

471. I think a copy of that assignment is printed in the report of the Public Accounts Committee—D.—2, page 3, of the Appendices of 1887?—I have not got it before me for reference, but I know it was.

472. This is a printed copy of the assignment, Mr. Scott?—Yes. [Copy of assignment, Exhibit No. 80, put in.]

473. I believe you executed that assignment as printed for the syndicate. I see the company has executed it, and Sir F. Dillon Bell, as Agent-General, on behalf of the Government, has executed it?—Yes.

474. You will find the company's execution on the back?—Yes.

475. Was that assignment made subject to these conditions set out in the correspondence appended to the statute of 1886?—I had to seal the contract on condition that certain alterations were made in it. The alterations were set forth in the correspondence between the Agent-General and Mr. Salt—the correspondence attached to the statute of 1886.

476. There was previous correspondence between Mr. Salt and the Agent-General, but Mr. Salt can speak as to that himself. At the time you went Home were you furnished with any plans of the railway?—Yes; the Government furnished us with plans of the whole railway in two main sections. One—the east and west coast—had fairly complete plans; they were marked out at about 5 chains interval. The others, being of the north and south, were less complete plans; they were more in the nature of a flying survey, though to a layman like myself they appeared fairly good. I took the precaution of asking Mr. Carruthers, under the authority of the request I had had for the Government, that he would assist us if he would look through these plans and tell the people who were pressed to take it up what he thought of their value; and he went through them and said that they were good enough plans to show the lay of the country until there was an opportunity of a further survey.

477. Then, you remained in England for some time, I think, after the assignment of the contract was made?—Not very long, as shortly afterwards I arranged to take the position of land manager of the company, and I came out as their agent and attorney so soon as the details could be arranged.

478. Do you recollect when you returned to the colony?—About the first week of September, 1886.

479. When you arrived back in the colony you were in the position of land manager and attorney?—Yes; attorney and sole agent.

480. Had any work been done on the railway up to the time of your arrival in the colony, under this or the Chrystall contract?—No.

481. Now, I believe there were steps taken before your return to the colony to let a small contract?—Yes.

482. There was a small contract let to McGowan, Robinson, and D'Avigdon.

483. When you represented the company after your arrival in the colony, did you enter into communication with the Government for the purpose of obtaining a new contract?—Yes; at once.

484. On the basis of the terms set out in the statute of 1886 you met the Agent-General?—Those are the leading principles of it.

485. Up to what time did these negotiations continue?—They continued in one form or another until eventually the amended contract of August, 1888, was signed—that was, until after Christmas, 1887.

486. Until the settlement of the terms of the new contract, in your opinion, would it have been wise for the company to have financed or entered into a large financial scheme for the purpose of carrying out the works contemplated by that new contract?—As far as my opinion goes, it would have been quite impossible to do anything of the kind until the new contract was framed, because it was inchoate until then. That was my first instruction.

487. That is to say, until the new contract was made, the terms which were agreed upon by the Agent-General and the company could not be carried into legal effect?—The meaning of my answer was that, until the company was in a position to lay it before others, it would have to find the money necessary for carrying out such an undertaking; that until they got that into shape my own opinion would be that it would have been foolish to have attempted such a thing. What the legal effect might be is another thing.

488. Now, the negotiations or communications between you and the Government in reference to this new contract, you say, continued until pretty nearly the end of 1887?—Until soon after that.

489. Do you recollect when the first sod of the railway was turned?—On the 19th January, 1887.

490. By whom?—By Mr. Edward Richardson, the then Minister for Public Works.

491. I am going to take you to the time when the Larnach Proclamation appeared. I think that was on the same date as the turning of the sod?—I believe, as a matter of fact, it was.

492. You had a Minister of the Crown to perform this opening ceremony. Did you up to the time of your actually seeing that Proclamation know that such a Proclamation was to be made?—No; not until it had been done. I did not see it for some little time afterwards, because I was travelling there about that ceremony. I did not see it until I got up to Nelson.

493. Can you state about what time it was that the Proclamation came to your notice?—I should think, within ten days afterwards, or a week.

494. What did you do then?—I came straight to Wellington to see the Minister on the subject.

495. Who did you see?—Mr. Richardson.

496. What took place between you?

[Sir R. Stout objected to this question.]