with the exception of three or four, in occupation?—Yes.

631. *Mr. Cooper.*] What steps have you taken to ascertain it?—I am twenty years in the district, and fourteen in Kumara, and I know almost everybody about the place in all the localities.

632. You say that from your general knowledge of the district that is so?—Yes.

633. I see you have got a gross number of 114 extended claims. How many of these extended claims are being worked?—I should think all, or nearly all, round about Kumara, Greenstone, &c.

634. May I take it that is so with reference to the water-races and tail-races?—There is a good check on the water-races, because every year it is necessary to renew them.

635. Hon. E. BLAKE.] Have you got the number of the last renewals?—No.

636. *Mr. Cooper.*] Are they still being used?—I could not say.

637. Have they all been renewed?—A great number of them are used.

638. Have they all been renewed last year?—A few might not. There are 211.

339. You think a few have not been renewed?—Yes.

640. May I take that statement to apply to the tail-races and the tunnels as well—that a few of them have not been renewed?—It is not necessary to renew dams, or tail-races either.

641. Then, you do not know how many tail-races and tunnels have been abandoned?—I have left out hundreds that I knew were abandoned from my own knowledge.

642. Hon. E. BLAKE.] You made an effort, as far as your information went, to give what are still being used?—Yes; I tried to make it as correct as I conscientiously could.

643. *Mr. Cooper.*] You will correct me if I am wrong. Have you in Kumara the system of miners' rights?—Yes.

643. Can you tell me how many miners' rights are now in force?—I could; up to the 7th of this month, 464. There were over 700 last year.

644. There is a great falling-off?—Yes.

645. And has that falling-off not been a gradual one, year to year, for the last five or six years or more?—There has been a gradual falling-off. I might explain. There was some prospecting going on last year, but speculation may have brought down the number.

646. Then, it is evident that Kumara, and the district around it, does not commend itself to the mining population. Perhaps they are going up North?—I do not think there is much difference. There is a difference, but it is not very marked.

647. *Mr. Stringer.*] With reference to the 464 miners' rights. Is that for the whole year?—No; to the 8th December.

648. How does your year run?—From January to December I make this out.

649. And there is a month given, I think, to renew?—Yes; thirty days.

650. After the expiration of the year?—Yes.

651. And that 464 might be brought up to six or seven hundred?—Not so much as that, I think. It might be brought up to five hundred.

652. With regard to these miners' rights: is there an annual fee to be paid for them?—No; there is an annual rental to be paid for the water-races.

653. At any rate, these rights are existing rights, so far as you have been able to ascertain?—Yes; they are legally alive. If the right was granted under the Act of 1886, the holder of a residence site had the option of paying an annual rent of 10s., and, if under the Act of 1881, 5s. a year.

RICHARD JOHN SEDDON recalled.

654. *Mr. Gully.*] Will you refer to the file of papers in front of you?—I have the original file of papers in connection with mining reserves under the Midland Railway contract.

655. Before you refer to the papers, will you tell us whether and when instructions were given to Mr. Gordon to minute or make his recommendations with reference to these various blocks?—I think it arose somewhere about the time of the Acre Creek or Callaghan's Block. At all events, it was after most of the Waimea Blocks had been made. In the absence of Mr. Gordon, I asked for the file, so as to see his recommendation, and I found there was nothing recorded on the file from Mr. Gordon beyond the recommendations that had come from the local authorities and from the Commissioners of Crown Lands and surveyors. For instance, the whole of that district was Mr. Mueller's; but there was nothing on the file to show that Mr. Gordon had made a recommendation to me, which, of course, he had done, though it was not noted on the papers. My instructions to him, therefore, were that for the future he should record on the papers the fact that he had made recommendations. I said that must be done, before either myself or any Minister would send it to the Governor to issue the *Gazette* notice. I also suggested that it would be advisable for him to minute any papers upon which he made recommendations. Something might happen to me, and on my successor coming in there ought to be something to show what was done. I remember, afterwards, seeing a number of things on the file which were signed by Mr. Gordon.

656. Previous to that you had verbal recommendations from him which were not recorded?—Yes.

657. I shall now take you through one or two items on the file. Please look at paper 93/453. Have you any observation to make in reference to that?—Yes; on this paper will be found, "The following reserve requires to be proclaimed a mining reserve so as to withdraw it from the area of selection by the Midland Railway Company, as it is actually required for mining and the purposes conducive thereto. Block containing 1,500 acres, and comprising a portion of the Acre Creek Diggings, situated in the Waimea Survey District." That is a memo. signed by the Inspector of Mines, dated 26th May, 1893. Now, on the same file, Record No. 93/386, is a recommendation to the Governor on 6th June, 1893. It is signed "G.," being the Governor's initial. On the same paper a reference to the *Gazette* notice will show that it is signed by me, with the date filled in as "the 6th day of April, 1893." As it appears there it has been signed in April, prior to the time the Governor signs it in June. Mr. Gordon's minute will explain this: that, on inquiry on the 6th April, it was intended to make a Proclamation, and it was found that Mr. Gordon had not recommended this, and it was held over until his recommendation came. There is a clerical error here: "5th April" should have been struck out, and the time the Governor assented to it ought to have been filled in; that was in June.

658. That indicates that there was an inquiry, and that Mr. Gordon was instructed to make inquiry with reference to this block between April and June?——

659. Hon. E. BLAKE.] All that is indicated, so far as that on looking to see if Mr. Seddon had signed, on further inquiry he found Mr. Gordon's written recommendation was there. It might be that he made inquiry before?—Yes.

660. *Mr. Gully.*] Can you recollect if there had been any verbal recommendation from Mr. Gordon?—On 4th April, paper 93/386, you will find the following: "Herewith are forwarded to you lithographs showing in yellow colour the following mining blocks as plotted by us from descriptions published in *New Zealand Gazettes*, and about which we had a conversation on 1st instant. First, the block covering Callaghan's and surrounding country; second, the block covering Seven-mile Creek and Bald Hill Diggings, and which you will notice extends to the Teremakau River." That is signed by Mr. Strauchan, who was Commissioner of Lands at the time. Now, this is my minute: "Mr. Elliott,—Please amend the *Gazette* notice so as to make the block cover the Acre Creek Diggings. The block as gazetted does not cover the land recommended to be reserved. My attention was drawn to it by Mr. Strauchan, and I do not understand how the error has arisen.—R.J.S." That shows that originally Mr. Gordon, in making the recommendation, informed me that it covered the Acre Creek Diggings. When I came to examine the plan, I found that the description did not take up to the road by the beach. The whole of this was recommended, and I said that Mr. Gordon had better look into the matter. He looked into it, and reported in May, and then, of course, it was gazetted in June. But, without explanation, any one taking that file of papers would come to an erroneous conclusion.

661. Now, you might refer to Paper 93/159?—Yes; there is a minute of mine here in answer to the Midland Company. I said, "Acknowledge and state that there are actual gold-workings on the land, and that the whole of same is required for *bonâ fide* gold-mining and purposes connected therewith and incidental or conducive thereto.—R.J.S.—21/2/93."

662. Is there any further explanation to that?—No; the next is Callaghan's, on paper 92/1271. On the 5th December there is a memo. to the Surveyor-General as follows: "Will you please have a description prepared of the area tinted pink on annexed lithograph." The answer is: "Description of boundaries of proposed mining reserve herewith," dated 13/12/92. I then marked on that, "Proclaim at once," dated 15/12/92. Before I did that I was of the opinion, and probably would have been informed, that Mr. Gordon recommended it, and I subsequently discovered that this was not the case, because I said, "Hold over until receipt of information from Mr. Gordon.—(Signed) R.J.S." That is on the same day, or early next day—namely, 15/12/92; because I find here a minute the next day by Mr. Elliott, in which he says: "Telegram from Mr. Gordon recommending that reserve be made attached. Proceed with the Proclamation." Here is Mr. Gordon's telegram, dated from Kumara, 16/12/92: "*Re* mining reserve at Callaghan's.—I would recommend the block of land marked off in litho. forwarded to you to be proclaimed a mining reserve. There are actual gold-workings in different places all over the block, and the whole of the land is more or less auriferous." It was discovered that that land was auriferous, and we were proposing to spend a large sum of money in extending the Waimea Water-race, which covered these diggings. I suppose there were not less than eighty men there, and to have left out the Callaghan's diggings would have been a very serious blunder. Mr. Gordon made the recommendation, and, as I said when my first minute was made, it was written on the assumption that the matter was in order. I did not send or allow any Minister to send any recommendation to the Governor about these reserves unless we had the proper data.

663. There are questions in which recommendations were made by Mr. Gordon to hold over the Proclamation of certain reserves in the papers you are referring to?—Yes, Mines Record, 92/1101. Mr. Gordon's minute is as follows: In regard to the Proclamation of the Mining Reserves Nos. 79 and 80, these might be left in abeyance at the present time, and instead of those to proclaim Nos. 2, 3, 4, 88, and 89, all of which are required for mining purposes. There are a good deal of gold-workings on Blocks Nos. 2, 3, and 4, and therefore it would be advisable to have them proclaimed." That is to say, he took the reserves out of their order—for instance, Kumara and Callaghan's were actual workings, and, of course, they ought to have been reserved in their proper order. This recommendation shows that Mr. Gordon considered the places named to be actual workings, and that the reserves were not done for any other purpose, but that he took them in order of merit.

664. Was that also the principle upon which you acted?—Most decidedly. I never questioned Mr. Gordon's recommendations as to making reserves, but sent the authority on to the Governor. If he said take 89 first, or 50 first, or 100, I would never ask any questions, but believe that the matter was important as to which reserve should be first proclaimed.

665. You acted upon his recommendations as to the order in which the blocks should be reserved?—Yes. On the back of this minute you will find the following memorandum to Mr. Eliott, which has probably been passed over: "Please proclaim the blocks in same order as stated in letter, viz.: 2, 3, 4, 88, and 89. I certify that these blocks are all required for mining purposes, and for the purpose indicated and conducive thereto.—H. A. Gordon. 16/2/93."

666. Have you any others?—There is a letter from the Under-Secretary, dated 16/12/92, to Mr. Gordon: "Can you certify that these four blocks are likely, in your opinion, to prove auriferous, or required for mining purposes." They are the four blocks Mr. Gordon was asked his opinion on, and he replies: "Recommend that Blocks 88 and 89 be proclaimed mining reserves, as these are required for mining purposes." He left out two blocks, and he picked two and recommended them. That will explain better the order in which the reserves were made.

667. What is the next?—The next is in reference to the maps—Mines record, 92/301.

668. What do you wish to say about them?—I was in Greymouth, and a deputation waited upon me with reference to this matter. I sent a telegram, as follows: "*Re* mining reserves, Midland Railway. County authorities inform me that reserve, as gazetted the 21st April (33), overlaps other land previously reserved—in fact, takes half of same. Better send down, without delay, maps showing proposed reserves. 9/5/92." I then told them to make inquiries, and correct if found to overlap. They said, of course, all these overlap, and the area recommended was not obtained.

