

undertook to place the matter before Cabinet, and he did so, and Mr Barron, for the Minister of Lands, wrote saying that no money was received and there were no thirds to come; but he trusted the benefits to be derived from the railway would be sufficient to compensate the local bodies for the loss of the thirds. Now, sir, the railway is not in our area at all. You cannot see that railway from the tops of our highest mountains, 5,000 ft. high. Yet we, a little corner in the Ashley County, have to make a railway that does not touch our district, and we are alone in this. Parliament—the men of Auckland and Southland—voted our lands away, and left us to pay for a railway that would benefit Auckland and Southland as much as ourselves. We are satisfied as colonists to pay our share towards the railways of the colony, but we are not satisfied to pay a special rate for a railway we cannot see. Why should that little corner of the Ashley mountains pay for that railway, when the rest of New Zealand goes scot-free? We consider that a grievance, and if Parliament says we must abide by it we feel it is very hard indeed. It is introducing the betterment principle without our being bettered. Mr Barron also said, for the Minister, that only local bodies having control of roads could get thirds, that there was no thirds revenue derived from the disposal of the lands, so none was payable. They all admit that the thirds would be payable to us if the land were sold under the ordinary Act. In 1902, under the present Chairman, who was then Minister of Lands, Mr Marchant as Surveyor-General supplied a statement that if the lands were sold under the ordinary Land Act, thirds and fourths would undoubtedly accrue in respect of some of the lands. Now, why were not the lands sold in the ordinary way? Were we a party to it? If we were we do not deserve anything. But nobody can show that our consent was ever obtained or asked. A legal opinion was then obtained from Mr. J B Fisher, of Garrick and Co., who said that we had a good case if we chose to go to law. Well, I, for one, would never consent to go to law with the Government. We thought that if our case was put fairly before Parliament, Parliament would give us redress. The Act of Parliament under which we took the responsibility of roading—passed before the abolition of the provinces—that is the basis of our claim. We never consented to any alteration of that Act. Parliament, of course, could override us if they wanted to, but was it just that Parliament should take away the revenue provided for our roading without consulting us at all? In the North Island Main Trunk Railway Act there is a subclause—133—safeguarding the interests of the local bodies, through whose territory the railway passes, with respect to thirds and fourths. But our interests were not safeguarded by Parliament in that way. We think that that was an oversight of Parliament.

*Hon. the Chairman* Was it not as much an oversight of yourselves?

*Witness* We did not know of it.

*Hon. the Chairman* You had a representative in Parliament?

*Witness* It was not his business. The Ashley County never had a man in Parliament of its own. It is only a corner of a big district, and we have not been treated as worthy of consideration, except by our present member, because the population is so small. But I maintain that members of Parliament had no right to interfere with the local bodies in the way of disturbing their finance. On the 9th August, 1899, a deputation discussed the position with Mr Seddon at Wellington. Mr Rolleston, one of the deputation, said that one of his reasons for objecting to the contract with the Midland Railway Company had been that they were making payment in land, which unjustly and injuriously affected the local bodies in the direction represented by the deputation.

*Hon. the Chairman* Where is that recorded?

*Witness* In the memorandum for Cabinet that Mr Seddon's reporter wrote. It is evident from Mr Rolleston's remarks that the Stout-Vogel Government, in making these reservations, were not influenced by any desire to conserve the statutory rights of the local bodies. I do not think that Parliament ever meant to disturb us to the extent they have disturbed us. In 1899 Mr Seddon said, "There is no money to pay you with." Then we said, Assuming that the Government had two-thirds interest and we had one-third, and assuming that the Government took 69,200 acres—which I believe is the area that was taken—our third would be 34,600 acres. Now, there was sufficient land in our district belonging to the Crown to give us our third and let the Government have the 69,000 acres. So if they gave us a reserve equal to our proportion of what they took, no money need have changed hands, and the case could have been settled. So it was not necessary that the finances of the Government should be disturbed at all, but if we were entitled to the money we should get it, whether it disturbed the Government's finances or not; and, as we told Mr Seddon then, if our claim would disturb the finances of the colony what would be the effect on the finances of a local body? In 1902 a Committee of the House dealt with this matter, and their finding was said to be unanimous. Now I come to the time when we interviewed Sir Joseph Ward. He gave a reply, a copy of which I got from the recipient, the member for the district. I was in correspondence with Sir George Clifford, who was the spokesman for us at the deputation, and after discussing the matter we agreed to this, which shows possibly a way out of the difficulty: This is the letter to the Prime Minister "6th January, 1908.—SIR,—With reference to your letter of the 12th November to Mr A. W. Rutherford, M.H.R., representing the application of the Waipara ratepayers and those of other Road Boards for payment of thirds or fourths on land allotted to the Midland Railway I was in hopes that the matter would be referred to the Law Officers of the Crown for full consideration and report. No authoritative opinion of that kind is appended, and I submit that nothing short of such a semi-judicial pronouncement can be expected to receive acceptance. My Board does not concede any of the propositions which you are advised to apply to the question. It contends that the Government was debarred from disposing of the land the price or value of which was burdened with thirds or fourths for a specific purpose, except with precautions for securing to the Road Boards the sums so set apart for them. It follows, if the Government of the day failed, whether inadvertently or negligently, to safeguard a statutory right, that you are under an obligation—probably legal, but certainly moral—to reimburse the