

REPORT

OF THE

ROYAL COMMISSION

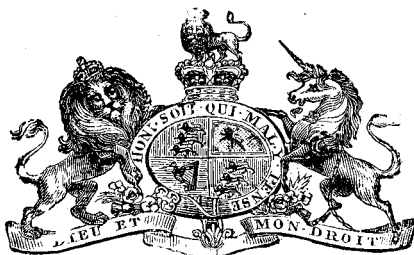
ON THE

NEW ZEALAND MIDLAND RAILWAY,

TOGETHER WITH

MINUTES OF PROCEEDINGS AND EVIDENCE, AND APPENDICES.

Laid upon the Table of both Houses of the General Assembly by Command of His Excellency.



NEW ZEALAND.

BY AUTHORITY: JOHN MACKAY, GOVERNMENT PRINTER.

1901.

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CORRIGENDA—EXHIBITS.

- Page 2. Cobden Town Sections: Area unsold, for "14 a. 2 r. 7 p." read "14 a. 2 r. 27 p."
 Page 2. Summary of Returns: Block No. 62, for "331 acres" read "331 a. 1 r. 27 p."
 Page 3. Summary of Returns: Block No. 131, delete "(part)."
 Page 4. Ahaura Town Sections: Sections 128-144, for "1 a. 4 r. 4 p." read "1 a. 1 r. 4 p."
 Page 9. Stratford and Son, Moana: For "total £1,036 2 6" read "total £1,038 2 6."
 Page 9. Butler Bros.: Rate since 27th August, 1900, for "Midland 6d." read "Midland 5d."
 Page 12. Seventh line: For "25th May, 1893" read "25th May, 1895."
 Page 14. Communication by wire: For "fitted in stations" read "fitted in 14 stations."
 Page 15. Stillwater: For "station-yard is well designed" read "station-yard is well drained."
 Page 16. Reefton: For "Oil Store, Office, 24 ft. by 10 ft." read "oil store and office, 24 ft. by 10 ft."
 Page 16. Moana: After "company's siding at" insert "16 m."
 Page 19. Exhibit No. 13: For "Stillwater bridge wants to be removed" read "Stillwater bridge wants to be renewed."
 Page 22. Schedule of Area: Reserve 131, for "8 a. 3 r. 14 p." read "8 a. 1 r. 14 p."
 Page 22. Exhibit No. 17: Heading should read "Statement of Comparative Prices of Goods at Reefton at Different Periods."
 Page 23. Return of Rolling-stock: Headings, for "locos." read "class."
 Page 23. Return of Rolling-stock: L5,673, for "good" read "fair."
 Page 23. New Stock: Insert "Class U."
 Page 30. Grading: Price column, for "1.4/," and "£1 6/," and "£1 17/," read "£1.4" and "£1.6" and "£1.17."
 Page 30. Bridges and Culverts: Quantity column, for "4-15 tons" read "4 tons 15 cwt." Price column, for "6/" read "£6."
 Page 31. Permanent-way Materials: Points and crossings, for "£33/7/" read "£33-7."
 Page 32. Schedule No. 1: Formation, for "17,645 lin. ch." read "176-45 lin. ch."
 Page 33. Permanent-way: For "pipe-laying" read "plate-laying," and for "2/1" read "2/" in price column.
 Page 34. Bridges and Culverts: Culverts in creek diversion, for "4,622 ft." read "46-72 ft."
 Page 35. Claim No. 2: Claim for £46, after "being" insert "£40."
 Page 35. Schedule No. 1: After "0 m. 0 ch." insert "Brunnerton."
 Page 36. Schedule No. 1: Telegraphs, rate column, for "£2 10s." read "£50."
 Page 37. Grading: Level-crossing, price column, for "14/8" read "£14 8s."
 Page 46. Permanent-way: Plate-laying, for "£786 6s. 8d." read "£788 6s. 8d."
 Page 46. Exhibit No. 33: Fencing, for "£2,761" read "£1,761"; and Miscellaneous, for "£530 18s. 9d." read "£53 8s. 9d."
 Page 47. General Summary: Contingencies, for "£1,566 18s. 4d" read "£1,566 14s. 8d."
 Page 49. Tunnels: Excavation in tunnels, for "11,220 yd." read "11,200 yd."
 Page 50. Bridges and Culverts: Ironwork in bolts, price column, for "13½d." read "3½d."
 Page 56. Schedule of Works: For "5 m. 32-21 ch." read "5 m. 34-21 ch."
 Page 57. Bridges and Culverts: Timber, B.M. Ironbark, for "39/" read "30/"; Concrete, for "£2,530" read "£2,520"; Concrete ends to Drains, for "£140" read "£150."
 Page 59. Bridges and Culverts: Wrought-iron bearing-plates, for "9-53 tons" read "0-53 tons."
 Page 59. Permanent-way: Total, for "£3,182 2s. 6d." read "£3,183 6s. 6d."
 Page 64. Bridges and Culverts: For "excess for Crooked River for increased watering" read "excavation of Crooked River for increased waterway."
 Page 67. Bridges and Culverts: Pipe-ends, for "5/" read "£5."
 Page 70. Exhibit No. 55: For "miscellaneous" read "stations."
 Page 73. Exhibit No. 62: Big Kowai River-bed, for "8 a. 3 r. 3 p." read "8 a. 0 r. 3 p."; Little Kowai River-bed, for "2 a. 3 r. 28 p." read "2 a. 3 r. 38 p."
 Page 74. Exhibit No. 65: Section 37056, for "179 a. 9 r. 11 p." read "179 a. 0 r. 11 p."
 Page 75. Brunnerton Station: Total, for "7s. 0d." read "£55 7s. 0d."
 Page 80. Miscellaneous: For "water-race dividend at 5d. and at 13d." read "water-race diversion at 0 m. 5 ch. and at 0 m. 13 ch."
 Page 82. Exhibit No. 73: Date of final payment, for "30th October, 1890," read "30th September, 1890," and add "at per ton" to all other items except "steel spanners."
 Page 84. Exhibit No. 81: Plate-girders, etc., for "82 tons 8 cwt. and 101 lb." read "82 tons 8 cwt. and 10 lb."
 Page 92. Exhibit No. 98: Block 50, area in title, for "573 a. 0 r. 10 p." read "373 a. 0 r. 10 p."; Block 48, area in B1 map, for "8,500 acres" read "6,500 acres"; Total, area in B1 map, for "393,516 a. 3 r. 13 p." read "395,516 a. 3 r. 13 p."

1901.

NEW ZEALAND.

NEW ZEALAND MIDLAND RAILWAY

(REPORT AND EVIDENCE OF THE ROYAL COMMISSION ON THE).

Laid upon the Table of both Houses of the General Assembly by Command of His Excellency.

COMMISSION.

EDWARD THE SEVENTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland King, Defender of the Faith, Emperor of India, to our trusty and loving subjects William Fraser, of Wellington, in the Colony of New Zealand, Esquire, M.H.R.; Arthur Morrison, of Dunedin, in the said colony, Esquire, M.H.R.; Roderick McKenzie, of Westport, in the said colony, Esquire, M.H.R.; Charles Hudson, of Wellington, in the said colony, Assistant General Manager of Railways; and Frederick Back, of Hobart, in the Colony of Tasmania, General Manager of Railways of the said colony: Greeting.

WHEREAS during the last session of our Parliament of New Zealand three petitions were presented to the House of Representatives in our said Parliament, the first being the petition of James Hugh Buchanan Coates, the Receiver appointed by the Supreme Court of New Zealand for the debenture-holders of the New Zealand Midland Railway Company (Limited); the second being the petition of Lord Avebury and others, debenture-holders of the said New Zealand Midland Railway Company (Limited); and the third the petition of the New Zealand Midland Railway Company (Limited), by Norman Howard Maxwell Dalston, its attorney and general manager: And whereas the said three petitions were referred by the said House of Representatives to the Public Accounts Committee of the said House, and the said Committee considered the matter of the said petitions and heard evidence thereon, and reported to the said House of Representatives in the terms following:—

“Your Committee has taken evidence and heard counsel on behalf of the petitioners and the Government, but time will not permit it to conclude its investigations this session. Without prejudicing the situation or in any way committing the colony, your Committee deems it advisable that evidence be obtained as to the value as a going concern of those sections of the railway which were completed at the time the Government took possession. This should be done irrespective of any expenditure of moneys in the construction of any portion of the unconstructed portions of the railway. It should be left to the Government to determine as to the best means of taking such evidence during the recess. This could be done either by Royal Commission or otherwise. For the purpose of dealing with these petitions the Committee would ask the House to allow the present petitions to be dealt with by the Committee as petitions of next session. That the evidence so taken during the recess by Royal Commission or otherwise be printed and circulated amongst members of the Public Accounts Committee prior to the opening of next session.”

And whereas We have deemed it advisable that a Royal Commission should be issued to obtain the evidence desired by the said Committee of the said House of Representatives, and to ascertain certain facts and valuations which may thereby be more conveniently ascertained :

Now, therefore, know ye that We, reposing great trust and confidence in your zeal, knowledge, and ability, do by these presents constitute and appoint you, the said

WILLIAM FRASER,
ARTHUR MORRISON,
RODERICK MCKENZIE,
CHARLES HUDSON, and
FREDERICK BACK,

to be our Commissioners, and you, the said Arthur Morrison, to be the Chairman of our said Commission, for the purpose of making inquiry into the matters following, that is to say :—

1. The sums actually expended by the said company in constructing the sections of the said railway from Stillwater to Reefton and from Brunnerton to Jackson's, and separately the sums actually expended by the said company in constructing the section of the railway from Belgrove to Norris's Gully and the section from Springfield to Patterson's Creek; the sums expended for supervision and in commissions and salaries and in other incidental matters being ascertained separately from the sums expended for actual construction, railway material, and labour.

2. Whether the sums so actually expended exceeded the amount which, with proper economy and supervision, would have been necessary for the due construction and equipment of the said lines of railway.

3. The condition of the permanent-way and rolling-stock and buildings of the said lines of railway at the date when the Governor of our said colony took possession of the same on our behalf.

4. The condition of the said permanent-way, rolling-stock, and buildings at the date when the said lines of railway became legally vested in Us.

5. The annual gross earnings of the lines of railway from Springfield to Patterson's Creek, from Stillwater to Reefton, and from Brunnerton to Jackson's during the period ending with the date when the same were taken possession of by the Governor of our said colony on our behalf, and the annual gross earnings of the said lines of railway and the line between Belgrove and Motupiko during the period between that date and the date when the same became legally vested in Us.

6. What part of such annual gross earnings may fairly be estimated to have arisen from the carriage of goods and passengers in connection with the construction of the said lines of railway, or of the portions of railway beyond the limits of the same.

7. The annual cost of working and maintaining the said lines of railway during the said several periods.

8. The selling-value of the said lines of railway from Stillwater to Reefton and from Brunnerton to Jackson's, treated as a railway equipped and constructed and owned by persons having the running-powers provided by "The Railways Construction and Land Act, 1881," having regard—

(a.) To the net revenue already derived from working the same, excluding revenue under paragraph six of these presents ;

(b.) To the prospective increase in net revenue to be derived from increase of population in the neighbourhood and increase of traffic on the said lines, taking into consideration the increase or decrease of revenue from the said lines since they were first opened for traffic, but not taking into consideration and excluding any increase in value or traffic which would or might accrue from the construction by Us of railways continuing or connecting with such line of railway at either end thereof.

9. The value of the said portions of railway from Belgrove to Norris's Gully and from Springfield to Patterson's Creek, estimated in the same manner, but having regard to the fact that they were constructed as continuations of, and are continuations of, lines of railway then existing, and also having regard to the fact that the expense of their construction was borne partly by the company and partly by the Government of our said colony.

10. The total sum realised by the company and the said Receiver as the proceeds of the sale of lands granted by Us to the company pursuant to sections 7 and 8 of "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884," and the present value of such of the said lands granted by Us as have not yet been sold by the said company or the said Receiver, and the value of the lands provided by Us and upon which the railway is constructed.

11. By what amount the sums so realised and the present value of the lands unsold exceed the aggregate value of the lands granted, as estimated for the purposes of the contract between Us and the said company, and known as the B1 values.

12. The said lines of railway having been constructed by means of moneys provided partly by the shareholders in the said company, partly by moneys raised upon debentures, and partly by moneys provided by Us by our said grants of land and out of our Colonial Treasury, in what proportion should the money-value of the said lines of railway, estimated by you as aforesaid, be apportioned among the three said several contributors to the cost of construction.

And for the better enabling you to carry these presents into effect, We do authorise and empower you, or any three of you, to make and conduct any inquiry under these presents at such place or places in our said colony as you may deem expedient, and to call before you such persons as you may judge necessary by whom you may be better informed of the matters herein submitted for your consideration, and also to call for and examine all such books, documents, papers, maps, plans, accounts, or records as you shall judge likely to afford you the fullest information on the subject of this our Commission, and to inquire of and concerning the premises by all other lawful ways and means.

And our further will and pleasure is that you, or any three of you, do report to Us, under your hands and seals, with as little delay as is consistent with the due discharge of the duties hereby imposed upon you, your opinion on the several matters herein submitted for your consideration, with power to certify unto Us from time to time your several proceedings in respect of any of the matters aforesaid, if it seems expedient for you so to do.

And We do further declare that this our Commission shall continue in full force and virtue, and that you, our said Commissioners, or any three of you, shall and may from time to time proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment.

In testimony whereof We have caused these our letters to be made patent, and the Seal of our said Colony to be hereunto affixed.

(L.S.) Witness our Right Trusty and Right Well-beloved Cousin, Uchter
John Mark, Earl of Ranfurly, Knight Commander of our
Most Distinguished Order of Saint Michael and Saint George;
Governor and Commander-in-Chief in and over our Colony of
New Zealand and its Dependencies; and issued under the
Seal of our said Colony, at Wellington, this thirty-first day
of January, one thousand nine hundred and one, in the first
year of our reign.

RANFURLY.

Approved in Council.

ALEX. WILLIS,
Clerk of the Executive Council.

SUPPLEMENTARY COMMISSION.

EDWARD THE SEVENTH, by the Grace of God, King, Defender of the Faith, Emperor of India, to our trusty and loving subjects Roderick McKenzie, of Westport, in our Colony of New Zealand, Esquire, M.H.R.; William Fraser, of Wellington, in our said colony, M.H.R.; Charles Hudson, of Wellington, in our said colony, Assistant General Manager of Railways; James McKerrow, of Wellington, in our said colony, Land-purchase Commissioner; and John Graham, of Nelson, in our said colony, M.H.R.: Greeting.

WHEREAS by our Royal Commission under our Letters Patent, issued under the Seal of our Colony of New Zealand, at Wellington, on the thirty-first day of January, one thousand nine hundred and one, We did constitute and appoint you, the said Roderick McKenzie, William Fraser, and Charles Hudson, together with Arthur Morrison, of Dunedin, in our said colony, Esquire, M.H.R., and Frederick Back, of Hobart, in our Colony of Tasmania, General Manager of Railways of that colony, to be our Commissioners for the purpose of making inquiry into the matters specified in our said Commission: And whereas since the issue of our said Commission the said Arthur Morrison and Frederick Back have, with our consent, retired from and resigned the duties of Commissioners, and We have appointed you, the said James McKerrow and John Graham, to be our Commissioners in the place of the said Arthur Morrison and Frederick Back: And whereas in our said Commission We declare that We had deemed it advisable that our said Royal Commission should be issued to obtain the evidence desired by the Committee of the House of Representatives therein referred to, and to ascertain certain facts and valuations which might thereby be more conveniently ascertained: And whereas We deem it advisable that the further facts and valuations hereinafter in our present Commission specified should be ascertained:

Now, therefore, know ye that We, reposing great trust and confidence in your zeal, knowledge, and ability, do by these presents constitute and appoint you to be our Commissioners for the purpose of making inquiry into and ascertaining the matters following, in addition to the matters specified in our said Commission of the thirty-first day of January, one thousand nine hundred and one, that is to say,—

1. (a.) Excluding any increase of value of traffic which would or might accrue from railways continuing or connecting with the said lines of railway at either end thereof, but adopting any method of ascertaining the selling-value of the said lines of railway which may appear to you just and equitable, and ascertaining thereby what in your opinion is the highest amount which could have been realised by a sale of the said lines of railway immediately after the Government of our said colony took possession of the same from a purchaser other than the Government of our said colony, and deducting from such amount the aggregate amounts of the B1 values of the land granted by Us to the New Zealand Midland Railway Company (Limited), and the value of the Crown lands occupied for purposes of the said railway and the construction-work, and moneys provided by Us out of our Colonial Treasury, would any, and, if so, what, sum remain to be divided between the shareholders and debenture-holders of the said company?

(b.) Proceeding in the same manner, but deducting the aggregate amounts received by the company from the lands granted by Us, and the sums provided out of our Colonial Treasury, and the value of the Crown lands occupied as aforesaid and the construction-work, and moneys provided by Us as aforesaid, would any, and, if so, what, sum remain to be divided between the shareholders and debenture-holders of the said company?

2. Adopting the method prescribed by our said original Commission for the ascertainment by you of the selling-value of the said lines of railway, and making the deductions from the value so ascertained directed by sub-paragraphs (a) and (b) of paragraph 1 of this present Commission, would any, and, if so, what, sum remain in either cases respectively to be divided between the shareholders and debenture-holders of the said company?

And our further will and pleasure is that you, or any three of you, do report to Us under your hands and seals your opinion upon the several matters herein submitted for your consideration, together with and as part of your report under our said original Commission, as if the matters herein specified had been set forth in our said original Commission.

And, for the better enabling you to carry these presents into effect, We authorise and empower you, or any three of you, to make and conduct your inquiry under these presents in the same manner and with the same powers as you are authorised and empowered by our said original Commission to make and conduct your inquiries thereunder.

In testimony whereof We have caused these our letters to be made patent, and the Seal of our said Colony to be hereunto affixed.

(L.S.) Witness our Right Trusty and Right Well-beloved Cousin,
Uchter John Mark, Earl of Ranfurly, Knight Commander of
our Most Distinguished Order of Saint Michael and Saint
George; Governor and Commander-in-Chief in and over our
Colony of New Zealand and its Dependências; and issued
under the Seal of our said Colony, at Wellington, this
first day of June, one thousand nine hundred and one, in
the first year of our reign.

RANFURLY, Governor.

By his Deputy,
R. STOUT.

Approved in Council.

J. F. ANDREWS,
Acting-Clerk of the Executive Council.

R E P O R T.

To His Excellency the Right Honourable Uchter John Mark, Earl of Ranfurly,
Knight Commander of the Most Distinguished Order of Saint Michael and
Saint George, Governor and Commander-in-Chief in and over His Majesty's
Colony of New Zealand and its Dependencies, and Vice-Admiral of the same.

MAY IT PLEASE YOUR EXCELLENCY,—

We, the Commissioners appointed by your Excellency's Letters Patent of the 31st day of January, 1901, and the 1st day of June, 1901, to make inquiry into the several matters set forth therein, have now the honour to report to your Excellency as follows :—

The Commission held its first meeting, in Wellington, on the 1st day of February, 1901, and heard counsel for the Crown and counsel for the debenture-holders of the New Zealand Midland Railway Company (Limited), the shareholders of the said company being represented by Mr. N. H. M. Dalston, their general manager. It was then decided to visit and inspect the several lines of railway in the Provincial Districts of Nelson, Westland, and Canterbury. Mr. Back resigned on the 11th day of February, 1901, and Mr. Morrison on the 16th day of February; and Mr. Graham, M.H.R., and Mr. James McKerrow, late Chief Commissioner of Railways, were appointed to fill these vacancies. A most exhaustive and careful examination of these lines was made by the Commission, and evidence was taken in Nelson, Westport, Greymouth, Christchurch, and Wellington as to the condition of the lines, the expenditure in connection therewith, both by the company and the Government; and also as to the traffic, present and prospective, having regard to the natural resources of the districts served by the said lines of railway.

The inquiry has been a most exhaustive one, involving as it does the transactions of the company, the debenture-holders, and the Government in connection with the railway for a period of fifteen years.

Throughout our journeys in connection with these inquiries we were accompanied by the counsel for the Crown, the Receiver and his counsel, as well as by the general manager of the New Zealand Midland Railway Company, and the Under-Secretary for Public Works.

When taking evidence the meetings of the Commission were open to the Press, and every opportunity was afforded to the parties interested to procure evidence, and lay the same before us.

The Commissioners experienced considerable difficulty in obtaining the information required, more especially that relating to the three separate sections of railway, owing to the fact that the office organization and the records of the company have been dispersed and the staff disbanded, thus making it almost impossible to procure the information in the form required. This applies more especially to the cost of management and finance. The Commissioners themselves have had to apportion such charges between the several sections, and from the fact that the undertaking was never completed these financial charges are enormous in comparison with the work done. The very large sum paid in the form of debenture interest, shareholders' interest, cost of raising money on debentures, administration, engineering, and law-costs are, therefore, out of all proportion to the sums expended upon railway construction and equipment.

The Commissioners now propose to take the questions submitted by your Excellency in the order in which they appear in the Commissions, and to answer them seriatim :—

1. "The sums actually expended by the said company in constructing the sections of the said railway from Stillwater to Reefton and from Brunnerton to Jackson's, and separately the sums actually expended by the said company in constructing the section of the railway from Belgrove to Norris's Gully, and the section from Springfield to Patterson's Creek; the sums expended for supervision and in commissions and salaries and in other incidental matters being ascertained separately from the sums expended for actual construction, railway material, and labour."

ANSWER.

(For details see Appendix No. 1.)

Stillwater to Reefton and Brunnerton to Jackson's (69 m. 49 ch.).

	£	s.	d.
For actual construction, railway material, and labour ...	540,302	19	11
For supervision, commissions, salaries, and other incidental matters ...	385,739	9	10
Total ...	£926,042	9	9

Belgrove to Norris's Gully (6 m. 31 ch.).

	£	s.	d.
For actual construction, railway material, and labour ...	56,081	3	0
For supervision, commissions, salaries, and other incidental matters ...	33,997	8	6
Total ...	£90,078	11	6

Springfield to Patterson's Creek (6 m. 2 ch.).

	£	s.	d.
For actual construction, railway material, and labour ...	58,027	4	0
For supervision, commissions, salaries, and other incidental matters ...	34,480	3	6
Total ...	92,507	7	6

Grand total ...	£1,108,628	8	9
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of which £454,217 1s. 10d. has been expended in supervision, commissions, salaries, cost of raising capital, interest charged to capital account, and other incidental matters.

2. "Whether the sums so actually expended exceeded the amount which, with proper economy and supervision, would have been necessary for the due construction and equipment of the said lines of railway."

ANSWER.

Stillwater to Reefton and Brunnerton to Jackson's.

In the course of their inquiries the Commissioners had abundant evidence that the English contracts (Nos. 1, 2, and 3) had been let at rates far in advance of the colonial contracts, executed at or about the same time, amounting in the case of formation-works to fully 25 per cent. The Commissioners have deducted a sum of £44,172 4s. 3d. from these contracts as representing the sum in excess of colonial rates at the time. The Commissioners have deducted a further sum of £678 in respect to rolling-stock included in Exhibits Nos. 74, 75, and 105. The basis upon which the rolling-stock has been valued is fully set forth in Exhibit No. 140. The land purchased for the railway (Exhibit No. 110) must be reduced by a sum of £1,036 17s., land representing this amount having been retained by the Receiver. With these exceptions the Commissioners have every reason to believe that the sums paid for actual construction, railway material, and labour on this section were economical and according to ruling rates, and, after deducting the sum of £45,887 1s. 3d., the Commissioners consider that the balance may be passed as the reasonable cost of actual construction.

Turning to the cost of supervision, administration, commissions, salaries, interest, cost of finance, and other incidental matters, the Commissioners find the enormous sum of £385,739 9s. 10d. chargeable to this section. The Commissioners are of opinion that 5 per cent. (£24,720 15s. 11d.) on the reasonable cost of construction was fully adequate to cover supervision, administration, salaries, and all necessary incidental expenses.

With regard to interest on capital during progress of construction, the Commissioners, having in view the fact that at least a moiety of the funds provided might prudently have been invested on fixed deposit, have computed interest for the full amount of each contract at 3 per cent. per annum, counting from a date three months prior to entering on each contract until the issue of the final certificate, and have allowed twelve months' interest at the same rate on importations of railway material and for minor works. This represents in respect to this line a sum of £30,884. (For details see Appendix No. 2.)

The reasonable cost of this railway the Commissioners therefore fix at £550,020 14s. 7d.

Belgrove to Norris's Gully.

The company carried out the grading and formation, also the tunnel, and erected a few small buildings in connection with this line, and then discontinued the works. The platelaying and completion of the line was subsequently carried out by the Government, as well as the extension of the line to Motupiko. The work done by the company was let by public tender, and, in the opinion of the Commissioners, was economically done. So far as the charges allocated against this section for supervision, interest, and finance are concerned, the Commissioners are of opinion that they are out of all proportion to the value of the work done, and consider that 5 per cent. (£2,804 1s. 2d.) on the £56,081 3s. expended for actual construction sufficient to cover all charges for supervision and administration; while the amount which might reasonably be considered fair and equitable as a charge for interest during construction would be £2,700, computed as in the case of the Stillwater to Reefton and Brunnerton to Jackson's line.

The reasonable cost of this line the Commissioners therefore fix at £61,585 4s. 2d.

Springfield to Patterson's Creek.

This work was also let by public tender, and the Commissioners consider it was carried out with proper economy, and have, therefore, no deductions to make in respect to actual construction, railway material, and labour. In respect to the charges for supervision and salaries, the Commissioners consider in this case also that 5 per cent. (£2,901 7s. 2d.) on the £58,027 4s. expended in actual construction, railway material, and labour sufficient to cover all such charges, whilst the sum of £2,250 to cover interest during construction is, in the opinion of the Commissioners, all that can be allowed under this head, interest being computed as in the case of the Stillwater to Reefton and Brunnerton to Jackson's line.

The reasonable cost of the railway the Commissioners therefore fix at £63,178 11s. 2d.

Summarising these sums, the Commissioners arrive at the reasonable cost of construction, equipment, supervision, administration, and interest on capital during construction, as follows:—

	£	s.	d.
Stillwater to Reefton and Brunnerton to Jackson's ...	550,020	14	7
Belgrove to Norris's Gully	61,585	4	2
Springfield to Patterson's Creek	63,178	11	2
Total... ..	£674,784	9	11

3. "The condition of the permanent-way and rolling-stock and buildings of the said lines of railway at the date when the Governor of our said colony took possession of the same on our behalf."

ANSWER.

Stillwater to Reefton and Brunnerton to Jackson's.

Exhibit No. 11 gives full particulars of the condition of the permanent-way, rolling-stock, and buildings, by the company's engineer; and Exhibits Nos. 10 and 12, similar reports by the Government engineer. The Commissioners are of opinion that the permanent-way was in fair order, with the exception of ballast being bare in places, and birch sleepers and birch structures decaying. The latter were fast deteriorating, and it is manifestly false economy to lay permanent-way of this character. Very large renewals must be undertaken in the immediate future. The rolling-stock was, allowing for fair wear-and-tear, in good order. (For depreciation see Exhibit No. 140.) We estimate that at this date buildings had depreciated by £2,630, fencing by £1,815, rolling-stock (Exhibit No. 140) by £7,359.

Belgrove to Norris's Gully.

At the time the company discontinued these works (December, 1893) the rails and sleepers had not been laid, and there was no rolling-stock provided. We estimate that at the date of seizure the buildings and fencing had depreciated by £227. Nothing was done to the line by the company between December, 1893, and the date of the seizure. The line was handed over to the Railway Department in February, 1899, in good order and as at present, the banks and cuttings having been repaired and completed, and the formation

laid with rails and sleepers by the Public Works Department between the date of seizure (25th May, 1895) and February, 1899.

Springfield to Patterson's Creek.

As testified to by Mr. James Burnett, Inspecting Engineer for the New Zealand Government Railways, the line was in very fair order as far as Otarama, the extent to which the permanent-way was laid. The sleepers were of birch, and had then a life of about eight years. The line had previously been maintained for the company by the Government—viz., from 1892 to 1895. The buildings were in good condition. The company had no rolling-stock upon the line. We estimate depreciation of buildings and fences at this date at £392.

4. "The condition of the said permanent-way, rolling-stock, and buildings at the date when the said lines of railway became legally vested in Us."

ANSWER.

Stillwater to Reefton and Brunnerton to Jackson's.

