

250. Would you then desire to make a statement to the Committee before any questions are asked of you?—If the Committee wish it I should be glad to do so.

251. I think that would be the most satisfactory way—that you should make a statement first—as Mr. Bell is not here, and then we can cross-examine you afterwards ourselves?—Then I will make a statement with regard to this question in respect of matters which have occurred to me in reading through the evidence which the Committee has been good enough to forward to me. First of all, I should like to say generally, with regard to my own position in respect of the Railways and Land Construction Act, that I am one of those who have held, during my whole public career, an opinion that construction of railways by concessions of land is an inadvisable course to pursue by a Government. The Act of 1881, of course, I am responsible for as a member of the Ministry who brought it in. The circumstances of the case at the time were such as induced the Government, of which I was a member, to consider that that was the best way of dealing with a difficult question in respect of the construction of a very important railway. I surrendered my own judgment on the main question of the principle of land concessions, and, as I have said, am therefore distinctly responsible for that Act. At the same time I think it right to myself to state the course that I took with respect to the framing of that Act, and with respect to the action that was taken under it in respect of this particular railway. The principle being admitted, it would have been, to my mind, a wrong thing for me, as a member of the Government, to do otherwise than expedite legitimate transactions under the Act of the Legislature; and both in the construction of the Act as it was put before Parliament, and in the dealing with the Act afterwards as Minister of Lands, I thought it my particular province to guard the provisions of the Act in two main points which affected the principle of land concessions. Those points were, first of all, that only land benefited by the railway to be constructed should be granted for the railway, as, to my mind, it would be an improper course to take simply to use land as a substitute for money in payment for railway construction, such land not having a natural connection with the railway, or special benefit accruing from its construction. I also made it my business, in respect of this particular contract, as Minister, to frame such conditions and regulations in respect of settlement as to prevent the Act from operating in a mischievous way to the public interest. The conditions of settlement the Committee are no doubt aware of, and how widely subsequent legislation of Parliament, in respect of railway construction, has differed in this respect. I say this much in reference to my general position in relation to the Act and to this contract. I observe in the evidence a statement that I held strong opinions as to the amount of land that was given to the company—that it was sufficient. And I also observed a statement as to whether I was favourable or not to the company and the contract. Dealing with the question as to whether I was favourable to the company, I may say that through the whole of the transactions, so far as I was mixed up with them, the whole of the dealings with the company were of a most satisfactory kind, and that I consider, on the whole, that the operation of the contract has been successful. It was not my business to be either personally favourable or unfavourable to the company. My business was to deal with the question as a matter of administration under the Act; nor do I think that any opinion of mine as to the quantity of land that the company received affects the question which, I understand, is now under the consideration of the Committee—the claim of the company under a particular clause of the agreement. It is no doubt a fact, as stated by Mr. McKerrow in his evidence, that I held an opinion, when the question was under consideration, that the concessions made to the company, including the reclaimed land, were sufficient; and, indeed, it will be seen, I think by this evidence, and it is within my own recollection, that the draft contract was completed without any provision for extra consideration under clause 11. As I have said, it appears to me that the question of my own opinion on that matter is neither here nor there. The question is now one of what is the value of that particular clause as inserted in the contract. That is the view that I should take about that, and I should never venture to bring before the Committee myself any individual opinion of my own upon matters which led up to the insertion if it had not been that I see in evidence that question has been raised with regard to myself. The opinion of the Government as a whole, and the action they took, is what I was bound, as a member of the Government, to follow. I may say that, having dealt with my own department, as I think the evidence shows, in as strict a way as I felt it my duty to do, I did not interfere in any way with other points in connection with the contract, nor did I, so far as my recollection goes, take any action either in negotiations or in dealing with the company; that was left to another Minister. I observe that it is stated that I was present at all interviews. I would not say that I was not, if it is so asserted; but I would only say that, to my mind, it is not of any importance whether I was or not, but certainly, to the best of my recollection, I was never present at any interview with regard to clause 11. Clause 11 was agreed upon by the Government, and it was the provision that is embodied in that clause which came to me in the draft letter which is alluded to in some evidence. I believe it was sent to the company to be placed before their solicitor. I inserted in the draft these words. It is in page 2 of the appendix to the last paper: “within the prescribed limits.” If the letter had gone without that, it appeared to me it would be taken by the company to indicate that the Government would grant land outside the limits of special benefit by the railway, and therefore the Government inserted these words. It was according, as I have said, to the principle which I considered it my special province to guard, that land should not be given outside the benefited area. After that I have no recollection of having taken any part whatever in respect of the contract. I presume that in cross-examination other points may come up upon which I shall be able to give the Committee replies.

252. *Mr. Kerr.*] There is one question I should like to ask you to consider. Did the Government of which you were a member think that you, or any other Government, were bound to purchase this land, either morally or by agreement, to give to this company?—I consider this: That the insertion of that clause in the contract must have some meaning, and that the Government in terms of that clause certainly recognised some claim on the part of the company, or it would not have been inserted.