

no delay; in fact, with the other duties that one has to perform, and the limited number of officers we have, you will readily see that the matter must necessarily have taken up a large amount of time; and, making a fair allowance for this, you will see that it is impossible for any one, in fairness to the Government, to say that there has been any unnecessary delay. I may say that as far as the Engineers—Messrs. Higginson and Maxwell—are concerned, they have devoted a large amount of time to this business, and they have not asked for information that they were not entitled to ask for. And the company have admitted this, because they have supplied the information. Now, the next part of the petition is Part E. With regard to that, I have to say that it is clear that on the 3rd August, 1888, when the present contract was signed, the company signed it well knowing that three years and a half of the time had expired. Mr. Wilson, or his principals, in signing this contract, undertook to complete the whole railway—namely, from Springfield to Brunnerton and Brunnerton to Nelson—within the time limited; that is, ten years from the 17th January, 1885, as provided in the original contract. We have it in the evidence of Mr. Wilson that he could even now finish the line in the time still left.

*Mr. Wilson:* We have not got three years left. We could not do the work in the contract time, as we have only two years and a half left.

*Hon. Mr. Seddon:* As regards paragraphs (a.) (b.) and (c.) the whole matter contained in these paragraphs is met by the fact that the company were aware at the time they signed the contract of the time-limit contained in it, and, applying the ordinary contract rules to this contract, once they have signed it they are bound by it. Had the company on the 3rd August, 1888, asked for an extension of time, there would be something in their contention now; but they signed the contract unreservedly. As regards paragraph (d.), the great delay about the Brunner deviation and the total neglect of the Government to consent to the incline, there was no delay whatever. The company could have gone on as well without the deviation as with it; and, in my opinion, if they had made the line according to the original plan, it would have been as good or better for both parties.

*The Chairman:* What is the cost?

*Hon. Mr. Seddon:* The new line has cost the company £1,000 more than the old one would have cost. The close connection with Westland which would have existed if they had gone on the original line is all lost; and, with regard to the agricultural land which the company ask should be taken into consideration, the old line goes through a portion of it. In regard to the selling of the land, I say that the land would have sold just as well with the one line as the other, because either line must go through Bruce's Station to get to the Teremakau River. Now, at all events, it was not the Government that insisted on the deviation. If a deviation from the terms of a contract is asked for by a contractor, the contractor who asks for the deviation is responsible for whatever delay is caused thereby. Then, as regards the neglect to consent to the incline, I think I have given information which completely demolishes this complaint. The line provided for in the contract was surveyed already—we had the whole thing complete with working details; and one thing the company seem to keep back in connection with this matter is the difference of half a million of money in the cost of the incline-line; and, while they are gaining half a million, because we insisted on having definite proposals we are told that the company is being badly treated. I have said that there was no neglect to consent to the incline. Seeing that the company were making such a large saving, we should undoubtedly insist on their giving us a proper and definite line before we gave up that which was provided for in the contract. I say that the Government have only exercised reasonable care, and that there has been no delay at all in giving our consent to the incline. I say that, with regard to the whole of Part E of the petition, the matters referred to were within the control of the company. I say, in regard to the three and a half years' delay, that when the contract was signed in 1888 by the then contracting parties, everything was specified and known, and there were two courses open to the company: they could either have refused to sign the new contract, and have gone on with the construction of the line under the old one, or they could sign the new contract and abide by it; and they chose the latter alternative. At the time the first contract was signed I myself, and the Government, and the Parliament of New Zealand, were assured that the company could raise the money and go on with the line under that contract. I say again that they have no excuse, as the control was with the company. What would be thought of a contractor who, after taking a contract, comes and says, "I cannot find the money?" In all contract works of this kind the first thing to be considered by the contractors is whether they can carry out the contract; and this matter was entirely for the company to consider. On the 15th March the company applied to the Government for an extension of time, under section 42 of the contract; but, as has been proved by the evidence of Mr. Wilson himself, it would not have been wise to grant it. The Government at the time the application was made came to the conclusion that the position of the company was such that to give them the extension of time—when Parliament would certainly be sitting shortly afterwards—would have been a very unwise step to take. To have given consent to an extension of three years would have meant that the work would be hung up for six years; and meanwhile no land could be sold, and settlement would be stopped. We looked upon that as being a very serious matter, and, of course, could not grant the application. They asked for five years' extension for one line and three years' for the other. Now, that means that practically there would be eight years; and then we have the statement of Mr. Wilson that they do not think there is the slightest possibility of the company making the Nelson line at all. That means eight years from to-day, and hanging up everything in the meantime. My own view of the question is this: that, seeing the financial position of the company, and knowing the nature of the works, I should not object to a reasonable extension being given, provided that this would enable the company to arrange its finance, and provided it was given on a distinct proviso that there should be a specified expenditure between certain dates—that is, that contingent upon that expenditure taking place the exten-