

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.