

them. Is it not the men who foresee those difficulties, and then have the courage and ability to overcome them, who attain the highest positions? I would ask the Right Hon. Mr. Seddon,—Would you have held the high position which you have held for so many years if the word “impossible” had been in your dictionary? I say the engineers in this case were impressed with the difficulties of the situation, and they foresaw there was fame to be attained in constructing this railway.

*Right Hon. R. J. Seddon:* Was there not considerable emolument attaching to it too?

*Mr. Dalston:* Certainly there was. Well, Sir, the company borrowed its share capital, £250,000, in 1886, and started work; and in 1889 it raised debenture capital to the extent of £745,000. Matters progressed favourably until the passing of certain measures in 1891, which the company found bore rather harshly on them. The company then decided, as you know, to petition the House, in 1892, for an alteration of the contract, and in that petition are set forth the reasons why they asked for an alteration. The Committee to which the petition was referred were of opinion, with regard to the extension of time, that the full time allowed in the original contract—that is, the contract taken Home by the delegates—was sufficient; but owing to the delays consequent upon the negotiations for modifications of the contract, and to so many difficulties under which the company had laboured, it was evident the work could not be completed in the contract time, and they recommended that the Government should grant a reasonable extension of time, and also that any negotiations between the company and the Government should be submitted to Parliament next session. The company submitted many proposals to the Government between the sessions of 1892 and 1893. In 1893 these proposals were considered by the Public Accounts Committee, and they reported that they could not accept the proposals of the company as embodied in the draft contract submitted; but they recommended that in lieu of land-grants Government debentures should be issued, bearing interest at  $3\frac{1}{2}$  per cent., but with an addition of 15 per cent. to the value of the land the company would earn on the completion of the line, on condition that the company surrendered its right of selection to land within the reserved area. They also recommended an extension of the contract time for five years. When these proposals came before the House they were rejected, and the Right Hon. the Premier then moved certain other proposals pretty well on the same lines, but omitting the granting of the 15 per cent. increase in the value of the land. The House carried these proposals, leaving it for the company to further negotiate with the Government on the basis of these proposals for the purpose of obtaining a new contract. Between 1893 and 1894 the company sent in further proposals for a new contract, and in May of 1894 the company arranged finance to carry on the works. (See cable from the Agent-General, and letter from the company, page 9, D.-3, 1894.) In 1894 those proposals came before the Public Accounts Committee. That Committee recommended that the present contract be rescinded, and a new contract be entered into; that the company complete the Belgrove Section to Norris Gully, and that when completed it should hand that section to the colony free of all claims; that the making of that portion of the line from Norris Gully to Reefton be left over for future negotiations; and that Government  $3\frac{1}{2}$  per cent. debentures to the amount of £618,250 be given to the company in lieu of land-grants; that the company should release from reservation all the reserved Crown lands, and that the time for completing the line from Patterson's Creek to Jackson's should be four years from the date of the new contract. What I wish to point out, Sir, is this: each Committee has recommended that there should be an extension of time. How was it possible for the directors of the company to borrow money for the further construction of this railway in view of these various recommendations of the Committee, but without our being able to come to any arrangement with the Government for a new contract. The company was running short of its funds in 1892, and in that year appealed to the House, and a Committee of the House said, “Very well, it is evident that under the existing contract you have not had time to complete the line. We think we should extend your contract time, and in the meantime you can go on negotiating with the Government for consideration of the terms for a new contract.” The directors could not have gone on the London money-market asking to borrow money when the condition of affairs was such that they had not the extension of time which the Committee recommended, nor the accepted proposals for a new contract. They could not have applied to financiers, and say, “Lend us this money,” because the reply would have at once been “You have not enough time to complete the line. This is 1893, and the contract ends in 1895, and it will take at least five years from now to complete it.” The directors could only reply, “We have practically a promise of an extension of time, and it only requires the passing of an Act to give us that and a fresh contract.” No financiers would lend money under those circumstances.

*Mr. Bell:* Before Mr. Dalston comes to that, I wish to call attention to one point. It did not require an Act of Parliament to extend the time. The Governor had power by the contract to extend the time; so that, if all the company required was an extension of time, the papers are full of evidence showing that they could get it at any time; but they wanted something more.

*Mr. Dalston:* It is news to me that the Government agreed to an extension of time.

*Mr. Bell:* That is not what I said. I said if that was all they wanted they could have had it at any time.

*Mr. Dalston:* Well, I say it was no use going on the London money-market to borrow money until there was an agreement with the Government for an extension of time, and for the acceptance of proposals for a new contract. In 1894 we arranged terms with the Government. We then completed financial arrangements to go on with the works, but the House would not pass the Bill authorising the new contract. I would like quote one or two remarks made to the