

House by the Right Hon. the Premier upon the subject of the extension of time. He says, in *Hansard*, on the 2nd October, 1894 :—

I say that with the company as it now exists, and under the present contract, you are bound to give a reasonable extension of time. I say, Sir, that the original contract under which the company was working was only signed in 1888. Ten years was the original time of the contract; but then the House, subsequently to the signing of the original contract, agreed to a deviation from it; but the 10 years started from the time the contract was made with the first company and when its promoters went home to the Old Country.

Again,—

Having by our legislation allowed that deviation, knowing as we did that it was a material alteration of the contract, knowing also that when the question of the Abt system *versus* the tunnel system was settled all this was done with the sanction of Parliament, and that these were material alterations, and that power was given under the original contract to give the extension of time, I say you cannot resist the claim of the company for an extension of time. Last year the Public Accounts Committee reported and advised the House and the Government that if applications were made for an extension of time it should be granted. Having done that, and the House having adopted it, how can the Government, when the time expires and the company asks for a reasonable extension, refuse to grant it. I say we are almost bound to grant it. I say the honour of the colony is involved, so far as giving an extension of time is concerned.

In the House on the 16th October, 1894, the right honourable gentleman says,—

But what I urged then, and what I urge now, is this : that the breaking of the original contract then over that deviation gives the company some justification, in my opinion, to claim an extension of time, because Parliament knew that it would require to be surveyed, and in the laying-off and surveying of the old line everything was prepared, and the work could have gone on. Now, Parliament having said that a deviation was to be granted, and the deviation having been made, I am of opinion that the company has a reasonable claim to an extension of time, owing to Parliament having sanctioned the deviation to which I refer.

Further, he says, in referring to the report of Mr. Maxwell and Mr. Higginson on the question of constructing the line over the hill or through it,—

In this great delay took place on account of the company having to make new surveys, which took a very considerable time. However, this was done; but having made the change from the tunnel and from the original plans to the Abt system, the question comes in as to whether or not the company could on these grounds claim an extension of time.

It is plain that we could not be in a worse position, if clause 42 of the contract stated, "There shall be no extension of time allowed." The clause says: If the company shall not be able to construct and finish the railway within the period provided, the Governor may, if satisfied that the delay has not been caused by the wilful default or neglect of the company, extend such period. Sir, there is no man in the colony who can truthfully say that the company, without regard to reason, obstinately refrained from completing the contract. That is the meaning of "wilful default and neglect." I maintain we have done our best under the circumstances. We are worse off—infinately worse off—than the contractor for the construction of the Helensville Railway, in regard to whom the Right Hon. the Premier, in 1894, said,—

It may be asked, What has the Government got to do with the condition of the contractor who has got the Helensville Railway, who has met with unforeseen difficulties in the work of piercing a tunnel through? Am I to say to him and his sureties, "Because unforeseen difficulties have occurred I will stand on the contract. Away you go, bring forward your securities"? I am not called upon to do that.

And, Sir, it cannot be denied that unforeseen difficulties have arisen with regard to the construction of the Midland Railway. I say that if it had been possible to raise the money for the completion of this railway we have connected with this company names which would have enabled us to do so without any difficulty. We have Sir Thomas Salt, the chairman of some of the most important financial institutions in England; Mr. Brodie Hoare, a director of Lloyd's Bank (Limited); Mr. Walter Chamberlain, brother of the Right Hon. Joseph Chamberlain, Secretary of State for the Colonies; Lord Avebury (better known as Sir John Lubbock), a most eminent financier; Lord Eustace Cecil, son of Lord Salisbury; Mr. Trotter, the trustee and general manager of the London Stock Exchange; and many other influential gentlemen. In the rejoinder to clause 8 of my petition Mr. Blow says, again, that the accredited delegates were not sent Home on behalf of the Government, and I repeat we do not, and cannot say they were; but I should like to refer to what the Right Hon. the Premier has to say to that. On 16th October, 1894, he says,—

A Commission was appointed, and that Commission reported upon this work as to its payable character and other details, and an Act was passed giving power for a contract to be made. A contract was made, and representatives of the syndicate were sent to the Old Country. A company was formed upon their representation, supported as it was by the documentary evidence and by the report of the Commissioners, and the other information which had been collected by the representatives of the syndicate who were sent Home.

I say, Sir, that the company, under the circumstances, has done its best. That question was asked by the Right Hon. the Premier, and was answered by himself in 1894, when he said,—

Has the company, so far as it has gone, done its best in regard to the construction of this line? I say it has. Hence, I ask, why should we insist upon the company doing that which we know it is impossible for them to do? Shall we, as prudent men, take what the company can do? Under the circumstances, which are extraordinary, I say in doing that we should be reflecting credit upon ourselves as an Administration.

We have done our best, there is no doubt about that; but we have been unfortunate. Sir, the Right Hon. the Premier, in the House in 1894, when introducing the Midland Railway Contract Bill, made an eloquent appeal to members to pass the measure and do justice to the company. I will now take the liberty of quoting from that speech, altering the words (as inserted in brackets) in one or two places to meet the present conditions: "Under all the circumstances I say to members representing each and every part of New Zealand, if you carry these proposals [deal fairly