

will it take to finish the railway?—Three years if the Committee give us fair consideration. If not, I cannot tell."

*Witness* : Yes, but I did not mean the completion from east to west.

427. *Sir R. Stout.*] What then?—The question was, "How long will it take to finish the railway?" so that you see that I was not wrong. Palpably, on the face of it, it is an error. If I said three years it must have been a slip, or it must have been taken down wrongly. It is a misreport. Any man looking at that country and going over it—perhaps you have not had the experience—would see that you could not possibly have done it in three years.

428. The evidence was, I think, submitted to you, read over to you, and signed by you?—It might have been overlooked by me. Mind you, it is not impossible to make the railway even in three years if you had the money, and could put your men on in sufficient numbers on the thing. To say three years is to argue the possible, but is not reasonable.

429. Dealing with this delay in another way, if you had got the extension of time, were you ever prepared since the first time you asked for an extension to complete the whole of the work to Belgrove?—I cannot answer for the company. As far as I know, I certainly would not have advised the company.

430. Then, the extension of time to five years would not have given the company the completion, even after five years. Was there any possibility?—I cannot say whether there was a possibility from what the works would be, but I would never advise them to finish the line in the time.

431. You wanted the Government to guarantee £2,900,000?—I said without a guarantee it could not be done.

432. Then you wanted an extension of time. You expected the Government to modify the contract in that direction, and, unless the Government had given that concession to you, the thing would have been valueless?—You make a great mistake. If we had been able to go to the financial people and say the Government will give this further time to finish the works, now that we have got time if you will find the money we can finish it.

433. *Hon. E. BLAKE.*] Do you mean that it would have been of value to you provided you remained under an obligation to finish the whole railway?—If they had given us an extension of time it would have given us something tangible to offer the financiers to furnish the money.

434. *Sir R. Stout.*] Do you think there was the slightest possibility of any financier giving you the money to construct the line on the basis of the old contract?—I cannot commit my directors in any way, but my own opinion is that, after what was said in depreciation of the first contract and the existing contract, I would not have advanced a penny upon it.

435. Then, putting it fairly as between parties, may we not say that the granting of the concession of the extension of time, unless the Government gave you some other modification of the contract, would have been valueless?—That is my opinion; yes.

436. Then, since 1892, and until this arbitration was started, your company was trying to negotiate with the Government to get them to modify the contract?—We were endeavouring to come to a satisfactory arrangement by which the liabilities of both sides would be met fairly.

437. The contract would have to be modified, at all events, and the Government would have had to give you, rightly or wrongly, more concessions?—I will not say concessions; but the difficulties between us had to be overcome, and by mutual agreement we should have made such arrangements as would have enabled us—

438. But the mutual agreement made would have given you more than you got in the original contract?—The negotiations of 1894 did not mean that we were to get more than under the contract. Not at all. What we offered to take was the nominal value of the land, £618,000, between the east and west, and we were to give our land-grant—

439. You were to forego the land-grant, and get the Government to buy a piece of line to a place called Norris's Gully?—It was made with your own special desire.

440. It was utterly valueless?—That is your look-out. You wished to insist upon our making it.

441. *Re-examined by Mr. Hutchison.*] Touching this last matter, you were invited to give your opinion as to what you would have advised the company to do. I would ask you to consider the position if there had been none of these grievances, as I shall call them. Assuming that the company had fair-play from the beginning, was the line north and south, or the balance of the line north and south, one which the company would have elected not to make at the risk of breaking the contract, so as to forego also the line east and west?—If the company had succeeded in getting the capital—three millions—which was offered to it in the early stages of negotiation to complete the whole line, undoubtedly the company would have completed the whole contract, and would have earned its land-grants, and would have realised its land-grants, in the hope that the whole of the lines constructed, *plus* the land-grants—half of the statutory cost—would have given it a good return on its money—probably, would have given 3 or 4 per cent. on its money.

442. *Hon. E. BLAKE.*] Will you state the date the three millions was offered?—I shall get it and state it for you.

*Mr. Hutchison* : I think it was in 1887.

*Hon. E. BLAKE* : It was anterior to the contract.

*Mr. Hutchison* : Yes.

443. *Mr. Hutchison.*] You have stated that, in your opinion, the Belgrove-Reefton Section was an undesirable one?—Yes, it always was an undesirable part of the line; and I believe I am correct in stating that, from conversations I have had with leading men in the colony, this line was really tacked on to the other line to get over political difficulties.

444. But you never had any doubt as to the desirability of the East and West Coast line?—No; I have not changed my opinion.

445. Although you have heard the evidence that has been given against it?—I still maintain