The rails were in good order; birch sleepers and birch bridges were rapidly decaying; ballasting was in arrear. During the period of seizure, we are informed, instructions were issued to keep working-expenses down, and consequently the upkeep has not been on as liberal a basis as prevails on Government lines. To resleeper and reballast the line a large sum will be required, estimated at £9,344 (see Exhibit No. 19). The buildings were, allowing for fair wear-and-tear, in good order. The rolling-stock was in fair order (see Exhibit No. 18). For depreciation of rolling-stock value see Exhibit No. 140. For rolling-stock built and placed on line subsequent to seizure see Exhibit No. 14. The fencing and buildings at this date had, we estimate, depreciated from original cost by the sum of £8,492, and the rolling-stock by £10,160.

Belgrove to Norris's Gully.

The line was in fair order, but required more ballast. The buildings were in good order, and the rolling-stock—ten four-wheeled high-sides and two covered goods-wagons (Exhibit No. 14)—was in fair working condition, being practically new, having been constructed since the date of seizure. The fencing and buildings at this date had depreciated from original value, we estimate, by a sum of £503 10s.

Springfield to Patterson's Creek.

This line was in very fair condition. The sleepers are birch, and as such are not of long life. The buildings were in good order. There is no rolling-stock on this line. We estimate the depreciation of buildings and fences at this date at £759 from original cost.

5. "The annual gross earnings of the lines of railway from Springfield to Patterson's Creek, from Stillwater to Reefton, and from Brunnerton to Jackson's, during the period ending with the date when the same were taken possession of by the Governor of our said colony on our behalf."

ANSWER.

Springfield to Patterson's Creek.

	£	s.	d.
(Exhibit No. 113.) Year ending 30th June, 1893	...	13	0 11
" " " " 1894	...	83	14 0
" 1st July to 27th April, 1895	...	48	8 11

The above represents 40 per cent. of the gross earnings, the balance of 60 per cent. being retained by the Government to cover transportation expenses, which service was performed by the Government Railways Department. The company was responsible for maintaining the line—viz., the track—at its own cost.

Stillwater to Reefton and Brunnerton to Jackson's.

	£	s.	d.
(Exhibit No. 111.) 1st August, 1889, to 30th June, 1890	4,069	10	0
" 1st July, 1890, to " 1891	9,144	2	1
" " 1891, to " 1892	12,948	18	1
" " 1892, to " 1893	12,752	0	5
" " 1893, to " 1894	15,051	12	9
" " 1894, to 25th May, 1895	13,475	11	2

5 (*continued*). “And the annual gross earnings of the said lines of railway and the line between Belgrove and Motupiko during the period between that date and the date when the same became legally vested in Us.”

ANSWER.

Springfield to Patterson's Creek.

		£	s.	d.
(Exhibit No. 2.)	26th May, 1895, to 31st March, 1896 ...	47	18	3
„	1st April, 1896, to „ 1897 ...	52	5	7
„	„ 1897, to „ 1898 ...	29	16	7
„	„ 1898, to „ 1899 ...	133	18	0
„	„ 1899, to „ 1900 ...	191	17	7
„	„ 1900, to 21st July, 1900 ...	84	6	8

Stillwater to Reefton and Brunnerton to Jackson's.

		£	s.	d.
(Exhibit No. 2.)	26th May, 1895, to 31st March, 1896 ...	13,157	3	6
„	1st April, 1896, to „ 1897 ...	17,716	3	1
„	„ 1897, to „ 1898 ...	19,351	15	1
„	„ 1898, to „ 1899 ...	20,004	10	9
„	„ 1899, to „ 1900 ...	21,161	1	3
„	„ 1900, to 21st July, 1900 ...	6,756	12	6

Belgrove to Motupiko.

		£	s.	d.
(Exhibit No. 2.)	1st March, 1899, to 31st March, 1899 ...	65	12	11
„	1st April, 1899, to „ 1900 ...	895	7	8
„	„ 1900, to 21st July, 1900 ...	255	0	0

The net result of these amounts, after deducting working-expenses, should be increased by the amounts debited to working-expenses and fairly chargeable to capital, thus:—

		£	s.	d.
(Exhibit No. 2.)	Reefton line—Protective works ...	2,287	6	0
„	„ Rolling-stock and signals ...	2,713	15	4
„	Belgrove line—Rolling-stock and signals ...	1,287	8	0
„	Springfield line—Protective works ...	127	11	4
(Exhibit No. 70.)	„ Improvements ...	915	3	1
	Total	£7,331	3	9

6. “What part of such annual gross earnings may fairly be estimated to have arisen from the carriage of goods and passengers in connection with the construction of the said lines of railway, or of the portions of railway beyond the limits of the same.”

ANSWER.

PRIOR TO SEIZURE:—

Springfield to Patterson's Creek.

Nil.

Belgrove to Norris's Gully.

Nil.

Stillwater to Reefton and Brunnerton to Jackson's.

		£	s.	d.
(Exhibit No. 96.)	January, 1890, to June, 1890 ...	807	8	1
„	June, 1890, to „ 1891 ...	2,527	6	2
„	„ 1891, to „ 1892 ...	1,204	16	8
„	„ 1892, to „ 1893 ...	1,153	17	6
„	„ 1893, to „ 1894 ...	1,121	3	0

There was also an amount of £2,252 (Exhibit No. 93) during above periods credited to revenue for engine and wagon hire due to construction-works; also an amount of £931 for labour and crange charged against railway contractors; also an amount of

£1,108 12s. (£1,471 for rent, less rent shown in Exhibit No. 97, £362 8s.) for rentals on land acquired by company and credited to railway revenue. In estimating the earning-power of the railway, these items less the cost of earning same, must be taken into consideration.

PERIOD SUBSEQUENT TO SEIZURE AND PRIOR TO VESTING :—

Springfield to Patterson's Creek.

	£	s.	d.
(Exhibit No. 61.) 1st April, 1897, to 31st March, 1898 ...	0	8	5
" " 1898, to " 1899 ...	49	8	9
" " 1899, to " 1900 ...	141	15	0
" " 1900, to 21st July, 1900 ...	69	18	7

Belgrove to Norris's Gully.

Nil.

Stillwater to Reefton and Brunnerton to Jackson's.

(Exhibit No. 8.) For passengers from Jackson's ...	£215	per annum.
" For goods (Public Works) to Jackson's	557	"
" For goods (workmen's stores) to Jackson's	377	"
(Exhibit No. 157.) For passengers to Jackson's ...	15	"

In estimating the earning-power of the railway these amounts, less the cost of earning same, must be taken into consideration, and two-thirds of the gross proceeds from this class of traffic may fairly be estimated to have been absorbed in the working-expenses.

It will be observed that during the period prior to the seizure a considerable traffic was carried and revenue derived in connection with the construction of the lines going on (Exhibits Nos. 93, 96, and 97). The traffic returns, however, for this period are not of much value in determining the selling-value of the lines, because between January, 1890, and March, 1894, the lines were incomplete, and portions as completed were being opened for traffic. Moreover, during this period the lines, rolling-stock, and buildings were practically new, and maintenance and upkeep would therefore be comparatively light. Taking these factors into consideration—viz., that the revenue due to settlement and ordinary business would be smaller than when the lines were completed and opened to Reefton and Jackson's; also, that the revenue, such as it was, was inflated by business due to construction-works going on, which business was, therefore, not of a permanent character; also, that the working-expenses cannot be taken as a guide as to what the working-expenses are likely to be in the future—the financial results of working the railway prior to the date of seizure do not form a reasonable basis for assessing the selling-value of the lines completed and constructed at the date of seizure. The business realised (Exhibit No. 2) between the date of seizure and date of vesting form, in our opinion, a more—in fact, the only—reliable basis of the permanent value of the lines.

7. "The annual cost of working and maintaining the said lines of railway during the said several periods."

ANSWER.

PRIOR TO SEIZURE :—

Springfield to Patterson's Creek.

Nil (see remarks under question 5).

Stillwater to Reefton and Brunnerton to Jackson's.

	£	s.	d.
(Exhibit No. 111.) 1st August, 1889, to 30th June, 1890 ...	2,460	16	1
" 1st July, 1890, to " 1891 ...	5,143	6	0
" " 1891, to " 1892 ...	8,659	19	6
" " 1892, to " 1893 ...	8,356	5	4
" " 1893, to " 1894 ...	8,803	18	10
" " 1894, to 25th May, 1895 ...	10,309	12	10

Belgrove to Norris's Gully.

Nil.

SUBSEQUENT TO SEIZURE AND UP TO DATE OF VESTING :—

*Springfield to Patterson's Creek.**

	£	s.	d.
(Exhibit No. 2.) 26th May, 1895, to 31st March, 1896 ...	294	18	8
„ 1st April, 1896, to „ 1897 ...	248	10	11
„ „ 1897, to „ 1898 ...	131	18	11
„ „ 1898, to „ 1899 ...	645	13	11
„ „ 1899, to „ 1900 ...	317	10	8
„ „ 1900, to 21st July, 1900 ...	102	16	8

Belgrove to Norris's Gully.

	£	s.	d.
(Exhibit No. 2.) 1st March, 1899, to 31st March, 1899 ...	104	8	11
„ 1st April, 1899, to „ 1900 ...	1,520	6	11
„ „ 1900, to 21st July, 1900 ...	302	17	1

Stillwater to Reefton and Brunnerton to Jackson's.

	£	s.	d.
(Exhibit No. 2.) 26th May, 1895, to 31st March, 1896 ...	8,399	1	10
„ 1st April, 1896, to „ 1897 ...	14,168	3	0
„ „ 1897, to „ 1898 ...	13,869	14	3
„ „ 1898, to „ 1899 ...	19,146	3	9
„ „ 1899, to „ 1900 ...	16,049	6	9
„ „ 1900, to 21st July, 1900 ...	4,904	9	3

8. “The selling-value of the said lines of railway from Stillwater to Reefton and from Brunnerton to Jackson's, treated as a railway equipped and constructed and owned by persons having the running powers provided by ‘The Railways Construction and Land Act, 1881,’ having regard—

“ (a.) To the net revenue already derived from working the same, excluding revenue under paragraph six of these presents ;

“ (b.) To the prospective increase in net revenue to be derived from increase of population in the neighbourhood and increase of traffic on the said lines, taking into consideration the increase or decrease of revenue from the said lines since they were first opened for traffic, but not taking into consideration and excluding any increase in value or traffic which would or might accrue from the construction by Us of railways continuing or connecting with such line of railway at either end thereof.”

ANSWER.

The average annual net profit from date of seizure to date of proclamation was £3,794, ascertained as follows :—

	£	s.	d.
Revenue, 26th May, 1895, to 21st July, 1900 ...	98,147	6	2
Expenditure, „ „ „ „ ...	81,538	0	2
Net result ...	16,609	6	0
Plus Rolling-stock, } Charged to working-expenses, but {	2,713	15	4
Protective works, } fairly chargeable to capital {	2,287	6	0
	21,610	7	4
An average per annum of (5½ years) ...	4,182	0	0
Less net return per annum from traffic due to construction-works (£1,164 per annum, less 66 per cent. for working-expenses = £388) ...	388	0	0
Balance ...	£3,794	0	0

The Commissioners have considered that the traffic may reasonably be expected to increase by 5 per cent. per annum during the next ten years, and that of this increase two-

* The expenditure given in the exhibit has been reduced by the sums shown in Exhibit No. 70.

thirds will be absorbed by working-expenses. Based upon these conclusions, the Commissioners find the selling-value of the line to be £192,833, which, in their opinion, is all that could be realised under the conditions set forth in this paragraph.

9. "The value of the said portions of railway from Belgrove to Norris's Gully and from Springfield to Patterson's Creek, estimated in the same manner, but having regard to the fact that they were constructed as continuations of, and are continuations of, lines of railway then existing, and also having regard to the fact that the expense of their construction was borne partly by the company and partly by the Government of our said colony."

ANSWER.

Belgrove to Norris's Gully.

This line, as will be seen from the traffic and expenditure returns (Exhibit No. 2), does not nearly earn the very moderate working-expenses incurred; and, even if the traffic were to increase by 5 per cent. per annum, it would take many years before the working-expenses were recouped. We are of opinion that the section of railway from Belgrove to Norris's Gully, if put up for sale subject to the conditions imposed by "The Railways Construction and Land Act, 1881," would not find a purchaser. We therefore find that, in terms of our Commission, it has no selling-value.

Springfield to Patterson's Creek.

On the basis as submitted to us in our Commission, this line has no commercial value whatever. Any one owning the line subject to the conditions imposed by "The Railways Construction and Land Act, 1881," would have to spend a great deal more in working-expenses than the line can possibly bring in; consequently the line, under the conditions set forth, has no selling-value.

10. "The total sum realised by the company and the said Receiver as the proceeds of the sale of lands granted by Us to the company pursuant to sections 7 and 8 of 'The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884,' and the present value of such of the said lands granted by Us as have not yet been sold by the said company or the said Receiver, and the value of the lands provided by Us and upon which the railway is constructed."

ANSWER.

	£	s.	d.
(Exhibit No. 1.) Total sum realised from sale of land* ...	312,505	0	0
(Exhibit No. 109.) Cash given by Crown in lieu of land ...	5,000	0	0
(Exhibit No. 1, and evidence, page 16.) Westport sections unsold ...		640	10 0
(Exhibit No. 1, and evidence, page 68.) Cobden sections unsold ...		626	5 0
(" " " 70.) Ahaura sections unsold ...		575	7 6
(" " " 101-102.) Canterbury lands unsold ...		7,208	15 11
	£326,555	18	5
(Exhibit No. 62.) Value of land provided by Crown for Springfield line ...		32	15 8
(Page 10, evidence.) Value of land provided by Crown for Belgrove line ...		30	8 9
(Exhibits Nos. 30 and 16, and page 66, evidence.) Value of land provided by Crown for Reefton line ...		1,316	7 6
Land-claims still unpaid by company ...		750	0 0
	£328,685	10	4
Deduct cost of land-administration by company ...		15,625	5 0
	£313,060	5	4

* This amount should be reduced by the cost of administration and land-grant expenses. Exhibit No. 163 gives details of this expenditure, but as the Commissioners consider that several of the items should not be included they have allowed 5 per cent. (£15,625 5s.) on the gross receipts of £312,505 as an adequate charge for the disposal of the land.

11. "By what amount the sums so realised and the present value of the lands unsold exceed the aggregate value of the lands granted, as estimated for the purposes of the contract between Us and the said company, and known as the B1 values."

ANSWER.

			£	s.	d.
(Exhibit No. 1.)	Land realised and unsold	...	326,555	18	5
"	B1 value of land	...	260,735	0	0
			<hr/>		
			£65,820	18	5

Unless the sum of £15,625 5s. for land-administration expenses is deducted herefrom, the conclusion to be deduced from these figures will be an erroneous one.

12. "The said lines of railway having been constructed by means of moneys provided partly by the shareholders in the said company, partly by moneys raised upon debentures, and partly by moneys provided by Us by our said grants of land and out of our Colonial Treasury, in what proportion should the money-value of the said lines of railway, estimated by you as aforesaid, be apportioned among the three said several contributors to the cost of construction."

ANSWER.

Moneys provided by Crown out of Colonial Treasury.

			£	s.	d.
(Exhibit No. 4.)	Belgrove line	...	13,552	2	7*
(Exhibit No. 5.)	Brunnerton to Stillwater line	...	15,359	0	0
(Exhibit No. 67.)	Springfield line	...	2,196	7	9
(Exhibit No. 70.)	"	...	915	3	1*
(Exhibit No. 2.)	Belgrove line, rolling-stock	...	1,287	8	0*
"	Reefton—Jackson's line, rolling-stock	...	2,713	15	4*
"	Reefton—Jackson's line, protective works	...	2,287	6	0*
"	Springfield line,	...	127	11	4*
			<hr/>		
Total			£38,438	14	1

The item £13,552 2s. 7d., marked *, and the last five items similarly marked, amounting to £7,331 3s. 9d., have been provided for out of the profits of the railway and sums provided by the debenture-holders after date of seizure and prior to date of vesting. They have, in accordance with Exhibit No. 153, been treated as sums provided by the Government on capital account, it being understood that these and other sums provided by the debenture-holders in like manner are to be dealt with as between the petitioners and the Government separately and entirely apart from this inquiry.

The Commissioners desire to point out that this investigation of railway profits has shown the fact that the net balance of railway-traffic receipts over expenditure is really £19,697 7s. 11d., and not £12,366 4s. 2d., as shown in Exhibits Nos. 2 and 153, as during the period of seizure profits were used to provide additional rolling-stock and protective works, properly chargeable to capital.

The Commissioners apportion the selling-value of £192,833 as follows: To the debenture-holders, £126,788; to the company, nil; to the Crown, £66,045.

1. (*Commission of 1st June.*)—(a.) "Excluding any increase of value of traffic which would or might accrue from railways continuing or connecting with the said lines of railway at either end thereof, but adopting any method of ascertaining the selling-value of the said lines of railway which may appear to you just and equitable, and ascertaining thereby what in your opinion is the highest amount which could have been realised by a sale of the said lines of railway immediately after the Governor of our said colony took possession of the same from a purchaser other than the Government of our said colony, and deducting from such amount the aggregate amounts of the B1 values of the land granted by Us to the New Zealand Midland Railway Company (Limited), and the value of the Crown lands occupied for purposes of the said railway and the construction-work, and moneys provided by Us out of our Colonial Treasury, would any, and, if so, what, sum remain to be divided between the shareholders and debenture-holders of the said company?"

ANSWER.

The selling-value of these lines at date of seizure (May, 1895) is arrived at by computing the net returns from the traffic receipts between the date of seizure and the date of proclamation, deducting the amount of profit from construction traffic, and adding 5 per cent. per annum for the increase of traffic to be expected during the five years subsequent to the date of proclamation, in the same manner as set forth in our answer to clause 8 of the original Commission. This gives a selling-value of £155,633 to these lines at date of seizure.

The B1 values of the land granted, £260,735; cash given in lieu of land, £5,000; the value of Crown lands occupied by the railway, £1,380; and moneys provided by the Crown for the purposes of the railway, £38,439: amounting in all to £305,554—exceed the selling-value of the railways as above stated.

(b.) "Proceeding in the same manner, but deducting the aggregate amounts received by the company from the lands granted by Us, and the sums provided out of our Colonial Treasury, and the value of the Crown lands occupied as aforesaid and the construction-work, and moneys provided by Us as aforesaid, would any, and, if so, what, sum remain to be divided between the shareholders and debenture-holders of the said company?"

ANSWER.

The selling-value of the lines being £155,633, and the sum total of value of lands and moneys provided by the Crown being £350,749, made up as follows:—

Total sum realised by petitioners and value of unsold lands and	£
lands granted for railway	313,060
Less land-claims still unpaid by company	750
	<hr/>
	312,310
Plus moneys provided by Crown	38,439
	<hr/>
	£350,749

it follows that under this process nothing remains for the debenture-holders or the company.

2. "Adopting the method prescribed by our said original Commission for the ascertainment by you of the selling-value of the said lines of railway, and making the deductions from the value so ascertained directed by sub-paragraphs (a) and (b) of paragraph 1 of this present Commission, would any, and, if so, what, sum remain in either cases respectively to be divided between the shareholders and debenture-holders of the said company?"

ANSWER.

Selling-value, £192,833; (a) £305,554; (b) £350,749.

(a) and (b) being each in excess of the selling-value, nothing remains for the debenture-holders or company.

We desire to draw attention to Exhibit No. 139 ("Statement of Stores and Material taken over with Midland Railway on the 25th May, 1895"). The value of these stores has been estimated at £1,747 4s., of which stores to the value of £1,200 have, since the date of seizure, been used in the upkeep of this line (*vide* evidence, page 151, question 598), leaving a balance of stores unused to the value of £547 4s. We desire also to draw attention to Exhibit No. 108 (Pneumatic plant, £509 13s. 6d.), which is now in the custody of the Crown at Stillwater. These two items together amount to £1,056 17s. 6d.

We now return to your Excellency the Commissions with which you honoured us, together with this report. The appendices, minutes of proceedings, evidence, exhibits, and other documents are being printed, and will be forwarded to your Excellency as soon as possible.

In witness whereof we have hereunto set our hands and seals, this twenty-first day of June, one thousand nine hundred and one.

R. MCKENZIE, Chairman.
W. FRASER.
JOHN GRAHAM.
JAMES MCKERROW.
C. HUDSON,

APPENDICES.

APPENDIX No. 1.

SUMS ACTUALLY EXPENDED BY THE NEW ZEALAND MIDLAND RAILWAY COMPANY.

Description.	Exhibit	Page	Actual Construction, Railway Material, and Labour.	Supervision, Commissions, Salaries, and Incidental Expenses.	Remarks.
<i>Stillwater to Reefton and Brunner to Jackson's Line.</i>					
			£ s. d.	£ s. d.	
Contract No. 1	27	30	85,357 16 3	...	Less £200, duplicate sets (<i>vide</i> Rolling-stock, page 31, Exhibits), and £206 9s. 3d., Maintenance (<i>vide</i> page 82, Exhibits).
" No. 2	28	33	12,944 16 6	...	Less £140 13s. 6d., maintenance.
" No. 3	29	37	69,034 8 5	...	Less £191 1s. 5d., maintenance.
" No. 4	31	42	27,413 4 10	...	Less £408 14s. (see Exhibit No. 115) deducted.
" No. 5	32	44	36,298 14 0	...	Totara Flat Section.
" No. 6	33	46	36,737 19 0	...	Mawheraiti "
" No. 7	34	48	41,394 3 3	...	Squaretown "
" No. 7A	35	50	10,179 6 8	...	Mawheraiti - Squaretown Section, permanent-way.
" No. 12	36	51	9,782 9 3	...	Stony Creek Section.
" No. 14	37	53	1,070 11 9	...	Ahaura temporary station.
" No. 18	38	53	280 7 10	...	Additions, Stillwater.
" No. 19	39	53	115 5 0	...	Fencing, "
" No. 24	40	54	6,809 9 7	...	Reefton Station.
" No. 25	43	57	164 17 6	...	Refreshment-room and Post-office, Totara Flat.
" No. 26	44	58	24,267 5 5	...	Kotuku Section.
" No. 27	45	60	576 0 0	...	Carriage-shed, Stillwater.
" No. 29	47	62	36 15 0	...	Sheep-pens, Totara Flat.
" No. 31	48	63	130 5 6	...	Additions, Stillwater.
" No. 32	49	63	28,581 16 9	...	Lake Brunner Section.
" No. 33	50	66	25,566 1 1	...	Teremakau "
" No. 34	51	68	110 2 0	...	Stillwater triangle.
" No. 36	52	69	4,469 8 6	...	Bridge material, Lake Brunner and Teremakau Sections.
" No. 37	53	69	202 2 0	...	Permanent-way, Stillwater triangle.
" No. 39	54	70	147 9 8	...	Kaimata shelter-shed.
" No. 42	55	70	140 8 9	...	Weighbridge foundation and office, Stillwater.
" No. 43	56	70	144 2 0	...	Ironbark timber, Brunner and Stillwater Bridges.
" No. 46	57	71	606 14 1	...	Brunner and Stillwater Bridge renewals.
" No. 48	58	71	85 3 4	...	Additions, stationmaster's house, Ngahere.
" No. 49	59	71	280 15 7	...	Inchbonnie quarry-works.
" No. 8	73	82	2,046 2 11	...	Cross-girders, Totara Flat and Mawheraiti Sections.
" No. 9	74	82	800 0 0	...	Ten low-side wagons.
" No. 10	75	83	955 0 0	...	One Class D locomotive.
" No. 15	77	83	183 3 8	...	Stillwater additions.
" No. 17	78	83	42 10 0	...	Thirty-four telegraph-poles.
" No. 20	79	84	39 10 8	...	Telegraph materials.
" No. 21	80	84	112 7 9	...	999 sleepers.
" No. 30	81	84	2,062 8 7	...	Plate-girders and ironwork for bridge, Kotuku Section.
" No. 32A	82	84	674 5 3	...	Bridges, culverts, and protective works, Lake Brunner Section.
" No. 38	84	86	145 10 0	...	Grading, Stillwater Station.
" No. 40	85	86	12 0 0	...	Grading, Reefton.
" No. 44	87	87	43 9 4	...	Stations and bridges, sundries.
" No. 47	88	87	34 5 6	...	Stations and buildings, Reefton.
Girders, &c., Braithwaite and Kirk	89	88	18,729 7 8	...	
Miles and Co., freight...	90	89	12,489 17 5	...	
Sundries, postages, and telegrams	91	89	...	232 7 5	
Ibbotson Brothers and Co.	95	90	293 8 0	...	Steel pile-shoes and freight.

APPENDIX No. 1—*continued.*SUMS ACTUALLY EXPENDED BY THE NEW ZEALAND MIDLAND RAILWAY COMPANY—*continued.*

Description.	Exhibit	Page	Actual Construction, Railway Material, and Labour.			Supervision, Commissions, Salaries, and Incidental Expenses.			Remarks.
			£	s.	d.	£	s.	d.	
<i>Stillwater to Reefion and Brunnerton to Jackson's Line—continued.</i>									
McKeone, Robinson, and Avigdor	102	94	1,487	12	6	...	...	...	Sleepers used in Contract No. 4.
Ditto	103	94	366	5	0	...	...	...	Materials
Allen Maguire	104	94	32	17	5	...	...	...	Culvert-pipes, Kaupo.
Forsyth and Masters	104	94	9	15	11	...	...	...	Plates, Kotuku.
J. R. Rees and Co.	104	94	192	3	4	...	...	...	Extra stone and timber, Tere-makau Bridge.
Nasmyth and Co.	105	95	1,563	9	6	...	...	...	Locomotives and freight.
New Zealand Railways	105	95	17	0	0	...	...	...	Wheels and axles.
Scott Brothers	105	95	15	8	0	...	...	...	Tube-expanders.
Ashbury Wagon Company	105	95	1,870	18	7	...	...	...	Twenty low-side wagons.
Metropolitan Wagon Company	105	95	2,301	8	4	...	...	...	Two horse-boxes, six double-bogie wagons and wheels.
Ashbury Wagon Company	105	95	2,353	7	11	...	...	...	Three K wagons, twelve N wagons, seventy wheels and axles.
New Zealand Government	105	95	34	11	8	...	...	...	Wheels and velocipedes.
J. F. White	105	95	6	0	0	...	...	...	Tricycle.
New Zealand Government	105	95	93	6	2	...	...	...	Six velocipedes.
Sundries	105	95	34	2	0	...	...	...	Paid out of Imprest Account.
Dick, Kerr, and Co.	106	97	18,033	19	4	...	...	...	3,797 tons rails.*
"	106	97	1,382	12	1	...	...	...	223 tons fish-plates.*
"	106	97	934	10	2	...	...	...	75 tons fang-bolts.*
"	106	97	862	8	6	...	...	...	72 " dog-spikes.*
"	106	97	459	6	7	...	...	...	61 " bed-plates.*
"	106	97	925	9	11	...	...	...	37 " fish-bolts.*
Miles and Co.	106	97	9,281	10	4	...	...	...	Freight on rails, &c., marked *
Isca Foundry Co.	106	97	860	13	8	...	...	...	Fifty-six switches, fifty-six crossings, and freight.
Miles and Co.	106	97	3,238	18	11	...	...	...	875 tons rails, 52 tons fish-plates, 317 tons fang-bolts and fish-bolts, 15 tons bed-plates, 18 tons dog-spikes, including freight, &c. Less £3,211 for material transferred to Springfield, and £574 12s. 2d. for rails, &c., sold to Blackball Company.
Isca Foundry Co.	106	97	112	1	4	...	...	...	Eight switches and eight crossings.
New Zealand Government	106	97	228	0	10	...	...	...	Nine switches and nine crossings. Less £40 transferred to Springfield Section.
Sundry amounts not accounted for	106	97	498	19	11	...	...	...	2,530 fang-bolts and 880 bed-plates.
Working Railways plant	107	100	624	17	0	...	...	...
"	138	134	123	7	6	...	...	...
Construction plant	108	101	...	...	...	...	...	...	(£576 3s. 10d. struck out.) Refers to plant not passed by Commission as part of construction.
Land purchased for line	110	102	23,496	14	1	...	...	...	Including law-costs, land-plans, titles, and sundries.
Law-costs	129	131	...	...	...	1,012	11	3	
Sundry works, Stillwater	130	131	93	12	4	...	...	...
Wagon-covers and ropes	133	132	148	15	9	...	...	...
Office Rent Account	134	133	...	...	...	174	4	2	Includes postages and telegrams, stationery, and printing.
Office expenses	135	133	...	...	...	390	2	10	
Railages, construction materials	136	133	3,587	7	3	...	...	...
Interchangeable siding, Brunner	137	134	180	0	0	...	...	...

APPENDIX No. 1—continued.

SUMS ACTUALLY EXPENDED BY THE NEW ZEALAND MIDLAND RAILWAY COMPANY—continued.

