

59. Do you think the work is worth what it has cost?—I believe it is worth that because the West Coast is looking up, and the traffic receipts are bound to increase on the opening of the other sections of the line.

60. Then, the success of the line depends on its being connected with the East Coast?—Yes.

61. From what you have said, I gather there is very little surplus of earning just now above the cost of working?—For the twelve months ending the 30th of June, 1894, the net receipts were £6,572, showing 57·25 per cent. working expenses, which is equal to the best paying lines.

62. Of course you do not think the success of the line has had an opportunity of being tested yet?—I think not.

63. *Mr. Blow.*] The cost of the line includes all the engineering charges, of course?—Yes, it includes administration and engineering expenses.

64. That includes Mr. Wilson's remuneration?—Yes.

65. What was Mr. Wilson's remuneration?—Mr. Wilson received a certain salary and he also received a percentage on the amount expended on construction, and he himself paid the engineering staff from his own account.

66. Can you state what the amount of his salary was, and what the percentage averaged?—The amount of salary was £2,600 per annum. I cannot tell you what the percentage was. It mostly depended on the amount of construction work going on, and I have not the figures at present to give you the information.

67. Are you in a position to say whether the percentage resulted in a profit to Mr. Wilson?—So far as I know it has resulted in a profit.

68. Have you any idea of what profit?—I could not say what.

69. Would it be another £1,000 a year?—Approximately.

70. *The Chairman.*] You would be able to tell that from the drawings?—I should think it averaged £1,000 a year.

71. *Mr. Blow.*] Do the charges include Mr. Scott's salary?—No, they do not.

72. Mr. Dalston's?—Well, they included a certain proportion of the clerical staff whose time was allocated to engineering work, or work charged against the engineering. It included a certain proportion of some of the other officials' salaries.

73. Does the total cost of construction you have given us include interest on capital?—No, it does not.

74. Have you any idea what the company paid for their rails?—No; I have not any information at present. It could be got from the company's books.

75. You could not tell us whether it was £5, £10, or £15?—No, I could not say.

76. Were all the contracts for the construction of the railway let by tender?—So far as I know, all the different contracts were advertised for and tenders called for.

77. And the lowest tender always accepted?—Well, that is outside my province; I could not say.

78. You have never heard of any contracts being given to contractors at schedule rates arranged between themselves and Mr. Wilson?—I have no definite information, except that certain contractors have given great satisfaction in the way they have carried out the work, and they have carried on further work.

79. That is what I understand to be the case. As regards the amount of money that has passed through the company's hands, there were, in addition to £745,000 of debentures, £140,000 subscribed afterwards, but prior to the issue of debentures, to meet arrears of future interest?—We have no information in the company's books in New Zealand on that point.

80. You could not tell the Committee at the moment what profit was made on the land-sales; but you will probably be able to tell the Committee what was the supposed profit made on the land-sales?—Yes. I think in 1892 it was shown before the Public Accounts Committee that the profit up to that time averaged from 37 to 39 per cent. over B 1 value.

81. So that, in addition to the value of the land shown here, we have got to add 39 per cent., being profit realised by the company on the sale of land?—Yes.

82. Now, turning to the traffic receipts of the railway, you tell us that for 1894 the net receipts were £6,572, and for eleven months in 1895 they were £3,257. If I add one-eleventh to the 1895 receipts, surely I get approximate results for the whole year of 1895?

*The Chairman.*: Thirty-six days short of the year.

83. *Mr. Blow.*] Well, it is a fraction more. If I add that, it will, to be liberal, mean that the company earned about £3,700. How do you account for the great difference between £3,700 and £6,572 in 1894?—Speaking from memory, the company brought to charge at the 30th June, 1894, various amounts which went into traffic receipts, such as postal charges, &c. I think that accounted for a good deal of the difference.

84. What were the amounts of the postal charges?—They would amount to about £500 altogether, I think; but I think £300 would have come into the June account, speaking from memory.

85. So that is £300 towards the difference of £3,000. Anything else?—So far as I remember, we had some heavy departmental charges that year. I forget exactly what they were, but I know that, in making up the accounts, we came across these charges, some of which were connected with royalty account of Blackball coal, subsequently written-back.

86. That would not have anything to do with working-expenses?—No; but subsequently it would be a charge against the traffic department.

87. Then, am I to understand that such receipts as the royalty of Blackball coal are included in the receipts from working the railway?—No; they are not. There was a certain rate charged with respect to haulage of the Blackball coal, and we had to make a rebate to the traffic department, writing back amounts charged in excess.