

having known it before ; also to the fact, strong in my recollection, that Mr. Rolleston would never hear of giving that land to the Company." So that the Committee have it now that the Government did cause to be valued, not only the land on the west side of the Tararua Range, but also the land within the fifteen-mile radius on the east side. Of course, the Committee will see at once that if the land on the east side of the range was included, inasmuch as nearly the whole of the Forty-mile Bush belonged to the Government, there would be no difficulty in completing the required allocation to the Company ; but, for reasons which the Committee are aware of, the Government decided not to include land on the east side of the Tararua Range. The first reason was that Mr. Rolleston, probably knowing that that land would not be served by the railway, declined to grant it to the Company ; and the second was that Mr. Beetham and Mr. Buchanan, the members representing the district, pointed out to the Government that it would be a monstrous impropriety to allocate to a company, building its line on the west side of the range, land which was on the east side. These reasons prevailed, and then negotiations took place between the Government and the Company for the purpose of enabling the Government to make up to the Company the 30 per cent. in value in fresh land on the west side of the range to implement the allocation. Now, I propose shortly to state to the Committee what I conceive to be the points of the evidence as to the arrangements which were then made. I believe I may say this fearlessly : that if the Hon. Mr. Ballance had been aware of the nature of the arrangements previously made—that is to say, if he had known that there was anything beyond the contract, the literal interpretation of the 11th clause—I have no doubt whatever that he would have taken a different view of the matter from that which he expressed in his evidence before the Committee, confirming that which he stated to the deputation which waited upon him. Now, in the first place, the arrangement which was made is detailed in the 11th and 12th clauses of the contract, which is before the Committee, and the last paragraph of the 10th clause. That is to be found on the 17th page of the document which has been exhibited to the Committee (page 36 of this paper), and is as follows : "And whereas the land shown by the red border on the map hereunto annexed, and marked 'C,' taken at the aggregate of the values set forth in the Second Schedule hereto *is insufficient to provide the amount of endowment in land agreed to be granted to the Company under the powers contained in Part V. of the said Act*: Now, it is hereby further agreed between the Queen and the Company—(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 hereto annexed, and marked 'D,' and such lands, 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, and under the powers to be dealt with in the manner respectively provided by Parts I. and V. of the said Act, and shall be deemed to be subject to selection by the Company in like manner as hereinbefore provided in respect of the lands shown by the 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 £29,805." Now, what was the agreement which was come to between the Government and the Company which was expressed, or intended to be expressed, in that paragraph? Was the period of five years a limit prescribed or intended to be prescribed? Was it considered that any further authority from Parliament would be required to enable the purchase of the lands? Now, Sir, in the first place, the statute does require that the contract should be laid before Parliament, and it was laid before Parliament and something more took place. Perhaps I am wrong in saying that the statute required that this particular contract should be laid before Parliament, because there was a special provision by which the Government might make contracts for the two railways named in the schedule, and it was therefore quite possible that these should not be laid before Parliament. On reference to *Hansard* of 1882, page 165, I find this: that Mr. Bathgate moved, "That the contract entered into between His Excellency the Governor and the Company formed for the construction of the Wellington and Manawatu Railway, which *has been laid before this House, be forthwith printed and circulated*, and any maps and plans in reference thereto be hung up in one of the Committee-rooms, as may be found convenient for inspection." The motion was agreed to, and it was carried out. Now, here was not only a contract laid on the table of Parliament, but that contract was specially printed in response to a resolution of the House, and plans were also printed, the matter in this way being specially brought to the attention of the House. Sir Robert Stout says that there was no statutory authority for the Government to enter into the contract expressed in the 11th and 12th clauses. Well, so far as my legal opinion goes, I should be prepared to contend the contrary, but that is scarcely the question. We are coming to Parliament—to a body of gentlemen—and we do not expect to be dealt with, nor do I think any Committee would deal with us, as if it was a matter of the want of a shilling stamp upon a contract. The question is, "What arrangement did the Executive of this colony enter into with us, with the sanction and approval of Parliament, and has that been fairly and justly carried out, so as to give us the rights which Parliament intended to give us." I think it may turn out very probably that the contract which is about to be signed on behalf of the Midland Railway Company with the Government is not within the powers provided by Parliament. Parliament last session, as I understand it, prescribed a particular form of contract, and certain variations are to be made from that form. Now, would this Committee say to the Midland Railway Company years hence, "There was an invalidity in your contract; we do not intend to carry it out." That is an example of a case which might very likely occur; and I ask the Committee not to make a precedent by dealing with us upon that basis. We go further than that. The Government made this contract with us upon the advice of the Solicitor-General, and I ask you to refer to his evidence upon page 3. You will find that the Solicitor-General says that his special attention was drawn to this clause; that he himself made an alteration in the clause. I asked him, in Question 36, "Can you say if you remember whether any question was raised at that time as to the validity of such clause?—I do not remember. So far as I am aware, no question was raised." I continued, "Either by you or by the