Description.	Exhibit	Page	Actual Construction, Railway Material, and Labour.			Supervision, Commissions, Salaries, and Incidental Expenses.			Remarks.
<i>Stillwater to Reefton and Brunner to Jackson's Line—continued.</i>									
			£	s.	d.	£	s.	d.	
Surveys ...	141	138	4,407	0	0	...			
Engineering ...	152	147	...			18,130	6	0	Proportion due to this line.
Interest during construction	156	160	...			240,862	18	0	"
Administration ...	(149 173 174)	(156 174 174)	...			27,967	0	0	"
Commission, expenses, and discount	175	175	...			96,970	0	2	"
			541,449	18	1	385,739	9	10	
Less deductions as per marginal notes			1,146	18	2	...			
Totals ...			540,302	19	11	385,739	9	10	
<i>Belgrove to Norris's Gully Line.</i>									
Contract No. 22 ...	41	56	51,222	19	2	...			
" No. 22A ...	42	57	3,000	18	7	...			
" No. 13 ...	76	83	580	8	6	...			Survey, W. W. Dartnell.
Land purchased for line	110	102	1,137	5	3	...			Including law-costs, land-plans, titles, and sundries.
Survey ...	141	138	139	11	6	...			Includes Exhibit No. 76.
Engineering ...	147	152	...			1,660	0	0	Proportion due to this line.
Office expenses ...	135	133	...			36	0	0	"
Proportion of Grey-mouth office rent	134	133	...			16	0	0	"
Interest during construction	156	160	...			20,846	16	4	"
Administration ...	(149 173 174)	(156 174 174)	...			2,560	0	0	"
Commission, expenses, and discount	175	175	...			8,878	12	2	"
Totals ...			56,081	3	0	33,997	8	6	
<i>Springfield to Patterson's Creek Line.</i>									
Contract No. 28 ...	46	61	6,739	11	8	...			Patterson's Creek Bridge.
" No. 11 ...	71	78	46,457	1	7	...			
" No. 35 ...	83	85	350	0	0	...			Pitching, Big Kowai Bridge.
" No. 41 ...	86	86	20	0	0	...			Extra work.
J. and A. Anderson ...	104	94	197	2	11	...			
Land purchased for line	110	102	330	19	9	...			Including law-costs, land-plans, titles, and sundries.
Rails and fastenings used	106	97	3,211	0	0	...			For 4 m. 60 ch. and one siding.
Points and crossings used	106	97	40	0	0	...			Part of List M.
Sea freight on forty-one packages points and crossings	131	132	3	12	0	...			} (123 tons rails and fastenings. 106 tons 229 tons
Railage and unloading charges	131	132	75	14	6	...			
Ditto ...	131	132	60	10	7	...			
Sea freight ...	131	132	121	11	0	...			
Surveys ...	141	138	420	0	0	...			
Rent ...	134	133	...			16	12	6	Proportion due to this line.
Office expenses ...	135	134	...			34	0	0	"
Engineering ...	147	152	...			1,562	0	0	"
Interest during construction	156	160	...			22,101	1	9	"
Administration ...	(149 173 174)	(156 174 174)	...			2,410	0	0	"
Commission, expenses, and discount	175	175	...			8,356	9	3	"
Totals ...			58,027	4	0	34,480	3	6	

APPENDIX No. 2.
COMPUTATION OF INTEREST.

Exhibit No.	Three Months before Contract.	Contract Finished.	Amount.	Rate per cent.	Interest.
<i>Stillwater to Reefton and Brunner to Jackson's Line.</i>					
			£		£
27	— April, 1886	— May, 1889	56,768	3	5,100
28	— Sept., 1886	— May, 1889	9,708	3	776
29	— May, 1887	— May, 1889	51,800	3	3,108
31	20 April, 1889	1 Feb., 1891	27,413	3	1,508
32	14 Aug., 1889	25 Feb., 1892	36,298	3	2,722
33	14 Aug., 1889	3 April, 1892	36,787	3	1,836
34	14 Aug., 1889	3 Dec., 1892	41,394	3	4,140
35	14 Sept., 1889	4 April, 1892	10,179	3	789
36	13 Nov., 1889	14 April, 1891	9,782	3	416
40	— June, 1891	4 April, 1892	6,809	3	170
44	— April, 1891	20 Jan., 1893	24,267	3	1,274
49	— Nov., 1891	28 Nov., 1893	28,582	3	1,716
50	17 Nov., 1891	7 May, 1894	25,566	3	1,917
52	— March, 1892	23 Jan., 1894	4,469	3	256
73	— Sept., 1889	30 Sept., 1890	2,046	3	61
81	— June, 1891	— Dec., 1892	2,062	3	93
	Balance being importations from England, and minor works		166,422	3	4,993
Total	...	...	...	...	£30,884
<i>Belgrove to Norris's Gully Line.</i>					
41	1 July, 1890	26 July, 1893	30,000	3	2,700
<i>Springfield to Patterson's Creek Line.</i>					
71	7 Oct., 1889	25 March, 1892	30,000	3	2,250

MINUTES OF PROCEEDINGS.

WELLINGTON.

FRIDAY, 1ST FEBRUARY, 1901.

The Commission sat at the Parliamentary Buildings, Wellington, at 11 a.m. on Friday, the 1st February, 1901.

Present: Arthur Morrison, Esq., M.H.R. (Chairman); Frederick Back, of Hobart, Tasmania, General Manager of Railways, Tasmania; William Fraser, Esq., M.H.R.; Charles Hudson, Esq., of Wellington, Assistant General Manager of Railways; and Roderick McKenzie, Esq., M.H.R.

The secretary and official reporter, Mr. J. D. Gray, was in attendance.

The Commission was read.

Resolved, on the motion of Mr. McKenzie, That the public proceedings of the Commission shall be open to the Press.

Resolved, on the motion of Mr. McKenzie, That the various parties to the case be permitted to appear before the Commission by counsel, if they so desire.

The secretary was instructed to notify the parties to the proceedings—viz., J. H. B. Coates, Esq., Receiver for the debenture-holders New Zealand Midland Railway Company (Limited), N. H. M. Dalston, Esq., attorney for the New Zealand Midland Railway Company (Limited), and the Hon. Minister for Public Works—that the Commission would be prepared to hear them on Monday, the 4th February, at 10 a.m., at the Parliamentary Buildings.

At 12.30 p.m. the Commission adjourned till 10 a.m. on Monday, the 4th February, 1901.

MONDAY, 4TH FEBRUARY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. A. Morrison (Chairman), Mr. F. Back, Mr. W. Fraser, Mr. C. Hudson, and Mr. R. McKenzie.

The minutes of the previous meeting were read and confirmed.

Mr. H. D. Bell (solicitor for the Crown), Mr. J. H. B. Coates (Receiver for the New Zealand Midland Railway debenture-holders), Mr. N. H. M. Dalston (attorney and general manager for the New Zealand Midland Railway Company), Dr. Findlay (solicitor for the Receiver), and Mr. H. J. H. Blow (Under-Secretary for Public Works), were in attendance.

Resolved, at the request of counsel, to give Mr. Bell and Dr. Findlay time until Wednesday, the 6th February, 1901, in which to confer and arrange a course of procedure between them.

Resolved, on the motion of Mr. McKenzie, That it be an instruction to the secretary, whenever the Commission call for figures or information, that both sides to the proceedings be advised that the Commission are doing so.

Resolved, on the motion of Mr. Hudson, That Mr. Dalston, Mr. Coates, and the Minister for Public Works be notified that the Commission will require information according to details to be communicated to them, and that they be requested to furnish such information when called upon by the Commission to do so.

The Commission then considered the form of the returns in which such information should be furnished.

At 1 p.m. the Commission adjourned till 10 a.m. to-morrow.

TUESDAY, 5TH FEBRUARY, 1901.

The Commission met at 10 a.m.

Present: Mr. A. Morrison (Chairman), Mr. F. Back, Mr. W. Fraser, Mr. C. Hudson, and Mr. R. McKenzie.

The minutes of the previous meeting were read and confirmed.

The Commission considered the draft form of the returns to be furnished by the various parties to the proceedings, and it was resolved, on the motion of Mr. McKenzie, That the following letters be forwarded to-day, viz. :—

(1.) To J. H. B. Coates, Esq., Receiver for the New Zealand Midland Railway Company's debenture-holders, Wellington.

SIR,—

Royal Commission in re the New Zealand Midland Railway Company.

I am directed to inform you that the above Commission will require information, as detailed below, concerning the New Zealand Midland Railway Company, and to request that you will be prepared to furnish such information when called upon by the Commission to do so, viz. :—

(1.) (a.) A return of the total sum realised by you as Receiver for the sale of lands granted by the Crown to the company pursuant to sections 7 and 8 of "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884;" such return to specify the number of block, area of block, area sold, and amount realised. (b.) A return showing the value of lands granted by the Crown to the company pursuant to sections 7 and 8 of "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884," and at present unsold; such return to specify the survey districts in which the various sections of unsold land are situated, the area of the said sections, and the survey number of the various blocks and unsold sections.

ARTHUR MORRISON,
Chairman of Commission.

(2.) To the Hon. Minister for Public Works, Wellington.

SIR,—

Royal Commission in re the New Zealand Midland Railway Company.

I am directed to inform you that the above Commission will require information, as detailed below, concerning the New Zealand Midland Railway Company, and to request that you will be prepared to furnish such information when called upon by the Commission to do so, viz. :—

(1.) Evidence will be required to prove the condition of the permanent-way, and rolling-stock, and buildings of the lines of railway, (a) Stillwater to Reefton, (b) Brunnerton to Jackson's, (c) Belgrove to Norris's Gully, and (d) Springfield to Patterson's Creek, at the date when the said lines of railway were taken possession of by the Governor (25th May, 1895), and at the date when the same became legally vested in the Governor (23rd July, 1900).

(2.) A return of the gross earnings of the railway, (a) from Springfield to Patterson's Creek, (b) from Stillwater to Reefton, (c) from Brunnerton to Jackson's, and (d) from Belgrove to Motupiko, from the date when the Governor took possession of the same (25th May, 1895) up to the date when the same became legally vested in the Governor (23rd July, 1900); such return to include and show separately, and annually, the number of passengers, the number of parcels, the number of horses and dogs, and other coaching traffic; the revenue derived from the above; the number of live-stock, bales of wool, trucks of firewood, superficial feet of timber, tons of grain, tons of general merchandise, tons of minerals, and tons of other goods traffic; the revenue derived from the above; and revenue from miscellaneous traffic and business not included in the above: such return to show what part of such annual gross earnings may fairly be estimated to have arisen from the carriage of goods and passengers in connection with the construction of the said lines of railway, or of portions of railway beyond the limits of the same.

(3.) A return of the annual cost of working and maintaining the said lines of railway, (a) from Springfield to Patterson's Creek, (b) from Stillwater to Reefton, (c) from Brunnerton to Jackson's, and (d) from Belgrove to Motupiko, from the date when the Governor took possession of the same (25th May, 1895) up to the date when the same became legally vested in the Governor (23rd July, 1900); such return to specify separately the cost of maintenance of the lines and structures, locomotive running expenses, locomotive repairs, repairs to cars, repairs to wagons, traffic expenses, general charges, and other expenses.

(4.) A return showing the value of the lands provided by the Crown, and upon which the said lines of railway are constructed.

I am also to state that you are to supply the necessary information to enable the Commission to deal with clause 21 of the Commission, and to be prepared to be examined upon the point when appearing before the Commission.

I have, &c.,

ARTHUR MORRISON,

Chairman of Commission.

(3.) To N. H. M. Dalston, Esq., attorney for the New Zealand Midland Railway Company, Wellington.

SIR,—

Royal Commission in re the New Zealand Midland Railway Company.

I am directed to inform you that the above Commission will require information, as detailed below, concerning the New Zealand Midland Railway Company, and to request that you will be prepared to furnish such information when called upon by the Commission to do so, viz. :—

(1.) (a.) A return showing the sums actually expended by the said company in constructing the sections of railway, (a) Stillwater to Reefton, (b) Brunnerton to Jackson's, (c) Belgrove to Norris's Gully, and (d) Springfield to Patterson's Creek; such return to show separately the money expended on land, structures, formation, permanent-way, and rolling-stock, but to exclude sums expended for supervision, and in commissions and salaries, and in other incidental matters. (b.) A return of the sums expended by the said company on the sections of railway, (a) Stillwater to Reefton, (b) Brunnerton to Jackson's, (c) Belgrove to Norris's Gully, and (d) Springfield to Patterson's Creek, for supervision, and in commissions and salaries, and in other incidental matters; such items to be shown separately.

(2.) Evidence will be required to prove the condition of the permanent-way, and rolling-stock, and buildings of the said lines of railway at the date when the Governor took possession of the same (25th May, 1895).

(3.) A return of the gross earnings of the railway, (a) from Springfield to Patterson's Creek, (b) from Stillwater to Reefton, and (c) from Brunnerton to Jackson's, up to the date when the Governor took possession of the same (25th May, 1895); such return to include and show separately, and annually, the number of passengers, the number of parcels, the number of horses and dogs, and other coaching traffic; the revenue derived from the above; the number of live-stock, bales of wool, trucks of firewood, superficial feet of timber, tons of grain, tons of general merchandise, tons of minerals, and tons of other goods traffic; the revenue derived from the above; and revenue from miscellaneous traffic and business not included in the above: such return to show what part of such annual gross earnings may fairly be estimated to have arisen from the carriage of goods and passengers in connection with the construction of the said lines of railway, or of the portions of the railway beyond the limits of the same.

(4.) A return of the annual cost of working and maintaining the said lines of railway, (a) Springfield to Patterson's Creek, (b) Stillwater to Reefton, (c) Brunnerton to Jackson's, and (d) Belgrove to Norris's Gully, up to the date when the Governor took possession of the same; such return to specify separately the cost of maintenance of the lines and structures, locomotive running expenses, locomotive repairs, repairs to cars, repairs to wagons, traffic expenses, general charges, and any other expenses.

(5.) (a.) A return of the total sum realised by the said company for the sale of lands granted by the Crown to the company pursuant to sections 7 and 8 of "The East and West Coast (Midland Island) and Nelson Railway and Railways Construction Act, 1884"; such return to specify the number of block, area of block, area sold, and amount realised. (b.) A return showing the present value of lands granted by the Crown to the said company pursuant to sections 7 and 8 of "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884," and at present unsold; such return to specify the survey districts in which the various sections of unsold and are situated, the area of the said sections, and the survey number of the various blocks and unsold sections.

(6.) A return of the detailed plans and specifications of all contracts and copies of contracts referred to in the returns asked for in clause (1) hereof.

I have, &c.,

ARTHUR MORRISON,

Chairman of Commission.

(4.) To the Registrar-General, Wellington.

SIR,—

Royal Commission in re the New Zealand Midland Railway Company.

I am directed to inform you that it is the intention of the above Commission to call you for the purpose of giving evidence in regard to the population in the districts served by the railways constructed by the New Zealand Midland Railway Company from 1888 up to the present time; and also in regard to the probable increase of population in the said districts during the next twelve years; and to request that you will be prepared to furnish such information when called upon by the Commission to do so.

I have, &c.,

ARTHUR MORRISON,

Chairman of Commission.

At 12.30 p.m. the Commission adjourned till 10 a.m. to-morrow.

WEDNESDAY, 6TH FEBRUARY, 1901.

The Commission met at 10 a.m.

Present : Mr. A. Morrison (Chairman), Mr. F. Back, Mr. W. Fraser, Mr. C. Hudson, and Mr. R. McKenzie.

The minutes of the previous meeting were read and confirmed.

Mr. H. D. Bell (solicitor for the Crown), Mr. J. H. B. Coates (Receiver for the debenture-holders), Mr. N. H. M. Dalston (attorney and general manager for the company), Dr. Findlay (solicitor for the Receiver), and Mr. H. J. H. Blow (Under-Secretary for Public Works) were in attendance.

Dr. Findlay asked the permission of the Commission to present for entry on the records of the Commission's proceedings a written protest from the Receiver against the limitations and restrictions imposed by the terms of the Commission.

The Commission considered the request *in camera*.

Mr. Back moved, That Dr. Findlay be informed that the Commission decides to record the protest of the Receiver *pro forma*, but at the same time informs Dr. Findlay that the scope of the Commission does not permit the Commission to discuss or entertain such protest.

Mr. McKenzie moved, as an amendment, That Dr. Findlay be informed that the Commission cannot record his written protest, as such record of protest is dealing with a subject beyond the scope of the Commission.

And the question being put on the amendment, the Commission divided, and the names were taken down as follow :—

Aye, 1.—Mr. McKenzie.

Noes, 4.—Mr. Back, Mr. Fraser, Mr. Hudson, Mr. Morrison.

So it passed in the negative. Amendment lost.

And the question being then put on the motion, the Commission divided, and the names were taken down as follow :—

Ayes, 4.—Mr. Back, Mr. Fraser, Mr. Hudson, Mr. Morrison.

No, 1.—Mr. McKenzie.

So it passed in the affirmative. Motion carried.

Resolved, on the motion of Mr. Fraser, That, if the solicitor for the Crown asks permission to present a written reply to the protest of the Receiver, such reply be entered on the records of the proceedings.

Dr. Findlay was then informed of the decision of the Commission, and he presented the following protest :—

To the Chairman of the New Zealand Midland Railway Commission.

JAMES HUGH BUCHANAN COATES, the Receiver for the debenture-holders of the New Zealand Midland Railway Company, hereby desires to record his respectful protest against the limitations and restrictions imposed by the terms of your Commission upon the scope and method of your inquiry.

No opportunity was given to the Receiver or his solicitor to peruse or consider the terms of the Commission until an hour before your Commission's first sitting, and it is respectfully submitted to you that, seeing the co-operation of the Receiver is essential to the inquiry upon which you have entered, it would have been in accordance with customary practice and helpful to such a full and fair inquiry as the recommendation made by the Public Accounts Committee of last session contemplated if some opportunity had been given to the Receiver or his solicitor to peruse the terms of the Commission, and make such reasonable suggestions as to the amplification or modification of these terms as the Receiver was advised. It is recognised that the Receiver had no right to dictate or require alterations in the terms of the Commission, but, from the nature of the recommendation referred to and the avowed purpose of your present inquiry, it would have been not only expedient, but in the best interests of equity, had the Receiver or his solicitor been afforded the opportunity just mentioned.

The Receiver protests that an undue restriction is placed upon the scope of your inquiry to the prejudice of the debenture-holders, and, in particular, he respectfully submits that the limitations as to the calculation or estimate of the value of the railway set out in clause 8 of the Commission must necessarily preclude that fair and equitable estimate of the value of the railway which debenture-holders are entitled to ask should be made, and when it is submitted, the recommendation of the Public Accounts Committee of last session contemplated and desired.

It is submitted that to limit the admission of evidence as it appears to be limited by clause 8 of the Commission will result in a method of valuing the railway-line unprecedented in practice and wholly unfair to the debenture-holders.

It is felt by the Receiver that it is his duty to record this protest, since he proposes to heartily co-operate with the Commission in carrying out the duties of the Commission, for were he not to enter this protest it might be hereafter contended that he impliedly or tacitly consented to or approved of the terms of the Commission which controls your inquiry.

Dated at Wellington, this 6th day of February, 1901.

J. H. B. COATES,

Receiver, New Zealand Midland Railway Company.

Resolved, To notify the parties to the proceedings at as early a date as possible as to the approximate dates when the Commission would sit at the various towns on the Midland Railway route.

The Commission and counsel for the Crown and Receiver then discussed the course of business to be followed, and, at their request, counsel were given time until Monday, the 11th February, in which to prepare the evidence and witnesses they proposed to call before the Commission.

At 12.30 p.m. the Commission adjourned until 10.30 a.m. to-morrow.

THURSDAY, 7TH FEBRUARY, 1901.

The Commission met at 10.30 a.m.

Present : Mr. Morrison (Chairman), Mr. Back, Mr. Fraser, Mr. Hutton, and Mr. McKenzie.

The minutes of the previous meeting were read and confirmed.

The Commission considered the question of itinerary, and decided upon a provisional programme, which the secretary was instructed to communicate to the three parties to the proceedings, with the request that the Commission should be informed by 2.30 p.m. to-morrow if such programme would suit their convenience.

At 12.30 p.m. the Commission adjourned till 2.30 p.m. to-morrow.

FRIDAY, 8TH FEBRUARY, 1901.

The Commission met at 2.30 p.m.

Present: Mr. Morrison (Chairman), Mr. Back, Mr. Fraser, Mr. Hudson, and Mr. McKenzie.

The minutes of the previous meeting were read and confirmed.

Communications were received from the Hon. Minister for Public Works, Mr. J. H. B. Coates (Receiver for the debenture-holders), and Mr. N. H. M. Dalston (attorney and general manager of the New Zealand Midland Railway Company), intimating that the provisional programme decided upon by the Commission would suit their convenience.

Resolved, pursuant to the programme agreed upon, That the Commission should leave Wellington for Nelson on Wednesday, the 13th February.

At 3 p.m. the Commission adjourned till 10 a.m. on Monday, the 11th instant.

MONDAY, 11TH FEBRUARY, 1901.

The Commission met at 10 a.m.

Present: Mr. Morrison (Chairman), Mr. Back, Mr. Fraser, Mr. Hudson, and Mr. McKenzie.

The minutes of the previous meeting were read and confirmed.

Mr. Back notified the Commission that he had been compelled, with very great reluctance, to send in his formal resignation as a member of the Commission to the Government. His leave of absence expired during the present month, and, as he found the Commission would be occupied all March and part of April, he had no alternative but to resign his seat on the Commission.

Mr. Bell (solicitor for the Crown), Mr. Coates (Receiver for the debenture-holders), Mr. Dalston (attorney and general manager for the company), Dr. Findlay (solicitor for the Receiver), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company (Limited), Wellington, was called, sworn, and examined.

Dr. Findlay informed the Commission that urgent private business would detain him in Wellington until Friday, the 15th instant, when he hoped to leave for Nelson, and he asked the Commission to defer, if possible, taking evidence at Nelson until Saturday, when he would be in attendance, and the Commission promised to meet counsel as far as possible in this respect.

The Commission and counsel then conferred upon the evidence to be called at the Nelson sitting, and it was decided that certain witnesses should be called.

At 12.30 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

TUESDAY, 12TH FEBRUARY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. Morrison (Chairman), Mr. Fraser, Mr. Hudson, and Mr. McKenzie.

The minutes of the previous meeting were read and confirmed.

Mr. Blow, Under-Secretary for Public Works, was in attendance.

Alexander Christison Fife, accountant, New Zealand Railways, Wellington, was called, sworn, and examined.

Percy Sawtell Waldie, bookkeeper, Public Works Department, Wellington, was called, sworn, and examined.

At 11.30 a.m. the Commission adjourned till 2.30 p.m. on Thursday, the 14th February, at Nelson.

NELSON.

THURSDAY, 14TH FEBRUARY, 1901.

The Commission met at 2.30 p.m.

Present: Mr. Morrison (Chairman), Mr. Fraser, Mr. Hudson, and Mr. McKenzie.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of Mr. Fraser, That, in consequence of the receipt of the following telegram from the Hon. Minister for Public Works—viz., "The Chairman, Midland Commission, Nelson.—The Government have decided to appoint another member to the Commission in the place of Mr. F. Back, resigned. I would suggest the advisability of not taking evidence until the gentleman appointed joins you at Nelson.—W. Hall-Jones"—the Commission decides to postpone taking any evidence until the new Commissioner arrives in Nelson.

Resolved, on the motion of Mr. Fraser, That the secretary be instructed to advise Mr. Coates, the Receiver for the debenture-holders, in terms of the above resolution, and to advise the Receiver to communicate with the Minister for Public Works accordingly.

Resolved, That the Commission leave to-morrow (Friday) for Motupiko, for the purpose of inspecting the Belgrove-Motupiko Section of the railway, and on Saturday to visit the adjacent districts served by the railway, returning to Nelson the same day; and the secretary was instructed to arrange accordingly.

At 3 p.m. the Commission adjourned till 10.30 a.m. on Thursday, 21st February, 1901.

THURSDAY, 21ST FEBRUARY, 1901.

The Commission met at 10.30 a.m. in the Nelson Provincial Hall.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

The secretary read a letter from the Hon. Minister for Public Works intimating that His Excellency the Governor had accepted the resignations of Mr. Arthur Morrison, M.H.R., as Chairman and member, and of Mr. Frederick Back as a member, of the Midland Railway Commission; and that he had been pleased to appoint Messrs. John Graham, M.H.R., of Nelson, and James McKerrow, of Wellington, to be members of the Commission; and, further, that His Excellency had been pleased to appoint Mr. Roderick McKenzie, M.H.R., to be the Chairman of the Commission.

Resolved, on the motion of Mr. Fraser, That this Commission desires to record its regret that Mr. Morrison, former Chairman of the Commission, should have been compelled, by serious ill-health, to resign his appointment as member of the Commission.

The programme arranged for Friday, the 15th February, and Saturday, the 16th February, was cancelled, owing to the sudden illness and subsequent resignation of the Chairman, Mr. Morrison.

On Monday, the 18th February, an informal meeting of the Commission was held. There were present Messrs. Fraser and Hudson and the two newly appointed members of the Commission, Messrs. Graham and McKerrow. The secretary read the minutes of the previous meetings for the information of the new Commissioners.

On Tuesday, the 19th February, the Commissioners inspected the Belgrove-Motupiko Section of the Midland Railway line, and on Wednesday, the 20th February, they visited the Tadmor and Sherry Valleys, being districts served by the line.

Mr. Bell (solicitor for the Crown), Dr. Findlay (solicitor for the Receiver), Mr. Coates (Receiver for the debenture-holders), Mr. Dalston (attorney and general manager of the Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Thomas Roberts, civil engineer, Nelson, was called, sworn, and examined.

Horatio John Hooper Blow, Under-Secretary for Public Works, was called, sworn, and examined.

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company (Limited), was called and further examined.

Edwin George Wilson, Stationmaster in charge, Nelson, was called, sworn, and examined.

Resolved, at the request of the Solicitor for the Crown, to forward the following letter to N. H. M. Dalston, Esq., attorney for the New Zealand Midland Railway Company, Nelson:—

SIR,—

Royal Commission in re the New Zealand Midland Railway Company.

I am directed to inform you that the above Commission will require information, as detailed below, concerning the New Zealand Midland Railway Company, and to request that you will be prepared to furnish such information when called upon by the Commission to do so, viz.:—

A return of the details, with vouchers of—(a) The Compensation Account (Belgrove line), £1,532 14s. 2d., and of the Suspense Account, £115 10s.; (b) of the land plans (Belgrove Section), £199; (c) of contract No. 13 (W. W. Dartnell), Belgrove Section survey, £580 8s. 6d.; and (d) of contract No. 22 (Allen Maguire), Belgrove to Motueka Section, £51,210 19s. 2d., with a statement accounting for the difference between the contract price of £46,676 8s. 8d. and the amount paid.

I have, &c.,

R. MCKENZIE,

Chairman of Commission.

At 5.10 p.m. the Commission adjourned till 10 a.m. to-morrow.

FRIDAY, 22ND FEBRUARY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (solicitor for Crown), Dr. Findlay (solicitor for Receiver), Mr. Coates (Receiver for debenture-holders), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Horatio John Hooper Blow, Under-Secretary for Public Works, was called and further examined on oath.

At 4.30 p.m. the Commission adjourned till 10 a.m. to-morrow.

SATURDAY, 23RD FEBRUARY, 1901.

The Commission met at 10 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (solicitor for Crown), Dr. Findlay (solicitor for Receiver), Mr. Coates (Receiver for the debenture-holders), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Thomas Humphries, Commissioner of Crown Lands at Nelson, was called, sworn, and examined.

Thomas Roberts, civil engineer, Nelson, was called and further examined on oath.

Counsel for Crown and the Receiver then intimated, in answer to a question put by the Chairman, that they had no more evidence to call at Nelson.

It was first resolved to adjourn till 10.30 a.m. on Wednesday, the 27th February, at Reefton. The Commission adjourned at 3 p.m.

An intimation was subsequently received from counsel for the Crown and the Receiver stating that, as two of the witnesses to be called by the Crown—Mr. Snodgrass and Mr. T. H. Roberts—were stationed at Westport, and that it would be more convenient to examine them there, therefore, if the Commission saw fit to sit at Westport, counsel thought some expense and trouble to the witnesses could be saved, and some slight disorganization of the Government service avoided.

A special meeting of the Commission was held at 8.30 p.m., and it was resolved, That, in consequence of the communication received from counsel, the previous resolution that the next meeting of the Commission be held at Reefton be rescinded, and that the next meeting be held at Westport, at 10.30 a.m. on Wednesday, the 27th February.

The Commission adjourned at 9 p.m. till 10.30 a.m. on Wednesday, the 27th February, 1901.