669. The next instance?—The next instance is Mines Paper 7870/221. This paper shows the schedule of land which, in the opinion of the responsible officers of the Buller and Inangahua districts, were considered necessary to be reserved. The matter was brought before me and explained by Mr. Gordon.

670. It was brought under your personal consideration?—Yes. Mr. Gordon said, "The plan of the mining reserves are now cut down to come within the 750,000 acres. We have marked the blocks with the original numbers, with the exception of the Maruia, Matakitaki, Mangles, and upper portion of the Buller River. In addition to the red numbers, there are small yellow figures, numbered from 1 consecutively, indicating the manner in which they should be proclaimed. The Hon. Minister of Mines wished to have reserves made up to the extent of 500,000 acres, leaving 250,000 acres as a stand-by in case of future developments." I minuted that letter, "Approved. Reserve accordingly at once." If you read that simply as though it applied to the whole of the list it would lead to an entirely erroneous conclusion, and nothing of the kind is intended. It would have to be governed by my previous instructions, and by what subsequently happened, and what was brought before the Public Accounts Committee. That map is in the records of that year, and was the map referred to. There has been prospecting on the Canterbury side of the ranges, and I believe that gold will be found there. These workings were entirely outside our present notices as to reserves. It was a new discovery; and if we had taken out the whole 750,000 acres, and developments of this kind

had occurred, we could not have made any more reserves. That land would have gone entirely for selection on behalf of the company.

671. Your idea was to leave a margin for the future?—Yes; for entirely new developments.

Mr. Cooper: The letter says you are leaving 250,000 acres "as a stand-by for future developments."

Witness: Now, the next case is on 91/593, Mines paper. These are papers showing the result of meetings at the different mining centres amongst the miners at the time when I said there was very strong feeling in existence. This is what I then said: "Inform that reserves will be proclaimed from time to time when approved. The area contemplated to be taken being about 250,000 acres." That was 15/8/91.

672. Who were these instructions to?—To the Under-Secretary of Mines. The next paper is 90/416.

673. What does that refer to?—It is Mr. Gordon's minute, giving particulars of the plans to be sent to the local bodies of Greymouth, Kumara, Ross, Stafford, Grey, and Hokitika. The maps were simply skeleton maps, and the instructions in 1892 were to send them to the local bodies for revision and indorsement.

674. What became of these maps? Were any of them sent back and kept?—Being a member of the Westland County Council, I also attended the conference of mining representatives. Each body sent a representative to this conference, and the maps were required for that purpose. We found that there was gold-mining land entirely outside the reserves and not shown on the maps, and they were not of much practical use to us.

675. Were they acted on?—I do not think they were sent back at all. We simply sent the general description.

676. Is that all you desire to say with reference to this file?—Yes. I would add that this file will show the effect of the changes make by Mr. Gordon in regard to taking the reserves out of their order. The file will show his examinations and recommendations, and the circumstances under which the recommendations were made.

[File of papers, Exhibit No. 161, put in.]

677. There are one or two other questions I should like to ask you. Were instructions given with reference to timber-cutting by the company to the rangers on the West Coast?—Yes. Instructions were given that proceedings were to be taken, and proceedings, in fact, were taken. But I had to step in and give authority for the men to be called upon to pay royalty. There is provision made under the Land Act to enable that to be done, and I said under the circumstances that the men had better be called upon to pay the royalty. I was very much surprised to hear—of course you cannot prevent people stealing—from one witness that a large number of sleepers had been shipped which had not paid royalty. The department would, of course, consider that they had paid royalty.

678. As far as you were concerned, you tried to prevent people tampering with the timber?—Yes, and we extended the area over which the rangers had control in the Grey Valley.

679. We understand that a good deal of the timber there is silver-pine?—Nearly the whole of the sleepers are of silver-pine, and the silver-pine grows away back in the pakihis and in the swampy lands. It is not serviceable as timber for mining purposes, such as blocks and boxes.

680. Why is that?—It is hard to cut, and would not last. We find in using the blocks in the tail-races that the softer woods last the longer. For caps, the silver-pine is never used, because it is too brittle; but there has been recently a development in its use for sleepers. It grows in the swamps, and its use does not militate against the interests of the company. Before I leave the timber question I wish to have it made clear that, from my own knowledge, both parties—the company and the Government had arranged, although not in writing, that the timber-cutting was not to be stopped; that is, the taking of the timber up the Grey Valley and other parts along below Acre Creek I heard from the evidence of Mr. Pavitt that something like 20,000,000ft. had been taken. In respect to that, I have to say that the company admitted the right to cut this timber by arrangement with people, for they had received over £400 from this source, and I think that would represent a royalty of about 3d.; and, in addition, there was a large amount of cutting which had gone on before, and on which royalties had never been paid at all, but it was with the company's knowledge. Again, at Acre Creek there is a Mr. Wilson cutting timber with the permission of the company. We at first stopped the cutting, but we were asked by the company to allow the cutting, because they had given a promise—that is, permission—with regard to this timber. Again, it is impossible, owing to the number of years that have passed, to say whether these trees were cut before or after the contract was made. You might make a rough calculation, but to say that such an amount was cut is impossible.

681. You can only say that the estimate given is largely in excess of the royalty?—Yes; and the company wished to establish the trade, and arranged for the shipments, because the timber had to be carried over their railways; and I say that, so far from the Government being accused of not taking sufficient care in preventing the cutting of the timber is incorrect, and as to cutting the timber the company was a party to it.

682. I think you wanted to give evidence as to the cable message which was sent in reference to the extension of time for the completion of the contract?—Yes. I was absent from Wellington at that time, and on my return I heard a rumour that an extension of time had been granted by the Premier. I think I heard about it from the Government Buildings. I went to Mr. Ballance and asked him a question about it, and his reply to me was, "Certainly not." An application had been made by Mr. Wilson, and he said that his reply was general, and that he had stated that a matter of this kind would have to be dealt with in Cabinet. It was owing to the information that I then received from him direct that I immediately corrected the impression which had been wrongly formed by Mr. Wilson. That would account for my letter to the company.

683. That letter was written after your interview with Mr. Ballance?—Yes.

684. And to allay misapprehension?—Yes.

685. Hon. E. BLAKE.] Mr. Ballance was very ill at that time?—Yes.

686. *Mr. Gully.*] Do you remember the date on which he died?—Yes; it was in the April following, but he was very ill at that time.

[Letter of 9th September, 1890, referring to the Brunner deviation, put in: Exhibit No. 162.]

687. This letter gives the terms of that deviation?—Yes, it gives the terms and conditions which the company themselves offered for the Brunner deviation, and which were submitted by me to the Premier, Sir Harry Atkinson, and which were subsequently embodied in the Bill then before the House.

688. After some trouble?—It was an offer made by Mr. Wilson to the Mayor of Kumara, and this is the telegram I received on the subject.

689. Hon. E. BLAKE.] You were an independent member of Parliament at that time?—Yes.

690. And were you writing to the Premier, indicating the conditions on which you would abstain from offering opposition to the Bill?—Yes.

691. These are the terms and conditions as far as they were made with the company?—Yes.

692. And these terms were made by you and the company when you were a member of Parliament, and were the conditions on which you would not offer opposition to the Bill?—Yes. I may say that it may be thought I was too exacting; but I wanted the terms to be put in the Bill. The company themselves submitted the Bill for the deviation, and there were certain amendments which I wanted made, and which Mr. Wilson had promised to the people I represented.

693. *Mr. Gully.*] Was there any substantial delay after the conditions were complied with, and which conditions they were bound to comply with under the statute?—None whatever.

694. Hon. E. BLAKE.] The terms are in the Act; and all the conditions as to the delay appear in the papers?—This telegram I got from the Mayor of Kumara. [Telegram referred to put in.]

695. *Mr. Cooper.*] First of all, in connection with the reserves themselves, I understand that your policy was to fix upon the series of blocks, and then to gazette them from time to time?—The whole thing was done systematically. There was such a diversity of opinion as regards the area. Some of the recommendations were that the whole country should be reserved.

696. I do not want to go into that detail because we have it all. I understand that what you say is that there would be recommendations for a number of blocks in reference to the system of blocks, and then that these recommendations would be carried into effect by *Gazette* notice from time to time afterwards?—I said that there was a diversity of opinion, as some of the County Councils wanted the whole side of the county reserved; and some of the mining associations wanted three times the amount that we gave, and some of the districts would have shut out the others. We had then to cut the reserves down, and only leave the actual amount required for present requirements. This went on from the time of the Hon. Mr. Richardson, as far back as 1889. Then Mr. Fergus came in, and information was gleaned during the time which enabled us to consider what plan should be observed. I came into the Ministry in 1891, just at the time when Mr. Fergus had absolutely refused a piece of land near Kumara to Messrs. Morris and Watson. I never made any reserves until 1891. I had been all this time getting information in order that I might make no mistakes. When we had that information, it was then left to Mr. Gordon, in order that he should recommend, as a matter of urgency, which reserves should be made.

697. Whatever he thought should be reserved?—Yes.

698. And then they were gazetted from time to time?—Yes. But a check was kept in the final *Gazette* notice. The Ministry had to send its recommendation to the Governor. If the Minister was in doubt as to any of the reserves not being in order when the recommendation was made to him he would stop the notice.

699. Hon. E. BLAKE.] Nothing was done as to the recommendation to the Governor until the Minister had decided?—Yes; that was the course followed. The company had had three years, from the time of the signing of the contract up to 1891, in which to move in the matter if they objected to the reserves.

Mr. Cooper: Well, they could not very well object to that. Notice was given to them of the reserves proposed to be taken, and they could have objected at once.

Witness: They had general information just as we had. They had not the details.

700. Well, they had special information from the Mines Office?—Yes.

701. Now, in submitting the advice to the Governor, would you submit the material upon which you advised the Governor, or did you simply say, "His Excellency is advised"?—Yes; simply sent the covering-sheet and the recommendation, or a copy of the *Gazette* notice.

702. There is just one reference you may be able to assist us in. In your examination by Sir Robert Stout you fixed the interview with Mr. Wilson as in March, 1891; are you quite sure it is not March or April, 1892?——

Hon. E. BLAKE: The record gives a great deal more information.

Mr. Cooper: These are the questions, Nos. 181 to 183:—

"*Sir R. Stout.*] When did Mr. Wilson make the statement that the company had come to the end of its finance?—Before I assumed office in 1891. He said they were at the end of their tether, and could not raise any further capital. I was asking him about the progress of the works at the time. There had been complaints from Springfield, and at Nelson, and he had to go over to Nelson to smooth the people there. As Minister for Public Works I asked him in 1891 the reason why the works were not going on, and then he admitted that the company were at the end of their tether financially. It is in the records. That was in the next year, in 1891, the work was not going on, and he then, as he admitted—it is in the reference—it is practically what he admitted to me in his answer to the Committee.

"Hon. E. BLAKE: That is in March, 1891."

"*Witness:* He said that they were at the end of their finance, and that they could not get the money. He had advice from London—one cannot tax one's memory, but it was in 1892, before the Committee, and you will find there his replies to the questions put by me. I will show you the replies."

