

these representations, and not being desirous of infringing the right to have the land in question appropriated to the purpose of completing the line between Masterton and Woodville, yielded to these representations, and withdrew the land in question from the allocative area. But, inasmuch as there had been a positive agreement between it and the company to make an allocation to the extent of 30 per cent. of value, the Government was placed in a dilemma by being compelled to ask the company to forego its right to allocation within the locality referred to, and it was at this time that it made to the company the representations to which I am about to allude. The company was not desirous of embarrassing the Government in any degree by insisting upon the literal performance of the agreement made between them, and consented to forego the right which it *prima facie* had to an allocation in the locality referred to upon the distinct assurance of the Government that it had been in treaty, and was still in treaty, with the Native owners for the purchase of large blocks of valuable land on the western side of the range through which the railway would pass, and that there was every reason to believe that, within a reasonable time, it would be in a position to acquire a sufficient quantity of these lands to make up the deficiency which would be caused by excluding from the area of allocation the lands on the eastern side. There were reasons why the Government should ask the company to be content with these, and with the further assurance that reasonable endeavours would be made to acquire the land within the period mentioned in the contract, rather than insist upon any positive engagement on the subject. The Government said that, as five years was the time within which the work had to be completed, and as the allocation was to be made in proportion to the progress of the works, it would fix the same period as that within which the area of the land already available was to be supplemented by acquisition from the Natives. The company had, therefore, every reason to believe that before the work was completed the Government would be in possession of a sufficient quantity of land on the western side of the range to make good the loss which it (the company) would apparently sustain by surrendering its right to allocation out of the lands on the eastern side. You will observe, Sir, from the statements I have handed to you, and which I prepared in order to show the exact nature of the claim of the company, that I call attention to the fact that, in the contract between the Crown and the company, there is a distinct admission on the part of the Crown as to the extent of the allocation agreed to be made. In that respect the contract is quite emphatic. A plan was annexed to the contract showing by a red border the lands absolutely set apart for allocation, and the recital which precedes clause 10 admits that the lands so shown left a large deficiency in the area agreed to be granted. It will be seen, then, that the company need go no further than the contract itself in support of the allegation, "that there was a positive agreement on the part of the Government that the endowment in land should amount to 30 per cent. in value on the estimated cost of the line, taking its length at eighty-four and a quarter miles, and its cost at £5,000 per mile." But the company was confined, as regards their allocation, to the land shown by the red border on the plan annexed to the contract, although the area was admittedly insufficient for the purpose, but insufficient only because the company, *at the request of the Government*, had consented to the elimination from the map and from the original schedule of the blocks of land lying on the eastern side of the range, for the reasons which I have already mentioned to the Committee. And now let me call attention to the clauses which provide for this deficiency, which are as follows: "11. That, if within the period of five years computed from the date of these presents, Her Majesty the Queen shall acquire lands within the area shown by a yellow border upon the map hereunto annexed and marked D, and such lands, or a proportionate part of the same, shall in the opinion of the Governor be available for the purpose, the same or a proportionate part of the same as the case may be, shall forthwith after such acquisition be withdrawn from sale and set apart to be granted to the company under the powers and to be dealt with in manner respectively provided by Parts I. and V. of the said Act, and shall be and be deemed to be subject to selection by the company in like manner as hereinbefore provided in respect of the lands shown by a red border and colour on the map hereunto annexed and marked C, but so nevertheless that the total area of lands so to be set apart and selected shall not, when valued and assessed as by the said Act provided, exceed in value the sum of twenty-nine thousand eight hundred and five pounds. 12. That when and so soon as any lands shall have been acquired as aforesaid, the same shall be assessed and valued with all convenient speed, in manner provided by the said Act, in order to render the same available for selection by the company; and the company may accordingly select the same in like manner, and for the like purposes, and subject to the like provisions and conditions as are hereinbefore contained in respect of the lands shown by a red border on the map hereunto annexed and marked—."

These clauses, as I contend, amount not only to a positive admission on the part of the Crown that there was not within the red border a sufficient quantity of land to meet its arrangements with the company, but also to a virtual undertaking on the part of the Crown that it should be supplemented within five years by the acquisition of land for the purpose. Now, I shall show, both by correspondence and verbal evidence, there was a distinct statement made by the Government that it was, in fact, at the date of the contract in negotiation for valuable tracts of land in the hands of the Natives, from which, when acquired, there would be no difficulty in supplementing the company's endowment. It may be asked, Why was there not in the contract itself a positive undertaking on the part of the Crown to acquire these lands within the five years? Why the matter was left in its present position? Why the right to the endowment was made contingent, in point of fact, upon the acquisition of the land within the term? The reason is not far to seek, and was present to both the Government and the company when the contract was executed. It was this, that, inasmuch as the power to provide these additional lands was dependent upon the willingness of the Natives to sell, it would not have been expedient for the Crown to enter into any positive contract on the subject, because, if the covenant had not been fulfilled, its nonfulfilment would have entailed a legal pecuniary liability in favour of the company, which it could at once have enforced. Now, Sir, I will show that there has always been a very great dilatoriness on the part of the Crown in completing purchases from Natives, from causes more or less cogent, one of which has