WESTPORT.

WEDNESDAY, 27TH FEBRUARY, 1901.

The Commission met at 10.30 a.m. in the Stipendiary Magistrate's Courthouse.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), and Mr. Blow (Under Secretary for Public Works) were in attendance.

John Snodgrass, District Surveyor at Westport, was called, sworn, and examined.

William Roberts, Inspector of Permanent-way, New Zealand Railways, Westport, was called, sworn, and examined.

George Edward Richardson, District Engineer, New Zealand Railways, Westport, was called, sworn, and examined.

Frank Slee, land broker at Westport, was called, sworn, and examined.

At 12.30 p.m. the Commission adjourned till 7.30 p.m., to give counsel for the Receiver an opportunity to ascertain whether he would call further evidence at Westport.

The Commission met again at 7.30 p.m., when Dr. Findlay intimated that he had no further evidence to call at Westport.

The Commission then adjourned till 10.30 a.m. on Friday, 1st March, at Reefton.

REEFTON.

FRIDAY, 1ST MARCH, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, That the Commission first proceed to inspect the Reefton-Stillwater and Brunner-ton-Jackson's Sections of the New Zealand Midland Railway before taking any evidence in regard to them.

The Commission then proceeded to inspect the Reefton-Stillwater Section of the Midland Railway, and examined the portion between Reefton and Mawheraiti, returning to Reefton the same evening.

On Saturday, the 2nd March, the Commission continued the inspection of the same section, and examined the portion of the line between Mawheraiti and Totara Flat, proceeding on to and reaching Greymouth the same evening.

On Monday, the 4th March, the Commission continued the inspection of the same section, examining the portion of the line between Totara Flat and Ngahere; and on Tuesday, the 5th March, they examined the portion between Ngahere and Brunnerton.

On Wednesday, the 6th March, the Commission commenced the inspection of the Brunner-ton-Jackson's Section of the New Zealand Midland Railway, and examined the portion of the line between Stillwater and Te Kinga; on Thursday, the 7th March, they examined the portion between Te Kinga and the 30-mile peg; and on Friday, the 8th March, they completed the examination of the line to Jackson's, and afterwards proceeded to Otira.

On Saturday, the 9th March, the Commission were engaged in the forenoon inspecting the rolling-stock taken over from the New Zealand Midland Railway Company. At noon an informal meeting was held, at which all the Commissioners were present; and in response to a request by counsel for the Receiver, asking for an instruction as to the order of evidence, the Chairman was authorised to sign and forward the following letter, viz. :—

Greymouth, 9th March, 1901.

SIR,—

Royal Commission in re the New Zealand Midland Railway Company.

I wish to call your attention to the letters from the Commission to the Receiver for the debenture-holders and to the attorney for the New Zealand Midland Railway Company, dated the 5th February, 1901, asking for certain information, and to state that the Commission are of opinion that it would facilitate taking of evidence here if you would furnish the Commission with a detailed statement of claim for each section of the railway—viz., Stillwater

to Reefton, Brunner to Jackson's, Belgrove to Norris's Gully, and Springfield to Patterson's Creek—as asked for in the said letters—such statement to be afterwards substantiated by evidence; and also to show what proportion of this cost was provided by the company, by the debenture-holders, and by the Crown.

The Commission also desire that information should be furnished showing—

(1.) The actual cost of surveys of each of the above sections of railway, with the names of surveyors and number of staff with each surveyor, the period of employment, and the amount paid to each surveyor and his staff.

(2.) The cost of land bought for railway-construction, with names of vendors, locality, areas, and amount paid to each individual owner; each of the above-sections of railway to be shown separately.

(3.) The area and value of land given by the Government on which the railway is constructed; each of the above sections of railway to be shown separately. (Values will be supplied by Crown Lands Department.)

(4.) The actual cost of construction of each of the above sections of railway, showing items in the following order, viz.: (a) Grading, (b) bridging, (c) tunnelling, (d) buildings and station, (e) permanent-way, (f) fencing, and (g) rolling-stock, &c. The Commission will accept contractor's tenders, including schedules for any work let by public competition, and also any additions to or deductions from any contract let by public tender—additions and deductions to be shown separately.

(5.) The amount expended for supervision, showing the names of officers, the period of employment, and amount (and the annual rate of salary) paid to each; such expenditure to be apportioned to each of the above sections of railway. The amount of money paid in commissions, showing the names of the persons or parties to whom such commissions were paid and the amounts paid to each person or party; such expenditure to be apportioned to each of the above sections of railway. The amount paid in salaries, showing the names of officers, the period of employment, and amount (and the annual rate of salary) paid to each; such expenditure to be apportioned to each of the above sections of railway. The amount paid in incidental expenses; such expenditure to be shown in detail and separately from the above, and to be apportioned to each of the above sections of railway.

(6.) The condition of the permanent-way, rolling-stock, and buildings of the above lines of railway at the date when the Governor took possession of the same (25th May, 1895).

(7.) Evidence in regard to the returns numbered (3) and (4) in the Commission's letter to the attorney for the company of the 5th February, 1901.

(8.) Evidence as to the present selling-value of the above sections of railway as a going concern, having regard to prospective increase in net revenue.

I have, &c.,

R. MCKENZIE,

Chairman of Commission.

Dr. Findlay, Counsel for the Receiver,
New Zealand Midland Railway Debenture-holders, Greymouth.

The Commission adjourned at 3 p.m. till 10 a.m. on Monday, the 11th March, 1901.

GREYMOUTH.

MONDAY, 4TH MARCH, 1901.

The Commission met at 10 a.m. in the County Council offices.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of Mr. Graham, That the Receiver for the debenture-holders and the attorney of the company be informed that the Commission will require them to produce all books from which returns are compiled, as the Commission may from time to time direct.

A letter was received from Mrs. Evans, of Poerua, calling attention to an unsettled compensation claim of £20 for land taken by the Midland Railway Company for railway purposes.

Resolved, That the letter be received and the matter be inquired into.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for the Receiver), Mr. Coates (Receiver for the debenture-holders), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Henry William Young, civil engineer, Greymouth, was called, sworn, and examined.

Thomas Whillians Bruce, sheep-farmer, Inchbonnie, was called, sworn, and examined.

At 5 p.m. the Commission adjourned till 10 a.m. to-morrow.

TUESDAY, 12TH MARCH, 1901.

The Commission met at 10 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of Mr. Fraser, That while in Greymouth the Commission meet at 9.45 a.m. for private and at 10 a.m. for public business, and adjourn at 1 p.m. till 2.30 p.m. for lunch, and adjourn again at 5 p.m., except on such occasions as when the Commission may deem it advisable to prolong the sitting.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Henry George Hankin, mining agent, Reefton, was called, sworn, and examined.

Thomas Pavitt, land agent, Greymouth, was called, sworn, and examined.

Henry Samuel Castle, accountant, Reefton, was called, sworn, and examined.

Horace Baxter, Audit Inspector, New Zealand Railways, Dunedin, was called, sworn, and examined.

George Vanderput Drury Butts, foreman, New Zealand railway workshops, Greymouth, was called, sworn, and examined.

Henry Edward Whitfield, Inspector of Permanent-way, New Zealand Railways, Greymouth, was called, sworn, and examined.

At 5 p.m. the Commission adjourned till 9.45 a.m. to-morrow.

WEDNESDAY, 13TH MARCH, 1901.

The Commission met at 9.45 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (solicitor for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for debenture-holders), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Henry Edward Whitfield, Inspector of Permanent-way, New Zealand Railways, Greymouth, was called and further examined.

James Ferguson Nelscn, Foreman of Works, New Zealand Railways, Greymouth, was called, sworn, and examined.

Henry St. John Christophers, District Engineer, New Zealand Railways, was called, sworn, and examined.

Walter Irving, sharebroker and commission agent, Reefton, was called, sworn, and examined.

William George Murray, Commissioner of Crown Lands, Westland, was called, sworn, and examined.

John Ainslie Montgomerie, District Surveyor, Reefton, was called, sworn, and examined.

Mr. Bell (counsel for Crown) handed in the contracts, schedules, and prices to supplement Mr. Waldie's return of the 9th February, 1901; and also a schedule taken out from that contract (Exhibit No. 15).

Resolved, on the motion of Mr. Graham, That the following witnesses be notified that they will be required to give evidence before the Commission, viz.: Andrew Matheson, Mayor and merchant, Greymouth; Duncan McLean, merchant, Greymouth; Andrew McKay, contractor, Greymouth; Felix Campbell, merchant, Greymouth; Joseph Jay, sawmiller, Greymouth; Edward Iveagh Lord, City Valuer, Greymouth; Adam Blair, sawmiller, Greymouth; Joseph Scott, mine-manager, Blackball; Robert Alison, mine-manager, Brunnerton; Henry L. Michel, merchant, Hokitika; and James Marshall, ex-Chairman, Grey County Council, and farmer, Totara Flat.

At 5 p.m. the Commission adjourned till 9.45 a.m. to-morrow.

THURSDAY, 14TH MARCH, 1901.

The Commission met at 9.45 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, at the request of counsel for the Receiver, That the Clerks of the Wardens' Courts at Greymouth, Reefton, and Ahaura be asked to furnish, at their earliest convenience, the following returns, viz. :—

(1.) A return for each of the years 1895, 1896, 1897, 1898, 1899, and 1900, showing the total number of applications made to the Warden or the Wardens' Courts for—(a) Mining privileges, (b) special claims and licensed holdings of 20 acres and upwards, (c) extended claims of a less area than 20 acres.

(2.) A return for each of the years 1895, 1896, 1897, 1898, 1899, and 1900, showing the total number of these several rights which were granted.

And letters were forwarded accordingly.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for the Receiver), Mr. Coates (Receiver for debenture-holders), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

John Ainslie Montgomerie, District Surveyor, Reefton, was called and further examined.

Thomas Whillians Bruce, sheep-farmer, Inchbonnie, was called and further examined.

Andrew Matheson, Mayor and merchant, Greymouth, was called, sworn, and examined.

Duncan McLean, merchant, Greymouth, was called, sworn, and examined.

Felix Campbell, merchant, Greymouth, was called, sworn, and examined.

James Marshall, farmer, Totara Flat, was called, sworn, and examined.

Joseph Jay, engineer, Greymouth, was called, sworn, and examined.

Edward Iveagh Lord, borough engineer, Greymouth, was called, sworn, and examined.

Adam Blair, sawmiller, Greymouth, was called, sworn, and examined.

Andrew McKay, mine-owner and contractor, Greymouth, was called, sworn, and examined.

Horace Baxter, Audit Inspector, Dunedin, was called and further examined.

Henry St. John Christophers, District Engineer, Greymouth, was called and further examined.

At 5.30 p.m. the Commission adjourned till 9.45 a.m., to-morrow.

FRIDAY, 15TH MARCH, 1901.

The Commission met at 9.45 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of Mr. Hudson, That Mr. Hugh Cassidy, coach-proprietor, Springfield, be asked to furnish the following return at his earliest convenience, viz. : A return of coach passenger traffic for the period 1st May, 1895, to 20th July, 1900, to and from Springfield to and from the West Coast; passengers to and from Jackson's to be shown separately.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Patrick Corcoran, farmer, Ahaura, was called, sworn, and examined.

Joseph Scott, mine-manager, Blackball, was called, sworn, and examined.

Robert Alison, mine-manager, Brunner, was called, sworn, and examined.

Henry St. John Christophers, District Engineer, New Zealand Railways, Greymouth, was called and further examined.

Henry William Young, civil engineer, Greymouth, was called and further examined.

Resolved, on the motion of Mr. Hudson, That the District Traffic Manager, New Zealand Railways, Greymouth, be asked to furnish the following return to-day, viz.: "Adverting to return handed in by Mr. Baxter of estimate derived from passenger traffic from Jackson's after deducting coach and local passengers, the Commission require a return of the coach and local passengers and revenue derived therefrom so deducted; such return also to specify number of first- and second-class passengers separately."

At 3 p.m. the Commission adjourned till 9.45 a.m. on Monday, 18th March, 1901.

MONDAY, 18TH MARCH, 1901.

The Commission met at 9.45 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, and Mr. Hudson.

The minutes of the previous meeting were read and confirmed.

On Saturday, the 16th March, the Commission visited the coal-measures at Coal Creek.

Letters were received from the Mining Registrars of the Reefton and Ahaura Wardens' Courts, forwarding the returns asked for by the Commission on the 14th March, and the returns (Exhibits Nos. 24 and 25) were ordered to be received.

Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Ernest Nicholson, Traffic Clerk, New Zealand Railways, Greymouth, was called, sworn, and examined.

George Stephen Cray, sharebroker and mining agent, Greymouth, was called, sworn, and examined.

Henry William Young, civil engineer, Greymouth, was called and further examined, and produced certain of the returns ordered by the Commission.

The Chairman asked when the balance of the returns ordered by the Commission would be ready, and intimated it was necessary they should be furnished with as little delay as possible. Dr. Findlay said the work of preparing the returns was being pushed on, and that they would be presented at the earliest possible date.

Resolved, That the Chairman and Mr. Graham be appointed a sub-committee to check the returns handed in by Mr. Young with the original books.

The secretary was directed to write to the Chairman of the Grey County Council conveying the thanks of the Commission to the County Council for its courtesy in placing its offices at the disposal of the Commission during their sittings in Greymouth.

Resolved, That the Commission proceed from Greymouth to Christchurch *via* Wellington, and that the next meeting be held at Christchurch on Monday, the 25th March, at 9.30 a.m., and that the counsel for the Crown and the Receiver and the attorney for the New Zealand Midland Railway Company be notified accordingly.

At 2.30 p.m. the Commission adjourned till 9.30 a.m. on Monday, the 25th March, at Christchurch.

CHRISTCHURCH.

MONDAY, 25TH MARCH, 1901.

The Commission met at 9.30 a.m. in the Provincial Council Chamber.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, That the Commission leave for Springfield to-morrow to inspect the Springfield-Patterson's Creek Section of the New Zealand Midland Railway, and return to Christchurch the same evening.

Dr. Findlay (counsel for the Receiver), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Henry William Young, civil engineer, Greymouth, was called and further examined.

Peter Miller Stewart, builder and contractor, Papanui, was called, sworn, and examined.

David Wallace, goods agent, New Zealand Railways, Dunedin, was called, sworn, and examined.

At 12.30 p.m. the Commission adjourned till 10 a.m. on Wednesday, 27th March, 1901.

WEDNESDAY, 27TH MARCH, 1901.

The Commission met at 10 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

On Tuesday, the 26th March, the Commission visited Springfield and inspected the Springfield-Patterson's Creek Section of the Midland Railway, returning to Christchurch the same evening.

Dr. Findlay (counsel for Receiver), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

William Hood Gaw, Traffic Superintendent for the South Island for New Zealand Railways, Dunedin, was called, sworn, and examined.

Charles Barnes Shanks, Chief Draughtsman, Survey Department, Christchurch, was called, sworn, and examined.

Frank Ward, Crown Lands Ranger, Christchurch, was called, sworn, and examined.

Gordon Hurrell Morland McClure, District Surveyor, Christchurch, was called, sworn, and examined.

William Hay Gavin, Resident Engineer, Public Works Department, Patterson's Creek, was called, sworn, and examined.

Resolved, on the motion of Mr. Graham, That it is desirable that the Commission should call local evidence in respect to the prospective value of the Midland Railway.

At 12.45 p.m. the Commission adjourned till 10 a.m. to-morrow.

THURSDAY, 28TH MARCH, 1901.

The Commission met at 10 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Dr. Findlay (counsel for Receiver), Mr. Dalston (attorney for New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Gordon Hurrell Morland McClure, District Surveyor, Christchurch, attended, and put in a return of the values of the Midland Railway Company's unsold lands in the Canterbury District (Exhibit No. 64).

Frank Ward, Crown Lands Ranger, Christchurch, attended, and put in a return of the values of the Midland Railway Company's unsold lands in the Canterbury District (Exhibit No. 65).

Peter Miller Stewart, contractor, Papanui, was called and further examined.

William Chrystall, merchant, Christchurch, was called, sworn, and examined.

William Hay Gavin, Resident Engineer, Public Works Department, Patterson's Creek, was called and further examined.

Hugh Cassidy, coach-proprietor, Springfield, was called, sworn, and examined.

At 3.15 p.m. the Commission adjourned till 10 a.m. to-morrow.

FRIDAY, 29TH MARCH, 1901.

The Commission met at 10 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from the Mining Registrar of the Warden's Office, Greymouth, forwarding the return asked for by the Commission on the 14th March, and the return (Exhibit No. 68) was ordered to be received.

Dr. Findlay (counsel for the Receiver) and Mr. Blow (Under-Secretary for Public Works) were in attendance.

William Wood, merchant, Christchurch, was called, sworn, and examined.

George Gatenby Stead, merchant, Christchurch, was called, sworn, and examined.

James Goss, timber merchant, Christchurch, was called, sworn, and examined.

Hunter Macandrew, District Engineer, New Zealand Railways, Christchurch, was called, sworn, and examined.

John Tippet Smith, bookseller and stationer and acting-Mayor, Christchurch, was called, sworn, and examined.

Andrew Anderson, mechanical engineer and contractor, was called, sworn, and examined.

Frederick Waymouth, company-manager, Christchurch, was called, sworn, and examined.

At 4.15 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

SATURDAY, 30TH MARCH, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Dr. Findlay (counsel for Receiver), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

John Dryden Hall, solicitor, Christchurch, was called, sworn, and examined, and produced certain books, papers, and documents relating to the business of the New Zealand Midland Railway Company.

In reply to a communication from the Commission, Mr. E. G. Wright telegraphed that it would be convenient for him to attend as a witness at 3 o'clock on Monday afternoon, and it was resolved that Mr. Wright be heard on Monday afternoon, and that he be notified accordingly.

At 11.30 a.m. the Commission adjourned till 2.30 p.m. on Monday next.

MONDAY, 1ST APRIL, 1901.

The Commission met at 2.30 p.m.

Present: Mr. McKenzie (Chairman), Mr. Graham, and Mr. Hudson.

The minutes of the previous meeting were read and confirmed.

A letter was received from Mr. Hugh Cassidy, coach-proprietor, Springfield, forwarding the completed return as asked for by the Commission on the 15th March, and the return (Exhibit No. 69) was ordered to be received.

Mr. Dalston (attorney for the New Zealand Midland Railway Company) and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Resolved, on the motion of the Chairman, That the Registrar-General, Wellington, be asked to furnish the following information at his earliest convenience, viz.: A return showing the population of Canterbury between the Ashburton and Hurunui Rivers, and the population of the Counties of Westland, Grey, Inangahua, Buller, and Waimea (the borough populations in the said districts to be shown separately), as shown by the census just taken; such return to show the increases and decreases as compared with the census of 1891 and the census of 1896.

Robert West England, timber merchant, Christchurch, was called, sworn, and examined.

Edward George Wright, sheep-farmer, Windermere, was called, sworn, and examined.

Resolved, on the motion of Mr. Hudson, That the next meeting of the Commission be held in Wellington on Wednesday, the 3rd April, at 3 p.m., in the Parliamentary Buildings, and that all the parties before the Commission be notified accordingly.

At 4 p.m. the Commission adjourned till 3 p.m. on Wednesday, 3rd April, at Wellington.

WELLINGTON.

WEDNESDAY, 3rd APRIL, 1901.

The Commission met at 3 p.m. at Parliamentary Buildings.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

An informal meeting of the Commission was held at 11.30 a.m. on Tuesday, the 2nd April, at Christchurch, to consider a telegram from Dr. Findlay (counsel for Receiver) in regard to the production of certain papers relating to land in the McMillan Trust, and at present in the custody of Messrs. Beswick and Harris, solicitors, Christchurch. It was resolved, That Dr. Findlay be informed that it will be more convenient to have the McMillan Trust papers produced through Mr. Harris's agent in Wellington, and that Dr. Findlay be asked to take steps accordingly.

Mr. H. D. Bell (counsel for Crown) and Dr. Findlay (counsel for Receiver) were in attendance.

Resolved, on the motion of Mr. Hudson, That the Hon. Minister for Public Works be asked to furnish the following information at his earliest possible convenience, viz.: A return of the Crown land granted to or earned by the New Zealand Midland Railway Company or the Receiver, showing the number of block, area of block, and B1 value of same; such return also to include and show separately the lands (with number of block, area of block, and B1 value of same) set aside in the McMillan Trust.

Resolved, on the motion of Mr. McKerrow, That the Commission adjourn till Wednesday, the 10th April, at 3 p.m., to enable the parties to the proceedings to prepare the returns asked for.

Resolved, on the motion of Mr. Graham, That the parties to the proceedings be informed that the Commission will meet on Wednesday, the 10th April, 1901, for the purpose of receiving such returns as are then ready to be presented.

At 4.30 p.m. the Commission adjourned till 3 p.m. on Wednesday, the 10th April, 1901.

WEDNESDAY, 10TH APRIL, 1901.

The Commission met at 3 p.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Dr. Findlay (counsel for the Receiver), Mr. Coates (Receiver for the debenture-holders), and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance.

Henry William Young, civil engineer, Greymouth, was called, and handed in further returns (Exhibits Nos. 72 to 88).

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called, and handed in certain returns (Exhibits Nos. 89 to 91).

At 4.15 p.m. the Commission adjourned till 10.15 a.m. to-morrow.

THURSDAY, 11TH APRIL, 1901.

The Commission met at 10.15 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

David Wallace, goods agent, New Zealand Railways, Dunedin, was called and further examined on oath.

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called, and further examined on oath.

At 12.30 p.m. the Commission adjourned till 2.30 p.m. to-morrow.

FRIDAY, 12TH APRIL, 1901.

The Commission met at 2.30 p.m.

Present: Mr. McKenzie (Chairman), Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance.

David Wallace, goods agent, New Zealand Railways, Dunedin, was called and further examined on oath.

Alexander Barron, Under-Secretary, Lands, Wellington, was called, sworn, and examined.

Henry William Young, civil engineer, Greymouth, was called and further examined.

At 4 p.m. the Commission adjourned till 10.15 a.m. on Monday, 15th April, 1901.

MONDAY, 15TH APRIL, 1901.

The Commission met at 10.15 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown) and Dr. Findlay (counsel for Receiver) were in attendance.

Robert Baff, overseer, New Zealand Railways, Waipara, was called, sworn, and examined.

Samuel Brown, contractor, Wellington, was called, sworn, and examined.

At 12.45 p.m. the Commission adjourned.

FRIDAY, 19TH APRIL, 1901.

The Commission met at 2.45 p.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of Mr. Fraser, That the attorney for the New Zealand Midland Railway Company be asked to furnish the following information at his earliest convenience, viz.: A return of all receipts from and expenditure on the line of railway from Brunnerton to Reefton from the 29th February, 1892, to the 30th June, 1892; and a return of all receipts from and expenditure on the line of railway from Brunnerton to Jackson's from the 13th March, 1894, to the 30th June, 1894: this return is to be a separate return from the one already ordered.

James Burnett, Inspecting Engineer, New Zealand Railways, Wellington, was called, sworn, and examined.

Daniel Thomas McIntosh, District Engineer, New Zealand Railways, Wanganui, was called, sworn, and examined.

Henry William Young, civil engineer, Greymouth, was called, and handed in further returns (Exhibits Nos. 102 to 104).

Norman Howard Maxwell Dalston, attorney for New Zealand Midland Railway Company, was called, and handed in further returns (Exhibits Nos. 105 to 108).

Resolved, on the motion of Mr. Graham, That the secretary to the Commission be instructed to procure printed copies of all returns and evidence in type, and have them ready for the meeting of the Commission at 10 a.m. on Monday next.

Resolved, on the motion of Mr. Hudson, That the order of the Commission to the Government Printer to break up type only referred to Exhibits Nos. 1 to 60, and that subsequent exhibits are to be submitted in proof form, and the type to be kept standing until the authority of the Chairman is given for its distribution.

At 5.30 p.m. the Commission adjourned till 10 a.m. on Monday, the 22nd instant.

MONDAY, 22ND APRIL, 1901.

The Commission met at 10 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Dalziel (for Dr. Findlay, counsel for Receiver) was in attendance, and produced certain deeds and documents in regard to the Lands Purchase and Compensation Accounts of the New

Zealand Midland Railway Company, to enable the Commission to check the lands-purchase and compensation returns.

The Commission then considered the printed proofs of Exhibits Nos. 61 to 101 inclusive, and, on the motion of Mr. Graham, the secretary was instructed to authorise the Government Printer to proceed with the printing of these returns.

At 3.45 p.m. the Commission adjourned till 10.45 a.m. on Wednesday, 24th April, 1901.

WEDNESDAY, 24TH APRIL, 1901.

The Commission met at 10.45 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown) and Dr. Findlay (counsel for the Receiver) were in attendance.

Thomas Alexander, mine-manager and contractor, Westport, was called, sworn, and examined.

Percy Sawtell Waldie, book-keeper, Public Works Department, was called and further examined on oath.

Henry William Young, civil engineer, Greymouth, was called, and produced a return of the Land Purchase and Compensation Accounts (Exhibit No. 110).

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called, and produced certain returns (Exhibits Nos. 111 to 114).

At 1.15 p.m. the Commission adjourned.

FRIDAY, 26TH APRIL, 1901.

The Commission met at 2.30 p.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

A letter was received from Mr. Blow (on behalf of Mr. Bell, counsel for Crown), forwarding a memorandum in reference to the moneys contributed by the Midland Railway Company, or its debenture-holders, towards construction-works on the line carried out by the Government.

Resolved, on the motion of Mr. Hudson, That the consideration of the foregoing memorandum be deferred until counsel for the Crown and counsel for the Receiver are both present.

Resolved, That the Commission adjourn till 2.30 p.m. on Monday, 29th April, 1901, pending the completion and presentation of returns by the Receiver for the debenture-holders and the attorney for the Midland Railway Company.

At 4.15 p.m. the Commission adjourned till 2.30 p.m. on Monday, 29th April, 1901.

MONDAY, 29TH APRIL, 1901.

The Commission met at 2.30 p.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from Mr. Joseph Jay, civil engineer, Greymouth, amplifying evidence given by him at Greymouth on the 14th March, 1901 (page 83, question 1843, Minutes of Evidence), and stating that a six-roomed cottage of average size would contain from 15,000 ft. to 17,000 ft. of timber, of local value of £65.

Dr. Findlay (counsel for Receiver) and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance.

Mr. Dalston informed the Commission that the return asked for in paragraph (1) of the Commission's letter of the 9th March, 1901, in regard to surveys, involved a large amount of detailed work and would take a considerable time to prepare, and he suggested that Mr. Young, the company's late chief assistant engineer, might be allowed to substitute therefor an approximate statement of the total expenditure for surveys allocated to the various sections.

Resolved, on the motion of Mr. McKerrow, That Mr. Young be asked to furnish a statement showing, as near as he possibly can from the documents in his possession, supplemented by his own knowledge of the actual work, the cost of the survey between Stillwater and Jackson's and between Stillwater and Reefton, and similarly for the two detached portions, Belgrove to Norris's Gully and Springfield to Patterson's Creek; such return to be in lieu of paragraph (1) of the Commission's letter of the 9th March, 1901.

At 4.20 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

TUESDAY, 30TH APRIL, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of the Chairman, That the secretary be instructed to obtain from the Government Printer eight copies of all future exhibits in proof form.

The Commission were engaged during the sitting in considering exhibits already presented and information still required.

Resolved, on the motion of Mr. Hudson, That the attention of the Crown be called to the fact that when in Greymouth the Commission called Mr Bell's attention to the fact that Exhibits Nos. 8 and 26 deal with passenger traffic from Jackson's only, whereas they should deal with passenger traffic to and from Jackson's; and that the Commission desire to know when the supplementary information will be furnished.

Resolved, That Alfred Luther Beattie, Locomotive Superintendent, New Zealand Railways, be summoned to attend before the Commission on Friday, 3rd May, to give evidence as to the value of the rolling-stock belonging to the Midland Railway Company.

At 12.30 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

WEDNESDAY, 1ST MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from the Under-Secretary for Public Works, forwarding, in response to a request by the Commission, a statement by the department's book-keeper showing the details of expenditure by the Government on the Brunnerton-Stillwater Section of the Midland Railway, and the difference between the amounts stated in Exhibits Nos. 5 and 15; and the return (Exhibit No. 128) was ordered to be received.

The Commission were engaged during the sitting in examining and checking the exhibits so far finally printed, and with the original returns.

At 4.40 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

THURSDAY, 2ND MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Hercules Davidson, Chief Clerk, Railway Accountant's Office, Wellington, was called, sworn, and examined.

The Commission were engaged during the sitting in examining and checking exhibits as finally printed and with the original returns.

At 1 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

FRIDAY, 3RD MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Dalziel (for Dr. Findlay, counsel for Receiver) and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance.