"*Witness:* What Mr. Wilson said was that 'we would have to wait until March or April before we could attempt to raise any money, and we are going to try it.' Now, there were no mining reserves made at that time, and there was no complaint at all as to clause 33, I mean as to the timber."

"*Witness:* There is a point in regard to the Nelson end of the line that I think I should give evidence on behalf of the Government on: that is that, from the very first inception,—the condition of the expenditure of £60,000—Mr. Wilson has said from then till now, and has always said, that that line was an incubus, and that it was at the bottom of most of the trouble.

"Hon. E. BLAKE.] Do you refer to the statements in this letter, which mainly has to do with the absolute unprofitableness of the expenditure of the money on the small pieces, only there was a further extension there, or as to the view, of the main line?—It referred to the whole, from Reefton to Nelson—in fact, it was a bad bargain, it should never have been made, it was before its time, and was a condition that the company could not carry out. That was in 1891. He told me what he had been doing with the Nelson people, and the arrangement he tried to make with them. This question of the line from Nelson to Reefton is at the bottom of the trouble; they have never denied that."

703. *Mr. Cooper.*] The Hon. Mr. Blake asked a question as to March, 1891, and you replied that "the company were at the end of their finance, and could not get money," "one cannot tax one's memory," &c. I will show you the replies. Now, was that not within a few weeks of the completion of the line to Reefton?—No, I am positive. The question of the financial position of the company, and the outlay on the Springfield and Nelson works: that was early in 1891. I could not have said in the next year, because the works were going on.

Mr. Cooper: They were going on until 1892.

Witness: I say it was at the commencement——

704. *Mr. Cooper.*] I ask if it is not possible that you made a mistake?—No, because there are circumstances which fixed the affair in my mind, and they fixed it.

Hon. E. BLAKE: Mr. Seddon says it was before he took office.

Witness: Yes, when I was member for the district, and afterwards I became a Minister. I am positive the second interview took place shortly after I became a Minister.

705. *Mr. Cooper.*] Before March, 1892?—Oh, yes; that is before they talked about petitioning the House; they had arrived at that stage that I told Mr. Wilson that there was nothing for him to do but to petition the House.

706. You are quite sure it was in March, 1891?—I do not say in March.

707. Not the month but the year?—I say it was before I assumed office; shortly before that.

708. We are speaking of a conversation some years back?—Yes, but that matter has been kept very much alive. The papers will show that.

709. I suppose we may take it that the record in *Hansard* as to this subject of the Midland Railway is practically correct?—Yes, I do not make many corrections.

Mr. Cooper: Mr. Hutchison put in a paragraph on this subject—it is in page 808, Vol. 86 of *Hansard*, and the date is the 16th October, 1894, and the other reference is on page 858.

Hon. E. BLAKE: I will say, I suppose, that it is substantially correct; Mr. Seddon has had the opportunity of reading it lately.

Mr. Cooper: Yes, and the replies to the two matters. That Mining file, I think, contains all the papers.

Witness: I do not know whether there is a telegram from Mr. Wilson to me. There is a short telegram somewhere. Mr. Wilson applied to me to help him about the mining reserves. It is a short telegram, and is there somewhere, but I could not find it.

Hon. E. BLAKE: There is a telegram after you assumed office. I think it is the telegram in which he refers to what your predecessor had done, and he appealed to you. That is in the printed matter in the documents.

Witness: That is one of the incidents that fixes it in my mind, and the date of the other document.

Hon. E. BLAKE: Is it about the time of the conversation with you as to their coming to the end of their tether.

Witness: That is one thing which fixes it in my mind.

Hon. E. BLAKE: Mr. Cooper has asked if this file contains all the documents in relation to it?

Witness: In looking through the file I missed it; I was looking for it; I am very positive about the fact, because, of course, it was the time he fixed for going to the London market. He spoke of the shooting season; it was in March or April; they would not have had long to wait before they would go to the London market, because I came into office after, and he spoke of the proper time for going to the market. They failed again next year. If I was in doubt I would give them the benefit of the doubt. The other day I did that, and afterwards asked Mr. Wilson about the matter of the surveys and the Abt system, and he told me I was right. There had been a slip and a survey, and I was in doubt, and gave them the benefit of that doubt. I was right, but I did not alter the evidence.

Mr. Cooper: This is in reference to clause 33: "We hope and count on your assistance."

Witness: That is not the one. It is about mining. I think it was more like a friendly private telegram. Probably it would not have got on the file at all. It was about the mining reserves.

THOMAS RONAYNE sworn and examined.

710. *Mr. Stringer.*] You are General Manager of the New Zealand Government Railways?—Yes.

711. I think you have made an estimate of the probable traffic from the completed line of the Midland Railway, and also of the expenditure on that line?

Hon. E. BLAKE: Capital or working-expenses?

Mr. Stringer: Working expenditure. I was going to give him a printed copy of the report.

Witness: This [holding it up] is the report.

Hon. E. BLAKE: Is it correct?

Witness: Yes; to the best of my knowledge.

712. *Mr. Stringer.*] Of course, the estimate of traffic is largely speculative?—Necessarily so. I speak from the information at our disposal and from my own local knowledge.

713. With regard to the expenditure, which you put down at £69,459, how do you arrive at that basis? Have you any means of comparison which enabled you to form that estimate?—We can take it in order of the various departments affected. There is maintenance, £34,140; locomotive, £23,819; traffic, £9,000; management, £2,500: making a total expenditure of £69,459 6s. That is for both sections.

714. Hon. E. BLAKE.] That is for the completed lines?—Yes.

715. *Mr. Stringer.*] With regard to that, are you on fairly certain ground?—Certainly. It is based on the experience which we have gained in working the New Zealand railways.

716. And you feel satisfied that the expenditure on this line would reach that amount?—I am confident it would. In fact, the estimate of expenditure is a very moderate one.

717. You have yourself local knowledge of the district?—I resided on the West Coast for about thirteen years. I have crossed the country from Greymouth to Christchurch several times. I also know the district beween Westport and Reefton; and the country between the Inangahua Junction and Belgrove has been described to me by the late Chief Surveyor, Mr. McKerrow.

718. Is there, in your opinion, any hope at all of the Nelson–Belgrove end paying working-expenses?—It is perfectly hopeless. It cannot possibly do so.

719. Of course, you have regard to the fact that the company is bound to run a train right through each day?—Yes.

720. Mr. Wilson, in the estimate which he has put in as to the Stillwater to Belgrove and other lines, has allowed 55 per cent. for working-expenses. Is that, in your opinion, a sufficient amount to allow?—My estimate of revenue on that line is £19,797, and the estimated expenditure to run that line is £30,000: so that there is a deficit of over £11,000. That is why I say it is utterly hopeless to think for a moment that the line can pay working-expenses.

721. Assuming, as Mr. Wilson has put it in the estimate, that there were gross receipts amounting to £36,000, what do you think would be a fair percentage to allow for working-expenses?—Between 65 per cent. and 70 per cent. of that amount. Taking into consideration the lines down South, about 70 per cent. would be a fair thing.

722. You speak now from knowledge gained by the experience of other lines?—Yes; and from the returns which we have at our disposal—the actual result of working.

723. Would that percentage apply to the East and West line?—I should say between 65 and 70 per cent. With a very large traffic, of course, it would decrease naturally.

724. Hon. E. BLAKE.] You say between 65 and 70 per cent. would apply to your calculation of the east and west line?—I was speaking of the Belgrove to Springfield line.

725. You said the same would apply to the East and West?—70 per cent. East and West line, and 65 per cent. Belgrove–Stillwater. Of course, I have already said, that is assuming there will be the same margin over the expenditure.

726. How do you mean?—I have stated already that, as to Belgrove to Stillwater, there will be an actual loss on it.

727. *Mr. Stringer.*] I am putting it on the assumption that Mr. Wilson is right when he estimates that he will receive £36,000 gross?—Put it down at 65 per cent.

728. I see that Mr. Wilson, in his estimate of traffic, has assumed that the gross takings will increase 5 per cent. each year: do you think that is a fair estimate?—I think that is highly problematical. It is not our experience on the New Zealand railways. Although we have increased our mileage our receipts have practically been stationary; in fact, they have gone back rather than increased. I think it is rather risky.

729. Hon. E. BLAKE.] The gross has gone back?—Yes.

730. Have they been cutting rates?—Not materially. Of course, the revenue fluctuates with the seasons. A good harvest makes a difference.

731. *Mr. Stringer.*] You think that is too hopeful, to think that it will increase 5 per cent?—I think so. The question of competition with the sea has to be borne in mind. That will be very keen.

732. And you have mentioned in your report that there are some elements which render the East to West Coast line more expensive to work relatively to the other line?—In mentioning 70 per cent. I had in my mind the cost of working the Wellington Section, which has a difficult incline—the Rimutaka—1 in 15, some two miles and a half long. The working expenses are about 65 per cent. I compare that with the line which it is proposed to build. There you have eight miles and three-quarters, with a grade of 1 in 15, as against two miles and a half, or thereabouts, on the Wellington–Eketahuna Section. On the Wellington–Eketahuna Section we have several grades of 1 in 50 and 1 in 35, and so on. Taking the line as a whole, there will be the same difficulty between Springfield and Stillwater. I think it would be only fair to put an additional 5 per cent. on to the cost of the working of that line. Taking the receipts per mile of railway as being the same for both railways.

733. Is there danger of slips in that portion?—Naturally, the country is very liable to heavy slips. It is slatey country, and it is also liable to damage by floods. The line runs alongside the river for a considerable distance, and we know how the rivers shift about in New Zealand. In these gorges they are subject to heavy floods.

734. Hon. E. BLAKE.] Are the severe heavy grades concentrated, or are they scattered over the line—the eight miles of heavy grades?—There is a practically continuous incline up one side of 1 in 15 for six miles and three-quarters; then there is about a quarter of a mile of flat at the top, and then you go down 1 in 15 on the other side. Then there are a series of 1 in 50, and so on, but we do not consider these.

735. But the 1 in 15 is all together?—No; not all together. It is altogether in the rising grade. You go up the rising grade, and then there is a piece of flat at the top. Then you go down. It would necessitate turning the engines, because the engines which went up would have to be turned round; you could not take them down the other side without turning, because of the water in the boiler over the fire-box.

736. This is not the result of your own individual calculations and estimates?—No. My figures have been thoroughly revised and checked by the Chief Engineer for Working Railways, Mr. Lowe; by the Locomotive Superintendent, Mr. Rotheram, and by the Assistant General Manager, Mr. Hudson.

[The following exhibits were put in: No. 164, copy of Mr. Wilson's letter to the *Nelson Colonist*, dated 29th March, 1890; No. 165, certificate of Mr. Gray, dated 17th December, 1895, *re* subsidy paid for the Bellgrove–Reefton mail-service; No. 166, *Gazettes* of 16th December, 1886, and 24th June, 1894, showing that the West Coast is a mining district under the Mining Act; No. 167, Proclamation of Westland as a mining district; No. 168, statement furnished by the company at the request of the Crown, showing the amounts paid to the Commissioner of Taxes.

