

Hon. E. BLAKE: On what ground, Mr. Cooper, do you suppose this evidence would be admissible?

Mr. Cooper: On this ground, we submit: to show how that Proclamation afterwards came to be revoked.

Sir R. Stout: How can you tell that?

Mr. Cooper: By a communication made by a Minister of the Crown in reference to a Proclamation which was made by the Government, and I propose to ask the witness the nature of the statement that was made by the Minister of the Crown in reference to the Proclamation of the Government in reference to these reserves.

Sir R. Stout: The law is, of course, the same in other countries—that where a Minister has charge of a department he is supposed to administer it; but in case of a dispute amongst Ministers, then Cabinet settles on a certain course. I object to anything being received excepting official information from the Cabinet. If there is any, then put it in.

Mr. Cooper: In reference to the Proclamation, this evidence is required to lead up to the reason why other Proclamations were subsequently made, and also it is evidence which may go to the question to be decided by the second arbitration in reference to the delay in carrying out the works.

Hon. E. BLAKE: At present I am unable to perceive any ground which would enable the evidence to pass.

Mr. Cooper: I propose later on to put in the official correspondence which passed between the company and Mr. Richardson.

Mr. Hutchison: Perhaps the Umpire would not object to the correspondence. It would be considered evidence.

Hon. E. BLAKE: I would not, to the official correspondence.

Mr. Cooper: I am making two applications—that is, to get in the verbal communications between the Minister and witness, and the official correspondence between the Minister and witness.

Mr. Gully: We object, on the ground that it is irrelevant.

Hon. E. BLAKE: My present impression is very strongly hostile, Mr. Cooper, to your being able to make very much of what occurred anterior to the contract of 1888. I think the best plan would be to receive it subject to objection, leaving it open, and we will deal with it afterwards as justice requires.

Mr. Cooper: Yes.

Mr. Gully: I understand the Court says that the objection will be left open.

Mr. Cooper: I am quite content that the evidence should be open to my friend's objection. [This evidence taken subject to objection.]

497. Mr. Cooper: You say, Mr. Scott, that you came to Wellington and had a special interview with Mr. Richardson?—Yes, the Minister for Public Works.

498. What took place, shortly?—I pointed out to him the Proclamation, and I asked what its meaning was. I refer to the Larnach Proclamation. I pointed out to him that the Minister had no power to make such a Proclamation, and that it would seriously injure the whole of the land-grants of the company. I said that the decision must be reconsidered. We were then in the course of negotiations for a new contract, and Mr. Richardson replied that I need not say anything more because the Proclamation was revoked.

499. Hon. E. BLAKE.] How long was that after your first interview?—I am dealing with my first interview on that subject.

500. Mr. Cooper.] Can you give us approximately the date of that interview?—After the turning of the first sod I came up from Nelson. I had a friend to see, and was probably in Wellington some three or four days. I never saw the Minister until I came back. It was within a few days of my arrival in Wellington.

501. I believe you took no further steps in reference to that Proclamation for some time. There was no revocation published, was there?—No; I went for business, and took it for granted that the revocation was made as the Minister said to me.

502. Did you have any correspondence with the Government in reference to it?—Yes. My attention was called to it by seeing a copy of it in some paper, and in consequence I wrote a telegram first of all to the Minister, asking what was the meaning of it.

503. Is this a copy of the telegram?—Yes. [Telegram of 26th May, 1887, put in. Exhibit No. 81.]

504. You received a reply, of which this is a copy?—Yes. [Letter dated 26th May, 1887, put in. Exhibit No. 82.]

505. And then, I think, you wrote officially to the Minister on the 27th May, 1887, and received a reply on the 30th May, 1887. Will you please read the reply? [Letter handed to witness. Exhibits Nos. 83 and 84. The witness read the reply.]

506. Now, the Act authorising the execution of the new contract was passed 23rd December, 1887?—Yes.

507. And the new contract was signed on the 3rd August, 1888. Do you, as attorney for the company in New Zealand, consider it would have been wise for the company to have delayed indefinitely with the works until that contract was actually signed? Did that question appear to you in that way?—I do not suppose there would have been any risk to the works; but there was a difficulty, as I have already stated, in raising the money for the other contracts.

508. Until the further debenture issue was made, giving the company more capital, it was impossible to issue more contracts; and until the new contract was signed you say it was impossible to raise the necessary funds?—I should reply so.

509. I think you continued in the management of the company until?—July, last year, eighteen months ago.