

12. You mean to say you only showed the favourable reports of the contract at Home?—No; quite the contrary.

13. I want to know whether there was not a considerable variety of opinion as to the value of your land-grant?—Yes, a very great variety of public opinion in the colony.

14. And I suppose you know that the increase of the land-grant from 30 per cent. under the Act of 1881 to 50 per cent. in 1884 was because of the doubtful value of the land, which was expressly increased on that ground?—Well, that is a new question to me. I thought the increase was due to the supposed difficulty and cost of making a railway across the mountain, being necessary to give a greater proportion, because the increase of the land-grant would not matter so long as the land-grant was valued at so many shillings an acre. Whether you had a million acres or one acre, so long as they were only worth—

15. That is not the point. You were getting an increase from 30 to 50 per cent. The more the cost of the line, the greater the concession was; and what I wanted to know was, Is it not a fact that the increase was made mainly on the ground of the doubtful character of the land?—I cannot follow your argument, for this reason: that the 20 per cent. was to be given in land representing a certain amount of money, and the question as to whether that increase was put on for the reason you say was a parliamentary one.

16. Let me remind you that when the 30 per cent. was passed by the Act of 1881 there was a limit to the cost of mileage—£5,000—and in the Act of 1884 the land-grant was increased to 50 per cent., and the mileage limit was struck out?—Quite so; but the special reason why the House did that is not within my knowledge.

17. Did you, amongst other documents, take away the report of a Committee which had been appointed by the Canterbury Railway League, which had reported adversely to the construction of the line?—I have not the slightest recollection.

18. Do you remember McIlwraith, Bowen, and Inglis making a report?—I do not remember.

19. Did you take with you the report of the Royal Commission of 1883—what is called Captain Russell's report?—Yes, I had that with me, and I am inclined to think we had the other you allude to, but I should not like to say for certain.

20. This was, I suppose, *en evidence* in London?

21. Hon. E. BLAKE.] I have not understood what Mr. Scott meant to convey on that subject—whether he showed those whom he approached at Home the original documents, or whether he simply showed them the digest which he and his colleagues compiled from the documents?—In the first instance we showed the digest, and we handed over the documents to those people who had got so far to wish to go into them. The documents were rather bulky, however, and naturally you could not expect people to read them through.

22. Hon. E. BLAKE.] You allowed those who wished to read them?—Yes.

23. Mr. Stringer.] I want to call your attention to one passage in Captain Russell's report, which says, "Having now concluded the more narrative portion of our report, it remains only to recapitulate, for your Excellency's information, the conclusions and opinions we have arrived at. The nature or circumstances of the soil are such that along neither of the alternative lines can it be looked to for the support of a population earning a subsistence from either pastoral or agricultural pursuits; and, although metals other than gold probably exist in many places, we have no reason to suppose they can be found in such quantity or quality of ore as to become, for many years, of any commercial importance, or likely to afford employment to a population of any magnitude." Do you agree with that opinion yourself?—No, certainly not, or we should never have had anything to say to it if we had thought that was to be the beginning and end of it.

24. Now, you say in 1891, to your knowledge, the company was in difficulties again as to its finance?—I answer that by saying I knew they had not been able to raise money after the £745,000 of debentures, which I believe, from memory, was in 1889. They had not been able to make further issues.

25. Do you know when they next tried to raise money?—Speaking from memory, I should think it was in 1891.

26. What prevented the company from being able to finance in 1891?—Of course, I know nothing on that subject except what I have heard.

27. Well, you have the knowledge communicated to you from your position in London?—I would not like to speak of it until I saw the letters.

28. Surely you can tell us the cause of the failure in 1891?—As far as my memory serves me at this moment, there was no particular failure, but they had to wait and wait before coming out for a further issue. I do not know that any issue was actually tried and failed.

29. I understood you to say that you knew the company's finance in 1891 had failed?—I said they wanted to get more money about then, but they had never been able to come out for a further issue.

30. I want to know why you did not try to raise money, or could not raise money, in 1891?—It was in consequence of the difficulties, which were constant, as to making the necessary arrangements with the Government.

31. In 1891?—Yes.

32. Will you tell us what difficulties had arisen with the Government in 1891?—There had been perpetual difficulties, to my knowledge now, since 1889 or 1890 as to arranging for sale of land under clause 33.

33. That is one ground. I want to get all the grounds. Was there any other difficulty with the Government at that time? At any rate, there was no difficulty about mining reserves then, Mr. Scott, because none had been made in August, 1891?—No; but there had been discussions going on as to whether they were to be made.