The Court rose at 4.15 p.m.

WEDNESDAY, 18TH DECEMBER, 1895.

THOMAS RONAYNE recalled.

[Exhibit No. 169 put in.]

1. Hon. E. BLAKE.] These are the details upon which your report is based?—Yes.

2. *Mr. Cooper.*] At the commencement of your report you refer to a memorandum received. Have you a copy of that memorandum? I should like to know what the basis of your instructions was. [Exhibit No. 170 put in, and read by Mr. Cooper as follows:—]

"Public Works Department, Wellington, 14th December, 1895.

"Memorandum for the General Manager of Railways.

"Re *Midland Railway Arbitration Proceedings.*

"REFERRING to my conversation with Mr. Hudson this morning, I have now the honour, by direction of the Premier, to request that you will kindly go carefully into the question of the probable financial results of the working of traffic on the Midland Railway if completed, and be prepared to give evidence on Monday next if practicable. I send herewith parliamentary paper, I.–7A, of 1892, on pages 141 to 153 of which you will find the evidence given by Messrs. McKerrow and Maxwell, before the Parliamentary Committee of that year; also, on pages 177 to 183 of same paper, some remarks by the same gentleman on statements prepared by Mr Gordon and myself; and on page 93 of the Appendix, a statement by Mr. McKerrow *re* probable traffic. On pages 41–43 of the appendix to same paper you will also find a report by Mr. O'Connor on the traffic prospects of the line, and on pages 66–70, some figures by Mr. Wilson on the probable results (from a traffic point of view) of the substitution of an incline line for a tunnel line at Arthur's Pass.

"From parliamentary paper D.–4, of 1892, you will obtain particulars of the company's estimate of the probable traffic. I am unable to send you a copy of this paper, as it is out of print; but it can be found in the volume of Appendices for the year, of course.

"You will notice that nearly all the above statements and estimates refer only to the portion of the company's railway between Brunnerton and Springfield; but the line between Brunnerton and Belgrove is equally a part of the company's contract, and if the undertaking had been completed would have had to be worked in conjunction with the other portion. The Premier therefore wishes you to kindly report on the probable results of working both portions.

"The map attached to parliamentary paper I.–8, of 1894, enclosed herewith, shows both lines of the company's railway, and the reference table given thereon mentions the mileages. In case it might be of interest to you in this connection, I also enclose file of papers, P.W. 95/3114, showing the length of time the coach-road between Arthur's Pass and Porter's Pass has been blocked for traffic during recent years. The Midland Railway, however, does not go over Porter's Pass, but keeps in the valley of the Waimakariri and adjoining gullies all the way from Bealey to the Kowhai.

"H. J. H. BLOW, Under-Secretary.

"P.S.—The Premier would be glad if you would kindly prepare a written report on the subject for his own and the Government counsels' information, in addition to being prepared to give evidence in Court."

3. *Mr. Cooper.*] Just a question or two as to your experience, Mr. Ronayne. How long have you been General Manager of the New Zealand Railways?—Since January, 1895.

4. And prior to that you were one of the Commissioners for a short time?—Yes.

5. For how long?—About twelve months, subject to correction.

6. And prior to that?—I was Traffic Manager and District Manager on the Greymouth–Brunner Railway for three years. I was Locomotive Superintendent and Engineer of the Hurunui–Bluff Railway for some three years previous to that; and previous to that I was one or two years Loco-

motive Resident Engineer on the Wellington Section, and had charge of the Rimutaka Incline. Before that again, going back to 1876, I was for ten years in charge of the Greymouth Section, being there at the beginning of the coal trade.

7. Do you mean as Engineer?—I was in full charge. I was District Manager, and had charge of the Maintenance, Locomotive, and Traffic Departments. I exercised the functions generally of Locomotive Engineer, Civil Engineer, and Traffic Manager all rolled in one. Previous to that I was in charge of the Kaipara Railway.

8. When did you join the service?—In 1875. I have been twenty years in the service altogether.

9. What was the length of the line that you had charge of as traffic manager?—Eight miles.

10. Hon. E. BLAKE.] Is that the Greymouth–Brunner Section?—Yes.

11. *Mr. Cooper.*] Is that the same line that you were the Pooh-Bah of—if I may say so?—Yes.

12. In arriving at your results, as stated in your report, did you peruse the Midland Railway contract?—No.

13. Did you consider the scale of charges on the Wellington–Masterton line?—Yes. A comparison, generally speaking, was made with the Wellington-Masterton line.

14. Did you get materials for your reports from any of the traffic returns, or make any inquiry into the traffic returns, of the Midland Railway Company for the period prior to the Government taking charge of the railway?—We took six four-weekly periods.

15. Can you tell us what six four-weekly periods they were?—They were recent ones, comparatively.

16. Periods before the time the company were managing the line?—No; it would be subsequent. They were during the time the Government was managing. You might say after the seizure.

15. You did not make any investigation as to the results before?—No; we had no means of doing so.

18. Did you go into the question of the settlements that the company made with the Government during the period they had charge of the line? They made four-weekly settlements?—We did not consider that point.

19. Taking the first item on the estimated traffic receipts (passengers), I see you assess the fare at 14s.—2,000 east and west?—That is so.

20. First of all you take one first-class single, one second-class single, half a first return, and half a second return. You add them all together, and divide the total by four to get your 14s.?—That is so.

21. What have you assessed as the price of the first single?—Ninety-six miles, first, single, would be 20s. That is our scale, and it is subject to an extra 25 per cent. Second single is 13s. 4d.; first return, 26s. 8d.; and second return, 17s. 9d.

22. In order to arrive at your estimate, you took the first half-return—that is 13s. 1d., the whole of the first single, the whole of the second single, and half the second return; you added these items together, making £2 15s. 7d., and divided it by four, and you arrived at the result of 14s.?—Yes.

23. Did you consider that was the true basis to go on?—We considered it a fair basis, especially as we allowed the same number of first-class as of second-class fares.

24. Let me put it to you in this way: First of all you have not considered the contract. Do you know that under the contract the company take the scale of fares on the Wellington–Masterton Railway?—Yes.

25. I think the scale of fares on the Wellington–Masterton Railway differs, does it not, from the scale of fares in operation on other portions of the New Zealand railway-system?—It has a load of five miles on account of the incline.

26. It makes the passenger-fares higher, does it not?—Certainly.

27. You have not considered that at all, have you?—We did not add the increased cost of the Wellington–Masterton fares to begin with.

28. Taking the Wellington–Masterton scale, would you not, in order to arrive at the scale of fares, have to make the mileage 106 miles instead of ninety-six miles?—Yes.

29. Will you tell me now what the first-class fare on 106 miles is?—22s. 1d.; second single, 14s. 9d.; first return, 29s. 5d.; and second return, 19s. 8d.

30. Leaving the 25 per cent. out of the estimate—on the Wellington-Masterton basis—what ought the first item to come to?—15s. 4d.

31. *Mr. Cooper.*] Your Honour will see that according to the scale of fares on the Wellington-Masterton line, irrespective altogether of any other feature, the fare on the company's line should be 15s. 4d., instead of 14s.?

Hon. E. BLAKE: Yes. Will you please read the provision.

Mr. Cooper: The provision is as follows: "All by-laws and regulations made under the principal Act or any other Act for the conduct of traffic on the said railway, and for the working and management thereof, shall from time to time be subject to approval by the Governor; and, subject thereto, the maximum tolls, fares, rates, and rents to be charged by the company for the carriage upon the said railway of passengers, produce, animals, goods, merchandise, articles, matters and things, and for the storage of goods in any of the company's sheds or warehouses, shall not exceed the scale for the time being in force upon the Wellington to Masterton Railway, with twenty-five per centum added thereto."

32. *Mr. Cooper.*] According to the contract we would be entitled to charge 19s. 4d. for passengers—viz., 15s. 4d., with 25 per cent. added; and would not that make on the gross

amount, on the one item alone, a difference of £508 6s. 8d., and on the next item a difference of the same amount?—Yes.

33. Taking that list again—eight thousand at 2s. 2d., fifteen miles, Brunnerton to Springfield—have you considered the 25 per cent. in making that calculation?—That item has been worked out on exactly the same basis, *minus* the 25 per cent.

34. Therefore, adding the 25 per cent. under the contract, that brings the 2s. 2d. to 2s. 9d.?—Yes.

35. I make the proper figures to be—and I think you will find the calculation to be absolutely correct—if calculated on the basis of the contract, £12,374 16s. 4d., instead of £9,823. And therefore there is a difference in favour of the company on the first item of £2,500—that is, if you take your contract; is that not so, Mr. Ronayne?—If you take your basis.

36. Is not that the basis we ought to go on?—No answer.

Mr. Stringer: I hope the Court will not draw any conclusions from this estimate of traffic; it is purely speculative.

Hon. E. BLAKE: We do draw conclusions from it.

Mr. Cooper: I have taken Mr. Ronayne's own figures as the basis for calculation. I have estimated that we shall not carry a single passenger more, or a single ton of goods more, or a single foot of timber more, and working out on that percentage, and taking the proper rates as provided by the contract, there is a difference in favour of the company of £20,806.

Hon. E. BLAKE: Subject to this observation—that if there is any way competitive traffic your maximum fare may mean a possible fare.

Mr. Cooper: We have taken the contract rates.

37. *Mr. Cooper.*] It would not take you very long to see if my calculations are correct; I have taken your own figures and not added to a single one?—So far as the passengers are concerned we are quite willing to admit that you would be entitled to 25 per cent.; but public opinion——

38. Hon. E. BLAKE.] We are just dealing with the maximum at present. What is the maximum rate the company were entitled to charge by the contract?—The maximum for passengers would be £12,374 16s. 4d.

39. *Mr. Cooper.*] Instead of £2,551 16s. 4d.?—By that working.

40. Why have you charged 30s. per ton for that 3,000 tons of merchandise? You have to take 106 miles, bear in mind?—For 106 miles the rates vary. Class A is 50s. 10d. per ton; Class B, 42s. 6d.; Class C, 34s. 4d.; Class D, 27s. 3d. There was a general average struck on those lines.

41. I wanted to know how you arrive at the 30s.?—You strike the average in that way. I could not tell you without having my papers.

42. Hon. E. BLAKE: What basis did you go on—did you take those classes?—The classes were considered—A, B, C, and D.

43. And did you take the maximum scale in the table?—Yes.

44. And you considered how many tons you would assume, and added the gross of those four classes together?—Yes.

45. Then, it is quite clear that upon that basis that what they would be entitled to would be 25 per cent. more?—Yes.

46. You went on the same principle down to the merchandise heading?—Yes.

47. *Mr. Cooper:* And you only took the ninety-six miles?—Yes.

48. Our line is 106 miles with the incline. Can you tell us what difference that would make? I am dealing now with your own basis when you lumped the thing together and made an average? According to the contract, you would have to add 25 per cent.

49. Hon. E. BLAKE: On the through freight you have calculated on the ninety-six miles. Supposing 30s. was the correct rate for ninety-six miles, you have to consider what it would be for 106 miles. What would be your rate?—It would be increased in proportion.

