

169. Do you know the Westland mill?—No; that is since my time.

170. If it was said that there were six mills cutting timber owing to the completion of that line, what would you say?—If you say so I am prepared to admit it.

171. If that is the case, then the two railways combined help the trade?—Yes; and, as I pointed out, of the 8,000,000 ft. exported in 1895 the company carried 6,000,000 ft.

172. It would not be all owing to your company's railway that this timber was exported, more particularly as the Greymouth-Hokitika line was first completed. Do you say you were denied the vouchers or information at any time?—I was told I might see any particular vouchers I asked for.

173. Did you ask for specific information?—In 1896 I several times asked to see these vouchers, and I was told by Mr. Blow that the vouchers were bound up with the vouchers of the colony and it was not convenient for me to see them, but if I would put my finger on any particular payment the voucher would be turned up.

174. Did you write to your controlling head complaining of that? Did you place anything on record to show you complained?—I wrote to the English Receiver's solicitor in Christchurch, and also to my directors.

175. Did you write to the Government intimating to them that you had been denied these vouchers?—I am under the impression I did not do so.

176. Do you think it is proper to raise the question now when the Government themselves have never been asked?—I did not wish to raise the question. It was brought forward by Mr. Bell, but, as we were on it, I gave my answer.

177. Did you have reason to believe that there was anything of material importance which was being kept back, or that if you had it would put a different complexion on the working or payment for the line?—I looked upon it that we were paying demands made on us, and it was our duty before we paid them to see what we were paying for.

178. What was the nature of the matter to which you took exception, and in connection with which you wanted to see the formal documents—anything you believed the Government was putting against the line which you thought should not be charged?—I went there as auditor, and said, as any ordinary man of business, "I am entitled to see the receipts."

179. It was not that there was any amount charged against the company that should not have been so charged?—I should be very sorry to make any such charge against the department.

180. *Captain Russell.*] You told us that £751,232 were payments to the contractors?—Yes.

181. Was that altogether cash found by the company, or was it partly from land sales?—It was entirely cash found by the company and debenture-holders. With the exception of the first contract in England, we called for tenders in every case, and the contractors were paid in cash from the company's coffers.

182. Did that £751,000 include any money derived from land sales?—No.

Mr. H. J. H. Blow in attendance, and examined on oath.

183. *Mr. Bell.*] You are Under-Secretary for Public Works?—I am.

184. You have heard the evidence given by Mr. Dalston on the subject of the request to see vouchers?—Yes.

185. Will you explain to the Committee what took place on that head?—When the first accounting period had elapsed a balance-sheet was prepared, and sent to the company. Shortly after receiving this they applied for details of the expenditure, and most voluminous details were furnished them.

186. *The Chairman.*] Were the vouchers furnished?—No; not the actual vouchers, but most voluminous details were given, including the substance of every voucher. Then Mr. Dalston called upon me, and said he would like to see the original vouchers. I said he could see any one he wished to inspect, or, if he suggested that he wanted to see the whole, he could still be satisfied, but it would have involved the hiring of a large hall, and the display of cartloads of volumes. The total of the Government vouchers and sub-vouchers number hundreds of thousands a year, and they are bound up in book-form with a hundred vouchers in a book. The Midland Railway vouchers are not by themselves, and every one of these books would have had to be produced to satisfy Mr. Dalston. The expense and inconvenience would have been so great that I should have had to submit the matter to the Minister. I, therefore, asked Mr. Dalston to consider whether it was necessary to press the matter, and I never heard anything more about it.

187. The expenditure upon the Midland Railway was an exceptional thing, entirely apart from ordinary Government expenditure. At that time the railway did not belong to the company?—No; and the accounts were kept entirely separate.

188. Then, how was it the vouchers were not kept separate?—They could not be conveniently. Every voucher passing through the Treasury is given a separate number, so that when returned receipted it may come in its proper order and due place, in case it should have to be referred to afterwards. These vouchers are numbered throughout, and when they are returned they are bound up in books according to the numbers. It would be practically impossible to keep the Midland Railway vouchers separate.

189. That is not my question. Supposing— it is very unlikely that it should be the case—but supposing the company found itself in funds, and took the railway back, they could demand a complete statement from the Government of all the expenditure and the vouchers for that expenditure?—As regards the actual vouchers I should say not. Of course, they could demand a complete and audited statement of accounts.

190. The vouchers would have to be produced for the purposes of audit?—Yes; but that would be simply a question of labour and inconvenience. There was no insuperable difficulty in giving Mr. Dalston the vouchers, but I put it to him that the labour would be very great; and I