

loss caused by the postponement of the earning of traffic-receipts." What is your view of that matter?—When I got out to the colony I went over the projected lines on a reconnoitring survey, and, in going through the country, I carefully examined the other districts around which we were operating, to see if, by any deviation, it would be possible to better the line from the point of construction, and to improve the gradients for the purposes of traffic. I explored the district, which I can show you on the map.

Hon. E. BLAKE: So far as I understand, the Act of Parliament eliminated the objection, and there is no necessity to consider that point.

119. *Mr. Hutchison.*] You considered the deviation was applied for when you did that in 1889?—I did believe that we had a right under the contract to obtain the deviation. When I made the survey I discovered that the lie of the country was better for the purpose of railway construction in that direction, and I advised my board to ask for the deviation, and it did so. It avoided going over a high saddle on the south side, where the ruling gradients were 1 in 44 in one part of the country, against a ruling gradient of 1 in 60. This was submitted to the Government first of all, and we both discussed the question. I maintained that we had a right to the deviation under the contract without further legislation, but the Government did not take that view of it, and decided to ultimately bring in an Act of Parliament to allow us to deviate.

120. That is indicated generally here [map referred to]?—This indicates the old line and the new.

121. You say you applied in 1889, and the Government said that legislation would be necessary. We know that an Act was passed which provided that consent should be given if it were shown to the satisfaction of the Governor that the making of the deviation was desirable. What then occurred?—We had to get the opposition withdrawn in the House. I had to make a concession to Kumara, because the deviation took the line away a few miles from Kumara, and the member of the district strongly opposed the Bill in the House. Well, the Act was passed, and I had to complete my surveys to show that the line was better for traffic purposes, and that it would be an advantage to make the deviation.

122. Hon. E. BLAKE.] And also to show something in reference to the conditions of the Act?—We fulfilled them. It turned out that there were certain swamps we would have to avoid, so as to get on to good ground. We wanted to improve the grade; and, moreover, the cost of the road covered what was then estimated to be the cost of the old line. We had the advantage in the traffic. The question was submitted to the Government engineer, and we were delayed. The Government said the whole of the reports were against the deviation. The Minister expressed that in public—to his constituents, I think.

*Mr. Gully:* May I suggest that the questions be confined to facts within his own knowledge, or on matters of opinion, in which he can speak as an expert.

123. *Mr. Hutchison.*] Tell us the facts?—I sent in my estimates and plans, and finally it was consented to, after delays, which I thought were unnecessary delays.

124. Can you fix the date on which you were enabled to start work on what you call the deviation?—I have a note of it. You have the correspondence here, from page 43 of the Appendix, which gives all the letters and the reports. The date is 7th July, 1891.

125. There is some correspondence prior that is of importance?—You may refer to that, too. You have the parliamentary papers in the exhibits.

Hon. E. BLAKE: You may put the mass of papers and the Appendix in, and refer to it later on, if necessary.

126. *Mr. Hutchison.*] It is page 66. You say you complied with the conditions of the Act, and consent was given in July, 1891. Now, as to the incline line, I want to ask something about that?—That was a question of engineering. It was a very difficult survey, through very rough country, and it took a great deal of time, and a considerable time was also occupied in making fresh surveys.

127. In putting yourself in a position to enable you to apply for the substitution of the incline for the tunnel line?—Not only so. It was only a short length of tunnel, but I had to go through the whole of my plans.

128. That necessarily took you some time?—Yes, necessarily.

129. There is a mass of correspondence on that subject, which I think we might put in *in globo*. It would be Part VII. of the Appendix, from page 62, and ending on page 92—thirty pages.

Hon. E. BLAKE: I would again refer to my suggestion as to blue and red pencil being used to apply to these matters.

*Witness:* The only point for the engineers was the question of capability for traffic and working cost. It took the engineers some time to investigate this. I maintain they went beyond the scope of the matter submitted to them.

130. Hon. E. BLAKE: Is it not set out in the correspondence?—You might overlook that.

Hon. E. BLAKE: I am not going to overlook any correspondence the company may submit to me if it is marked.

131. *Mr. Hutchison.*] The next point in your petition is under Part E, which refers to the refusal and delay in granting an extension of time. You refer to the provision in the contract, and say that it was due to the delay as to the deviation and as to the incline?—Yes.

[Correspondence put in, up to July, 1892: Exhibit No. 68, 15/3/92, company to Government; Exhibit No. 69, 30/3/92/, Government to company; Exhibit No. 70, 2/4/92, company to Government; Exhibit No. 71, 6/5/92, Government to company (telegram).

132. *Mr. Hutchison.*] So that in 1892 you were complaining of the delay which had occurred in granting the extension of time under the contract?—Yes.

133. And the correspondence, to the extent of four letters, up to July, 1892, has been put in?—Yes.

134. You say that only two years and a half of the ten years allowed for the completion of the