Mr. Cooper: Of course it would.

50. Hon. E. BLAKE.] Have you got the scale at ninety-six miles?—Yes.

51. What would it be for 106 miles?—I should say, roughly speaking, it would be one-tenth added.

Hon. E. BLAKE.] That would be a tenth in your favour?

52. *Mr. Cooper.*] Yes, a tenth in our favour. It would be an addition of 11s. 3d. on 3,000 tons, East and West and West and East. That is about £1,600 on that item?—Yes, that would be the maximum rate for the first two items.

Mr. Cooper: We have to take 3,000 tons at £1 10s. and 3,000 tons at 11s. 3d. I have worked it out to £2 7s. 4d. We cannot arrive actually at the basis of Mr. Ronayne's estimate unless we know the amount of the goods.

Hon. E. BLAKE: Assuming his data, you add a tenth first, and 11s. 3d. on 3,000 tons.

Mr. Cooper: That would be 11s. 3d. on 3,000 tons. It would be £1,687 10s. for the first two items.

Hon. E. BLAKE: Then, the remaining items, £3,415, 25 per cent. will be the simple thing added to that for the remaining three items.

53. *Mr. Cooper.*] You would have to make that £1 10s. read £1 13s. in the third item to go over the incline?—Yes.

54. So that you would still have to take 11s. 3d.?—I would not take it on the third.

Hon. E. BLAKE: You would take it on any but the first two; in passengers, you get £7,000 and make 25 per cent. on that, or £1,750. You take this basis in all cases. Then, you have coal.

Mr. Cooper: £3,437 10s. ought to be added to Mr. Ronayne's estimate of merchandise.

55. *Mr. Cooper.*] Why have you taken 8s.? Is not 8s. 2d. the proper rate; you must take the 106 miles?—It is the same for 105 miles, 8s. 2d.; 106 is 8s. 2d. also.

56. That makes a difference of 2d., which makes £416. Now, we will take the agricultural

produce. It is class E, so that therefore we have a rate for it. 106 miles is 11s 3d., is it not?—It is 11s. 10d.

57. And 25 per cent. of that would be 2s. 11d., is not that so?—Yes.

58. And the item should be 14s. 9d. instead of 10s.?—Yes.

59. And the difference would be £2,375?—Yes.

60. Now, the 4,000 tons of agricultural produce that you allowed 8s. for, there ought to be 25 per cent. added to that?—Yes; but it is not being charged at the present time.

Mr. Cooper: I am dealing with the contract.

Hon. BLAKE: And so on the Brunner–Belgrove line these two items may be taken at an addition of 25 per cent.

61. *Mr. Cooper.*] That will make £650, I think. That would make a gross difference in the agricultural produce of £3,025. Now the timber, Mr. Ronayne?—The timber is estimated at 2s. per 100ft.

62. What is the tariff rate?—For 106 miles.

63. You have estimated it at so much a ton in this?—It is equivalent to that.

64. How many hundred feet in the ton according to the classing?—It varies—400ft. to 500ft.

65. Hon. E. BLAKE.] What do you take?—We take 500ft. to the ton, 500 is our average for white-pine.

66. *Mr. Cooper.*] You say you assessed it at 2s. per 100?—Yes.

67. And the mileage?—The same mileage.

Hon. E. BLAKE: But there is the East and West Coast, and they are not distinct.

68. *Mr. Cooper.*] I should like to see how you distinguish them if we want a basis of your figures. How much have you allowed?—The bulk of it is allowed to go as "through."

69. Hon. E. BLAKE.] Do you mean eight, nine, and ten out of twelve?—9s. 10d. it ought to be, speaking generally.

70. Hon. E. BLAKE: But I mean in your agricultural produce, what do you allow for through and what for local?—We did not get the local out separately.

71. You allowed it all "through"?—It is a moot question as to whether there would be any local.

72. *Mr. Cooper.*] We will take it all as "through." Turn up 106 miles, what is it for 100ft.?—Class K: 106 miles, 3s. 6d., and 25 per cent. on to that.

Mr. Cooper: That is about 11d.

Hon. E. BLAKE: Five times the 3s. 3d. equals 16s. 3d., and put 25 per cent. on to that.

Witness: £1 0s. 4d.

Hon. E. BLAKE: You see you want to make a great profit out of your timber carrying.

73. *Mr. Cooper:* That would double it, £6,000. Take wool, we take one-fourth more than that, you have not considered the 25 per cent. in the wool?—It has been ignored.

Hon. E. BLAKE: That is in the whole?

74. *Mr. Cooper.*] We say we are entitled to one-fourth more of the wool. Now the cattle estimate?—That is, through traffic, 106 miles, Class M, that is £2 11s. 6d.

75. Hon. E. BLAKE: That is, 3s. 6d., and 25 per cent.?—12s. 10d. It would be £3 4s. 4d.

76. *Mr. Cooper.*] I have made it £3 4s. 1d.: that makes a difference in the cattle, does it not, of £876 13s. 4d. Then, "Miscellaneous": on what basis have you calculated the miscellaneous receipts?—Well, it was taken in a general way, as rent and so on.

77. Are you aware that up to the time the Government seized the line the Government were actually paying us £500 a year as a subsidy for carrying mails?—I knew the Government were paying a certain amount.

78. Did you take it into calculation?—It will not appear. It appears with the "parcels and luggage."

79. Do you tell us as a fact that you have included the Government subsidy in that account?—We have arrived at it in a different way—"season tickets, &c.,"—we take one-tenth of the season tickets.

Mr. Stringer: It is in the "parcels and luggage" returns.

Mr. Cooper: It appears in the fourth line of that estimate.

80. Hon. E. BLAKE.] You have got it here in your report. On Government railways do they make a cross entry for the mail services?—Yes; we get credit for the carriage of mails.

81. *Mr. Cooper.*] Are you aware that there is a subsidy of £500 a year for carrying mails on this section of the Midland Railway?—I was not aware you were getting so much.

82. Hon. E. BLAKE.] The basis of the calculation is what the Government are charging for that service?—We did not take the question of subsidy into special consideration. We knew the company were receiving a subsidy.

83. *Mr. Cooper.*] Dealing with your figures on the basis that you have taken, and on the basis of the contract, and giving you the benefit of the question of mails, would not the difference be in favour of the company £16,688?—According to the contract it would be so.

84. Hon. E. BLAKE.] The maximum charges would be increased by nearly £17,000?—Yes.

85. *Mr. Cooper.*] Will you give me a little information as to how you arrive at the £1 10s. on merchandise?—The £1 10s. was arrived at in this way: As to the estimate which we have of the traffic receipts on these lines, we estimated the figures at such rates as would secure the traffic. I contend that if the railway were to charge the rates which they are entitled to do according to the contract, they would have no traffic on the railway.

86. You said in arriving at the £1 10s. you had taken the tariff rates on certain classes, and averaged them?—On the general average.

87. Did you add the four classes together and divide them by four?—I fixed £1 10s. as the rate which might be considered fair to secure the traffic. Any rate in excess of that would mean a loss; the competition with the sea would not enable the traffic to be secured.

88. You cannot give me any further information than that; what the quantities were, and the class of goods?—Not without reference to the papers, which I have not here.

89. Hon. E. BLAKE.] You say you fixed these as the highest rates that could be secured, having in view the competition of the sea?—That is so.

90. *Mr. Cooper.*] You cannot give us the data upon which you base that?—I can put in statements showing how it was arrived at.

91. Do you on the Government railways adhere to the tariff rates or not?—No, we have competitive rating. Take the rates between Oamaru and Dunedin, where we have competition with the sea; the rates there have been very materially reduced; they are less than half.

92. There you have sea competition side by side with the railway?—Yes.

93. Assuming that this line is opened, what would be the competition between the railway and the sea?—You have steamers running from Timaru direct to Greymouth, and they take coal from Greymouth to Timaru.

94. We are not dealing with coal, because we agree upon the rates for coal, with the exception of 2d.?—These steamers are running back from Timaru to Greymouth light or empty, and sailing-vessels also go back in the same way, after taking timber to Timaru and Dunedin; and they take merchandise and agricultural produce back at nominal rates. I have known merchandise and agricultural produce to be landed on the wharf at Greymouth—I think, as well as my memory serves me, from Lyttelton and Timaru, and even Dunedin, at as low as 5s. a ton. In view of this competition, I think I was quite justified in this estimate.

95. But you have allowed in this estimate for the carrying of coal by the railway: would not that destroy the sea trade? There would be no steamers then to come for the coal?—There are only 80,000 tons of native coal imported into Lyttelton at the present time. We assume that the railway will take 50,000 tons of that, and I also state that it is rather a moot question whether the railway can secure this coal, coming into competition with the sea. The steamers are bound to reduce their rates.

96. You have assumed that the railway will carry very nearly two-thirds of the total out-put of coal.. What is the total output of coal?—From the Brunner mines last year, roughly speaking, it was 200,000 tons.

97. You assume, then, that the railway will carry two-thirds of the total import into Lyttelton?—That is, taking it on the most favourable basis.

98. Would not that reduce the carrying trade by sea between Lyttelton and Greymouth very materially—the carriage of this large quantity of coal by rail?—It would have a tendency in that direction.

99. You say there are about 80,000 tons carried from Greymouth to Lyttelton yearly?—I do not say that. There are the Westport and other mines to be considered. It does not all come from Greymouth. I mentioned that in my report.

100. Have you got any calculation as to the quantity of goods which would be carried by sea?—No.

Hon. E. BLAKE: I think it must be highly conjectural in any way.

103. *Mr. Cooper.*] Is not the whole of your estimate highly conjectural, from first to last?—No; I have estimated upon what I consider would be a reasonable chance of getting that traffic with the rates which I have quoted, and I do not consider that the traffic could be secured upon the higher rates which the company are entitled to charge in accordance with the contract.

104. Just deal again with these figures. On what basis have you computed in your 4,000 passengers carried—2,000 each way?—That has been worked out on the basis of the coach traffic—a very liberal basis too.

105. Is not the coach traffic prohibitory?—No.

106. What are the fares for the coach traffic?—I have known it £5 return.

107. I understand they are £5 return at the present time?—There are two coaches on the road at the present time, I believe, and £1 will be about the fare.

108. I understand that you have not allowed more than the present traffic carried by coach in estimating that 2,000?—Yes.

109. Hon. E. BLAKE.] He said it was a liberal basis. I suppose you meant something was added to it?—Yes.

110. *Mr. Cooper.*] Tell us what your estimate of the coach traffic is at the present time, east to west?—There are two coaches travelling each way, and I think we allowed fifty a week.

111. That is, 2,500?—Something like that.

112. You have only put down 2,000 here?—I am speaking from memory.

113. Do I understand you to say there are fifty people travelling each way by the coach in the week?—Coaches frequently travel there without a single passenger.

114. I think it is only fair we should get some indication of the basis on which you calculate the 2,000?—The same thing applies to the £1 10s. I have explained that to you.

