this matter, and I may say that he never complained to me that what we were asking was unreasonable; and it was really to meet the company and to further the matter that, after consideration, I agreed to recommend the appointment of two engineers in the colony to advise; and I think the company will admit doing this was not at all against their interests, and that, in fact, it greatly facilitated instead of retarded the settlement. I wrote the letter to the company of the 5th November, 1891 [in Appendix, p. 74], and Mr. Wilson came and saw the Engineer-in-Chief, and gave fuller information on the points that had been raised. On the 3rd of the next month, with this additional information before him, the Engineer-in-Chief reported that, in his opinion, sufficient information had now been obtained to lay the matter before the engineers. The matter was then referred to Messrs. Higginson and Maxwell, they being appointed as the two eminent engineers to deal with this question under clause 4 of the contract. There has been no question raised as to their being eminent men in their profession, or being fully capable of dealing with the question. On its being decided to refer the matter to Messrs. Maxwell and Higginson, there were some communications between the Government and those gentlemen as to the terms on which they would act, and so on; and it was on the 18th January, 1892, that we received a reply that they would agree to act—Mr. Maxwell very generously agreeing to act without payment; and on the 27th January terms were finally arranged. At the next meeting of the Executive Council the Governor formally approved the appointment of Messrs. Maxwell and Higginson to advise on the matter; and on the 12th February, 1892, all the plans and papers were supplied to them. On the 3rd March Messrs. Maxwell and Higginson asked for further information, and this is the letter they sent: [Letter of 3rd March, 1892, from the two Engineers read. See Appendix, p. 76.] I may tell you that in the meantime Mr. Maxwell had personally inspected the country, so as to be fully acquainted with its features, so that we were not wasting any time, and that every attempt was made to facilitate matters. This was on the 3rd March, 1892, and on the 5th the company was asked to furnish the information required; and on the 8th March, 1892, the company furnished the further information. This is Mr. Wilson's letter: [Mr. Wilson's letter of the 8th March, 1892, read; p. 77.] On the 18th of the same month, in reply to that, Messrs. Maxwell and Higginson asked for further information [Letter from the two Engineers of 18th March, 1892, read. See Appendix, p. 78]. The company were asked on the 25th March to supply this information, and on the 29th of the same month the information was supplied, with a sketch drawing of the engine. On the 1st April, 1892, the Engineers sent in a preliminary report, and asked for further information. [Engineers' Report of the 4th April, 1892, read. See Appendix, pp. 80–84.] A copy of this was sent to the company on the 20th April. I may say that when I received this important report I of course went very carefully into it, and also had to be advised in respect to it; so that it was not unreasonable that I did not send it on to the company for a fortnight. Well, on the 20th a copy was sent to the company; but, instead of giving the information that the Engineers wanted, they replied traversing the Engineers' report in rather a long letter. I may say at this stage that Messrs. Higginson and Maxwell had asked to be supplied with particulars of the Abt engine, and I am not aware that the particulars have been supplied even yet. The same remark applies to the break-van. There is, in fact, no such engine in existence constructed for narrow-gauge lines, and the Engineers required to have it proved to them that such an engine could be built; but it was impossible to do it. I produce the letter sent on the 20th April, 1892, from the Government to the company, which asks the company to supply the information required by the Engineers, Messrs. Maxwell and Higginson.

Hon. Sir J. Hall: It states the information required?

Hon. Mr. Seddon: Yes; and the company replied on the 26th April, 1892, but the Engineers considered the reply unsatisfactory, and that sufficient information was not given. On the 18th May, 1892, we wrote to the company informing them that we expected them to submit complete proposals. We said: [Letter to the company of 18th May, 1892, read. See Appendix, p. 86.] On the 31st May the company wrote stating that they were willing that the Fell system should be adopted, as recommended by the Engineers, but questioning their report in other respects.

The Chairman: Is that the present position?

Hon. Mr. Seddon: Yes. On the 25th June, 1892, the company were notified by us that we were not prepared to discuss the report of the Engineers with the company, and we again asked for additional information [Letter to the company, 25th June, 1892, put in. See Appendix, p. 88], and we received this letter, dated the 1st July, 1892, in reply: [Letter of 1st July, 1892, read. See Appendix, p. 88.] On the 18th I sent the following letter: [Letter to the company of 18th July, 1892, put in. See Appendix, p. 89.] On the 30th July, 1892, Messrs. Maxwell and Higginson, from the information which was supplied to them, sent in a supplementary report, but still asked for more specific information. Their preliminary report had been given on the 4th April, 1892, and now they ask for specific information free from reservation: [Letter from Engineers, 30th July, 1892, put in. See Appendix, p. 89.] On the 9th August a copy of this was sent to the company, and on the 15th of the same month the company sent proposals, but stated that they were made without prejudice to the company's rights under the contract. [Letters from the company dated the 15th August 1892 (two), read. See Appendix, p. 90.] On the 19th, four days afterwards, I sent the following reply: [Letter to the company, dated the 19th August, put in. See Appendix, p. 91.] Then, on the next day the company sent proposals in the form of the letter that I had sent to them. On the 25th the proposals were referred to Messrs. Higginson and Maxwell, and on the 26th the final report was received from them. The matter was then referred to the Cabinet and approved.

The Chairman: When was this?

Hon. Mr. Seddon: A few days after the report of Messrs. Maxwell and Higginson. Their final report was received on the 26th of last month. I may say that I brought the matter up and it was approved. There ends the incline question. The Committee have now the fullest information from beginning to end. After reading the correspondence, you will see that there has been