Henry William Young, civil engineer, Greymouth, was called, and produced certain returns (Exhibits Nos. 115 to 127).

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, Wellington, was called, and produced certain returns (Exhibits Nos. 129 to 138).

George Felton, Stores Manager, New Zealand Railways, Wellington, was called, sworn, and examined.

At 11.45 a.m. the Commission adjourned till 10 a.m. to-morrow.

SATURDAY, 4TH MAY, 1901.

The Commission met at 10 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Dr. Findlay (counsel for Receiver) was in attendance.

Alfred Luther Beattie, Locomotive Superintendent, New Zealand Railways, Wellington, was called, sworn, and examined.

The Commission were then engaged checking and examining further printed exhibits with the original returns.

At 11 a.m. the Commission adjourned till 10.30 a.m. on Monday, 6th May, 1901.

MONDAY, 6TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Dalston (attorney for the New Zealand Midland Railway Company) was in attendance.

The Commission considered the printed proofs of Exhibits Nos. 102 to 114, and the secretary was instructed, on the motion of Mr. Hudson, to authorise the Government Printer to proceed with the printing of these returns.

Resolved, on the motion of Mr. Hudson, That Mr. Young, late chief assistant engineer to the New Zealand Midland Railway Company, be requested to furnish a return of schedule No. 2 to contract No. 1 (English contracts).

At 12.45 p.m. the Commission adjourned.

WEDNESDAY, 8TH MAY, 1901.

The Commission met at 10.15 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Dalston (attorney for the New Zealand Midland Railway Company) was in attendance.

Alfred Luther Beattie, Locomotive Superintendent, New Zealand Railways, was called and further examined.

Henry William Young, civil engineer, Greymouth, was called, and produced further returns (Exhibits Nos. 141 to 144).

Resolved, on the motion of Mr. McKerrow, That the Under-Secretary for Public Works be asked to furnish a return of the value assigned by agreement to each section of completed line on which the right to select land was based, giving the dates of completion of the said working sections and the number of the blocks in the B1 map so selected for each section as completed.

Resolved, on the motion of the Chairman, That the Commission are of opinion, having now allowed the parties to the inquiry over three months for the preparation of returns and the production of evidence, that all returns should be put before them on or before Monday, the 13th instant.

The secretary was instructed to forward a copy of the foregoing resolution to the several parties to the inquiry.

At 12.15 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

THURSDAY, 9TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of Mr. Fraser, That the Commission consider the return in *Gazette* No. 43, page 1102, in reference to the Railway Working Account, showing the revenue and expenditure to the termination of the four-weekly period ending the 31st March, 1901.

Resolved, on the motion of Mr. Fraser, That the Railway Accountant be asked to furnish an estimate of the revenue earned by and expenditure incurred on account of the Midland Railway, Jackson's-Reefton Section, between the date when through rates were adopted after the vesting of the line in the Crown and up to the 31st March, 1901; such return to be furnished on or before Monday next, and merely to give total revenue and expenditure, without details.

A letter was received from the Registrar-General, Wellington, forwarding (a) a return to the order of the Commission dated 5th February, 1901, and (b) a return to the order of the Commission dated 1st April, 1901; and it was resolved, on the motion of the Chairman, That the return (b) be made a record of the Commission (Exhibit No. 145), and that the return (a) be received, and laid on the table for the information of the Commission.

Resolved, on the motion of Mr. Hudson, That the Chief Engineer, New Zealand Railways, be asked to furnish a return of the value of 53 lb. steel rails, fastenings for same, and points and crossings, at Lyttelton and Greymouth, for each of the years from 1886 to 1894, and also for the year 1900; and also the weight of such rails and fastenings necessary to lay one mile of railway.

Resolved, on the motion of Mr. Hudson, That the Under-Secretary for Public Works be asked to furnish a return of the cost per ton, in position, of the cylinders and girders in the Teremakau Railway-bridge, Hokitika line.

At 4 p.m. the Commission adjourned till 2.30 p.m. to-morrow.

FRIDAY, 10TH MAY, 1901.

The Commission met at 2.30 p.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

The Commission were engaged during the sitting in examining and checking further printed exhibits with the original returns.

At 3.30 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

SATURDAY, 11TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Dalston (attorney for the New Zealand Midland Railway Company) was in attendance.

A letter was received from Dr. Findlay covering a return of the valuation, by Mr. J. G. Heslop, county valuer, of mining property in the Inangahua County, and asking the Commission to fix a time on Monday to hear Dr. Findlay in support of an application to admit the return as a record of the Commission.

Resolved, on the motion of the Chairman, That Dr. Findlay be informed that the Commission will hear him at 2.30 p.m. on Monday in support of the application.

Henry William Young, civil engineer, Greymouth, was called, and produced further returns (Exhibits Nos. 146 to 148).

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called, and produced a further return (Exhibit No. 149).

The Commission then further considered the printed proofs of Exhibits Nos. 115 to 139, and the secretary was instructed, on the motion of Mr. Fraser, to authorise the Government Printer to proceed with the printing of these returns.

At 12.5 p.m. the Commission adjourned till 2.30 p.m. on Monday, 13th May.

MONDAY, 13TH MAY, 1901.

The Commission met at 2.30 p.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from the Under-Secretary for Public Works, forwarding, to the order of the Commission dated 9th May, 1901—(1) A return showing the value of 53 lb. permanent-way materials, at Lyttelton and Greymouth, for each of the years from 1886 to 1894, and also for 1900 (Exhibit No. 152); (2) a return showing the weight of rails and fastenings necessary to lay one mile of railway (Exhibit No. 151); and (3) a return showing the cost per ton, in position, of the cylinders and girders in the Teremakau Bridge, on the Greymouth-Hokitika Railway (Exhibit No. 150); and it was resolved, on the motion of the Chairman, That the returns be made records of the Commission.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance.

Dr. Findlay promised, in reply to the request of the Commission, to furnish a return showing the amount of the debenture capital and the share capital of the New Zealand Midland Railway Company.

The Commission considered the printed proofs of Exhibits Nos. 140 to 145, and the secretary was instructed, on the motion of the Chairman, to authorise the Government Printer to proceed with the printing of these returns.

At 3.30 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

TUESDAY, 14TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Horatio John Hooper Blow, Under-Secretary for Public Works, was called and further examined on oath.

The Commission considered Mr. Bell's memorandum of the 26th April, 1901, in reference to the moneys contributed by the Midland Railway Company or its debenture-holders towards construction-works on the line carried out by the Government; and it was resolved, on the motion of the Chairman, That the memorandum be made a record of the Commission (Exhibit No. 153).

The Commission heard Dr. Findlay in support of an application to admit a return of the valuation of mining property under "The Gold Duty Abolition and Mining Property Rating Act, 1890," for the years 1891 to 1901 inclusive, for Inangahua County, as a record of the Commission; and, on the motion of the Chairman, it was resolved, That the return be made a record of the Commission (Exhibit No. 154).

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called, and produced further returns (Exhibits Nos. 155 and 156).

A letter was received from the Under-Secretary for Public Works, forwarding, to the order of the Commission dated the 30th April, 1901, a return of the approximate estimate of passenger

traffic and revenue derived therefrom to Jackson's, to complete Exhibit No. 26; and it was resolved, on the motion of the Chairman, That the return be made a record of the Commission (Exhibit No. 157).

A letter was received from the Under-Secretary for Public Works, forwarding, to the order of the Commission dated the 9th May, 1901, a return of the estimated revenue earned by and expenditure incurred on account of the Midland Railway, Jackson's-Reefton Section, between the date when the through rates were adopted after the vesting of the line in the Crown (23rd July, 1900) and the 31st March, 1901; and it was resolved, on the motion of Mr. Fraser, That the return be received, and laid on the table for the information of the Commission.

At 4.5 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

WEDNESDAY, 15TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Alfred Luther Beattie, Locomotive Superintendent, New Zealand Railways, was called and further examined on oath.

Resolved, on the motion of the Chairman, That the Commission go through all the returns put in by Mr. Young, late chief assistant engineer to the New Zealand Midland Railway Company, and decide in regard to what points in these returns they will require an explanation of Mr. Young.

The Commission were engaged during the sitting in examining and checking the exhibits as finally printed.

At 4.15 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

THURSDAY, 16TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

James Hugh Buchanan Coates, bank manager and Receiver for the debenture-holders, Wellington, was called, sworn, and produced certain returns (Exhibits Nos. 158 and 159).

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called, and produced a further return (Exhibit No. 160).

A letter was received from the Under-Secretary for Public Works in regard to the cylinder-sinking plant imported by the New Zealand Midland Railway Company; and it was resolved, That the consideration of the matter be deferred.

The Commission were engaged during the sitting in examining and checking the exhibits as finally printed.

At 4.10 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

FRIDAY, 17TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from the Under-Secretary for Public Works, forwarding, to the order of the Commission dated the 8th May, 1901, a return of the blocks of land selected by the Midland Railway Company in respect of the several completed sections of their railway; and it was resolved, on the motion of the Chairman, That the return be made a record of the Commission (Exhibit No. 161).

A letter was received from the Under-Secretary for Public Works, forwarding a return showing the amount of expenditure by the Government on surveys in connection with the Midland Railway; and it was resolved, on the motion of Mr. Hudson, That the return be made a record of the Commission (Exhibit No. 162).

Resolved, on the motion of Mr. Hudson, That Mr. Young, the late chief assistant engineer to the Midland Railway Company, be asked to furnish returns showing the details of additions and deductions to contract No. 24 (Exhibit No. 40), and details of contract No. 22A (Exhibit No. 42), contract No. 28 (Exhibit No. 46), contract No. 46 (Exhibit No. 57), and contract No. 32A (Exhibit No. 82).

Resolved, on the motion of the Chairman, That Mr. Bell and Dr. Findlay be informed that it is important they should attend a meeting of the Commission at 3 p.m. to-morrow for the purpose of considering the returns put in by the Midland Railway Company showing the amount of debenture capital and interest charged to capital during construction.

The Commission were engaged during the sitting in examining and checking the exhibits as finally printed.

At 4.50 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

SATURDAY, 18TH MAY, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of the Chairman, That counsel for the Receiver and counsel for the Crown be notified that, if they wish to put in any further returns other than those ordered by the Commission, they be requested to do so before 1 p.m. on Monday next, as the Commission will receive no further returns after that date.

The Commission considered the printed proofs of Exhibits Nos. 146 and 147, and the secretary was instructed, on the motion of Mr. Hudson, to authorise the Government Printer to proceed with the printing of these returns.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance at 3 p.m.

The Commission were engaged during the sitting in examining and checking the exhibits as finally printed.

At 5 p.m. the Commission adjourned till 10.30 a.m. on Monday.

MONDAY, 20TH MAY, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read.

Mr. Graham moved, That the minutes of the previous meeting be confirmed.

The Chairman moved, as an amendment, That the minutes of the last meeting as at present written are not a true record of the proceedings of the Commission.

And the question being put on the amendment, the Commission divided, and the names were taken down as follow :—

Aye, 1.—Mr. McKenzie.

Noes, 4.—Mr. Fraser, Mr. Graham, Mr. Hudson, Mr. McKerrow.

So it passed in the negative. Amendment lost, and motion agreed to.

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called, and produced a further return (Exhibit No. 163).

Resolved, on the motion of the Chairman, That the Commission proceed with the work of examining and checking returns as finally printed, resuming at Exhibit No. 110.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance at 2.30 p.m.

Henry William Young, civil engineer, Greymouth, was called, and produced further returns (Exhibits Nos. 164 to 168).

Resolved, on the motion of Mr. Hudson, That the explanatory returns of interest and capital suggested to Dr. Findlay by the Commission form a portion of his address, instead of appearing as one of the exhibits, so that the completion of the printing of the exhibits may not be further delayed.

Resolved, on the motion of the Chairman, That counsel for the Receiver and counsel for the Crown be notified that the Commission agree to grant their request to allow them till the morning of Tuesday, the 28th May, 1901, in order to prepare any address or statement concerning this inquiry that they wish to put before the Commission.

The following telegram was received from the District Engineer of Railways, Greymouth, viz. : " There were originally thirteen velocipedes and thirteen trollies belonging to Midland Railway Company. Four of the trollies are Gardiner's "; and it was resolved, on the motion of Mr. Hudson, That the telegram be entered on the records of the Commission.

At 4.10 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

TUESDAY, 21ST MAY, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

The Commission considered the printed proofs of Exhibits Nos. 148 to 160, and the secretary was instructed, on the motion of Mr. Hudson, to authorise the Government Printer to proceed with the printing of these returns.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance.

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called and further examined on oath.

At 4.45 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

WEDNESDAY, 22ND MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Dr. Findlay (counsel for Receiver), Mr. Bell (counsel for Crown), and Mr. Dalston (attorney for New Zealand Midland Railway Company) were in attendance.

Norman Howard Maxwell Dalston, attorney for New Zealand Midland Railway Company, was called and further examined on oath.

Henry William Young, civil engineer, Greymouth, was called and further examined on oath.

At 4.50 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

THURSDAY, 23RD MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown) and Dr. Findlay (counsel for Receiver) were in attendance.

Henry William Young, civil engineer, Greymouth, was called and further examined on oath.

Edward James Tamlyn Price, contractor, Wellington, was called, sworn, and examined.

James Henry Napier Anderson Burnes, manager, New Zealand Shipping Company, Wellington, was called, sworn, and examined.

Maurice O'Connor, contractor, Wellington, was called, sworn, and examined.

Resolved, on the motion of Mr. Hudson, That the Receiver for the debenture-holders be asked to state what portions of the lands included in Exhibit No. 110 either remain in his possession or have been sold by him, and that the Under-Secretary for Public Works be requested to state what portions of the lands included in Exhibit No. 110 have passed to the Crown.

At 4.20 p.m. the Commission adjourned till 11.30 a.m. to-morrow.

FRIDAY, 24TH MAY, 1901.

The Commission met at 11.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Dr. Findlay (counsel for Receiver) was in attendance.

Henry William Young, civil engineer, Greymouth, was called and further examined on oath.

The Commission considered the printed proofs of Exhibits Nos. 161 to 163, and the secretary was instructed, on the motion of Mr. Hudson, to authorise the Government Printer to proceed with the printing of these returns.

At 12.30 a.m. the Commission adjourned till 10.30 a.m. to-morrow.

SATURDAY, 25TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A telegram was received from the District Engineer of Railways, Greymouth, stating that the cylinder-sinking plant imported by the Midland Railway Company is stored at Stillwater, and is in good order; and it was resolved, on the motion of the Chairman, That the District Engineer, Greymouth, and a person nominated by counsel for Receiver be requested to value the plant, and send the valuation to the Commission.

The Commission considered the printed proofs of Exhibits Nos. 164 to 168, and the secretary was instructed, on the motion of Mr. Hudson, to authorise the Government Printer to proceed with the printing of these returns.

At 1 p.m. the Commission adjourned till 10.30 a.m. on Monday.

MONDAY, 27TH MAY, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from counsel for Receiver, nominating Mr. Joseph Jay, Greymouth, to assist the District Engineer of New Zealand Railways, Greymouth, to value cylinder-sinking plant imported by Midland Railway Company.

Mr. Hudson moved, That the Commission are of opinion that the pneumatic plant as set forth in Exhibit No. 108, representing the sum of £509 13s. 6d., forms no portion of the working railways plant, and is consequently outside the scope of the Commission.

And the question being put, the Commission divided, and the names were taken down as follow :—

Ayes, 4.—Mr. Graham, Mr. Hudson, Mr. McKenzie, Mr. McKerrow.

No, 1.—Mr. Fraser.

So it passed in the affirmative.

Resolved, on the motion of Mr. Hudson, That the Commission are of opinion that, inasmuch as the pneumatic plant mentioned in Exhibit No. 108 is on the railway-line at Stillwater, the Commissioners so report, and suggest that the company have the right to remove it.

At 5 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

TUESDAY, 28TH MAY, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

The Commission were engaged during the sitting in considering returns.

At 4.30 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

WEDNESDAY, 29TH MAY, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), and Mr. Dalston (attorney for the New Zealand Midland Railway Company) were in attendance.

Mr. Bell informed the Commission that the Government had not been able to give full consideration to the statement he had laid before them, and he had instructions from the Government to request the Commission to postpone hearing his address until next week. He asked for an adjournment of the address until Wednesday next.

Resolved, on the motion of the Chairman, That the Commission accede to the request of counsel for Crown to postpone the hearing of the addresses until Wednesday, 5th June, 1901.

At 4.30 p.m. the Commission adjourned till 10.30 a.m. on Friday, 31st May, 1901.

FRIDAY, 31ST MAY, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown) and Dr. Findlay (counsel for Receiver) were in attendance.

Murdoch McLean, contractor, Auckland, was called, sworn, and examined.

At 4.45 p.m. the Commission adjourned till 10.30 a.m. on Monday, 3rd June, 1901.

MONDAY, 3RD JUNE, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Henry William Young, civil engineer, Greymouth, was called and further examined on oath.

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called and further examined on oath.

A letter was received from the Under-Secretary for Public Works, forwarding a return showing the schedule rates for the Pohangina Bridge contract; and it was resolved, on the motion of the Chairman, That the return be made a record of the Commission (Exhibit No. 171).

At 4.45 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

TUESDAY, 4TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present : Mr. McKenzie (Chairman), Mr. Fraser, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from the Hon. Minister for Public Works, forwarding a warrant, signed by His Excellency the Deputy Governor, extending the scope of the Midland Railway Commission, and requesting that the provisions of the supplementary Commission might be given effect to; and it was resolved, on the motion of the Chairman, that the letter be received.

The new Commission was read.

A letter was received from the Accountant, New Zealand Railways, forwarding a return of the revenue from and expenditure on the Springfield-Otarama Section of the Midland Railway from 26th December, 1892, to 25th May, 1895; and it was resolved, on the motion of the Chairman, That the return be received, and laid on the table for the information of the Commission.

At 5.10 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

WEDNESDAY, 5TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for debenture-holders), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Dr. Findlay informed the Commission that, in view of the issue of the new Commission, which only reached him thirty-six hours ago, he had to ask for an adjournment until Tuesday or Wednesday of next week for hearing the addresses of counsel.

Mr. Bell said he had instructions from the Government not to oppose, but, on the contrary, to support, any adjournment asked for by counsel for the Receiver.

Resolved, on the motion of the Chairman, That the adjournment asked for by counsel for Receiver until Tuesday next, with the understanding that it be extended until Wednesday if required, and supported by counsel for Crown, be granted.

A letter was received from the Locomotive Superintendent of New Zealand Railways, forwarding a return showing the valuation at different periods of weighing-machines not included in Exhibit No. 140; and it was resolved, on the motion of the Chairman, That the return be received and made a record of the Commission (Exhibit No. 172).

At 11.15 a.m. the Commission adjourned till 10.30 a.m. to-morrow.

THURSDAY, 6TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from the Under-Secretary for Public Works, forwarding a portion of the return asked for by the Commission on the 23rd May, and stating that a complete return would be furnished as soon as the necessary information was available; and it was resolved, on the motion of the Chairman, that consideration of the matter be deferred until the completed return has been received.

Mr. Dalston (attorney for the New Zealand Midland Railway Company) was in attendance.

At 3.45 p.m. the Commission adjourned till 2.30 p.m. to-morrow.

FRIDAY, 7TH JUNE, 1901.

The Commission met at 2.30 p.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called and further examined on oath.

At 4.45 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

SATURDAY, 8TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Norman Howard Maxwell Dalston, attorney for the New Zealand Midland Railway Company, was called, and produced a further return (Exhibit No. 75).

The Commission considered the printed proofs of Exhibits Nos. 169 to 171, and the secretary was instructed, on the motion of Mr. Hudson, to authorise the Government Printer to proceed with the printing of these returns.

At 1 p.m. the Commission adjourned till 6.30 a.m., Monday.

MONDAY, 10TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Fraser moved, That the sum of £114,205 1s. 7d., appearing in Exhibit No. 175, be allocated to the Belgrove, Springfield, and Reefton-Jackson's lines, in order to answer the second part of question No. 1 of the Commission.

Mr. McKenzie moved, as an amendment, That the sum of £114,205 1s. 7d., stated in Exhibit No. 175, is beyond the scope of the Commission, not being a sum actually spent on constructing any portion of any section of the Midland Railway, nor in supervision, or commission, or salaries, or other matter incidental to the construction of any of the sections of the railway.

And the question being put on the amendment, the Commission divided, and the names were taken down as follow :—

Aye, 1.—Mr. McKenzie.

Noes, 4.—Mr. Fraser, Mr. Graham, Mr. Hudson, Mr. McKerrow.

So it passed in the negative.

And the question being put on the motion, the Commission divided, and the names were taken down as follow :—

Ayes, 4.—Mr. Fraser, Mr. Graham, Mr. Hudson, Mr. McKerrow.

No, 1.—Mr. McKenzie.

So it passed in the affirmative.

Norman Howard Maxwell Dalston (attorney for the New Zealand Midland Railway Company) was in attendance.

At 4.30 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

TUESDAY, 11TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

At 1 p.m. the Commission adjourned till 2.30 p.m.

At 2.45 p.m., Mr. Graham and the Chairman being the only two members present, the Chairman adjourned the meeting till 10.30 p.m. to-morrow, for want of a quorum.

WEDNESDAY, 12TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Mr. Bell (counsel for Crown), Dr. Findlay (counsel for Receiver), Mr. Coates (Receiver for the debenture-holders), Mr. Dalston (attorney for the New Zealand Midland Railway Company), and Mr. Blow (Under-Secretary for Public Works) were in attendance.

Mr. Bell addressed the Commission on behalf of the Crown.

Dr. Findlay addressed the Commission on behalf of the debenture-holders.

Mr. Dalston addressed the Commission on behalf of the shareholders.

The Chairman then thanked counsel for the assistance they had rendered throughout the proceedings of the Commission.

Resolved, on the motion of the Chairman, That the addresses put before the Commission by Mr. Bell and Dr. Findlay and Mr. Dalston be printed, and attached to the proceedings of the Commission.

At 1.30 p.m. the Commission adjourned till 10.30 a.m. to-morrow.

THURSDAY, 13TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

Resolved, on the motion of the Chairman, That the Commission adjourn until printed copies of the addresses of counsel are available for Commissioners.

At 11 a.m. the Commission adjourned.

SATURDAY, 15TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr. McKerrow.

The minutes of the previous meeting were read and confirmed.

The Commission considered the printed proofs of Exhibits Nos. 172 to 175, and the secretary was instructed, on the motion of the Chairman, to authorise the Government Printer to proceed with the printing of these returns.

Resolved, on the motion of the Chairman, That Mr. Hudson and Mr. McKerrow be appointed a sub-committee to prepare a draft report.

At 12.15 p.m. the Commission adjourned till 10.30 a.m. on Monday, 17th June, 1901.

MONDAY, 17TH JUNE, 1901.

The Commission met at 10.30 a.m.

Present: Mr. McKenzie (Chairman), Mr. Fraser, Mr. Graham, Mr. Hudson, and Mr McKerrow.

The minutes of the previous meeting were read and confirmed.

A letter was received from Dr. Findlay (counsel for Receiver) in regard to Mr. Bell's memorandum of the 26th April, 1901, in reference to the moneys contributed by the Midland Railway Company, or its debenture-holders, towards construction-works on the line carried out by the Government (Exhibit No. 153); and it was resolved, on the motion of the Chairman, That the letter be made a record of the Commission (Exhibit No. 176).

A letter was received from Mr. Bell (counsel for Crown) in reply to the above-mentioned letter from Dr. Findlay; and it was resolved, on the motion of the Chairman, That the letter be made a record of the Commission (Exhibit No. 176).

The following draft report was submitted by the sub-committee appointed to prepare it:—

To His Excellency the Right Honourable Uchter John Mark, Earl of Ranfurly, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor and Commander-in-Chief in and over His Majesty's Colony of New Zealand and its Dependencies, and Vice-Admiral of the same.

MAY IT PLEASE YOUR EXCELLENCY,—

We, the Commissioners appointed by your Excellency's Letters Patent of the 31st day of January, 1901, and the 1st day of June, 1901, to make inquiry into the several matters set forth therein, have now the honour to report to your Excellency as follows:—

The Commission held its first meeting in Wellington on the 1st day of February, 1901, and, after hearing counsel for the Crown and counsel for the petitioners (viz., the debenture-holders and shareholders of the New Zealand Midland Railway Company, Limited), decided to visit and inspect the several lines of railway in the Provincial Districts of Nelson, Westland, and Canterbury. A most exhaustive and careful examination of these lines was made by the Commission, and evidence was taken in Nelson, Westport, Greymouth, Christchurch, and Wellington as to the condition of the lines, the expenditure in connection therewith, both by the company and by the Government; and also as to the traffic, present and prospective, having regard to the natural resources of the districts traversed by the lines of railway.

The inquiry has been a most exhaustive one, involving as it does the transactions of the company, the debenture-holders, and the Government in connection with the railway for a period of fifteen years.

Throughout our journeys in connection with these inquiries we were accompanied by the counsel for the Crown, the Receiver and his counsel, as well as the general manager of the New Zealand Midland Railway Company and the Under-Secretary for Public Works.

Our meetings were open to the Press, and every opportunity was afforded to the parties interested to procure evidence and lay the same before us. The evidence of voluntary witnesses was also accepted, and any further evidence obtained which the Commissioners considered desirable.

The Commissioners have experienced a great deal of difficulty in ascertaining the information required by the Commission, more especially the separate information for the three sections of railway, owing to the fact that the office organization and the records of the company have been dispersed and the staff disbanded, thus making it almost impossible to procure the information in the form required. This applies more especially to the cost of management and finance. The Commissioners have had to arbitrarily apportion such charges between the several sections themselves, and from the fact that the undertaking was never completed these financial charges are enormous in comparison with the work done. The very large sums paid in the form of debenture interest, shareholders' interest, cost of raising moneys on debentures, administration, engineering, and law-costs are therefore out of all proportion to the moneys expended upon railway material and labour.

The Commissioners now propose to take the questions submitted by your Excellency in the order in which they appear in our Commission, and to answer them, as far as possible, seriatim:—

1. "The sums actually expended by the said company in constructing the sections of the said railway from Stillwater to Reefton and from Brunnerton to Jackson's, and separately the sums actually expended by the said company in constructing the section of the railway from Belgrove to Norris's Gully and the section from Springfield to Patterson's Creek; the sums expended for supervision, and in commissions and salaries, and in other incidental matters being ascertained separately from the sums expended for actual construction, railway material, and labour."

Stillwater to Reefton and Brunnerton to Jackson's (69 m. 49 ch.).

	£	s.	d.
For actual construction, railway material, and labour ...	540,302	19	11
For supervision, commissions, salaries, and other incidental matters ...	385,739	9	10
Total ...	£926,042	9	9

Belgrove to Norris's Gully. (Length, 6 m. 31 ch.)

	£	s.	d.
For actual construction, railway material, and labour ...	56,081	3	0
For supervision, commissions, salaries, and other incidental expenses ...	33,997	8	6
Total ...	£90,078	11	6

Springfield to Patterson's Creek. (Length, 6 m. 2 ch.)

	£	s.	d.
For actual construction, railway material, and labour ...	58,027	4	0
For supervision, commissions, salaries, and other incidental expenses ...	34,480	3	6
Total ...	92,507	7	6
Grand total ...	£1,108,628	8	9

of which £454,217 1s. 10d. has been expended in supervision, commissions, salaries, cost of raising capital, interest charged to capital account, and other incidental expenses.

2. "Whether the sums so actually expended exceeded the amount which, with proper economy and supervision, would have been necessary for the due construction and equipment of the said lines of railway."

Stillwater to Reefton and Brunnerton to Jackson's.

In the course of their inquiries the Commissioners had abundant evidence that the English contracts (Nos. 1, 2, and 3) had been let at rates far in advance of the colonial contracts executed at or about the same time, amounting in the case of formation-works to fully 25 per cent. The Commissioners have deducted a sum of £44,172 4s. 3d. from these contracts as representing the sum in excess of colonial rates at the time. The Commissioners have deducted a further sum of £678 in respect to rolling-stock included in Exhibits Nos. 74, 75, and 105. The basis upon which the rolling-stock has been valued is fully set forth in Exhibit No. 140. The land purchased for the railway (Exhibit No. 110) must be reduced by £1,036 17s., land representing this amount having been retained by the Receiver. With these exceptions, the Commissioners have every reason to believe that the sums paid for actual construction, railway material, and labour on this section were economical and according to ruling rates, and, after deducting the sum of £45,887 1s. 3d., the Commissioners consider that the balance may be passed as the reasonable cost of actual construction.

