

213. Did they not tell you that it would cost more money?—No; you may have told me, but I should take the opinion of engineers only before I could judge.

214. You say you lost ten months of debenture-interest, which was a loss to the company of £18,000?—We had a delay in the works for ten months, and consequently paid debenture-interest for that time.

215. Work was going on all the time on the other sections?—Yes, but our money was lying idle.

216. What was the cost of this deviation?—From the first point of the deviation to Jackson's, about £90,000 odd.

217. Is it on that basis you put down your loss of £18,000?—I refer to loss of money that might have been earned in working, and on the debentures standing idle.

218. Show us the way in which you calculate interest on the whole of the debentures?—We had ten months longer to wait. If I could have completed my work then the interest on the debentures would have been saved—nearly the year's interest.

219. I asked you what was the cost—the capital required—for this deviation?—I answered it; £90,000.

220. You admit that the work was going on at Springfield?—Yes.

221. And at Reefton and Belgrove?—Yes. But I must point out this: that it would consequently take ten months longer to finish work that could have been going on at the same time.

222. Was it not yesterday or the day before that a settlement was come to on the Abt system?—I believe it was. I am glad to hear of it, because I have not yet had official intimation of it.

223. You sent a letter which was referred by the Government to the engineers, and a satisfactory arrangement was come to?—Yes.

224. Suppose the question of the Abt system had not been settled, you could not have gone on with the work? There was a break between Springfield and Brunnerton?—But how long has that question been before you?

225. Some months?—A year. It was six months before you referred it to the engineers at all.

226. At any rate there was a break between Brunnerton and Springfield in the shape of the roposal for the Abt system?—I cannot see the point you are driving at, because the line to Jackson's would be open and working.

227. How long after you got the deviation was it before you let the contract to Jackson's?—I let the first contract within a fortnight—the section to Lake Brunner, which was on the deviation.

228. When did you let the contract to Jackson's?—After arranging for the money.

229. How long is that ago?—We completed the financial arrangements in April. It was necessary to finance before going on with the construction, and that was kept back by the deviation.

230. You had not sufficient faith before the Bill passed?—It was not a question of faith. We had to construct the line.

231. What time elapsed before you called for tenders?—We called for tenders within three weeks after the Act was passed for the first section of the deviated line.

232. Was that after or before you called for the other one?—It was in April last. I had to arrange for the money first.

233. There was a difficulty in raising the money?—Decidedly there was a difficulty in raising the money.

234. Coming now to the question of the incline, the first letter on the subject was dated the 19th August, 1891?—Yes, I think that was the first official intimation that we had of it.

[Clause 4 of the contract read.]\*

235. You will agree that the proper course to take with any proposals asking for the incline-line would be to hand them to the Engineer-in-Chief?—I think the contract says two eminent engineers, to be nominated by the Governor.

236. As an expert, if an application were made you would first of all take the advise of an engineer?—As to the appointment of engineers?

237. As to the information supplied with the application?—I do not know what you would do. The contract states definitely that you have to appoint two engineers.

238. Two have been appointed, have they not?—Yes; appointed, I think, about six months after the application went in.

239. Were you not asked to furnish further information by the Government from the 5th to the 11th September?—Yes; we were asked to submit further information, which you will see by the correspondence I did not think necessary in the terms of the contract to submit.

240. Did you subsequently submit it?—Yes; with a view to the settlement of the question; but I reserved the rights of the company.

241. You submitted the information demanded?—I did; but there was sufficient information already, together with a report, to enable the engineers to give their decision.

242. You interviewed the Engineer-in-Chief and gave him some of the information he wanted?—Yes. Why should I withhold it? I did not give away the rights of the company under the contract.

243. Did the engineers subsequently appointed (Messrs. Higginson and Maxwell) insist upon further information?—Yes; which, I maintained, was beyond their powers to demand. They went into the details of construction, which I maintained, and still maintain, they had no right to do, so long as we kept to the Government standards. I gave them the information later.

244. It was a case of saying you would never consent, and consenting?—It is like a good many other things you have to do when you get obstructive people to deal with and wish to get over your difficulties.