

country is opened up by the railway it will be found both timber and land are very valuable. There is land near Lake Brunner district, which I sold to a small settler at 27s. 6d. an acre. He is carrying four to five sheep to the acre, fattening on it, and he would not sell it for £4 an acre. That is close to Lake Brunner. There is a lot of that land there. I should suppose 12,000 to 14,000 acres of good scrub land. Last year's Committee evidence, you will remember, showed we had applications for about 84,000 acres of that Westland land we were unable to deal with; and on these applications we should have got an increased value of 50 to 100 per cent. over the B1 value. That was land over on the coast, and we certainly could have got that increase. That which is driving us now to make the present proposals is we cannot finance under the present conditions after the evidence which was given last session. If we could possibly manage to carry this financing through it would pay the company infinitely better to retain this land grant. There is no doubt we could make very big profits indeed from the sale of the land grant. It must be remembered that, under our contract, the company have the right of selecting any part of these reserves that it likes; it can pick the very cream and leave the other. So if I had asked for an increase over the B1 value I should have only asked what is fair. We should have, in fairness, some increment of the increase of value which must arise from the construction of the railway through the lands we give up to the Government. There are, I may add, further lands remaining in these reserves valued at waste-lands value (in Canterbury) at 12s. 6d., 15s., 17s. 6d., 20s., and 27s. 6d., so that we have not taken the cream of the country and left nothing for the colony. If you look at the map you will see what we have taken, and that we have not practically taken anything, compared with what is left. In Westland there are waste lands remaining at 10s., 12s. 6d., 15s., 17s., 17s. 6d., 20s., 22s. 6d., and 25s.—block after block of land which is put down by the Government at far more than 10s. At Amuri we have sold at 14s. land valued at 10s. Under Amuri leases we have no option but to sell.

*The Chairman.*] I think the Committee would like your proposals in a concrete form, and then you can explain them?—As I pointed out, this land grant is allocated to various sections of railway, and the land allocated to the section between Springfield and Jackson's, which the company is prepared to sell, amounts to £618,250 B1 value: this the company are prepared, on the signing of the new contract, to hand over—and free the whole of the reserves area, so that the Government may deal with it immediately under its Land Acts. The company, judging from the past, may fairly anticipate an increase of at least 15 per cent. We have had 35 per cent., and we may obtain that again from some of the most saleable land. But I think we may fairly expect to get an increase of 15 per cent., and probably we should get a great deal more. But adding 15 per cent. to the figure would bring it up to £710,987.

*Mr. G. Hutchison.*] What figure?—The £618,250. Even at 10 per cent. would give £680,075. Under favourable conditions, if the company could have financed its capital, this £618,000 would have been made a sinking fund. The company would have formed that to redeem its debentures; and if you take the £618,000 without any increase at all, paid in three equal instalments, compound interest at 3 per cent. for this ten years, it would give a return to the company of £806,908.

The Committee will find from the evidence produced before that Committee that there is a very large area of land, not in one block but scattered throughout that blue patch, which is not only valuable for settlement, but which has been applied for over and over again. In Nelson there are the Tadmire Valley and others, which the Chief Commissioner of Land for that district will name. Evidence will be brought before you from Nelson, Westland, and Canterbury on this point—that is, with regard to settlement. Then, there is the timber trade, which, from Mr. Wilson's evidence and from evidence which we shall produce, would have been very great all along the line of railway, but which was absolutely barred except near the railway actually constructed. I am informed that the timber used in Canterbury is brought from Orepuki, in Southland, by rail, and that could more easily have been brought across the island if this railway had been completed. It is plain that there would have been a very large development of the timber trade if the line had been finished. Thus we have a revenue loss from the timber royalties and Customs duties, but the improvement which the colonial estate would have sustained from settlement has also to be considered. You must remember, too, that we should not only have had the money expended in the timber trade and in the development of settlement, but we should also have had the money expended in the district on the construction of the railway. Then there is the loss to the coast itself. The population is less than it was in 1885, and it is scarcely open to question that that results from the blue patch and from the non-construction of the railway. Without labour, and without the chance of settlement, the coast had only the gold to depend upon, and that alone did not induce people to settle there. I believe also that in Nelson, although there has been a considerable increase in population in the neighbourhood of the city itself, in the country it has diminished—again the effect of the absolute block to settlement and of the refusal of the company to complete the railway. These losses to the colony are all capable of reasonable computation. Then there is the loss to Customs and trade, in addition to the loss of population; and then again there is another item, although, perhaps, not a very important one—the tourist traffic, of which the Committee can form an estimate, in which we shall endeavour to assist you as much as we can. This railway was to connect Canterbury with the Coast and the Coast with Nelson. It was, as everybody believed, to create a new traffic in those districts. First of all, there was to be circulated in the district something like three millions of money in the construction of the railway. There was to be access given to the land to benefit the settlers in the district. There was to be a new trade, a new traffic, new means of access, and in fact the whole course of dealing with this district was to be changed. Westland was no longer to be shut out from Canterbury, and Nelson was to be opened up. All that has been lost. We have been waiting for it for over fifteen years, and yet that which should have been finished in 1895 has never been begun. That is all loss to the colony. I am sure the figures I shall be able to give you will show that that loss will vastly exceed the value of the constructed portion of the railway. The Committee will expect estimates based on sound grounds, and we shall have the Commissioners of Crown Lands here, and you will hear their evidence. But supposing the Committee were not content with those figures; supposing it is wanted to divide them by 5 or by 10, as no doubt Dr. Findlay will try to do, is it possible that any body of men collected together in a room could say that this colony has not suffered over half a million's worth of damage? I submit it is impossible. We can give to the Committee an estimate of what we consider the colony has lost, but, whether you accept that estimate or not, I do not believe that any body of men in England or here could say that the colony has not suffered damage exceeding by far the difference between the amount which the company has expended on the line and that which the colony has contributed to the cost. If you had to choose how whether you would build that railway by a loan, and whether you would wait and give a company land such as this company selected, and then let them dribble along with the work for over fifteen years, what would the answer of Parliament be?