

ought to have that information. What will it take to purchase the lines already constructed by the company?—The company have £745,000 debentures and £250,000 share-capital. It is not likely the directors will sell the already-constructed portions for less.

*Mr. Hutchison:* It would not be desirable, probably, for the Government to make a piece of line connected with the two ends unless it could take over the whole of the line intact.

116. *Hon. Mr. Seddon.*] It is very like the position of the Manawatu line. What has it cost you actually as between Reefton and Jackson's, and does that include the piece from Springfield to Patterson's Creek and Belgrove Sections?—In actual works the company has spent about £850,000. There is the cost of raising the money and interest to be added. The actual work has cost that sum.

117. And does that include the piece from Springfield up to Patterson's Creek?—Yes.

118. What would it take to satisfy you for the purchase of rolling-stock?—I allow an estimate of £80,000. The Government estimates are a little understated, and they are about £50,000 short. The Government Engineers have not had the new plans showing the alterations on the East and West line. On resurvey of the line I found it necessary to lengthen some of the tunnels and make other modifications.

119. In round numbers, then, to complete the gap, to purchase and construct the portion made, it would cost, say, £1,950,000 supposing you got the cost price?—You would have £1,158,000 for your gap, and rolling-stock to complete the whole thing from Springfield to Belgrove, you might say £2,800,000.

120. How do you make that out?—You have got the Reefton piece of line.

121. I have not come to that. You spent £60,000 on the Belgrove Section, and it will take £995,000 to finish the line to Reefton. You are in the same position as we are to the Manawatu Company?—What I said the other day was from Stillwater to Belgrove, £1,300,000. That is a low estimate. I do not think you would get that under £1,400,000; and then there is the rolling-stock, so that the actual cost would be nearly £1,500,000. Those making the estimate have evidently had to assume a mileage rate, as there are no details. The estimate works out to about £10,300 per mile. It is heavy work, and would probably average £13,000 per mile when taken out from detailed surveys.

122. *Mr. Hutchison.*] Can you say how the portions you have made are paying?—The piece from Stillwater to Reefton is earning a gross amount of about £17,000 a year. We are working a little over 54 per cent.

123. What is the capital?—It will be about £380,000. The line is practically a branch one. The traffic is to and from Reefton and Greymouth, and from the settlements on the line.

124. *Mr. Guinness.*] How long has that line been open?—About three and a half to four years.

125. Do the receipts show that the traffic is gradually increasing, or is it stationary, or decreasing?—The gross receipts have been annually £8,000, £12,000, and £17,000, for the financial year ending 30th June, 1892, 1893, and 1894 respectively. It is steadily increasing.

126. You say it is steadily increasing?—Yes.

127. *Mr. Tanner.*] Then, that line pays about the same as those of the colony?—Yes; and it is working at a disadvantage, for the standing charges now are much the same as would cover the whole line. The present line is practically a branch going to Reefton, which town has been in a depressed state for several years. I believe, when the line from east to west is open, the conditions will be very different from what they now are.

128. What difference is there in the estimate for the completion of the East and West Coast Railway beyond that laid on the table?—About £50,000 less. The Government Engineers have not had a chance of going through the company's plans. There are certain alterations made; for instance, the switchback had to be altered, and a long tunnel substituted to eliminate it. I have had to alter the plans in several places east and west to avoid the slip-faces. The Government Engineers have made a very close estimate.

129. *Mr. Fraser.*] In the resolution passed by the House last year, £618,000 was put down for land-grants for the completion of the whole line?—No; for the completion of the East and West line.

130. I am reading the words here: "We only asked for New Zealand Government 3½-per-cent. debentures in lieu of land-grants equivalent to the sections we are to make—namely, from Patterson's Creek to Jackson's; all the other land is free for the part we do not undertake to make. We therefore release the 5,600,000 acres on the signing of the new contract." £850,000 was the amount?—No; the total land-grants were £1,250,000, B1 value.

131. The total you asked for?—No; it was the amount we got.

132. Your proposal was to accept a certain amount on condition of surrendering your land-grants?—No; we said we would take, in lieu of land-grant, Government debentures equal to the original value of the land-grants for the £618,250 B1 value; and, for the East and West sections, we were prepared to take 3½-per-cent. bonds for £618,250, the amount of the land-grants for that section; the balance of the other land-grants to pass back to the Government.

133. I do not see how you could have any claim for land-grant if you surrendered?—No; the present proposals eliminate that part of the contract.