

the colony to those who invested their capital in the company, and upon such inducement such moneys were invested.

- (d.) The whole object and intention of the clause has been misinterpreted by the Government of the colony, and the clause has been used in such a manner that along the line of the company's railway on both sides, by Proclamation following Proclamation, the Government have defined, or have expressed their intention of defining, lands as required for *bona fide* mining purposes in continuous blocks, so that the company is excluded from all lands fronting its line. All such lands are entirely reserved from settlement. The company is driven to selection at a great distance from its line, the value of which is but little enhanced by the construction of the railway; and not only the company, but the colony, loses the profit to be derived from the settlement of the low-lying land adjoining the line.
- (e.) In addition the Government have defined lands, or have expressed their intention of defining all lands, adjoining all watercourses as being required for mining purposes.
- (f.) The Government have refused permission to the company to select timber on such lands, on the allegation that such timber may be required for mining purposes.
- (g.) The fact is, as the company is prepared to prove, that there is no reasonable prospect of any of the lands or timber above referred to being required for mining purposes. The whole area of the land on the west coast of the Middle Island now worked as auriferous is considerably less than the area which has been already further reserved out of the company's right of selection as above stated. The land thus reserved is chiefly low-lying and open land, which has been easily approached and often prospect, and is near to the larger centres of population on the West Coast.
- (h.) The company is informed that a plan has been prepared for further Proclamation, comprising all the land along both sides of the company's line so far as the same is now open, and that it is the intention of the Government to issue further Proclamations embracing the whole or a large part of the 750,000 acres assumed to be permitted by clause 16, and thus, under cover of a power conceded to the Crown by the company for one purpose, to practically confiscate the whole benefit of the land-grant adjacent to the line which was, as above stated, the chief inducement to the shareholders and debenture-holders of the company to embark their capital in the colony.
- (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.

*B.—Regulations of the Government injuriously affecting the Company.*

- (a.) The Government have directed that the management of mining reserves should be taken from the Commissioners of Crown Lands and handed over to the Wardens of goldfields.
- (b.) Under the direction of the Wardens, timber is being cut for purposes other than mining purposes, and the company's interest in the timber is being confiscated.
- (c.) The Government has required that all correspondence relating to reserves and selections should be direct with the Government, instead of with the Commissioners of Crown Lands for the various districts.
- (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.
- (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.