

the assessment, notice is sent to the Commissioners to say that they are approved. Pending that notification nothing could be done. I should say the Receivers would not receive deposits until they knew that the Queen had assented to the applications.

77. What I want to know is this: You do not dispute that certain applications were made in strict accordance with clause 33 of the contract. We will take Nelson. These applications followed the course laid down under clause 33, and were before the Minister at the proper time. An applicant tendered his money to the Receiver, who replied that he had not received instructions from the Government to take the money, and he did not do so. Was the Receiver correct in making the statement, or had the Government given instructions?—I should say at once that the Receiver may have refused to deal with an outside person and would only deal with the company.

78. The contract does not say the company shall tender the deposits, but all the applicants shall tender the deposits?—I do not know anything with regard to a refusal at the Kokatai.

79. The value at Kokatai is £4 a section in the township?—Yes.

80. In relation to the deviation, you said that the tunnel line had been carefully defined and located on the ground. Are you not aware that the only survey made until I completed my plan was a preliminary one, and that it would have been impossible to construct the line in many places as shown on that plan?—I speak advisedly, from information obtained from the engineers, there would have been no difficulty in constructing the line as located.

81. From the 5-chain survey that was supplied to the company?—There might be some alterations required in that. I have made inquiries upon that head, and my informants say there was sufficient information furnished.

82. To construct the line on?—They were not the working plans, if that is what you allude to.

83. You laid particular stress on the point that the deviation round Lake Brunner was longer. Are you not aware that the total length from Springfield to Stillwater was a few chains shorter than the original line as surveyed?—I simply say this: You have taken the line at a lower level, owing to the beginning of the Abt system, and have thus gained on parts of the line. I take the deviation from point to point, from the Teremakau to Mitchell's, and I say it is a mile and a half longer than the original line from point to point.

84. Does my line not give me a few chains less from Stillwater to Springfield than the original line?—Well, of course the plans will show for themselves. I say that, as between the original line to Lake Brunner and the new line, which you claim to be shorter, when it came to be made it was found to be a mile and a half longer.

85. From defects in the plans supplied by the Government?—Certainly not. You produced your own plans. And it cost £700 more to make. That is admitted. With the alternative plan shown by the late Engineer-in-Chief, Mr. Blair, the line was shorter.

86. You spoke with confidence when you said that a better line than the new deviation was possible on the other side of the lake?—Yes.

87. Was another trial line ever made by the Government to give you this authority?—I have the authority of the late Engineer-in-Chief, Mr. Blair, for that.

88. Was Mr. Blair ever over that ground?—I cannot tell you.

89. I can answer it; he was not?—He is not here now. But he would not give the report he has upon this unless he had sufficient data to go upon.

90. When I tell you that we explored all the country before making the deviation, and that we found that the original line could not be located as shown owing to slips that had taken place after the original survey was made, you must give us credit for rather more information than even the Government possesses?—I have known men to be looking for work and not anxious to find it, and I do not think the company were anxious to find a route on that side of Lake Brunner.

91. Is it not a fact that I pointed out that the great advantage of the deviation would be obtained by reducing the ruling grade from Stillwater to Otira from 1 in 40 to 1 in 60, and that the saving in cost of working for all time was an important consideration?—On that point I join issue with you. When you made that application you had not sufficient data to say you would get a 1-in-60 grade between Otira and Jackson's, as you had not the consent to the Abt system, and without that your flattening the grades between Stillwater and Jackson's was no good to you at all. You had steeper grades between Stillwater and Brunnerton, and the same motive power would have done.

92. Did I not always state that it was with a view of obtaining a better line?—Suppose the Government had said they would not agree to the Abt system, your flattening the grades would have been no good to you. The question of flattening for a few miles is immaterial.

93. If that is so why were you anxious to have a reserve made round the rocks at Nelson to avoid the steep grade there?—If they had had a 1-in-50 grade at Nelson it would not be necessary to go round the rocks.

94. Then it is not immaterial?—Where the grade is only 1 in 50 we know that that is called a first-class line.

95. I presume you were not serious when you said that the cost of the steamer would absorb all the savings by the reduced grade?—I did not say the maintenance of the steamer would absorb all. I said you must take the interest on the cost as well as the working of the steamer on the lake.

96. I think it will make a difference of £3,000 or £4,000 on a traffic of 300,000 tons a year. Is it not a fact that the steamer on the lake is to be used only if the traffic necessitates it, and if so, that the steamer will pay for itself?—I do not know. You undertook to maintain it there.

97. You complain, in reference to the Abt system, that you did not get sufficient information for the engineers who were reporting on it. Is it not a fact that Mr. Rinecker, one of the