

41. Have you surveyed that line?—No; flying surveys were made, but no accurate or working survey was made of that line.

42. What is the estimate of the detailed surveys of that line?—The Government estimate it at about one million. Speaking from memory, I estimate the total cost at a million and a quarter.

43. You are to get £300,000 as land-grant?—Yes.

44. Mr. Blow says the estimated cost was one million; you could get one-half that amount as land-grant?—No; the statutory cost of the East and West line was £1,500,000. The statutory cost of the other part up to Nelson was one million. The part from Reefton to Belgrove was estimated at £793,000—well, that piece would cost £1,300,000. The whole land-grant was based on the total cost of the whole line—namely, £2,500,000. There is £1,500,000 for the East and West line, and £1,000,000 for the portion from Stillwater to Belgrove.

45. You say that from Spooner's Range to Reefton the line would cost £1,300,000?—Yes, I think it will cost quite that.

46. As the contract now stands, your land-grant on that portion of the line would be what?—One-half of £793,000, or £396,500.

47. What would be the cost of making the detailed surveys. Your estimate of £1,300,000 is simply based on the flying survey?—Yes. I think the cost of making complete surveys over that country would be £80 a mile.

48. What is the mileage?—The mileage of the new line is 97 miles.

49. Should it not be a condition in any new contract that you ought to make that detailed survey?—No, but we should have to do something more for information about the line before we could make an offer. We should ultimately have to make the detailed survey, but we have got now flying surveys sufficiently close to enable us to make a pretty near approximate estimate. In the original flying survey for Rochfort there are many things which would have to be altered. In going over the country you can see where the work is under-estimated, and where it is not.

50. Very well. Now, where you have made the line from Belgrove to Spooner's Range: What did it cost the company?—£60,000.

51. Would it be likely to do anything for the country if left as it now stands?—No, it would be of no use if left as it is.

52. Then the £60,000 is dead money?—Yes.

53. What would it take to construct the line from Norris Gully to Motueka Valley?—To finish it down to the existing railway would cost about £30,000. That estimate does not include rolling-stock.

54. You mention that the company should get 40 per cent. of the gross receipts from that section?—Yes, allowing the Government 60 per cent. for working expenses.

55. I desire you to tell the Committee what has transpired regarding the raising of money and the construction of this portion of the line—the portion from Spooner's Range to Reefton?—I submitted the whole question to my Board and to the financial houses, and the answer plainly was this: that, without an actual guarantee from the Government for the interest on the capital they would not find any money at all for a piece of line like that.

56. Can you tell us how the matter stands now: Is it absolutely hopeless?—Yes; it is absolutely hopeless. Of course, in four or five years it is difficult to tell what developments may take place in the district. Conditions may be better in that time, and, if there is much mineral development, the conditions might be quite changed by then. Whenever there is a prospect of much traffic, and of its being a paying line, then you would get the money. Without that, no one will go into the thing.

57. What reason have you for asking the Government to buy over the piece of line from Spooner's Range to Motueka Valley, which you know would not pay working expenses?—I think the line could probably be worked to pay working expenses in conjunction with the Government line. It would never pay the company to work it. My offer is that, if we fail to come to a satisfactory negotiation with regard to the extension, the Government should pay £70,000, or 75 per cent. of its cost.

58. What amount of land-grant have you received on the portion of the line already constructed?—We received land-grant to the extent of £30,000.

59. And on this you are to have debentures equal to one-half?—Yes; that is what is suggested in lieu of land. We should then not get our money back; we should not gain anything by the sale of this section.

WEDNESDAY, 8TH AUGUST, 1894.

Mr. ROBERT WILSON, Engineer-in-Chief, re-examined.

60. *Mr. Guinness.*—As to that estimate which has been forwarded by the Engineer-in-Chief as to the cost of the line from Springfield to Jackson's, namely, £973,000?—That is the works' cost.

61. Does that include the cost of supervision, or the interest on the money while the sale is under consideration?—The interest on and the cost of raising the capital is not included.

62. What sum of percentage do you consider should be added to that total for supervision and interest on the capital during construction?—In addition to the cost of raising the money, about 10 per cent. for administration and engineering.

63. About 10 per cent. for administration and engineering?—Yes; and there would be also the cost of raising the money, which I cannot give, as it would depend entirely on the market in London.

64. If the colony were to make the line, of course that would be the amount that the colony would have to pay for raising the amount, and interest on that capital till the railway was completed?—Yes; that is so.