Turning to the cost of supervision, administration, commissions, salaries, interest, cost of finance, and other incidental expenses, the Commissioners find the enormous sum of £385,739 9s. 10d. chargeable to this section. The Commissioners are of opinion that 5 per cent. (£24,720 15s. 11d.) on the reasonable cost of construction was fully adequate to cover supervision, administration, salaries, and all necessary incidental expenses.

With regard to interest on capital during progress of construction, the Commissioners, having in view the fact that at least a moiety of the funds provided might prudently have been invested on fixed deposit, have computed interest for the full amount of each contract at 3 per cent. per annum, counting from a date three months prior to entering on each contract until the issue of the final certificate, and have allowed twelve months' interest at the same rate on importations of railway material and for minor works. This represents in respect to this line a sum of £30,700.

The reasonable cost of this railway the Commissioners therefore fix at £549,836 14s. 7d.

Belgrove to Norris's Gully.

The company carried out the grading and formation, also the tunnel, and erected a few small buildings in connection with this line, and then abandoned the works. The platelaying and completion of this line was subsequently carried out by the Government, as well as the extension of the line to Motupiko. The work done by the company was let by public tender, and, in the opinion of the Commissioners, was economically done. So far as the charges allocated against this section for supervision, interest, and finance are concerned, the Commissioners are of opinion that they are out of all proportion to the value of the work done, and consider that 5 per cent. (£2,804 1s. 2d.) on the £56,081 3s. expended for actual construction sufficient to cover all charges for supervision and administration; while the amount which might reasonably be considered fair and equitable as a charge for interest during construction would be £2,700, computed as in the case of the Stillwater to Reefton and Brunnerton to Jackson's line. The reasonable cost of this line the Commissioners therefore fix at £61,585 4s. 2d.

Springfield to Patterson's Creek.

This work was also let by public tender, and the Commissioners consider it was carried out with proper economy, and have therefore no deductions to make in respect to actual construction, railway material, and labour. In respect to the charges for supervision and salaries, the Commissioners consider in this case also that 5 per cent. (£2,901 7s. 2d.) on the £58,027 4s. expended in actual construction, railway material, and labour sufficient to cover all such charges; whilst the sum of £2,250 to cover interest during construction is, in the opinion of the Commissioners, all that can be allowed under this head, interest being computed as in the case of the Stillwater to Reefton and Brunnerton to Jackson's line.

The reasonable cost of the railway the Commissioners therefore fix at £63,178 11s. 2d.

Summarising these sums, the Commissioners arrive at the reasonable cost of construction, equipment, supervision, administration, and interest on capital during construction as follows:—

	£	s.	d.
Stillwater to Reefton and Brunnerton to Jackson's ...	549,836	14	7
Belgrove to Norris's Gully ...	61,585	4	2
Springfield to Patterson's Creek ...	63,178	11	2
Total ...	£674,600	9	11

3. "The condition of the permanent-way and rolling-stock and buildings of the said lines of railway at the date when the Governor of our said colony took possession of the same on our behalf."

Stillwater to Reefton and Brunnerton to Jackson's.

Exhibit No. 11 gives full particulars of the condition of the permanent-way, rolling-stock, and buildings by the company's engineer, and Exhibits Nos. 10 and 12 similar reports by the Government Engineer. The Commissioners are of opinion that the permanent-way was in fair order, with the exception of ballast being bare in places, and birch sleepers and birch structures decaying. The latter were fast deteriorating, and it is manifestly false economy to lay permanent-way of this character. Very large renewals must be undertaken in the immediate future. The rolling-stock was, allowing for fair wear-and-tear, in good order. For depreciation see Exhibit No. 140.

We estimate that at this date buildings had depreciated by £2,630, fencing by £1,815, rolling-stock (Exhibit No. 140) by £7,359.

Belgrove to Norris's Gully.

At the time the company discontinued these works (December, 1893) the rails and sleepers had not been laid, and there was no rolling-stock provided. We estimate that at the date of seizure the buildings and fencing had depreciated by £227. Nothing was done to the line by the company between December, 1893, and the date of seizure. The line was handed over to the Railway Department in February, 1899, in good order and as at present, the banks and cuttings having been repaired and completed and the formation laid with rails and sleepers by the Public Works Department between the date of seizure (25th May, 1895) and February, 1899.

Springfield to Patterson's Creek.

As testified to by Mr. James Burnett, Inspecting Engineer for the New Zealand Government Railways, the line was in very fair order as far as Otarama, the extent to which the permanent-way was laid. The sleepers were of birch, and had then a life of about eight years. The line had previously been maintained for the company by the Government—viz., from 1892 to 1895. The buildings were in good condition. The company had no rolling-stock upon the line.

We estimate depreciation of buildings and fences at this date at £392.

4. "The condition of the said permanent-way, rolling-stock, and buildings at the date when the said lines of railway became legally vested in Us."

Stillwater to Reefton and Brunnerton to Jackson's.

The rails were in good order; birch sleepers and birch bridges were rapidly decaying; ballasting was in arrear. During the period of seizure, we are informed, instructions were issued to keep working-expenses down, and consequently the up-keep has not been on as liberal a basis as prevails on the Government lines. To resleeper and reballast the lines a large sum will be required, estimated at £9,344 (see Exhibit No. 19). The buildings were, allowing for fair wear-and-tear, in good order. The rolling-stock was in fair order (see Exhibit No. 18). For depreciation of rolling-stock value, see Exhibit No. 140. For rolling-stock built and placed on line subsequent to seizure, see Exhibit No. 14. The fencing and buildings at this date had, we estimate, depreciated from original cost by the sum of £8,492, and the rolling-stock by £10,160.

Belgrove to Norris's Gully.

The line was in fair order, but required more ballast. The buildings were in good order, and the rolling-stock (ten four-wheeled high-sides and two covered goods-wagons—Exhibit No. 14) was in fair working condition, being practically new, having been constructed since the date of seizure. The fencing and buildings at this date had depreciated from original value, we estimate, by a sum of £503 10s.

Springfield to Patterson's Creek.

This line was in very fair condition. The sleepers are birch, and as such are not of long life. The buildings were in good order. There is no rolling-stock on this line. We estimate the depreciation of buildings and fences at this date at £759 from original cost.

5. "The annual gross earnings of the lines of railway from Springfield to Patterson's Creek, from Stillwater to Reefton, and from Brunnerton to Jackson's during the period ending with the date when the same were taken possession of by the Governor of our said colony on our behalf."

Springfield to Patterson's Creek.

			£	s.	d.
(Exhibit No. 113.)	Year ending 30th June, 1893	...	13	0	11
"	" " 1894	...	83	14	0
"	1st July to 27th April, 1895	...	48	8	11

The above represents 40 per cent. of the gross earnings, the balance of 60 per cent. being retained by the Government to cover transportation expenses, which service was performed by the Government Railways Department. The company was responsible for maintaining the line—i.e., the track—at its own cost.

Stillwater to Reefton and from Brunnerton to Jackson's.

			£	s.	d.
(Exhibit No. 111.)	1st August, 1889, to 30th June, 1890	...	4,069	10	0
"	1st July, 1890, to " " 1891	...	9,144	2	1
"	" " 1891, to " " 1892	...	12,948	18	1
"	" " 1892, to " " 1893	...	12,752	0	5
"	" " 1893, to " " 1894	...	15,051	12	9
"	" " 1894, to 25th May, 1895	...	13,475	11	2

5 (continued). "And the annual gross earnings of the said lines of railway and the line between Belgrove and Motupiko during the period between that date and the date when the same became legally vested in Us."

Springfield to Patterson's Creek.

	£	s.	d.
(Exhibit No. 2.) 26th May, 1895, to 31st March, 1896 ...	47	18	3
" 1st April, 1896, to " 1897 ...	52	5	7
" " 1897, to " 1898 ...	29	16	7
" " 1898, to " 1899 ...	133	18	0
" " 1899, to " 1900 ...	191	17	7
" " 1900, to 21st July, 1900 ...	84	6	8

Stillwater to Reefton and Brunnerton to Jackson's.

	£	s.	d.
(Exhibit No. 2.) 26th May, 1895, to 31st March, 1896 ...	13,157	3	6
" 1st April, 1896, to " 1897 ...	17,716	3	1
" " 1897, to " 1898 ...	19,351	15	1
" " 1898, to " 1899 ...	20,004	10	9
" " 1899, to " 1900 ...	21,161	1	3
" " 1900, to 21st July, 1900 ...	6,756	12	6

Belgrove to Motupiko.

	£	s.	d.
(Exhibit No. 2.) 1st March, 1899, to 31st March, 1899 ...	65	12	11
" 1st April, 1899, to " 1900 ...	895	7	8
" (?) 1900, to 21st July, 1900 ...	255	0	0

The net result of these amounts, after deducting working-expenses, should be increased by the amount debited to working-expenses and fairly chargeable to capital, thus:—

	£	s.	d.
(Exhibit No. 2.) Reefton line—Protective works ...	2,287	6	0
" " Rolling-stock and signals ...	2,713	15	4
" Belgrove line—Rolling-stock and signals ...	1,287	8	0
" Springfield line—Protective works ...	127	11	4
(Exhibit No. 70.) " Improvements ...	915	3	1

6. "What part of such annual gross earnings may fairly be estimated to have arisen from the carriage of goods and passengers in connection with the construction of the said lines of railway, or of the portions of the railway beyond the limits of the same."

PRIOR TO THE SEIZURE.

Springfield—Patterson's Creek.

Nil.

Belgrove—Norris's Gully.

Nil.

Stillwater—Reefton, Brunnerton—Jackson's.

	£	s.	d.
(Exhibit No. 96.) Jan., 1890, to June, 1890 ...	807	8	1
" June, 1890, to " 1891 ...	2,527	6	2
" " 1891, to " 1892 ...	1,204	16	8
" " 1892, to " 1893 ...	1,153	17	6
" " 1893, to " 1894 ...	1,121	3	0

There was also an amount (Exhibit No. 93) during above periods credited to revenue for engine and wagon hire (£2,252) due to construction-works; also an amount of £931 for labour and cramage charged against railway contractors; also an amount of £1,108 12s. (£1,471 for rent, less rent shown in Exhibit No. 97, £362 8s.) for rentals on land acquired by company and credited to railway revenue. In estimating the earning-power of the railway, these items, less cost of earning same, must be taken into consideration.

PERIOD SUBSEQUENT TO SEIZURE AND PRIOR TO VESTING.

Springfield—Patterson's Creek.

	£	s.	d.
(Exhibit No. 61.) 1st April, 1897, to 31st March, 1898 ...	0	8	5
" " 1898, to " 1899 ...	49	8	9
" " 1899, to " 1900 ...	141	15	0
" " 1900, to 21st July, 1900 ...	69	18	7

Belgrove—Norris's Gully.

Nil.

Stillwater—Reefton and Brunnerton—Jackson's.

(Exhibit No. 8.) For passengers ...	£215 per annum	from Jackson's.
" For goods ...	557	" Public Works.
" " ...	377	" workmen's stores.
(Exhibit No. 157.) For passengers ...	15	" to Jackson's.

In estimating the earning-power of the railway these amounts, less cost of earning same, must be taken into consideration, and two-thirds of the gross proceeds from this class of traffic may fairly be estimated to have been absorbed in the working-expenses.

It will be observed that during the period prior to the seizure a considerable traffic was carried and revenue derived in connection with the construction of the lines going on (Exhibits Nos. 93, 96, and 97). The traffic returns, however, for this period are not of much value in determining the selling-value of the lines, because between January, 1890, and March, 1894, the lines were incomplete, and portions as completed were being opened for traffic. Moreover, during this period the lines, rolling-stock, and buildings were practically new, and maintenance and up-keep would therefore be comparatively light. Taking these factors into consideration—viz., that the revenue due to settlement and ordinary business would be smaller than when the lines were completed and opened to Reefton and Jackson's; also that the revenue, such as it was, was inflated by business due to construction-works going on, which business was, therefore, not of a permanent character; also that the working-expenses cannot be taken as a guide as to what the working-expenses are likely to be in the future—the financial results of working the railway prior to the date of seizure do not form a reasonable basis for assessing the selling-value of the lines completed and constructed at the date of seizure. The business realised (Exhibit No. 2) between the date of seizure and date of vesting form, in our opinion, a more—indeed, the only—reliable basis of the permanent value of the lines.

7. "The annual cost of working and maintaining the said lines of railway during the said several periods."

PRIOR TO SEIZURE.

Springfield to Patterson's Creek.

Nil (see remarks under question 5, clause (a)).

Stillwater to Reefton and Brunner-ton to Jackson's.

		£	s.	d.
(Exhibit No. 111.)	1st August, 1889, to 30th June, 1890	...	2,460	16 1
"	1st July, 1890, to " 1891	...	5,143	6 0
"	" 1891, to " 1892	...	8,659	19 6
"	" 1892, to " 1893	...	8,356	5 4
"	" 1893, to " 1894	...	8,803	18 10
"	" 1894, to 25th May, 1895	...	10,309	12 10

Belgrove-Norris's Gully.

Nil.

SUBSEQUENT TO SEIZURE AND UP TO DATE OF PROCLAMATION.

Springfield-Patterson's Creek.

		£	s.	d.
(Exhibit No. 2.)	26th May, 1895, to 31st March, 1896	...	294	18 8
"	1st April, 1896, to " 1897	...	248	10 11
"	" 1897, to " 1898	...	131	18 11
"	" 1898, to " 1899	...	645	13 11
"	" 1899, to " 1900	...	317	10 8
"	" 1900, to 21st July, 1900	...	102	16 8

Belgrove-Norris's Gully.

		£	s.	d.
(Exhibit No. 2.)	1st March, 1899, to 31st March, 1899	...	104	8 11
"	1st April, 1899, to " 1900	...	1,520	6 11
"	" 1900, to 21st July, 1900	...	302	17 1

The expenditure given in the exhibit has been reduced by the sums shown in Exhibit No. 70.

Stillwater to Reefton and Brunner-ton to Jackson's.

		£	s.	d.
26th May, 1895 to 31st March, 1896	...	8,399	1	10
1st April, 1896 to " 1897	...	14,168	3	0
" 1897 to " 1898	...	13,869	14	3
" 1898 to " 1899	...	19,146	3	9
" 1899 to " 1900	...	16,049	6	9
" 1900 to 21st July, 1900	...	4,904	9	3

8. "The selling-value of the said lines of railway from Stillwater to Reefton and from Brunner-ton to Jackson's, treated as a railway equipped and constructed and owned by persons having the running powers provided by 'The Railways Construction and Land Act, 1881,' having regard—

- "(a.) To the net revenue already derived from working the same, excluding revenue under paragraph 6 of these presents;
- "(b.) To the prospective increase in net revenue to be derived from increase of population in the neighbourhood and increase of traffic on the said lines, taking into consideration the increase or decrease of revenue from the said lines since they were first opened for traffic, but not taking into consideration and excluding any increase in value or traffic which would or might accrue from the construction by us of railways continuing or connecting with such line of railway at either end thereof."

The average annual net profit from date of seizure to date of proclamation was £3,794, ascertained as follows:—

	£	s.	d.
Revenue, 26th May, 1895, to 21st July, 1900	98,147	6	2
Expenditure, " to "	81,538	0	2
Net result	16,609	6	0
Plus—Rolling-stock	2,713	15	4
Protective works			
Charged to working-expenses, but fairly chargeable to capital	2,287	6	0
	21,610	7	4
An average per annum of (5½ years)	4,182	0	0
Less net return per annum from traffic due to construction-works (£1,164 per annum, less 66 per cent. for working-expenses = £388)	388	0	0
Balance	£3,794	0	0

The Commissioners have considered that the traffic may reasonably be expected to increase by 5 per cent. per annum during the next ten years, and that of this increase two-thirds will be absorbed by working-expenses. Based upon these conclusions, the Commissioners believe that a purchaser might possibly be found to give £190,000 for the property, which, in their opinion, is all that could be realised under the conditions set forth in this paragraph.

9. "The value of the said portions of railway from Belgrove to Norris's Gully and from Springfield to Patterson's Creek estimated in the same manner, but having regard to the fact that they were constructed as continuations of, and are continuations of, lines of railway then existing, and also having regard to the fact that the expense of their construction was borne partly by the company and partly by the Government of our said colony."

Belgrove to Norris's Gully.

This line, as will be seen from the traffic and expenditure returns (Exhibit 2), does not nearly earn the very moderate working-expenses incurred; and, even if the traffic were to increase by 5 per cent. per annum, it would take many years before the working-expenses were recouped. We are of opinion that the section of railway from Belgrove to Norris's Gully, if put up for sale subject to the conditions imposed by "The Railways Construction and Land Act, 1881," would not find a purchaser. We therefore find that, in terms of our Commission, it has no selling-value.

Springfield to Patterson's Creek.

On the basis as submitted to us in our Commission this line has no commercial value whatever. Any one owning the line subject to the conditions imposed by "The Railways Construction and Land Act, 1881," would have to spend a great deal more in working-expenses than the line can possibly bring in; consequently the line, under the conditions set forth, has no selling-value.

10. "The total sum realised by the company and the said Receiver as the proceeds of the sale of lands granted by Us to the company pursuant to sections 7 and 8 of 'The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884,' and the present value of such of the said lands granted by Us as have not yet been sold by the said company or the said Receiver, and the value of the lands provided by Us and upon which the railway is constructed."

	£	s.	d.
(Exhibit No. 1.) Total sum realised from sale of land	312,505	0	0*
(Exhibit No. 109.) Cash given by Crown in lieu of land	5,000	0	0
(Exhibit No. 1 and evidence.) Westport sections unsold	640	10	0
" " Cobden sections unsold	626	5	0
" " Ahaura sections unsold	575	7	6
" " Canterbury lands unsold	7,208	15	11
(Exhibit No. 62.) Value of land provided by Crown for Springfield line	32	15	8
(Page 10, evidence.) Value of land provided by Crown for Belgrove line	30	8	9
(Exhibits Nos. 30 and 16, evidence, question 1327.) Value of land provided by Crown for Reefton line	1,316	7	6
Land-claims still unpaid by company	750	0	0
	£328,685	10	4
Deduct cost of land-administration by company	15,625	5	0
	£313,060	5	4
Add moiety of cost of surveys by Government	5,183	4	1
	£318,243	9	5

* This amount should be reduced by the cost of administration and land-grant expenses. Exhibit No. 163 gives details of this expenditure, but, as the Commissioners consider that several of the items should not be included, they have allowed 5 per cent. (£15,625 5s.) on the gross receipts of £312,505 as an adequate charge for the disposal of the land. At the same time the expenditure of the Government (£10,366 8s. 2d.) on account of the Government surveys on the land selected by the company, less the moiety paid by the company according to contract, should be added.

11. "By what amount the sums so realised and the present value of the lands unsold exceed the aggregate value of the lands granted, as estimated for the purposes of the contract between Us and the said company, known as the B1 values."

	£	s.	d.
(Exhibit No. 1.) Land realised and unsold	326,555	18	5
" B1 value of land	260,735	0	0
	<hr/>		
	£65,820	18	5

Unless the sum of £15,625 5s. for land-administration expenses is deducted herefrom and the Government moiety of the cost of survey is added, the conclusion to be deduced from these figures will be an erroneous one.

12. "The said lines of railway having been constructed by means of (a) moneys provided partly by the shareholders in the said company, (b) partly by moneys raised upon debentures, and (c) partly by moneys provided by Us by our said grants of land and out of our Colonial Treasury, in what proportion should the money value of the said lines of railway, estimated by you as aforesaid, be apportioned among the three said several contributors to the cost of construction?"

(c.) Moneys provided by Crown out of Colonial Treasury:—

	£	s.	d.
(Exhibit No. 4.) Belgrove	13,552	2	7*
(Exhibit No. 5.) Brunner-Stillwater	15,359	0	0
(Exhibit No. 67.) Springfield line	2,196	7	9
(Exhibit No. 70.) "	915	3	1*
(Exhibit No. 2.) Belgrove—Rolling-stock	1,287	8	0*
" Reefton—Jackson's—Rolling-stock	2,713	15	4*
" Protective works, Reefton—Jackson's	2,287	6	0*
" " Springfield	127	11	4*
	<hr/>		
	£38,438	14	1

The items marked * have been provided for out of the profits of the railway and sums provided by the debenture-holders after date of seizure and prior to date of vesting. They have, in accordance with Exhibit No. 153, been treated as sums provided by the Government on capital account, it being understood that these and other sums provided by the debenture-holders in like manner are to be dealt with as between the petitioners and the Government separately, and entirely apart from this inquiry, and to which course the counsel for the petitioners has agreed.

The Commissioners, in the event of the Crown waiving its rights under "The Railways Construction and Land Act, 1881," and its ordinary right of priority, apportion this selling-value of £190,000 as follows: To the debenture-holders, £93,021; to the company, £31,266; to the Crown, £65,713. The two first items are divided on the basis of £250,000 provided by company and £743,800 provided by the debenture-holders.

1. (a.) (*Commission of 1st June*): "Excluding any increase of value of traffic which would or might accrue from railways continuing or connecting with the said lines of railway at either end thereof, but adopting any method of ascertaining the selling-value of the said lines of railway which may appear to you just and equitable, and ascertaining thereby what, in your opinion, is the highest amount which could have been realised by a sale of the said lines of railway immediately after the Government of our said colony took possession of the same from a purchaser other than the Government of our said colony, and deducting from such amount the aggregate amounts of the B1 values of the land granted by Us to the New Zealand Midland Railway Company (Limited), and the value of the Crown lands occupied for purposes of the said railway and the construction-work, and moneys provided by Us out of our Colonial Treasury, would any, and, if so, what, sum remain to be divided between the shareholders and debenture-holders of the said company?"

The selling-value of these lines at date of seizure (May, 1895) is arrived at by computing the net returns from the traffic receipts between the date of seizure and the date of proclamation, deducting the amount of profit from construction tariff, and adding 5 per cent. per annum for the increase of traffic to be expected during the five years subsequent to the date of proclamation, in the same manner as set forth in our answer to clause 8 of the original Commission. This gives a selling-value of £155,633 to these lines at date of seizure.

The B1 values of the land granted and moneys given and provided for the purposes of the railway, amounting to £314,604 4s. 5d., far exceed the selling-value of the railways as above.

1. (b.) "Proceeding in the same manner, but deducting the aggregate amounts received by the company from the lands granted by Us, and the sums provided out of our Colonial Treasury, and the value of the Crown lands occupied as aforesaid, and the construction-work, and moneys provided by Us as aforesaid, would any, and, if so, what, sum remain to be divided between the shareholders and debenture-holders of the said company?"

The selling-value of the line being £155,633, and the sum-total of value of lands and moneys provided by the Crown being £355,932 3s. 6d., it follows that under this process nothing remains for the debenture-holders or the company.

2. "Adopting the method prescribed by our said original Commission for the ascertainment by you of the selling-value of the said lines of railway, and making the deductions from the value so ascertained directed by sub-paragraphs (a) and (b) of paragraph 1 of this present Commission, would any, and, if so, what, sum remain in either cases respectively to be divided between the shareholders and debenture-holders of the said company?"

Resolved, on the motion of Mr. Graham, in connection with the same paragraph, That the words "believe that a purchaser might possibly be found to give £190,000 for the property"—be struck out, and the following substituted in lieu thereof: "find the selling-value of the line to be £192,833."

The Chairman moved, in connection with question 9 (Belgrove to Norris's Gully), That the paragraph—"This line, as will be seen from the traffic and expenditure returns (Exhibit No. 2), does not nearly earn the very moderate working-expenses incurred, and, even if the traffic were to increase by 5 per cent. per annum, it would take many years before the working-expenses were recouped. We are of opinion that the section of railway from Belgrove to Norris's Gully, if put up for sale subject to the conditions imposed by 'The Railways Construction and Land Act, 1881,' would not find a purchaser. We therefore find that, in terms of our Commission, it has no selling-value"—be struck out, and that the following words be substituted in lieu thereof: "This line has not been opened for traffic sufficiently long to give reliable revenue returns for any definite data as to its selling-value based on its present earnings, but, having in view the fact that the country served by this section has been closed to settlement for about fifteen years and is now available for occupation, we are of opinion that the prospective selling-value of this section is £15,000."

And the question being put, the Commission divided, and the names were taken down as follow:—

Aye, 1.—Mr. McKenzie.

Noes, 4.—Mr. Fraser, Mr. Graham, Mr. Hudson, Mr. McKerrow.

So it passed in the negative.

Resolved, on the motion of Mr. Fraser, in connection with question 10, That the words "Add moiety of cost of surveys by Government, £5,183 4s. 1d.," and the words "at the same time the expenditure of the Government (£10,366 8s. 2d.) on account of the Government surveys on the land selected by the company, less the moiety paid by the company according to contract, should be added," be struck out.

Resolved, on the motion of Mr. Fraser, in connection with question 12, That the following paragraph be added to the report: "The Commissioners desire to point out that the investigation of railway profits has shown the fact that the net balance of railway traffic receipts over expenditure is really £19,697 7s. 11d., and not £12,366 4s. 2d. as shown in Exhibits Nos. 2 and 153, as during the period of seizure profits were used to provide additional rolling-stock and protective works properly chargeable to capital."

Resolved, on the motion of the Chairman, in connection with the same question, That the words "and to which course the counsel for the petitioners has agreed" be struck out.

Resolved, on the motion of Mr. Fraser, in connection with the same question, that the words "in the event of the Crown waiving its rights under 'The Railways Construction and Land Act, 1881,' and its ordinary right of priority" be struck out.

Resolved, on the motion of the Chairman, in connection with the same question, That the two sums apportioned to the debenture-holders and company be allocated to the debenture-holders, the apportionment to the company being nil.

Resolved, on the motion of Mr. Hudson, That the following paragraph be added to the report: "We desire to draw attention to Exhibit No. 139 (Statement of Stores and Material taken over with Midland Railway on 25th May, 1895). The value of these stores has been estimated at £1,747 4s., of which stores to the value of £1,200 have, since the date of seizure, been used in the up-keep of this line (*vide* evidence, page 151, question 598), leaving a balance of stores unused to the value of £547 4s. We desire also to draw attention to Exhibit No. 108 (Pneumatic plant, £509 13s. 6d.), which is now in the custody of the Crown at Stillwater. These two items together amount to £1,056 17s. 6d."

Resolved, on the motion of the Chairman, That the report as amended be agreed to.

At 3.45 p.m. the Commission adjourned till 4 p.m. on Friday, 21st June, 1901.

The Commission resumed the consideration of the report at 4 p.m. on Friday, the 21st June, 1901, when all the Commissioners were present.

The report as amended, having been read by the secretary, was then signed.

The Commission considered the printed proof of Exhibit No. 176, and the secretary was instructed, on the motion of the Chairman, to authorise the Government Printer to proceed with the printing of this return.

Resolved, on the motion of the Chairman, That the index as prepared by the Secretary be printed, and attached to the proceedings of the Commission.

The foregoing minutes were then read and confirmed.

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MINUTES OF EVIDENCE.

WELLINGTON.

MONDAY, 11TH FEBRUARY, 1901.

NORMAN HOWARD MAXWELL DALSTON examined on oath.

1. *Dr. Findlay.*] You are general manager of the New Zealand Midland Railway Company?—Yes.

2. At the instance of the Commission you have prepared certain returns?—Yes, which I now put in [Exhibit No. 1].

3. What are they?—The first is a return of the total sums realised by the Receiver from the sales of land granted by the Crown to the company; the second, a return of the total sums realised by the company from the sales of land granted by the Crown, with a list of the lands unsold attached. There is also a summary of the two returns showing the amounts realised by the Receiver and the company from the sales of land granted by the Crown.

4. You made up these returns from the books of the company?—Yes.

5. And you swear to their accuracy?—Yes.

6. They are a faithful statement made up from the books and papers in your possession?—Yes.

7. *Mr. Bell.*] How do they compare with the return put before the Committee in 1900?—They are practically the same as the return in the proceedings of the Committee of 1900, with the addition of some further sales made by the Receiver.

8. Between the date of the return to the Committee—page 126 of Parliamentary Paper I.—11—and the present date there has been realised a further sum of £10,000?—Yes, somewhere about that.

9. Have you estimated the value of the unsold land?—No, I have left a blank column in each case. I thought it was a question for the Commission to determine. I do not know the value.

10. You have not put down the B1 value?—I have shown the total B1 value of each B1 Block. I have debited the company with the B1 value of the land granted to it by the Crown, and I have shown what that land realised, and I have left a column for the value of the land still unsold.

11. *Dr. Findlay.*] These unsold lands have been producing little or no revenue?—Very little revenue.

12. Not since they were granted?—No.

13. The question may be put in this way: These lands were granted some years ago, and you have had the advantage of an income from them since the date of the grant, and they are now worth so-much, looking at the total amount obtained from the Crown by the company and the areas unsold?—The value will not amount to very much.

