

desire on the part of the company to facilitate settlement. But surely it also shows as much indifference or obstruction to settlement on the part of the Crown as the refinements of red-tapeism are capable of. As instancing this I can do no better than refer to a letter written by the Premier himself on the 25th May, 1892, or two years after the applications had been sent in by worthy people on the West Coast who were anxious to take up land. This letter has already been read by me. This is the part of it to which I refer :—

SIR,—

Public Works Office, Wellington, 25th May, 1892.

Referring to our recent interview on the above subject, and the understanding then arrived at in reference to the matter, I have now the honour to state that the Government is advised that all applications already received from the company for land under clause 33 are informal, as they are addressed to the Minister for Public Works, instead of to the Queen, as required by subclause (2) of clause 33 of the contract, or the Governor, in terms of clause 49 of the same; also, that you have omitted to state whether the land referred to in the applications is to be sold for cash or on deferred payment, or to be leased, as the case may be.

I ask you, is not that trifling with the matter, when it took two years and two months for the Crown to discover that the applications were informal? And you will remember that during all that time we had been pestering the Government with letters in respect of these applications, and begging them to help us in getting the land settled. But I go further and say the obstacles and impediments disclosed in this correspondence are strangely characteristic of the attitude of the Crown throughout towards this unfortunate company, culminating, as I have shown, in the attempt to prove in 1892 that our contract was a ruinous one, and thus helping to kill our finance. I am content to leave that phase of the matter there. Luckily, the correspondence speaks for itself, and that list of letters shows out of what material and with what justice this huge claim for blocking settlement has been brought against this unfortunate company and its debenture-holders.

*The Crown could have avoided and yet deliberately allowed Settlement to be delayed.*

I pass now to another answer to this huge claim for damages on account of this locking-up of these lands from settlement. Supposing the company had gone on strictly under the contract. You will remember that the reserve area was to be reserved until 1898; then it was to be free. Well, the Crown entered to complete the line early in 1895, and even if the contract were not determined the line might have been completed in three years. Mr. Seddon told you when he gave evidence before you in 1892 that it could be finished in three years, and that was about the time which Mr. Wilson on our side thought it would take. So that you have this result: that, the Crown entering in 1895, and no untimely difficulty arising, the line should have been finished in 1898—that is, at the very time at which, under the contract, the area would have been freed. Where, then, does the claim for loss come in? I say the blame lies at the door of the Government. I say it has suited the Crown to delay the construction of the line. I say that they have thus deliberately caused the delay, and that they cannot throw the blame for it back upon us. You will observe that what I have said is on the assumption that the Government chose to finish the line, and to make demands upon the company for the construction-money. If that had been done, then the land would have been freed in 1898. But, again, and more important still, it is admitted by every lawyer, and by Mr. Bell himself, that on the Crown's entering in 1895 they could have determined the contract. Determination of the contract would have freed this land at once—that is, three years before it would have been freed under the contract. If the contract had been determined, then the colony would have had the whole of this 6,000,000 acres of land freed at once for settlement. Why did they not take that course? That they did not do so is a matter of fact; and while I can state the fact, I cannot as positively define the motive. I say, however, that one of two motives can be fairly ascribed to the Crown. One is that it suited them better to delay and pile up this claim against us. They thought that by standing still, or “marking time,” they would have a substantial claim for damages against this unfortunate company. This is an unfair motive, and the other motive I suggest is equally unfair. It is that it paid them better to keep the contract alive, so as to force construction-money out of the pockets of the debenture-holders. If they had determined the contract in 1895 they would not have received the £40,000 which we have since paid into the coffers of the Government.

*Mr. Bell:* I do not want to interrupt Dr. Findlay; but I shall claim the right to reply if the colony is to be subjected to attacks which were not made in the original proceedings. If this line of attack is to be followed I submit to the Committee that I should be entitled to make a reply on the part of the Government of the colony.

*Dr. Findlay:* I claim that I am not doing anything more than answering the very vigorous charges which have been made against us in regard to the loss to this colony. I do not desire to raise any new ground, and I have striven as far as I could not to do so; but when dealing with this counter-claim, and with the charges against us of causing such enormous losses to the colony that they amount to £3,000,000, I think that I am entitled to show that the colony cannot make such a claim against us without exposing itself to the observations I have made. I am showing by what method since they have seized our line they got from us a sum of £40,000, and that the cause of the delay of which they complain is their own, and they are to blame for it. Surely I am entitled to put before the Committee the reasons why I think the Crown has no right to make this huge counter-claim against us on account of the delay.

*The Chairman:* I think Dr. Findlay should be allowed to proceed, and then if Mr. Bell thinks that any new matter has been imported I am sure the Committee will be happy to hear him in reply.

*Mr. Bell:* I do not want to reply, but motives are now being ascribed to the Government which I cannot allow to pass, and I must ask the Committee the right to reply on these points.

*Dr. Findlay:* I hasten to say that I do not impute any discreditable motive to the Government, I know that it was acting strictly within its legal rights. I repudiate the suggestion that I