

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 B 1 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 B 1 value, I should only have 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.

23. *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 B 1 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.

24. *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.

25. *The Chairman.*] At 3 per cent.?—At 3 per cent., without any increase of value at all. It is merely the funded amount of this land-grant, and is assuming we get no increase of value at all. That can be seen; it is only a question of calculation.

26. *Hon. Sir J. Hall.*] Can you give it at 3½ per cent.?—Yes. At 3½ per cent. it works out at £842,936. Supposing the company had an increase of 10 per cent. on this £618,250, and funded it the same as before, at 3 per cent. interest, it would yield at the end of ten years £887,608. At 3½ per cent. it would yield £927,259. Taking a fuller increase, again, for a similar calculation, the 15 per cent. increase over the waste-land value, at 3 per cent., it would yield £927,950, and at 3½ per cent. £969,412. And that is on the assumption that the £618,000 is paid to the company in three equal instalments spread over three years.

26. *Mr. Wright.*] That is the assumption with all these calculations?—Yes.

27. *The Chairman.*] Do you not mean ten?—No. It will take us three years to construct the line, and that £618,250 would be the land-grant value paid for it—one-third of it at the end of the first year, another one-third at the end of the second year, and the remaining one-third at the end of the third year. That would be funded. The calculation is taken out for these amounts funded during a period of ten years.

28. Not for the amount as if it had been funded now?—No. It would increase it if it were funded now.

29. But just now you stated if the company received it now they would fund it?—What I meant to say was: If the company received this land-grant paid to-day it would, of course, fund it. But we cannot do that. We cannot finance on that basis.

30. *Mr. G. Hutchison.*] It is on the basis indicated in this letter, page 21 of D.-6?—We have another statement here which shows the position. The contract value is £618,250; that would be, say, £200,000 in eighteen months, or the 31st December, 1894; £200,000 in two years and a half, and £218,000 in three years and a half.

31. Mr. Blow gives December, 1894, 1895, 1896?—In Tables F. and G., which I have handed in, we have divided the intermediate payments differently. We have taken eighteen months instead of one year—to the 31st December, 1894, and £200,000 in two and a half years.

32. You put two years and a half—it is two years here, 1895?—December, 1895, it ought to be.

33. Two years and a half from the time these calculations were made, I presume?—Yes.

34. *The Chairman.*] Have you a calculation there, Mr. Wilson, at 4 per cent.?—Yes; that shows £862,154.

35. Without any increase?—Without any increase. Of course, in lending money favourably you might possibly get 5 per cent. for it. In that case it would work out at £935,000. A private company might manage to get that. The banks are now giving 5 per cent. interest on their deposits, but dealing with a large sum it may be more difficult to get it placed at 5 per cent.