

tain lands, and the surveys. There cannot be very much room for doubt, I think, seeing the number of things it includes, that £10,000 would be about reasonable for these items. The other items are quite clear—there can be no question about them, I think; it may, therefore, safely be accepted that the cost has been for the first section about £65,700.

102. The line was inspected by a Government engineer?—Yes; Mr. Hales has had charge of the funds. I should also explain that we have a good check on the cost of this line, because when the issue of the debentures was authorised by the Government, by Order in Council, the proceeds of these debentures were lodged in a trust account, and Mr. Hales had to authorise the drawing upon this account from time to time in a certain ratio—that is to say, the amount to be drawn from time to time out of the trust fund would be in proportion as the total amount of guaranteed debentures was to the total estimated cost of completing the first section of the railway—namely, as 94 to 117. Mr. Hales issued sums out of the trust account, which was placed under his control accordingly, from time to time, in conjunction with the directors of the company; so that, I apprehend, there can be no doubt about the cost of the work since the trust fund was created.

103. Was there any standard of excellence fixed for the railway?—Yes; the plans had to be approved by the Engineer-in-Chief, and they were so approved.

104. The plans and specification?—Yes.

105. That is to say, the railway of its class would be quite equal to the Government railways of that particular class?—Yes; I think so. It seemed to be very substantially constructed.

106. *Mr. Valentine.*] What is your opinion, Mr. O'Connor, as to the value of the railway as a working-railway? Is there any likelihood of its paying at an early date?—I am not in a position to give an opinion on that phase of the subject. I do not know anything of the country beyond the end of this railway. I have been told that the land beyond the end of the railway for twenty or thirty miles up towards Hokianga is good land, and that there is room for large settlement there; and, of course, if settlement were to ensue on this land there would be traffic independent of the timber-traffic.

107. As to the timber?—There seemed to be a good deal of timber in the district, and it struck me as being very good timber. I should say it would run probably 30,000ft. to the acre, or something like that. I cannot say, however, how many acres there are of it.

108. *The Chairman.*] Have you read Mr. Knorpp's report of 1885?—I did read it a number of years ago, but not lately.

109. *Mr. Valentine.*] If the line were completed for the additional three and a half miles would that assist the success of the railway in bringing it into the fertile country you are talking of?—I take it that the settlement of the country cannot be expected to go on rapidly unless where it is clear. The line now gets to the timber-country.

110. Is there not fine country just beyond that?—I do not know. The Surveyor-General, Mr. Smith, can give you much better evidence on this subject than I could, as he has been over the ground. The traffic is mainly contingent upon there being a demand for the timber.

111. *Mr. Rhodes.*] What are the shipping facilities?—Sufficiently good, I believe. I saw pretty large ships in there. They go aground at low water, but there is a large rise of the tide there. I should say that ships of from 500 to 600 tons, or something like that, could get up to Dargaville.

112. *Mr. Moss.*] What sized vessels can get there?—From what I saw—I did not ask particularly—I should say vessels of 500 or 600 tons.

113. *Dr. Newman.*] How much would it take to finish the line?—I believe it is reckoned it will cost £16,000 to do the other three miles: but some of that has been already expended. I believe there is a good deal of it done; but the company owe money to the contractor. The estimated cost is £16,000.

114. Without any work being done?—Yes.

115. How much will it take to finish it?—I could not tell you. I understand that all the money that has been paid on account of it up to date is £1,500, but I understand the value of the work done is considerably over that.

116. We should want, then, £12,000 or £13,000 to finish the line?—I take it, if the Government took over the line, they would have to pay the contractor; that is to say, that I presume that whoever takes over the line, they would take over the responsibilities of the company. Of course, that is only a matter of opinion.

117. Supposing the colony forecloses, is the advance of £47,000 secured? will the Government get on that line over £47,000 of work?—Yes; a good deal more than that.

118. How much?—At least £67,000, that I know of.

119. We will get £17,000, then, for nothing?—I make it £20,000.

120. *Mr. Moss.*] When you said £16,500 as the cost of the second section, you meant that would be the value of the work when finished?—Yes.

121. You include in that what the contractor had already done?—Yes; that is so.

122. The contractors are said to have £13,200 owing to them: is that on account of the three miles and a half?—I do not really know. I should not have thought they would have that amount owing to them. If they had that owing to them on account of the three miles and a half, it would go to show that the line is all finished.

123. *The Chairman.*] The company's statement shows it will take £7,000 to finish the line. At that rate, they will only owe the contractors £9,000. Could you find out by to-morrow, Mr. O'Connor, how much it will take to finish the line?—I do not think I could obtain the information by to-morrow. I could find out, but I do not know how long it will take to obtain the information. Our engineer is not in charge of the works; the company's Engineer is in charge now.

124. Could you find out from that Engineer?—Yes, I think so; but, of course, that will be merely giving the company's Engineer's estimate, which, I presume, the Committee has before it already in Mr. Barstow's statement.