115. What do you base the local traffic on—8,000 from Brunner to Springfield, average journey of 15 miles? You have had the same basis, I suppose, to work upon?—We have taken 15 miles. That will be between Brunner and Jackson's.

116. Upon what foundation do you say you carry 8,000 passengers in twelve months?—It is purely approximate.

117. Upon what material did you base it?—I have assumed that would be the probable number.

118. You have assumed upon what?—Upon the population, and knowing how the district is settled, and the number of sawmills there?—I considered that would be the probable number. We have no definite figures.

119. In reference to that 8,000, you have no definite figures to work upon?—No.

120. Take the 10,000 "local" between Brunner and Reefton. You have told us you made no inquiry into the traffic of the company for the year ending 1894?—That is so; we took six months.

121. Are you aware that, during the year 1894, there were 30,000 passengers carried between Brunner and Reefton?—I could not verify that.

122. Would you be surprised to hear that was the case—that there were 30,000 "local" passengers carried, instead of 10,000, as you have put it?—It might be so. You will understand, of course, that the average journey, fifteen miles, is a short-distance one: it is not a through journey.

123. It is local, between Brunner and Reefton?—That is fifteen miles. A man might get on at Ahaura, and go fifteen miles. There are not so many passengers who will go right through. That number will be considerably smaller.

124. I am dealing with the local traffic. During the year we were running the line, the number of passengers actually amounted to 30,000, instead of 10,000?——

125. On what basis, Mr. Ronayne, have you arrived at the quantity of tonnage of merchandise?—I have taken it that would be the maximum amount of what you may call merchandise that would go across.

126. I want to know the basis you have gone on. Have you had any basis to work upon?—It is an approximate estimate.

127. Without a basis?—There is no actual basis for it.

128. You have given us some basis for your coal. On what basis have you calculated your timber?—I have taken it at what I considered would be the maximum amount.

129. I want to know why?—With the railway opened, and running up to the bush—that is, assuming the railway was completed.

129A. I want to know why you have arrived at 6,000,000ft.?—From the competition. A certain amount of timber would still go from Greymouth by sea.

130. Have you made any calculation of the amount of timber that would be cut if the whole system of railway was opened?—No; I have not. It all depends upon the state of the market, on what the demand will be for timber.

131. Have you made any inquiry as to the quantity of timber that was carried by the company during the last twelve months before the Government took possession? How much timber did you find carried by the company, even on the unfinished portion of the line, during the eleven months of the year they were running, commencing June, 1894, until you took possession?—I cannot tell you definitely, but I may say a large amount of that timber never went to Lyttelton. It was exported to Melbourne, and also to the Cape. It did not go to Lyttelton; it would never have crossed the line.

132. I want to know whether you had any basis for that 6,000,000ft.?—I did not think there could be any increase.

133. Did you make any inquiry, or direct your mind to that at all?—I directed my mind to it certainly, but made no inquiry.

134. Did you direct your mind, or make any inquiry as to the quantity of timber now being cut?—I did not take the figures out.

135. Or into consideration?—If you did not take the figures out, you could not have considered them?—I estimated there would be 6,000,000ft.

136. You just put it down as a rough and ready figure?—Scarcely that. It was not put down without consideration.

137. I want to know on what material you considered this 6,000,000ft., because we estimate it would be a very much larger quantity, indeed—at least, twice that quantity?—I know you do.

138. Why have we not the same right to estimate it at twice the quantity as you have to estimate it at 6,000,000ft.?—You could do so; but it is my opinion you would not carry it.

139. I want to know the foundation for your opinion. Your opinion may be a good opinion, but it depends upon the material on which you formed it?—The question of demand and supply comes in.

140. Did you take that into consideration?—I did not ascertain what timber was going into the market.

141. You made no inquiry as to the timber going into the market, as to the likelihood of increase, as to the probable timber to be carried, or the probable quantity that remains to be cut?—No; I made no inquiry as to the probable timber remaining to be cut.

142. I think we may class it as a theoretical estimate?—It is highly problematical, as estimates must be,

143. You made no inquiry as to the actual timber that was carried during the time the company was carrying on its operations?—No.

144. I will deal with the question of expenditure: have you ever been over the unfinished portion of the proposed line?—From Springfield to Jackson's?

145. Yes?—As far as the coach road. In no other way have I seen it. I have examined the plans.

146. You tell us, in reference to the expenditure, that the line is shifty. I think you said it was on a shifty basis?—Portions of it.

147. Are you aware that those portions have been resurveyed, and that the line is on a solid basis, or was to have been constructed on a solid basis: did you take that into consideration?—It is impossible to construct the line on a solid basis, taking into consideration the country that line travels through.

148. Have you examined it?—So far as the coach road goes.

149. Is it any worse country than where the Wellington–Manawatu line travels through?—I should say so.

150. In your opinion, it is ?—Yes.
151. I mean for slips ?—Yes.
152. Or the Wellington–Masterton ?—Yes; worse than the Wellington–Masterton.
153. Did you make any inquiry as to the cost per mile of the Wellington–Manawatu line ?—No.
154. On what did you base your estimate, then, of the cost per mile of maintenance ?—I estimated £150 per mile on the east to west line, and £140 on the north to south line.
155. That is, you considered the east to west would be a more difficult line to maintain than the portion which has not been constructed at all ?—Certainly; there is no 1 in 15 on the north and south.
156. Can you give us any data on which you base that £150 per mile ?—We base it on twenty years' experience.
157. Are you not aware that the cost of maintenance on the Wellington–Manawatu line is only £94 per mile ?—I was not aware of the amount.
158. Have you taken the average of a number of years in arriving at that estimate of £150 ?—There is no perceptible decrease in the cost of the maintenance of the New Zealand railways. Our experience has been that to maintain a new line practically costs as much as it does a line twenty years old, because when a line is constructed the cuttings are new, the banks are new, and slips continue. There is also the subsidence of the banks.
159. Does it not all depend on the workmanship in the construction ?—Not in all cases.
160. On the Wellington-Manawatu line, for the years 1888 and 1889—two years after it was opened—the cost of the maintenance of eighty-four miles was £6,593 10s. 8d., which, divided by eighty-four miles, gives something like £91 per mile ?—Our experience is nothing like so favourable. I might say I consulted the Chief Engineer of Working Railways with regard to these items, and he expressed an opinion to me, and I was largely guided by same.
161. You based your estimate of maintenance on what Mr. Lowe said ?—Yes; in fact, he considers I placed it too low, that, considering the nature of the country, I should have put it down at £160 per year, and £150 for the other line.
162. You examined Mr. Maxwell's estimate ?—No; I did not.
163. You were referred to it by your instructions ?—Yes.
164. Did you examine it ?—I examined it in a general way.
165. You paid no particular attention to it ?—No.
166. Mr. Maxwell is a competent man to form an estimate ?—Yes; certainly.
167. He was Chief Commissioner for a number of years ?—Yes, and also General Manager.
168. Did you pay any attention to Mr. Wilson's estimate ?—No special attention.
169. How long have you been making these estimates and inquiries for the purpose of forming a basis for your return ?—Since last Monday morning.
170. It is the result of twenty-four hours' work. You did not direct your attention to it before ?—I was not desired before to do so; I had no instructions.
171. You make a point in your report that commercial travellers will certainly use the West Coast steamer-service in preference to the railway route. Why ?—Because it is cheaper. That applies to the Bellgrove line. As to the other line, they will rather go across than go round.
172. Is it not a fact that steamers are very frequently delayed in Westport and Greymouth for days together ?—It is not of so frequent occurrence now. The harbours have been so improved, especially Westport, that delays are very infrequent, and do not extend for any time.
173. What time does it take to get from Greymouth to Lyttelton by steamer ?—From forty-eight to fifty hours, continuous steaming.
174. And how long would it take to go by rail, assuming the railway was open; would it take more than five or six hours ?—It would take about eight hours.
175. As against fifty hours by sea ?—That is so.
176. In that case, would not the railway carry the whole of the passenger traffic ?—No, because the commercial travellers generally do not go direct; they travel all over the coast.
177. *Mr. Stringer.*] The advantage to those people is that they can drop into the different townships ?—Yes.
178. Hon. E. BLAKE: I quite understand that Mr. Cooper's observation applies only to those people who wish to travel to Lyttelton direct.
179. *Mr Stringer.*] You have already said that you do not think they could retain the traffic if they added 25 per cent. ?—I do not think they could.
180. With regard to agricultural produce, what is the rate now being charged on their line—I mean on this line since it has been worked by the Government ?—There is a specially gazetted rate for the Midland Railway.
181. Do you know what it is ?—No.
182. Do you know if there has been any change in the rates since the Government took charge? —None whatever.
183. Hon. E. BLAKE.] Do you know what the timber rate was ?—There is a maximum rate as far as I can remember, from Jackson's to Greymouth, and from Reefton to Greymouth, which is 1s. 2d. per 100ft., and the Government railways receive a proportion of 7d., which leaves 7d. for the company in some instances and 6d. in others. It varies, as far as I can remember, from 6d. to 8d. At any rate the maximum is about 1s. 2d. from the bush to the ship.
184. *Mr. Stringer.*] Do you know what the steamers charge per hundred from Greymouth to Lyttelton ?—I understand 2s. 3d. is their charge, but 2s. 6d. has been the charge for a long time.
185. Hon E. BLAKE.] Can timber be carried through at 20s. a ton, or anything like it? Would the railway carry it at that rate ?—I do not think so.
186. *Mr. Stringer.*] With regard to cattle, do you think cattle would be carried at the increased rate of £3 6s. 4d. a truck ?—No, the cattle would be driven. We find it a very difficult thing to secure the cattle traffic now with the nominal rates in force.

JOHN HENRY LOWE sworn and examined.

187. *Mr. Stringer.*] You are Engineer-in-Chief for the New Zealand Railways?—Yes, for the working railways.

188. How long have you been in the Railway service?—Since 1877; and in the Public Works since 1872.

189. You know the proposed Midland Railway from Brunnerton to Belgrove?—Only by repute.

190. You know the history of the thing, and have a general idea of the country, I suppose?—I have never been over the surveyed line.

191. You were consulted by Mr. Ronayne in making an estimate of the maintenance per mile of the railway?—Yes.

192. At what rate per mile do you think such a line of railway can be maintained, judging by your experiences of New Zealand railways generally?—In advising Mr. Ronayne, I simply spoke as to the cost of maintaining the New Zealand Government railways. The average rate per mile per annum is about £140. Considering the generally heavy character of these works, the maintenance cannot be estimated at less than that average. The higher rate for the Brunner to Springfield was stated in view of the long incline to be specially worked, as we understand, either by the Abt or the Fell system.

193. *Mr. Cooper.*] Did you examine the plans of the proposed railway at all?—Yes, I looked through the sections for the first time on that occasion.

194. You have never been over the railway?—I have been over the country between Belgrove and the West Coast.

195. Have you been over the surveyed line?—No.

196. Is it not a fact that a company can maintain its line much more economically than the Government?—I do not know that it is a fact.

197. Are you not aware that the Manawatu Company maintains its line at a very much lower percentage than the Government?—I am not aware.