14. Will you consider that question, as the Commission may require the information later on?—I will do so.

15. *Mr. Bell.*] You received rents from some lands prior to the sale of them. For instance, the Marlborough lands certainly produced some rents?—In very few cases.

16. We may still have the information?—Very well.

17. *Mr. Fraser.*] We have to estimate the difference between the B1 value and the present value of the unsold sections. You have given a detailed return of the several unsold sections, but there is no B1 value to each section: have you got such a thing?—No, I am afraid not, in regard to the Westport, Ahaura, and Cobden Town sections.

18. *Mr. McKenzie.*] In this return we wanted the survey numbers of the blocks and sections, so that we can look them up: can you give us these numbers of the unsold sections where the surveys are completed?—In regard to Canterbury lands, I have given the survey districts and descriptions of the sections.

19. But of the land in Westport, for instance?—I can only give you the number of the section as granted to us. That is taken from the Governor's Warrant.

20. That is not material: we want to find out which are the £10 sections and which are the £7 10s. sections?—You can only find that out on the ground. It is possible the Government officers can give the information. We were granted so-many sections at so-many pounds per section, and I cannot tell where the £10 or £7 10s. sections are.

21. *Dr. Findlay.*] How do these sections sell now?—The Westport sections are realising about £10 a section on the average.

22. *Mr. Bell.*] You have other returns which you are preparing at the request of the Commission?—Only one other return at present, which the Commission requires before we leave Wellington, and I am endeavouring to get it finished as soon as possible.

TUESDAY, 12TH FEBRUARY, 1901.

ALEXANDER CHRISTISON FIFE examined on oath.

23. *The Chairman.*] What are you?—Accountant for the New Zealand Government railways.

24. In your position as accountant for the Government railways you wish to hand in certain returns this morning?—Yes [Exhibits 2 and 3].

1—H. 2.

25. You swear to their correctness?—Yes.

26. In preparing these returns you have taken the figures from the books of the New Zealand railways?—Yes; from the books and returns of the New Zealand railways.

27. And you swear they are true copies?—Yes. I would like to remark, in connection with the passenger returns, that all return tickets, according to railway usage, are doubled. It is assumed that each passenger with a return ticket makes two separate trips, and therefore it has always been the custom to double return tickets. That has been done in this instance.

28. *Mr. Hudson.*] With reference to the earnings of the railway due to construction going on, I believe you are taking steps to produce evidence before us on our journey to show what portion of these revenues is due to the constructive works going on: is that not so?—That is so—at Greymouth and at Christchurch.

29. We asked for that, but it is not included in these returns?—That is so.

30. Of course, it is a good deal a matter of opinion, which will be largely influenced by the knowledge of the officers of the districts, as to what traffic is due to construction and what is not?—That is so.

PERCY SAWTELL WALDIE examined on oath.

31. *The Chairman.*] What is your position in the public service?—I am Book-keeper in the Public Works Department.

32. You hand in these returns?—Yes [Exhibits 4, 5, and 6].

33. You swear these returns are true extracts from the books of the Public Works Department?—I do.

34. You vouch for their absolute correctness?—I do.

35. *Mr. Hudson.*] I would like to ask you the position of the Belgrove-Norris's Gully Railway in respect to the expenditure by the Government and by the company?—The only expenditure I can give is the expenditure by the Government, and that is shown in the returns I have just handed in.

36. Why did the Government do part of the construction and the company part of the construction?—The company had already formed up to a certain mileage—I am not sure of the exact figures: about twenty-seven miles—and then the Government took the line from the Midland Railway Company, and completed the portion of such railway into Norris's Gully.

37. The expenditure by the Government is subsequent to the expenditure by the company?—Yes; and it is shown in each return—one at the Springfield end, where the company formed the line for a certain distance and the Government completed it, and similarly in respect to the Belgrove Section.

NELSON.

THURSDAY, 21ST FEBRUARY, 1901.

THOMAS ROBERTS examined on oath.

1. *The Chairman.*] What are you, Mr. Roberts?—Civil engineer, residing in Nelson.

2. And you have been engaged in connection with the Belgrove Section of the Midland Railway?—Yes.

3. *Mr. Bell.*] You were at first in the employ of the Midland Railway Company?—Yes.

4. When did you join their service?—January, 1889.

5. And on what section were you first employed?—The Springfield Section.

6. Had you much to do with the Springfield Section?—I assisted to peg that out up to beyond Paterson's Creek. It was through the bush.

7. When did you come to Nelson?—November, 1890.

8. For what purpose?—To take charge of the Belgrove Section.

9. Had the contract been let when you arrived?—Yes.

10. To Mr. Maguire?—Yes.

11. That is, the first contract?—Yes.

12. Had Maguire started when you arrived?—Two or three days before. He practically started when I arrived.

13. How long did you remain in sole charge?—Until June, 1893.

14. Then Mr. Walter Clifford took charge?—Yes.

15. And you went into the employ of the City Council?—Yes.

16. Remaining in Nelson?—Yes.

17. In December, 1895, what did you do?—I was employed by the Government, to be under Mr. J. A. Wilson, who had charge of the Belgrove Section then.

18. *The Chairman.*] That is, after the Government took possession?—Yes.

19. *Mr. Bell.*] Do you remember at what time the Government commenced work on the Belgrove Section?—Mr. Holmes had been here previously—I think three or four months previously to my being employed. Mr. Holmes repegged the line. There was a little work done in the way of clearing the weatherings and cuttings, and so on, before I went on. It was December when I commenced duty.

20. And you continued in that position under Mr. Wilson till December, 1897?—Yes.

21. And what happened then?—I had full charge then.

22. When did you leave the Government employ?—31st December, 1900.

23. During your time of sole charge was the line handed over to the Railway Department?—I should have said that I ceased to be an officer in the Public Works Department in December, 1900. I have been employed since by the Government.

24. While you were in sole charge was the line completed by the Public Works Department and handed over to the Railway Department?—Yes.

25. Do you remember when that was?—February, 1899.
26. Do you know of your own knowledge whether Maguire's contract was let by public tender?—I have always understood that it was let by public tender.
27. When you were employed in December, 1895, you saw the condition of the line?—Yes.
28. Now, first, as to the earthwork—what was the condition of the formation?—It was in fair condition considering the time that had elapsed since it was made. A good deal of weathering had come down from the cuttings. Of course, there had been two or three winters, and some of the side-cuttings were blocked very much, and the edges of the formation had been worn away a good deal by cattle and sheep. There was no bad settlement anywhere. At most, something about 6 in. or 9 in. was made up in the banks.
29. The tunnel—what condition was that in?—That was in good condition.
30. Do you remember if any of the banks had to be widened?—Oh, yes; edges had been worn off. It had been trodden by stock—considerably in some places. The tunnel was in good order.
31. The fencing?—That was not in good order.
32. In what condition was it?—Parts were broken down by trees being blown across it. There had been no one to attend to the upkeep. Sheep getting through had broken it down very much. A good many posts were wanted.
33. There were no rails?—No rails.
34. Was there any ballasting?—No.
35. Any sleepers?—No.
36. Any cattle-stops?—No.
37. Any road-crossings?—No. There were gates to the crossings.
38. Were there any bridges?—No, not complete.
39. *The Chairman.*] What about the bridge above the Belgrove Hotel?—That was not complete.
40. *Mr. Bell.*] The concrete of the abutments at the bridge above the Belgrove Hotel was standing, but with that exception there were no bridge-works?—No bridge-works.
41. *Dr. Findlay.*] Does the witness suggest that that was the only bridge-work done on the line of any kind?—Yes.
42. *Mr. Bell.*] As to station-buildings: what buildings were made to begin with?—A weather-boarded office and a platelayer's iron cottage.
43. Is that all?—Yes.
44. Where is the office now?—At Motupiko.
45. It was moved to Motupiko?—Yes.
46. And where is the platelayer's cottage?—At the west end of the tunnel.
47. What is the office at Motupiko used for?—It has been let lately to one of the platelayers of the Railway Department.
48. Is it in the station-yard at Motupiko?—Yes.
49. While you were on the works the formation was completed, the bridges were made, and the permanent-way was laid?—Yes.
50. All done under your supervision?—Yes.
51. Was all the work done by the Government necessary?—Yes.
52. How was the work done—by contract or co-operative labour?—Co-operative labour chiefly.
53. Who fixed the price?—Mr. Wilson while he was there, but practically I did all through.
54. Was the work done economically, in your opinion, or was it extravagantly done?—It was done economically.
55. And, as you say, was necessary?—Yes.
56. Now, there was one deviation, was there not, from the company's line—in Norris's Gully?—Yes.
57. What was that deviation to effect? Why was the deviation made?—To get a better location of the line. It was between the two bridges.
58. The effect of the deviation was to cross the river once instead of twice, as designed by the company?—Yes, and it saved a river-deviation.
59. That is to say, it meant one bridge instead of two, and avoided a creek-diversion?—Yes.
60. What was the value of the company's work, roughly, which was thus rendered useless?—I think, £180 or £200; but you must take that as an approximate estimate.
61. Was the deviation advisable?—I think so.
62. And in the interests of economy as well as in the working of the line?—Yes.
63. It was more economical as laid out by the Government, as well as better for the working of the line?—Yes; for the working of the line, certainly.
64. The line was handed over to the Railway Department in February, 1899?—Yes.
65. Was it handed over in good order?—Yes.
66. Is there any difference now from the condition of the line in 1899?—After it was handed over to the Railway Department two relief sidings were put in by the Public Works Department—one on each side of the tunnel.
67. That, you say, was necessary for the work?—Yes, it was proved to be necessary.
68. With that exception, was the line, as handed over, practically in the condition it is now?—Yes. I forgot to mention that a platelayer's cottage has been built since by the Public Works Department in the Belgrove yard.
69. The Government station has been moved across to the present yard?—Yes.
70. *Mr. Fraser.*] When did you say the relief sidings were put in?—Between February and July, 1899.
71. *Dr. Findlay.*] Did your knowledge of the line commence earlier than December, 1895?—I had been through, and seen the line in passing, between the time I left in 1893 and 1895.

72. Do you know that the company ceased active work on the line: the last work they did on the line was in December, 1893?—Yes, I believe so.

73. They were working on the line when you left?—Yes.

74. When did you leave?—June, 1893.

75. Do you know they were doing work on the line until the end of 1893?—They were working some time after I left.

76. Then, the Government took possession in May, 1895, so that for something like seventeen or eighteen months nothing had been done by any one to the line?—Yes.

77. Then, your further close association with the line was in the end of 1895?—Yes.

78. The line had then been six months in the hands of the Government?—Yes.

79. As far as your knowledge goes, nothing was done by the Government save a little work in the month of October by Mr. Holmes?—Yes, I think so.

80. So that, out of the two years the line lay in an unadvanced state, eighteen months was under the *régime* of the company and six months under the *régime* of the Crown?—Yes; it seems to be like that.

81. You told Mr. Bell that the formation done by the company appeared to be good work?—Yes.

82. But that the wear of weather had interfered with the banks here and there?—Yes.

83. Could you give me a rough estimate? Assuming that weather damage occurred during the time the company had possession, from the end of 1893 till May, 1895, how much, roughly, would be required to repair fences, remove slight slips, and put the formation in proper condition for progress?—I could not even give an approximate estimate.

84. Looking at the total work, it would be a comparatively small sum. You gave us a mental estimate some time ago: could you give us an estimate of this; was it about three-fourths of what it cost to repair it?—You might fairly put it at that.

85. What was that?—I have not the accounts.

86. You could not give us even a rough estimate?—No, because it was let in small contracts.

87. You know, as a matter of reliable knowledge, that the construction was by public tender; you know Mr. Maguire was the successful tenderer?—Yes.

88. Do you remember ever seeing advertisements freely appearing in the newspapers?—No.

89. I have here an advertisement calling for tenders for the construction of the tunnel and other works on the line. Do you know that Maguire's tender for this work was over £10,000 lower than the next highest tender?—I do not know it as a fact.

90. Do you know the amount of Maguire's tender?—£44,000, perhaps.

91. £46,676 8s. 8d., was it?—Yes, probably so.

92. Are you in a position to say whether that price was a low price for the work done?—It turned out to be a fair price, I think.

93. Do you know that Maguire, in doing the work, had singular good fortune?—Yes; that is what I mean by saying that it turned out to be a fair price.

94. In what respect was he lucky?—In the tunnel-work.

95. And that was far the most expensive work he had to do?—Yes.

96. In what way was he fortunate in the tunnel-work?—There was no water met with and no rock.

97. Do you know that there was another contract called the Norris's Gully extension?—Yes, that was after.

Mr. Bell: It is called 22A in Return 11, page 123.

99. *Dr. Findlay.*] Do you know the amount of the smaller contract—£3,007?—I do not know.

100. Have you entered into any estimate as to the cost of the construction-works taken over by the Government in May, 1895?—No.

101. After you took charge—or, at least, during the time you had charge—the Government pushed on with the construction, and that work was done chiefly by co-operative labour?—Yes.

102. Had you had experience of co-operative labour before?—No.

103. Had you experience of contract-work before?—Yes.

104. First, speaking independently of this particular work or of any other particular work, can you carry out work as economically by means of co-operative labour as by contract—putting it up to public tender?—I have not had an opportunity of comparing other works with co-operative labour.

105. What is your view of this instance?—This has been done certainly as economically by co-operative labour as by public tender. Everything was favourable to it being carried out under the co-operative system.

106. The work lent itself to the co-operative system?—Yes, very much.

107. Then, with the exception of £180 or £200—taking it as your mental estimate—the whole of the other work of the company has been used by the Crown?—Yes.

108. Then, looking at it from the point of view of wasted work, would it have been reasonably possible to have foreseen when the line was surveyed that the deviation you made was preferable to the other line?—It was a matter of judgment at the time. There was no survey made on the side of the gully where the railway has been made for the purpose of ascertaining which was the best route.

109. I take it that it would be accounted as incidental of railway-construction that a little portion of the survey-work may become useless?—Yes.

110. With the exception of £180 or £200, the whole of the work done by the company has been availed of by the Crown?—Yes.

111. And you have nothing to say against it—that it has been extravagantly done or improperly done?—No.

112. *The Chairman.*] You were in charge during Macguire's contract?—Yes; up to June, 1893.

113. The work was practically finished then?—The formation had been done down to Norris's Gully crossing—that is, the road-crossing beyond the tunnel—and the lining of the tunnel was in progress.

114. Can you give us any idea of the additions to that contract?—No.

115. Are you aware whether there would be any additions?—There would be some, but I do not know whether a large amount. I think there would be some additions—the concrete abutments at the bridge, and I think some iron-pipe culverts were lengthened, but I am not sure on that point.

116. Without having the plan you could not tell?—No.

117. Can you give us any idea of the value of the office and platelayer's house you mentioned?—About £150, I think.

118. Without a plan you cannot tell the Commission where the company stopped and where the line has been carried on since by the Crown?—I can show it on our tracing.

119. *Mr. Fraser.*] I understand that when you made the deviation you deviated really from the line laid down by the company?—Yes.

120. Do you know whether the company was notified of the intention to make the deviation?—I do not know. It was done before I went back to the line.

121. *Mr. Graham.*] I think you said that, in your opinion, the deviation was desirable and more economical in construction?—Yes, I should say it would be, but I had not made an estimate of the line and abandonment; but, in my opinion, it was certainly better for the working.

HORATIO JOHN HOOPER BLOW examined on oath.

122. *The Chairman.*] You are Under-Secretary for Public Works?—Yes.

123. Are you acquainted with the section of the Midland Railway between Belgrove and Norris's Gully?—Yes.

124. Do you know the portion of it that was constructed by Mr. Maguire?—Yes.

125. You admit that the £46,676 8s. 8d. that was paid by the company to Maguire was a reasonable and economical amount to pay for the work that he carried on?—I am afraid I have not sufficient detail knowledge to make that admission.

126. Here is the contract?—But how am I to tell that Mr. Maguire was not the highest instead of the lowest tenderer.

127. That has been proved?—I do not know that.

128. So you cannot say whether this amount is a reasonable and economical amount to pay for the work or not?—No, I am not in a position to say.

129. Do you know if there were any extras on that contract?—No, only from the statement that the company submitted to the Committee last year.

130. There has been an amount spent by the Government on the completion of that line?—Yes.

131. Can you give us any details as to how that amount was spent?—I have submitted a return in considerable detail already.

132. Now, in regard to this return [Exhibit 4], take the first item, "Resetting out constructed line to enable platelaying, &c., to proceed, £268 19s.": can you tell us what that money was spent on? Can you give us any detail?—That was the amount that was spent in resurveying the line because we could not get possession of the plans.

133. Does that include the making of the plans?—Yes.

134. Then, the second item, "Preliminary works to put section in order, £479 10s. 6d."?—Those, I take it, are the works which Mr. Roberts referred to this morning, such as repairing the formation, clearing slips from cuttings, repairing fences, &c.

135. Then, as to ballasting and platelaying, had the Government to find rails and fastenings on this line?—Yes, and they are included lower down in the account.

136. And it also includes the sleepers?—Yes.

137. What length of line does that include?—That piece that was commenced by the company. I think, about six miles and some odd chains.

138. Does it include the station-yard at Belgrove?—I suppose it does include that.

139. You think it includes the station-yard?—If anything was done to the station-yard it will probably be included under the head "Preliminary works to put the section in order."

140. Was the formation of the station-yard complete when you took possession of the line?—That is a detailed question which I submit you should have put to Mr. Roberts.

141. He did not take the line over?—But he was here only two months after the construction-works began.

142. As a matter of fact, you cannot tell us whether the Belgrove station-yard is included in that item or not?—No, I cannot.

143. If you cannot tell us about the station-yard, can you tell us any one who can?—I think Mr. Roberts is certainly the best man to give that information. If the work was done by the Government, the expense must be included under one or other of these heads.

144. Then, take the next item, "Service-rails for ballast-pit, £50 3s. 4d.": did you charge to this section the full value of the rails, or is this the amount for the use of them?—That will probably be the cost of them.

145. The full value?—Yes; I suppose they were worth what they cost.

146. What became of them after you finished the ballasting?—They are there now, I think.

147. Are you still using this ballast-pit?—Yes; I believe it was left there for future use.

148. Do you think it is fair to charge the whole of the cost of these rails to this section of the line?—Yes, undoubtedly. It is part of the cost of constructing and equipping the railway, and the railway could not have been completed without it.

149. Are not those rails used for supplying ballast for the rest of the railway between here and Wakefield, say?—I am not positive myself where these particular rails were laid. Mr. Roberts can answer the question; he was in charge of the works.

150. Then, the next item, "River-bank protection at Wai-iti, near road to ballast-pit, £50": do you consider that a reasonable expenditure to put on the Belgrove-Norris's Gully Section?—Yes.

151. Is this ballast-pit of any use to the Railway Department for the railway not connected with the Belgrove-Norris's Gully Section?—Personally, I am not aware.

152. Then, as to the item "Freight, &c., on wagons used for ballasting, £80": where was this freight from?—I think it was from Wellington.

153. Then, the item "Shifting station-buildings at Belgrove, £419 7s. 6d.": that was the old station-building, of course?—Yes, including the engine-shed, coal-shed, goods-shed, and Stationmaster's house.

154. Can you give us any idea of the value of that station-building—I see there are several buildings?—I suppose, roughly, between £2,000 and £3,000.

155. Then, as to the item "Clearing water-tables, 21/30 to 25/50, £24": do you know anything about that?—No.

156. Is it 21 miles 30 chains where the Midland Railway commences?—21 miles 30 chains is this side of where the Norris's Gully Section commences.

157. How much?—6 chains.

158. Is the clearing of that 6 chains included in this £24?—I know nothing about that, but I should presume it is, from this statement.

159. Do you think it ought to be included?—If it ought not to be included it would not be here. I would point out that this £24 extends over more than four miles, so that the question of 6 chains would be only a matter of a few shillings under any circumstances.

160. Perhaps the debenture-holders think it should not be charged against them?—It would be a very small amount in any case.

161. Then, as to the item "Retarring flume at tunnel, £52 2s. 11d.": can you tell us the date of that?—No.

162. Then, we have got to take it at what the office has put down?—No doubt the details of the cost could be given by Mr. Roberts. It is probably so-many men, so-many hours, and so-many gallons of tar.

163. Then, as to the item "Protective works in connection with fluming at tunnel, £91": do you know where this work is?—No, I do not.

164. You cannot give us any evidence as to whether this is a reasonable charge for the work?—I certainly could not do so.

165. Then, as to the item "Constructing relief sidings at ends of tunnel, £268 14s. 3d.": do you know anything about that?—I know they were constructed.

166. Then, as to the item "Supply of rails and fastenings, £4,198 9s.": can you tell us what these rails cost per ton, and the cost of the fastenings?—No, not here. I can give you the information in Wellington.

167. You can supply this information?—Yes, that can be supplied.

168. And that applies to the next item also, I presume—namely, "Supply of sleepers, £1,231 7s."?—Yes.

169. Then, as to the item "Freight on rails, &c., and sleepers, £632 7s. 8d.": does that mean freight from here to Belgrove, or to Motupiko, or where?—As regards the sleepers, it would mean principally from Nelson to Belgrove and Greymouth to Nelson. Of course, the rails would have to come from Wellington. It would include the freight on those.

170. You did not credit the earnings of the line with any portion of that?—The line did not earn any of it.

171. You do not charge for carrying during the cost of construction?—No, not on lines that are in course of construction. I submit that nothing would be gained by such a process.

172. Do you know whether the company are in the habit of crediting their accounts with freight for carrying rails on sections under construction?—Personally, I am not aware of the fact.

173. Then, as to the item "Maintenance of section, £316 19s. 10d.": what does that mean?—I do not know. I can only conjecture.

174. *Mr. Graham.*] You do not know anything about the details of this work at all?—No, very little. Mr. Roberts was engineer in charge of the construction of this railway.

175. *The Chairman.*] You say you spent this amount of money on the line?—I do not say so.

176. You were Under-Secretary for Public Works at the time?—Yes, and I produced the Book-keeper who prepared the return to give evidence as to its correctness.

177. Have you any one in the Public Works Department who can certify to the accuracy of the details of this return—for instance, any one who can tell the Commission the number of tons of rails and fastenings and the value and number of sleepers? We want to know whether you paid too much for those rails?—I can prove that tenders were invited for the rails, and that the lowest tender was accepted.

178. Did this money go through an imprest account?—All the amounts in the schedule?

179. Yes?—A very large proportion of it went through imprest accounts. For instance, the cost of the rails went through the Agent-General's Imprest Account.

180. There is the item "Salaries to officers, £726 2s. 2d.": who has the imprest for that?—Salaries are for the most part paid from the Head Office direct. No officer is allowed to pay his own salary out of imprest.

181. *Mr. Fraser.*] Mr. Roberts said he came in December, 1895?—Yes.

182. The line was seized by the Crown in May, 1895?—Yes.

183. Who was in charge from May, 1895, or was anybody in charge from May, 1895, till December?—No one was in charge from May till about October; but in October Mr. R. W. Holmes came over and took charge, and made a survey with the view of the work being completed.

184. *The Chairman.*] Now, coming to the rolling-stock on the Belgrove–Motupiko Section, can you give us a schedule of the rolling-stock that was on this line when it finally came into the possession of the Government?—Yes. No rolling-stock was ever put on this line by the company; but when the Government came to work it they put on some extra wagons I believe, which were charged to working-expenses in the six-monthly accounts rendered to the company.

185. But between the time you took possession and the time it was finally vested in the Governor can you supply us with the number of engines, carriages, and wagons of various classes?—We did not put any extra engines on, nor any carriages. The engines and carriages that were there before—that is, on the line between Belgrove and Nelson—were sufficient for all the traffic.

186. That means you had no rolling-stock at all which the company had any claim to between the time the Government took possession of the line and when the line came finally into possession of the Government?—Except a few trucks, and those are charged for in the six-monthly accounts of working.

187. Can you give us the value of those trucks?—I have here a return showing that the cost of the Nelson wagons was £1,287 8s. There were ten wagons, Class L, and two covered goods-vans, Class K.

188. And the rolling-stock was on the line when it became the property of the Crown, on the 23rd July, 1900, so far as you know?—Yes.

189. *Mr. Graham.*] And it was paid for by the company?—It was charged to the company; I am not aware whether it was paid for.

190. Was it included within the time they were paying regularly the amounts demanded of them?—My impression is it was not; but if you want me to answer for certain it will take me a little time to look the matter up.

191. *Mr. Fraser.*] I see that the cost of these trucks and rolling-stock is in the revenue and expenditure account: was it paid for out of revenue derived from the traffic over the line, or from the payments made by the company?—It was paid for out of revenue, so far as the revenue went; but it happened that in one or two of these accounts there was a debit balance, because the revenue was more than exhausted.

192. *Mr. Hudson.*] Can you tell me if any land-grants were made on account of this section we are dealing with—the Belgrove–Norris's Gully section?—There was a special provision in the contract as regards the Belgrove and the Springfield Sections to the effect that the company were to get land-grants in advance, and the company did get the land-grants in advance.

193. We should like to know what land was granted to them, and the value of it?—I am afraid I cannot tell you the particular blocks they got, but they got land to the B1 value of £30,000.

194. You can testify to the fact that they got land at the B1 value in respect to this section?—Yes. The ordinary provision of the contract was that they were not to get land-grants until sections of the railway were completed; but the provisions of the contract with regard to these two sections were that they were to get the land-grants when they had let contracts to the amount of £60,000.

195. *The Chairman.*] And you say they got a land-grant of £30,000 for the Belgrove–Norris's Gully Section?—Yes. They never completed that section, but they got a land-grant of £30,000 in respect of it.

196. *Mr. Hudson.*] Can you tell me if the Government gave any land upon which this section of the railway is constructed?—Yes, they did.

197. Can you tell us to what extent?—Yes; it is not a very large area—about 36 acres. The contract provided that any Crown land on which the line had to be constructed was to be given free.

198. Of course, you are not in a position to give the value of that land?—No; the Commissioner of Crown Lands can be called for that purpose.

199. I understand that the company's expenditure and your expenditure, in accordance with that return, completes the total sum spent on the line, but there are some claims to be still settled—in other words, that the land is not entirely paid for. I am talking of the section from Belgrove to Norris's Gully: can you give us any idea of the sums that are still to be disbursed before this railway is completely paid for—I want to know what sums we should add to the sums we have now recorded as the cost of the railway?—As regards land-compensation, I only know of two unsettled claims, so far.

200. Are you aware that all the land has been paid for except those two?—No, I am not aware of that.

201. There may be a number of claims to come forward of which you are not aware?—There may be, but I do not anticipate them.

202. What is the amount of these two claims of which you are really aware?—One is £1,500; the other claim is not stated, so far.

203. Then, the amount that is to be paid for this railway is an unknown quantity?—Yes.

204. Are there any other items that will have to be met besides land-claims?—I do not call anything else to mind, except, of course, if traffic develops we shall need further appliances.

205. I mean demands in respect to the original construction and completion of the line?—We only know of such demands when some one claims.

206. *The Chairman.*] Would such claims be barred by the statute of limitations?—Yes, in law; but we have a Public Petitions Committee.

207. *Mr. Fraser.*] Has the Crown accepted the responsibility of the liabilities of the company in respect to these land-claims?—The Crown has declined the responsibility; but I have no doubt the claimants will petition Parliament, and will probably get paid. They have been told they must lay their claims before Parliament.

208. *Mr. Hudson.*] Can you give us the mileages of this railway—where it commenced and where it ends, as laid down in clause 1 of the Commission?—I think it would be better to ask that question of Mr. Roberts. It commenced at 21 miles 36 chains, and ends at Norris's Gully Bridge. The mileage which I have here is 27 miles 72 chains, but, inasmuch as there has been a deviation, very possibly that is not quite exact. These are the construction mileages I am quoting from, not the working-railway mileages.

209. We want to know the exact point up to where the company completed the work?—Mr. Roberts is the only one who can give that.

210. *The Chairman.*] Are you in a position to tell us the details of the amount spent on this section?—The return gives it.

211. You said the company had received £30,000 by way of land-grants, and according to the figures here I cannot find £60,000 expended: can you show that to me?—There would be some other amounts not included in that account. For example, the Government allowed the company to charge a reasonable percentage for engineering and supervision, and that was added on.

212. Where shall we be able to get the details of that?—The company's officials are the only persons who can supply that.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

213. *The Chairman.*] You are manager of the Midland Railway Company?—Yes.

214. You have in your hand the original contract signed by Allen Maguire and his sureties for the Belgrove—Motupiko Section of the Midland Railway?—Yes.

215. Will you kindly read the amounts under the various headings?—They are: Grading, £10,818 1s. 8d.; tunnels, £30,606 4s.; bridges and culverts, £3,925 3s.; fencing, £1,052; miscellaneous, £275: total, £46,676 8s. 8d.

