

*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.

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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 claims 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 ?