198. Have you made any inquiry?—I have not.

CHARLES HUDSON sworn and examined.

199. *Mr. Stringer.*] You are Assistant General Manager of the New Zealand Government Railways?—Yes.

200. What were you prior to taking that position?—I was District Traffic Manager in Auckland for, I think, eleven years. It was ten years and three-quarters actually I believe.

201. And you had railway experience before that?—Yes; I had nine years' experience on the English railways.

202. I think, together with Mr. Ronayne, you made up the estimate which has been put in in evidence?—Yes; Mr. Ronayne, myself, and the Locomotive Superintendent.

203. And, in your opinion, is the estimate of the traffic and expenditure reasonable?—Yes; but I am of opinion that the estimate of the traffic is on the sanguine side. In making up the estimate of the traffic we were desirous of taking a sanguine view of it. I think in reference to certain items here such as merchandise, agricultural produce, and so on, going from east to west there is a very sanguine view taken, and the rates are high, taking into consideration the fact that we shall have to face competition by sea. Our experience in New Zealand, where we have sea competition, is that our scale rates are too high, and we have to adopt special rates. An examination of the Government tariffs will show that conclusively. That will be observed in the tariff between Timaru, Oamaru, Dunedin, and other places.

Hon. E. BLAKE: It is not peculiar to New Zealand.

204. *Mr. Stringer.*] Under the contract this railway is permitted to charge 25 per cent. increase on the Government rates. Do you think it would pay them to maintain the traffic under those circumstances?—In regard to passengers, we have estimated on the basis of the same number of first-class passengers as second-class, and that of course in practice does not happen. You get more second-class passengers than first, and, in adopting an equal number of passengers for both classes, I consider a very fair set-off against the power of the company to increase its rates above the Government rates is made. That was the principle upon which we assessed the passenger traffic, taking into consideration the fares chargeable by the company.

205. With regard to the other rates—for merchandise, coal, timber, &c., do you think they could carry the traffic with that 25 per cent. added?—I have already given my opinion that the rates are extremely sanguine, and, in my opinion, they would have to be reduced to secure the business.

206. With regard to the quantity that you estimate might be carried by the railway. How do you arrive at your conclusions?—That must be, of course, a matter of speculation. A sanguine man would take one view, and a pessimist would take another. We have tried to strike the happy medium by studying the business elsewhere. With regard to passengers, we have assessed them upon the principle of what the coach service would carry on an average. We have allowed two thousand through passengers per annum from Christchurch, east to west; that is, practically, forty passengers a week. The same number is also allowed for in the opposite direction. You have got two coaches a week from Christchurch to the West Coast, and therefore you would have to take twenty passengers by each coach every week, and during the whole year. I think, therefore, we have fairly taken into consideration that, when the line is open, probably more people will go over, and we have provided for them. That is the basis of the calculation in regard to the number of passengers.

207. With regard to merchandise. How did you arrive at the calculation in that case?—We considered it in this way: You have a certain population on the West Coast. It is not a very large population. We have also considered that there must be a considerable quantity of goods that will go by sea. For instance, we know that Wellington will always supply the West Coast with a very large quantity of goods, because it is a very direct port. We have all the merchants concentrated in Wellington, and they will naturally continue to compete for this business.

208. As a matter of fact, what are the freights by ship now?—I do not know personally. The shipping rates are quite different to the railway rates. They are based on measurement, and therefore to compare a railway-rate with a ship-rate, it is a matter of ignorance to attempt it, unless you know the character of the goods, and how they will compare as to measurement and weight. But, generally speaking, throughout the colony similar journeys are usually done for 10s. per ton measurement. It may be more in this case; I do not know.

209. Then with regard to coal, which you put down at 50,000 tons?—Yes; 50,000 tons of coal is put down. I understand that 80,000 tons of native coal is the quantity imported into Lyttelton per annum; and, when I take into consideration that Westport is not going to give up her trade without a struggle, and neither is Newcastle, I think that in allowing 50,000 tons out of a trade of 80,000 (that is the quantity of native coals imported into Lyttelton), we are taking a very sanguine view that this railway will get that quantity for many years to come. Then another matter I took into consideration was this, that a great deal of coal will be used at Lyttelton for the purposes of the shipping. I do not see how we can hope to secure this coal traffic at Lyttelton. I think the coal traffic we have an advantage in securing is the household trade of Christchurch and the surrounding districts, because we have this advantage, that the coal is put into the truck, and, with reasonable management, it may be carried on that truck to the carts which deliver it to the consumer, thereby avoiding constant handling and damage to the coal. Now, we shall get a good deal of coal business in Christchurch and the surrounding districts within a certain area, but I do not think we shall get any traffic to Lyttelton. And on that basis 50,000 tons is a very liberal estimate as to the amount of business likely to be secured for a very long time to come.

210. In regard to agricultural produce, how did you arrive at that estimate?—In exactly the same way. In the case of agricultural produce, we get very much better loads per truck, and therefore we can afford to carry it for less per ton. The question of rate is very much dependent upon the dead-weight per truck that we could secure; therefore, you can charge a very much lower rate if you get five tons in a truck. With regard to the quantity, flour is a very large article of consumption as far as dead-weight is concerned. It is included in the agricultural rate, and so are potatoes, oats, and grain of all kinds; and, therefore, to put down 10,000 tons as the amount to be carried by the railway is, I think, a fair estimate of the quantity likely to be obtained, taking into consideration the population and sea competition.

211. Of course, the sea competition operates there with full force?—Certainly it does, because it operates from all parts: you have the Wanganui people, the Wellington people, the Canterbury people, and also Southland and Dunedin people, to compete against. All those districts will send produce to the West Coast by sea.

212. Then, with regard to timber?—The same remark applies to the timber that applies to merchandise, and particularly in this case. Where you have an article such as timber, unless you carry it at a low rate, you will not get it at all. In actual practice, in New Zealand, you will find that you cannot get your scale rates for very long distances. If you refer to our tariff, you will find that we have had to bring our rates down in Southland, in order to secure the timber trade between Southland and Dunedin. Also in the case of Timaru. We take timber now to about as far as Ashburton; but as for securing the ordinary mileage rate for that distance, we cannot do it. We have to bring it down; and then we find ships taking it from the nearest port competing with us, and we simply getting the business from the local ports. So that in computing the timber generally at the rate I have done here, I have taken into consideration all the circumstances I have mentioned. I should also like to remark that this export timber trade will always have competition; the West Coast is not going to have it all its own way. There is the Pelorus district, the Wanganui district, the Wellington district, and there is the kauri from the North. All these timbers are coming into competition with the West Coast timber, and if it is possible for the West Coast to secure the trade, it must secure it on the basis of the rates that people are prepared to give; therefore, you cannot pay a very high railage rate for timber overland, for such long distances as indicated in this paper. You must take into consideration any strong competition that you may have, and especially you have to take into consideration the carriage of the stuff over the Government railway from Christchurch or Lyttelton, as the case may be, to Springfield, a distance of from forty-five to fifty miles. On the other hand you have the railway from Brunner to the Grey, where your population is. You have also to add this charge, because the Government railways are also required to carry the goods, and the Government rate has to be added before we get the through rate for carriage from the producer to the consumer; and the rates referred to do not represent the through rate from the warehouse to the consumer, or from the producer to the consumer. They represent a proportion of the through rate, minus the Government charges.

213. How do you get the quantity—six millions?—The way we got it was this: we considered the timber that is now being carried, and we considered that there will still be a quantity to be carried by us, and, after allowing for reasonable sea competition, we put down the amount stated as the maximum quantity of timber that we expected to carry.

214. Did you think the company could carry cattle for that charge of £3 4s., instead of £2 8s.?—So far as cattle are concerned, I am very doubtful whether we shall carry them at all between Canterbury and the West Coast, on the ground that they are easily driven. I am not very sanguine about the carriage of cattle by this railway. You see we have allowed about 6s. a head for the company's proportion, which is a very high rate to pay on cattle. It is different in the case of sheep. We have allowed for sheep about 10d. a head, and I think we might get sheep to carry on that line, because sheep lose a great deal by being driven. I do not think you will get more than the number I have set down. We have had general complaints in the colony that the charges for the carriage of live-stock are very high. In fact, quite recently the Government reduced the rates on

sheep by 20 per cent. over the entire colony. Therefore I think that, taking all circumstances into consideration, we are not likely to get much live-stock to carry.

215. *Mr. Stringer.*] Did you not try an experiment on the Government railways of running a special train to catch the coach?—Do you refer to the Belgrove line?

216. Yes?—We did make a trial from the middle of March to about the end of May, as far as my memory serves me—that was during the present year, 1895. We ran a train from Nelson to Belgrove in connection with the coach, but we had to abandon it, as it did not pay.

217. Expenditure has been put down as including maintenance and locomotion. In your opinion is that a reasonable amount?—So far as locomotion expenditure is concerned I am not an expert on the matter, and it would be far better for you to examine Mr. Rotheram. With regard to traffic expenditure, this estimate is low. We are proposing to work 240 miles of railway for about £9,000 a year. This estimate is very low; for instance, we might say that this line is practically about one-eighth as long as the railways of New Zealand. That would give us £25,000 a year for traffic expenses at the rate we are spending on the Government railways. I am quite sure that our traffic expenditure in New Zealand is just about £200,000 a year; so that you have £25,000, which is just about one-eighth of the amount stated. I assume that the traffic expenditure will always be in relation to the amount of business to be done; when the business increases the traffic expenditure will go up, and the same remark will apply to locomotion, but not to the same extent to the maintenance expenditure.

218. That will be a fairly constant quantity?—Yes, of course it will. I do not mean to say that wear and tear means nothing.

219. Hon. E. Blake.] You have a certain minimum in traffic expenses. If you have to run one train a day, that is a certain amount to begin with, but after that the expenses vary according to the amount you have to carry?—It will not vary proportionately as the revenue increases. It simply means that we may have to employ a few more hands. In New Zealand we find that we can generally do a great deal more business with the same number of men.

220. Because you have to keep them, and have not enough business to occupy them?—Quite so.

221. There is a minimum expenditure, on which you could do a larger or smaller amount of business?—Yes.

222. *Mr. Cooper.*] I understand that you were only occupied yesterday and Monday in preparing this material?—There was Sunday morning and part of Saturday, as well as Monday and Tuesday.

223. Did you yourself make any inquiry into the traffic returns of the company during the time they had the line?—Yes, I did.

224. Did you go into the details, as far as the passengers and goods were concerned?—I did.

225. Did you go into the number of passengers carried?—No, but the volume of business done—the money value.

226. But did not go into the details?—No. You will find in this return that there is evidence that it has been taken into consideration in connection with the traffic.

227. Mr. Ronayne said he did not take into consideration the passenger traffic?—I would like to point out that that has necessarily been taken into consideration, because we have 10,000 local passengers between Brunner and Reefton put down in connection with the knowledge we have.

228. I am referring to the time when the company was running the line?—I know nothing about that.

229. Would you be surprised to learn that they carried 30,000 passengers in the local traffic?—I would not be in the least surprised.

