

367. There was an agreed estimate prepared between the late Engineer-in-Chief (Mr. Blackett) and Mr. Bell acting for you on behalf of the company for land-grant purposes, and also an estimated cost of the work?—For land-grant purposes. The estimates for land-grants were based on the whole line costing two millions and a half—actual estimated cost is nearly three millions—and it was put down at two and a half millions for land-grant purposes only.

368. Here is a statement showing the estimated cost. [Statement dated 5th November, 1888, read. (See Appendix, page 33.)] The total estimated cost is £2,830,000. I want to know if this was submitted to the company's engineer and the Engineer-in-Chief and agreed to?—Certainly, for land-grant purposes.

369. They agreed on the estimated cost?—Only for land-grant purposes.

370. Proportionately with that estimate, what is the cost of the line when opened?—In some parts similar, in some parts more. The estimate you refer to was made for fixing the land-grants on each section of line.

371. They had all the details, had they not, with the exception of the sections mentioned here—1 to 10?—No, it was adjusted merely for dividing up the land-grants for each section, and not for the estimated actual cost of every section on the line.

372. Do you know what the amount was for the line from Reefton to Brunnerton?—If you have the document, it will show you. £275,000 is what it shows here. It comes to considerably more than £275,000. That is the approximate estimate for land-grant purposes only, as I have before stated, and you will notice that the land-grant there is less than half estimated cost.

373. Take the first item, Stillwater to Nelson Creek, £63,000; well, the land-grant was only £47,400?—The reason was that it was supposed the Reefton line would pay better than the other pieces and required less land-grant.

374. Does this cost of construction include purchases or payment of compensation as you went on with the line?—Partly.

375. That is included in the cost of construction?—It would include compensation for land.

376. What is the amount paid to the contractors?—That I will give you to-morrow. In round figures, we have paid about £8,000 per mile, that is, for the work done here. We got the rails and fastenings and rolling-stock from England.

377. You have paid the contractors, in round numbers, about £8,000 per mile?—Yes, approximately.

378. We come now to the Stillwater; I think that is the junction?—Yes.

379. Where is the line completed to?—From Stillwater to Lake Brunner.

380. What was the cost?—About the same.

381. £10,000 per mile?—Yes.

382. How many miles?—Fifteen and a half.

383. I mean where it branches from the Stillwater?—About a mile and a quarter less.

384. That is, fourteen miles and a quarter?—Yes.

385. And the cost of that is about £10,000 a mile?—That is about the average cost.

386. You will give the amount of the tenders?—I will give you the lump sum paid to the contractor.

387. *The Chairman.*] That includes compensation and supervision?—Yes; £10,000 per mile.

388. *Hon. Mr. Seddon.*] I understood that you give the amounts paid to the contractors?—I will give the cost of the works. If the Committee desire it I will give what we paid to the contractors, but it is rather going into the private affairs of the company. I think it probable that if you go into the details you will find that our line costs less than the Government lines.

389. What is the smallest section you let?—One mile and a quarter. If I give you the amount paid to the contractor you do not arrive at the cost of the line. We have had our rails and fastenings, &c., from England.

390. We know all about that and can allow for it. Were the contracts let by private arrangements, or upon tender in the open market?—The Government have nothing to do with that. I will satisfy you, as a matter of courtesy, that in every instance I have asked for tenders, but you have no business to ask. You are going outside your powers in touching this question.

391. If the colony is asked to guarantee the company a loan it ought to know what you are going to do with the money, how you are going to let the contracts, and what is their cost?—I do not suppose we shall go in for co-operation, if that is what you mean. We have let our contracts to the best advantage to the company.

392. To the lowest tenderers?—Yes, generally. In one case a contractor could not produce his deposit-cheque, and he was disqualified; that was the only instance where a contract was not given to the lowest tenderer.

393. You still adhere to your opinion that the colony has no right to know what the line cost to construct?—You can be quite sure that the company, being a commercial one, will let the contracts to the greatest advantage to itself.

394. That is what I want to get at; if we get at the cost we shall be able to judge. You have estimated that the railway from Canterbury to Westland will cost £1,070,000?—Yes.

395. That is the unfinished portion of the line?—Yes.

396. Is that estimate based on the Abt incline-system or on the tunnel?—On the incline-system.

397. What is your estimated saving?—About £470,000.

398. What is the original estimated cost by the Government engineer and the company's engineer, including the tunnel?—You have to modify that estimate. Your original estimate was based on merely a trial-survey, and omitted a large item for retaining-walls found necessary, and also for lining the tunnels. If you produce your estimate you will find I am right in saying £470,000 is the saving.

399. How do you account for the difference, in round numbers, of £110,000?—It includes interest during the time of construction.