230. Has there been any great exodus from the Coast?—As a matter of fact, we know very well that when a line is in course of construction there is a great deal of traffic, owing to the materials which have to be carried, and the workmen moving backwards and forwards. The receipts are then abnormal.

231. But this line was constructed in 1892?—Work has been going on.

232. There has been nothing going on. Did you take into consideration an increase in the population on the West Coast, owing to the enormous possibility of these reserves?—No.

233. You did not take into consideration any increase of population in the future?—There would be a reasonable increase, in view of the construction of the railway.

234. But matters are now very much the same as they were in 1892, so far as the population is concerned?—Yes; I do not think there has been any great increase.

235. Do you consider that Mr. Maxwell is a competent person to form an opinion on a question of this kind?—I should say so myself. I think it would be presumption on my part to question it.

236. He said, in reference to the passengers, that it would be a fair estimate that the company would earn £20,000 on the passenger traffic?—I disagree with that.

237. You put it at £8,900?—Yes.

238. On the 30th September, 1892, Mr. Maxwell said, "I do not think it is unreasonable to expect that the railway will produce £20,000 for passengers." He says, "If the company is permitted to charge something like the fares proposed, and is not, as it were, dragged at the heels of the Government and made to adopt Mr. Vaile's system, I think £20,000 will be earned for passenger traffic"?—There is a difference in the season tickets which you have not taken into account. That makes passenger receipts about £12,000.

239. You do not agree with Mr. Maxwell in his estimate of the passenger traffic?—No.

240. Do you agree that 70,000 tons is a reasonable estimate to take for the coal carriage to Canterbury—that is, over the railway?—I think that is over-sanguine.

241. Mr. Martin Kennedy has also told us that he thinks 70,000 tons of coal would be carried. Is he not a competent authority?—Yes; I think so.

242. Would you set your opinion against his?—Yes.

243. Would you set your opinion against that of Mr. Maxwell and Mr. Martin Kennedy?—Yes, certainly I would.

244. Mr. Maxwell says that the timber traffic would be from, 9,000,000ft. to 10,000,000 per annum?—Yes.

245. You set your opinion against that of Mr. Maxwell in that?—Certainly. There are differences of opinion, I think, with all these gentlemen. There is the Midland Railway Company's estimate and Mr. McKerrow's estimate, as well as others.

246. Yes, they all differ from each other. It is all speculative, I think?—Of course, it must be. But I do not think that remark applies to the expenditure.

247. Do you know what freights are being charged now for the carriage of timber by sea from Greymouth to Lyttelton?—I believe 3s. 3d. per 100ft.

248. I am informed it is 4s. 6d. per 100ft.?—I have never shipped timber myself, but I am told that is the rate.

249. How many run to the railway ton?—We generally reckon by the hundred. 500ft. would go to the ton.

250. As a matter of fact, does it cost something like £1, *plus* the haulage, to carry the timber to the port of departure?—I dare say it would. In the case of timber going to Lyttelton, you have to consider that you have to take it further. It has to go to Christchurch; and you may have the timber going to Timaru, Ashburton, and various other places in Canterbury. You have to add the haulage from Lyttelton to Christchurch, over six miles.

251. That means, of course, additional shifting?—Yes.

252. There would not be that shifting, of course, if the timber was carried by the railway?—No; that is the advantage of the railway.

253. By the information we have got from you now, it costs £1 per ton?—I said 3s. 3d.

254. That is the freight per hundred. That is 16s. 3d. per ton, and then there is the additional haulage?—I do not think the shipping companies' method of measuring timber would work out to 500ft. to the ton. They carry timber, say, 1¼in. or 1⅛in. thick, at the rate of 1in., which brings the total rate down. We on the railway adopt the principle of charging by actual quantity—whether it is 1⅛in. or 1¼in. The 100ft. charged by the railway may be a greater quantity than it would be charged for by the shipping companies.

255. That would not be a material difference?—In tongued-and-grooved timber the tongue is ¼in. to ½in., and the shipping companies do not charge for that, but in a 6in. board it makes a considerable difference in the charge.

256. Have you directed your mind at all to the cost of carrying a ton of timber by sea?—No; I have not done so. I know what we get for carrying timber between Southland and Dunedin—about 2s. 6d. per 100ft. The tariff rate is about 3s. 6d. between Invercargill and Dunedin.

257. That is because there is competition with the railway by sea?—Yes. They have to take the timber a short journey from Invercargill to the port, and then round to Dunedin by sea. They have to pay the haulage from Invercargill.

257A. You said you think the population on the West Coast has not increased?—I say this: that our experience in New Zealand is that our receipts increase 2½ per cent. per annum, taking the whole of New Zealand.

258. That is, taking the good lines with the bad lines?—Taking the whole of the railways. That is the experience of the past.

259. Are you not aware that the Wellington-Manawatu Railway receipts increased steadily at the rate of 11 per cent. per annum?—That is a district which was cut off entirely from railway communication.

260. Irrespective of the class of country, is not the West Coast in a similar position to the Wellington-Manawatu district?—Yes; but it is a different class of country. I think you will find that the passenger receipts by that company's line are now decreasing.

261. Hon. E. BLAKE: For how many years have they been increasing 11 per cent?

Mr. Cooper: For the year ending 1887, the first year, they carried 113,000 passengers; for the year ending 1895, the eighth year, 213,000 passengers, and there has been an increase; it is pretty steady now, but the second year there was an increase of 20,000 passengers carried.

Hon. E. BLAKE: Do you combine the mileage and the passengers?

Mr. Stringer: The two lines are so different that you cannot draw a comparison.

Mr. Cooper: I will put the report in.

262. *Mr Cooper* (to witness): You say it is different because the land is different?—There are a great many reasons more than that; it is a very difficult question. I have no doubt the Wellington-Manawatu Company could double the number of passengers by putting on a suburban service now. They do not do it because it does not pay.

263. Have you been over the Midland Company's line?—Yes, all of it.

264. The incompleted portions?—Yes. I have been over the road. I may qualify that by saying that I have not been over the road between the Inangahua Junction and Belgrove. I have been over the West Coast from Canterbury to Jackson's.

265. You say you base your estimate on the coach traffic?—Upon the capacity of the coach services.

266. Do you take into consideration the steamer traffic?—Do you mean from Christchurch to Greymouth?

Mr. Cooper: Yes.

Witness: No.

267. *Mr. Cooper.*] Are there not a great many passengers travelling by steamer instead of coach?—I should doubt it.

268. What time does the coach take to go through?—Well, practically, a day from point to point—from Springfield to Jackson's.

269. That is, with the broken portion?—Practically a day.

270. And your estimate would not be more than two or three passengers per day, or a little more than that—forty per week?—I do not think there are so many. I give it as my strong conviction there would not be so many as that.

271. *Mr. Gully.*] Taking the whole year round?—Yes.

272. *Mr. Stringer.*] Mr. Hudson, what is the average number of passengers between Dunedin and Christchurch per day?—I do not know; I could not say. I have heard it said they do not average more than six per day; I do not know that of my own knowledge.

273. Do you know what the return is between Wellington and New Plymouth?—No, I have never got it out.

274. As regards the Wellington–Manawatu line, that practically brings the whole of the North into communication with Wellington?—Yes, so far as the passengers and live-stock are concerned, but when you come to the merchandise traffic you have the same difficulties to contend with. The ports compete for it, and a great quantity still goes by sea.

275. It is suggested that the Midland Company does not do as well under the Government *régime* as under the company: have you retained all the same conditions?—Yes.

276. And exactly the same rates?—Yes. We have been very careful indeed not to disturb the workings of the Midland Railway Company in dealing with it at all.

277. Practically, the conditions are the same?—So far as we are aware, exactly the same.

278. Hon. E. Blake.] You got the same officers, and gave the same instructions?—Precisely the same.

Thomas Forth Rotheram sworn and examined.

279. *Mr. Stringer.*] What position do you occupy in the Government railway service?—Locomotive Superintendent.

280. How long have you been in the Government service?—Twenty-one years on the 1st January next.

281. I think, in conjunction with Mr. Ronayne and Mr. Hudson, you made estimates of the expenditure of the Midland Railway-line when completed?—Yes.

282. You speak principally with regard to the locomotive expenditure?—Yes.

283. You have put the expenditure as at per train mile?—Ordinary 16d. per train mile, and 5s. per train mile for the incline.

284. And the Nelson–Greymouth line?—16d. per train mile.

285. Do you know the line over which it is supposed to go?—Fairly well.

286. And you think your estimate of the expenditure is a reasonable one?—Yes.

287. Is it a minimum?—Well, it is as low as I should care to put it if I was estimating for ourselves.

288. How does that compare with the cost of the railways of New Zealand?—It is slightly below the average cost of the railways for 1895—the whole of them.

289. And do you think that favourable to the company rather than otherwise?—I should think it is neither favourable nor unfavourable. I should think it is a very fair estimate.

290. Of course, that is the expenditure to carry a total traffic of £66,000?—That has nothing to do with it. The estimate is per train mile.

291. *Mr. Cooper.*] You only deal with the locomotives?—Yes; the locomotives, carriages, and wagons.

[The following exhibits were put in: No. 171, Particulars of Reefton Sections sold; No. 172, I.–6, 1887, Session II., Report Midland Railway Committee on Revised Contract; No. 173, D.–2A, 1889, Correspondence relating to the Signing of the Midland Railway Contract; No. 174, D–2C, 1889, correspondence in reference to the acceptance by the Agent-General of the trusteeship for the debenture-holders; No. 175, letter from Mr. Salt to Mr. Seddon, dated the 14th April, 1893; No. 176, D.–4, 1892, proposal by the company for an amendment of the contract; No. 177, letter from Mr. Wilson to Minister for Public Works; No. 178, D.–8D, 1890, Government correspondence in reference to cutting of timber; No. 179, letters from Mr. Wilson to Minister for Public Works, dated the 30th December, 1892, and the 3rd October, 1893; No. 180, telegrams from Mr. Wilson to Minister and to Under-Secretary; No. 181, correspondence in reference to Blocks 61 and 66; No. 182, letter *re* Reefton town sections, dated the 12th October, 1893, in which the company request payment of a sum of money; No. 183, correspondence between the Manager and the Minister in reference to the refusal to grant selections.]

The Court rose at 1 o'clock p.m.

Note.

With the exception of the remarks on pages 1 and 194 of the evidence, no part of the reports of Mr. Blake's utterances has been revised by him.

CORRIGENDA.

Question 127, page 10. Mr. Wilson's answer should read as follows: "Not only so. It was a short length *in substitution* of tunnel, but I had to go through the whole of my plans."

Question 158, page 11, should read: *Mr. Hutchison*] What were the lands you were *able* to select? Answer: They are shown in the exhibit of applications *dealt with*. They could only be dealt with by the Government. They represent a total of £2,199.

Approximate Cost of Paper.—Preparation, not given; printing (1,600 copies), £269 8s.

By Authority: James Burns, Government Printer for the time being, Wellington.—1896.

Price, 5s.]

45*—D. 4.