216. Do you put in the schedule showing how those various items are made up?—Yes; I will have it prepared to-night. [Exhibit No. 41.]

217. The contract commences at certain chainages on the company's plans: are you aware whether the contract has been on that chainage?—The tender was for the construction-works from 21 miles 35·79 chains to 26 miles 70 chains complete.

EDWIN GEORGE WILSON examined on oath.

218. *The Chairman.*] What are you?—I am Stationmaster in charge of the Nelson Section of the New Zealand railways.

219. Residing at Nelson?—Yes.

220. *Mr. Hudson.*] When did you assume charge?—In May last year—about nine months ago.

221. That was prior to the Proclamation?—Yes.

222. Can you give evidence as to the condition of the rolling-stock and line at the time of the vesting of the railway in the Governor—I am talking about the railway between Belgrove and Norris's Gully? What was the condition of the line, rolling-stock, and buildings?—The rolling-stock was in fair working-order. The wagons required painting and light repair. The tarpaulins—ten in number—were in bad order. The buildings, being comparatively new, were in good order.

223. Were there any buildings at all?—The Motupiko Station.

224. You must confine yourself to the Belgrove—Norris's Gully portion of the line, and not to the Motupiko portion?—There is a platelayer's hut at the tunnel. It is a poor building, not of great value, and it was in fair order.

225. *Mr. Graham.*] Can you give us any idea of the value of the cottage?—I am not prepared to give an estimate as to the value.

226. How do you know it was not of much value?—I judge by the appearance. It is of corrugated iron, and is not weatherboarded. I also judge by the reports given to me by the men who have lived there.

227. *The Chairman.*] Of course, you have stated you cannot give us any estimate of the value?—No. There is a ganger's house at Belgrove, and also a Stationmaster's house at Belgrove. That was built by the Public Works Department.

228. *Mr. Hudson.*] What was the condition of these buildings?—Both were in very fair order.

229. *Mr. Graham.*] You have no idea of the value of the ganger's house?—No.

230. *Mr. Hudson.*] Does that complete all the buildings on the Belgrove—Norris's Gully Section?—Yes.

231. The Stationmaster's house was a new house?—Yes.

232. In what order was the running-line?—In very fair order. It required a lot of ballast.

233. Has that ballasting been made up since?—No.

234. It is in the same condition now as it was in June last?—Yes.

235. *Mr. Fraser.*] That ballast is still required?—Yes.

236. *Mr. Hudson.*] With regard to the traffic on the line, what is the nature of the traffic on that piece of railway?—The passenger traffic is medium.

237. What do you mean by medium?—It is not considerable. It is small compared with the Nelson—Belgrove Section of the railway.

238. What other class of traffic have you got?—Wool in the wool season; a little firewood comes down, and general goods and machinery go up country. Those are the principal items.

239. Is there no other produce on that line—no fruit, for instance?—No fruit is brought down.
240. Nothing but wool and firewood?—Yes.
241. Hops?—I have not heard of any hops coming down.
242. *The Chairman.*] You have not been here in the hop season?—No.
243. *Mr. McKerrow.*] Is there no through traffic to the West Coast by that line?—As far back as Murchison. We are sending dredging plant to Murchison.
244. *Mr. Graham.*] You do not know the whole of the traffic for the different seasons of the year?—No.
245. *Mr. McKerrow.*] I suppose the records of the office would show that?—Yes.
246. *Mr. Hudson.*] I want you to say from your knowledge of the district what you consider the future prospect of this railway is from the point of view of the existing traffic?—That is, between Belgrove and Norris's Gully?
247. Yes, between Belgrove and Norris's Gully, but not necessarily the traffic which proceeds from Belgrove to Norris's Gully, and which comes from there. I mean the traffic passing over the line as it is to-day: to what extent is that likely to be increased, say, within the next ten years?—Well, of course, I ought to have some knowledge of the back country to answer that question properly; but, speaking locally, I do not think the traffic would increase any more than it is now.
248. Do I understand that you do not consider there is any prospect of increase of business on the existing railway?—From the knowledge I possess I do not think it will.
249. *The Chairman.*] That is, under present conditions?—Yes.
250. *Mr. Hudson.*] And that is looking ten years ahead?—Yes, I think so. I fail to see that the traffic will increase very much, if at all.
251. *Mr. McKerrow.*] Can you give us the average number of passengers per train on that particular portion of the line?—I should not think more than about six or eight. Of course, some trains carry more, and some are practically empty.
252. *Mr. Hudson.*] Does the revenue derived from the business generally exceed the working-expenses?—Well, of course I can only speak from the figures shown in the Railway Statement.
253. Do you not deal with the pay-sheets yourself, and with the expenditure?—Yes, I pay the men; but I cannot tell without going into books.
254. Do you not render a return every month of the revenue?—Yes, over the whole section.
255. Of this particular portion?—No.
256. Can you not say from your own particular knowledge?—No.
257. *Mr. McKerrow.*] Does it require more men to work the line now, with this additional mileage?—Yes.
258. How many platelayers are there on that length?—There is one gang of four men between Motupiko and this side of the tunnel, and then part of a gang is stationed at Belgrove, and go from there up to the junction.
259. *The Chairman.*] Can you tell us on the average what it costs per mile to maintain that railway during the year?—No, I cannot.
260. Do you not keep any records?—It is not kept that way. It is kept in Wellington.
261. The chainage is as near as possible five miles and a half?—Well, it would take four extra men to work that portion all the year round.
262. How much do you pay them?—There are three men at 7s. a day and one at 8s.
263. *Mr. Hudson.*] You have a Stationmaster at Motupiko?—Yes. There is a proportion of the wages of guard, engine-driver, fireman, cleaner, and Stationmaster at both Belgrove and Motupiko which is chargeable to this portion of the line.
264. *Mr. McKerrow.*] The traffic over this line will go over the continuation of the old line to Nelson?—Yes.
265. That traffic would ordinarily, supposing that continuation had not been made, still go over the main line and be carted to or from Belgrove?—Yes.
266. So there would be no increase to the Belgrove-Nelson line?—No.
267. *The Chairman.*] You mentioned something about tarpaulins being part of the plant; what was the value of the ten tarpaulins when new and on the 23rd July, 1900?—I cannot tell you the value new or when we took them over. I should say about £2 10s. If they were worth £2 10s. new, they were not worth more than £1 10s. when we took them over.
268. Can you tell me on which line the Belgrove Station is supposed to be—on a portion of the Midland line or on a portion of the Government line?—It is certainly not on any portion which was worked by the Government.
269. There is a mile-post a little above the station along the Midland Railway?—That would be twenty-two miles from Nelson.
270. Do you chain from the Port?—The mile-posts are from the Port.
271. You carry mails along this section?—Yes.
272. Do you charge the Postal Department?—Yes.
273. And you also carry Government officers?—Yes.
274. You do not include these officers amongst the number of passengers?—No. I do not suppose we carry a postal officer once in six months.
275. But there are various Government officers—the police, for instance?—Yes.
276. Do you take holiday parties up to Motupiko?—Occasionally.
277. Do they augment the revenue much?—Excursion parties are generally carried at cheap rates, and really there is not a great lot made out of them.
278. Suppose the Midland Railway stopped just at the end of the first bridge below Spooner's Range, what do you think would be the value of the section of the Midland Railway as a going concern?—I cannot estimate.

279. Do you think it would pay, according to the present traffic, supposing it did not go beyond that point, and that it was run in connection with the Government line?—I do not think the Government would make much profit over and above the expenses.

280. Would they make any profit?—I would not like to say they would.

281. Would you say that they would not?—I do not think the balance would be much one way or the other.

282. *Dr. Findlay.*] You said you took charge here in May last?—Yes.

283. Had you been resident in the district before that?—No.

284. You had no knowledge of the district at all before that?—No; I was never in the district at all.

285. So you came here in May last practically as a stranger to the whole district?—Yes.

286. Do you know anything about the country lying around and beyond this section of railway with which we are dealing?—I have never been beyond Motupiko.

287. And I may take it you have made no examination of the country?—No. I have been as far as Reefton from Greymouth.

288. You really do not know what kind of country lies beyond Motupiko at all?—No. I have not been over the country at all.

289. I suppose you have not considered the gold-bearing character of the rivers: the Motupiko River, for instance, or any of the rivers lying beyond Motupiko?—No. I know, of course, that we sent some dredging plant across that way.

290. Do you know, as I have been told, perhaps incorrectly, that a good many claims have been pegged off in the Whangapeka River?—I have seen so in the newspapers.

291. Supposing there was a large development of the gold-mining industry in that direction, would it not affect the earnings of this line?—It would, if the plant were carried over this line.

292. But, in addition to that, there would be a large amount of general goods traffic if the industry developed?—If the traffic went from this direction.

293. And if the line were not carried right through would it not be in this direction?—It depends whether it went from this end or from Reefton.

294. I may take it that you are not very competent to say whether there will be a prospective increase or not on this line?—No.

295. You have not qualified yourself to answer questions put to you by the Commission, and you cannot confidently say anything about country the resources of which you do not know?—No.

296. Is there not a certain amount of tourist traffic goes from this end, taking the coach from the terminus?—There are tourists.

297. Is that not likely to increase in common with the tourist traffic all over the colony?—The Government are taking it up, and it may possibly increase on that particular line.

298. You do not know whether the mails were carried over this line before you took charge in May last?—I cannot say for certain, but they would be carried as far as Belgrove.

299. But beyond that?—I cannot say.

300. They were being carried in May, when you took charge, to Motupiko?—Yes.

FRIDAY, 22ND FEBRUARY, 1901.

HORATIO JOHN HOOPER BLOW further examined.

301. *The Chairman.*] You wish to present a return in connection with your evidence of yesterday?—Yes; a return [Exhibit 7] showing the amounts expended by the Government on construction-work on the Belgrove-Motupiko Section of the New Zealand Midland Railway between the 25th May, 1895, and the 31st August, 1897, and which amounts were either recouped out of traffic receipts on other sections of the Midland Railway or were paid by the company.

SATURDAY, 23RD FEBRUARY, 1901.

THOMAS HUMPHRIES examined on oath.

302. *The Chairman.*] What are you?—Commissioner of Crown Lands for the Nelson Land District.

303. Residing in Nelson?—Yes.

304. *Mr. Bell.*] You have been asked to estimate the value of the Crown land which has been used for the purpose of the Belgrove-Norris's Gully Section of the Midland Railway?—Yes.

305. Have you done so?—I have.

306. Will you give the Commission the value of the Crown land on which the line is constructed—viz., 36½ acres?—The area is 36 acres 2 roods 24 perches, and the total value is £30 8s. 9d.

307. You have carefully taken out the value?—Yes; it is taken out in sections.

308. Part of it is the land through which the tunnel runs?—Yes.

309. The tunnel runs through Crown land at Spooner's Range?—Yes; and that portion is only valued at 5s. per acre.

310. *Mr. Graham.*] There is a number of different values?—Yes; some of it is timber land.

311. *Mr. Bell.*] Do you know of any lands purchased by the company further on?—Yes; that is, between Norris's Gully Station and Motupiko Station.

312. What do you know about that?—27 acres of it was Crown land in a run leased to Ellis.

313. What is it leased at?—5,800 and odd acres are leased at £30 a year.

314. Is the class of land taken for the line of similar value to the rest of the 5,800 acres?—No, it is a little better, being in the gully. The remaining portion of the 5,800 acres is mostly hilly, but some of the sides of the hill where the steep cuttings are were sold. I will explain: In the case of the first land taken for the railway, the Crown did not charge the company for the land, and the area was excluded in Ellis's lease; but later, extra land was required on account of slight deviation from original survey, and Ellis's interest in the 27 acres was purchased for £45.

315. Who purchased it?—The company.

316. The company paid Mr. Ellis £45 to cancel his lease of those 27 acres?—Yes.

317. How long have you been Commissioner of Crown Lands in this district?—Four years.

318. How long have you been a Commissioner of Crown Lands in the colony?—Sixteen years.

319. You know the country extending from the terminus of the present railway?—Very well.

320. My question is this: Assuming that the railway stops at Norris's Gully and goes no further, there has been, has there not, a certain amount of traffic from that district carried to the railway consequent upon the tunnel through Spooner's Range?—Certainly.

321. In your opinion, is it probable that that traffic will be increased?—I think so; certainly.

322. Consequent upon the Midland area being released a large quantity of land has been thrown open, has it not?—Not yet thrown open generally; but under certain sections of the Act of last session persons who had applied to the Midland Railway Company for land and were in occupation of it, and other parties who had applied to the Land Board for occupation licenses and were in occupation of them, had prior rights to the general applicant. These parties, or a large number of them, have applied to us, and up to the present we have surveyed and granted about 6,000 acres at Motupiko and Tadmor.

323. Will you give me an estimate of the total additional area which you think is available and will be served by this railway, assuming that it stops just short of where it is now?—I think, including these 6,000 acres, from 30,000 to 35,000 acres.

324. Of what character is it—first-, second-, or third-class land?—It is all second-class land.

325. *The Chairman.*] Do you consider that the population of the districts up to Murchison or Fern Flat, or of Greymouth or Westport, will be served by this section of railway, or will it be an advantage to the people from Greymouth or Westport?—It will be a slight advantage to the travelling public, but I do not apprehend that the traffic on the railway-line will be greatly increased from those places.

326. *Mr. Bell.*] Will the area of land which includes Murchison and Fern Flat be served by this railway, in your opinion?—It will, to a degree.

327. To what degree?—Every mile of railway that goes in that direction must benefit to a certain extent, but with such a long length of road ahead a mile or two of railway does not affect it very much.

328. *The Chairman.*] Are you aware whether these people and their goods are carried over this section, and whether they get the fares cheaper now than before this section was built?—They pay less for coach-fares, and the drays taking the goods, I believe, now start from Motupiko.

329. *Mr. Bell.*] And, I presume, charge less, through starting from Motupiko?—I should say so, because the distance is ten miles less than it was before from Belgrove.

330. You say that the 30,000 acres of which you have spoken will be served by the railway: what does that area comprise?—It comprises the 6,000 acres I have already referred to, that settlers have taken up under the Act of last year; and we are now surveying a further 4,000 acres for applicants who have similar rights. Then, we are surveying another 5,000 to 6,000 acres, and there will be 10,000 acres, which is already surveyed, open for selection in about a month's time.

331. I was asking rather for the locality of this area?—It is principally in the Tadmor and the bush land in the Motupiko, and there is some more in the Sherry, in addition to the 25,000 acres. There is another block in the Sherry Valley which has been very favourably reported on by the surveyor I sent to inspect it. It will possibly run to 8,000 acres more.

332. And that brings it up to the 33,000 acres?—Yes.

333. How many settlers do you anticipate you will have upon these 33,000 acres?—I think it will be divided up into about 150 holdings, but possibly twenty or thirty will be extensions of the present holdings.

334. *The Chairman.*] That will apply to the 6,000 acres already granted?—Yes.

335. *Mr. Bell.*] In addition to the 30,000 acres, do you expect to have any land let as small grazing-runs?—Yes; there is some 10,000 acres of inferior land which we contemplate throwing open as small grazing-runs.

336. *The Chairman.*] Is that let to any one at present for grazing purposes?—About 3,000 acres is let on yearly occupation licenses.

337. *Mr. Bell.*] How many additional settlers do you anticipate you will have by reason of these grazing-runs? Do you expect the settlers in the valley will take them up, or will you get new settlers?—I reckon there will be only five small grazing-runs for the 10,000 acres. They will be rather large on account of the pooriness of the country. It is expected that two or three will be taken up by local men.

338. You have spoken of the 30,000 acres as being all second-class land?—Yes.

339. Do you anticipate there will be any agriculture on it?—No, not much. There will be a certain amount up the Tadmor, almost to the head of the valley, when the small flats are cleared and stumped; but it will be some time to come before there is much agriculture.

340. Then, there would be some additional passengers, but very little machinery, from that point of view?—Yes.

341. Goods for their supplies?—Yes.

342. And wool?—Yes; there will also be some hop-growing in the flats. I do not know whether I have to refer to the effect of any extension of the railway. There is timber there, but it would not pay to bring it now to the present terminus of the railway.

343. But, assuming the railway to stop at Norris's Gully, is there any likelihood of any timber traffic on the railway?—I do not think so. It is too far to bring it—fourteen miles at least.

344. *Mr. McKerrow.*] What sort of timber is it?—Rimu, some white-pine, and brown-birch, but not very extensive.

345. *The Chairman.*] Mixed bush?—Yes—that is, principally on the flats of the Upper Tadmor.

346. *Mr. Bell.*] You anticipate a timber traffic if the railway is extended to the Tadmor, but you do not anticipate there will be any timber traffic if the railway stopped at Norris's Gully?—No; it would not be extensive in any case.

347. I believe you are a member of the Commission now sitting to determine the question of rivers to be declared sludge-channels?—Yes.

348. And I understand for that reason you prefer not to speak of any possibility of gold-production in these valleys?—Yes, I prefer not to do so.

349. With regard to the land beyond the 30,000 acres, such as the Chairman has referred to, would settlement, for instance, at Murchison and Fern Flat, in your opinion, greatly increase the traffic upon this railway?—There will be a certain amount of extra traffic.

350. Passengers, of course?—Yes.

351. And goods?—Yes.

352. Do you know about what point, as the railway at present stands, does the supply from Nelson end?—I know it goes as far as Longford, but it may possibly go a few miles further.

353. So that an increase in settlement as far, at least, as Longford would increase the traffic upon this railway?—Yes; unless it was cut away through an extension of the railway from the other direction.

354. *Dr. Findlay.*] What area of land is within the Nelson District?—5,400,000 acres.

355. If the line had been continued from here to a junction with the line at the Reefton end, what area of land would have been profitably served by the railway?—About 200,000 acres—that is, within a certain period.

356. What period have you fixed for that?—About fourteen years.

357. Within a period of fourteen years it would serve about 200,000 acres, and your opinion is that the line carried to the point which it has now reached—something this side of Motupiko—serves more or less an area of about 45,000 acres?—Yes.

358. Now, you have given us something over a fifth of the area which would be served if the line had gone right through: how does that fifth compare in quality with the remaining 150,000 acres which would have been served if the line had gone right through?—I think the 30,000 acres are better than the average.

359. So that you would expect more than a bare proportion of settlement on that 30,000 acres?—I am not so sure about that, because down in the southern part settlement would be closer, for the holdings would be smaller.

360. Yes; but I do not want to limit it to any part of the 150,000 acres: I want you to tell me whether, comparatively speaking, the settlement on the 30,000 acres would be larger proportionately than settlement on the whole 150,000 acres left—it seems to follow as a deduction after what you say of the quality of the land?—The conclusions I came to when giving evidence on a previous occasion were based on the whole matter being gone into in detail district by district. As I showed in the evidence I gave before, I went into great detail, showing how much I expected from every district, and how it would be divided; and it is rather difficult for me to state specifically without this data before me.

361. Can you give me an idea? If the 30,000 acres are of better quality on the average than the remaining 150,000 acres, would you expect more settlement on those 30,000 acres than on the balance, proportionately?—That does not follow, and I will give you a reason. It is this: At this end we are throwing open blocks of land, laid off in areas suitable to the class of country; but in the southern part of the district it is very largely made up of surveyed sections of 25 and 50 acres. That is what I meant when I said there was likely to be more settlement there than at this end proportionately.

362. Does it mean it is merely a method of laying off—that it merely depends on having laid it off in different areas? Supposing it were free from such restrictions, and had not been laid off in any particular way—I want to get rid of any mere method of laying it off which the Government so far have adopted?—That you cannot get rid of, for this reason: The sections down there are isolated. Very often the land is “gridironed”—that is, sections have been taken up as freeholds and two or three sections have been left here and there. The unalienated sections are not always contiguous in the coast districts.

363. *The Chairman.*] From your answer I imagine the Commission are to understand you are laying these sections off to the best possible advantage for settlement purposes at this end?—Yes. At the other end we have to take them as we find them.

364. Or anywhere where you are laying land off?—Yes.

365. *Dr. Findlay.*] They are laid off to the best possible advantage: and, being laid off to the best possible advantage, settlement is no closer on the 30,000 acres than on the balance to which you refer?—No.

366. Supposing, as is now the fact, that the whole of the Midland Railway restrictions have disappeared between here and Reefton, and that the land is freely open for settlement during the next fourteen years, do you suppose that only 40,000 acres will be taken up?—No, certainly not.

367. What area do you suppose will be taken up, in your opinion, during the next fourteen years, supposing the railway is not added to, and that things remain *in statu quo*?—From 150,000 to 200,000 acres.

368. Very well, then, what proportion of those 200,000 acres, taking your higher figure, will be served in any way by the line now constructed?—In a degree it will be all served.

369. And to that degree the traffic of passengers and of goods will be increased?—Yes.

370. Now, that may amount to a very considerable increase in the present traffic?—Certainly.

371. Can you give me a conjecture as to what the amount may be?—No, I cannot.

372. Quite impossible?—Yes.

373. *Mr. Bell.*] What class of land is this larger area of 150,000 acres which you speak of?—Very nearly all second class.

374. Covered with timber?—A considerable amount of it.

375. It is not available for agriculture, then?—Some of it will be when cleared of timber, but not before.

376. Is the greater part of it fit for agriculture?—No.

377. What proportion of it is?—A small proportion.

378. Can you give any rough guess at it?—It would be a very rough one.

379. I will not press about that. Have you any means of telling me what is the present settled area in the Tadmor, Motupiko, and Sherry Valleys?—I should not like to say offhand.

380. You can give us that?—Yes; I will get the information.

381. Can you give me, roughly, the number of settlers?—I will obtain that also.

382. *Mr. Fraser.*] What proportion does these 30,000 acres bear to the area already settled?—I can supply it on referring to the records.

383. *The Chairman.*] Taking the land in the Nelson Land District, there were several areas probably let on occupation leases, and there were some timber licenses granted: did you credit the revenue from these occupation licenses and timber licenses to territorial revenue or to the Midland Railway Company?—In the case of timber licenses it went to a Suspense Account.

384. And is it still in a Suspense Account?—I believe to.

385. Are you aware whether there is a coalfield in the Tadmor Valley or Whangapeka Valley?—I never heard of it.

386. Have you ever read the geological report on that district?—No. It was made, I believe, some years before I came to this district.

387. Are you aware whether there is coal to be had at Blue Glen?—I have heard a rumour of it.

388. You cannot say of your own knowledge?—No; I have not seen it.

389. Can you tell us whether goods going to Murchison and Fern Flat are carted from Nelson or from the West Coast?—They are carted from Nelson. That is what I said before—to Longford.

390. Can you say as far as Fern Flat?—In my evidence I think I said a few miles further than Longford. I cannot say positively. I have often seen them on the road down there.

391. Do you know the Maruia Plains?—I do not know it personally.

392. *Mr. McKerrow.*] You said these 40,000 or 45,000 acres is all second-class land, of which 10,000 acres is inferior: I presume the agricultural land that is there would not produce any grain for going out of the district?—No.

393. In other words, any agriculture carried on would simply be for home use—potatoes, turnips for sheep, &c.?—That is so.

394. Therefore the whole products of the district would be from the sheep or cattle?—Sheep, cattle, and hops are the only things going out.

395. According to your estimation, how many sheep could graze on these 40,000 or 45,000 acres, presuming it to be in grass, which at present it is not—I want to get at the maximum possibilities of the district?—Judging from what is carried now in that district, the 30,000 acres would carry one sheep to the acre.

396. Do you know within your own knowledge if any fat sheep come from the district now into town here?—Yes; and I saw a fine lot of sheep there last week.

397. So far as the railway traffic is concerned, the only goods sent along the railway to town are some bales of wool, a few fat sheep, and a little hops?—Yes.

398. Then, the inland traffic would be simply groceries, draperies, and other supplies for the settlers?—Yes.

399. And I think you mentioned there might be 150 more holdings than what there are now?—Yes.

400. Did you also state that about twenty or thirty would simply be extensions of the present holdings?—That is so.

401. So, speaking in round numbers, about 110 or 120 might be new holdings?—Yes, new settlement.

402. And the people having these holdings would be purely graziers and people engaged in sheep-farming?—Largely, just the same as they are now; and piggeries, and suchlike.

403. Would there be any dairy farmers?—Oh, yes; all the low hills do very well for dairying.

404. What has been the history of this Tadmor and adjacent country? I know in some districts which are somewhat similar there has been a constant migration of the young men to better districts in the colony—in other words, the population has been stationary in these pastoral districts?—That has been the complaint of the older people—that the young men have gone away.

405. Then, supposing all this land was brought under grass, the increase of population would not be very great from what it is now?—But the young people have gone away for the reason that they cannot get land.

406. But, once the bush is fallen and all in grass, it is reasonable to suppose that the same migration will go on in the future?—When the families are too full, it will.

407. *The Chairman.*] In these 30,000 acres, have you got any applications for sawmilling areas?—No.

408. Is it bush land?—It is entirely bush land.

409. Do you think that as soon as the land is opened for settlement the timber will be milled?—No; I think it will be held until the railway gets to it.

410. I understand, however, that it is timber suitable for milling?—Yes.

411. And if it is milled, say, within the next ten or twelve years, will most of the timber pass over the section of railway between Belgrove and Norris's Gully?—It will all go that way except what is used locally.

412. Do you know if a larger proportion of the population is leaving this particular district than is leaving any other portion of the Nelson District?—Of course, I am only judging now from hearsay. I should say people have been leaving generally all over the district—not more from here than anywhere else.

413. You know the Town of Westport?—Yes.

414. Are you familiar with the sections held by the Midland Railway Company there?—No.

415. Can you give us any idea as to their value?—No.

416. Does your department value land in Westport for land-tax purposes?—No.

417. Have you anything to do with local rating valuations?—No.

418. Who is the assessor there for the Lands Department?—Our own District Surveyor, Mr. Snodgrass.

THOMAS HUMPHRIES recalled and further examined.

419. *The Chairman.*] Mr. Humphries, will you now give us the information in answer to the questions we asked you this morning?—Yes. As to the amount of present settlement served by the railway, in the Motupiko Valley there are 7,000 acres in forty separate holdings; in the Tadmor, Whangapeka, and Sherry, 35,000 acres in seventy holdings; and in Stanley Brook and Motueka Valley, 18,000 acres in thirty holdings: in all 60,000 acres; 140 holdings. The average may be thought rather large, but it is due to seven holdings ranging from 2,000 acres up to 4,500 acres.

420. *Mr. McKerrow.*] Are those the only large ones?—There are some from 1,000 acres up to 2,000 acres. The seven embrace 20,000 acres.

THOMAS ROBERTS re-examined on oath.

421. *The Chairman.*] You were in charge of the Belgrove—Motupiko Section of the Midland Railway immediately after Mr. Maguire started his contract?—Yes.

422. Can you tell us whether the formation of the station-yard at Belgrove was done by Maguire or by the Government?—The larger part of it was done by Maguire and included in the contract, but there was a good deal of addition done by the Government.

423. Of course, we understand that the permanent-way and buildings were done by the Government?—Yes.

424. Will you please tell us from the plans the mileages—where the company commenced and where it finished?—The company commenced at 21 miles 36 chains on the company's plans, and they finished at 27 miles 67 chains.

425. When you were in charge when the work was carried on by the Government, did you pay the men?—Yes.

426. Did you pay them from an imprest account?—For the first two years cheques were sent down fortnightly from Wellington, and since the beginning of 1899 they were paid from imprest account.

427. On this return there is an amount of £268 19s. which the Government claim to have spent on repegging the line, because the company would not give them the original plans: do you know anything about that?—I do not know anything about that. I know the line was repegged.

428. Did you do it?—No; Mr. Holmes.

429. There is a ballast-pit shown on that plan: we will want the length of the rails going to that pit?—I can give that approximately.

430. You were in charge when the line was made beyond 27 m. 65 ch.: did you get a portion of your ballast from this pit?—No.

431. Are you aware whether the Railway Department took ballast out of this pit?—No; they have been taking it from the pit on the other side (at Motupiko). The Government did not get any ballast from this pit at all, and the pit is closed now.

432. There is another item, "Clearing water-tables, 21·30 to 25·50": do you know anything about that?—Yes; they had all to be cleared.

433. Then, there is the item "Retarring flume at tunnel, £52 2s. 11d.": do you know anything about that? Do you consider that necessary expenditure?—Quite.

434. And it is reasonably fair expenditure to charge to the company?—Yes.

435. This was done during the time you had charge?—Yes; and it was absolutely necessary.

436. There is another item here, "Protective works in connection with fluming at tunnel, £91": do you consider that was necessary expenditure?—Quite.

437. Can you tell us how many sleepers to the mile were used on that line—I mean exclusive of points- and crossing-sleepers?—I think there were about 2,050 on this railway.

438. There are extra sleepers put in on bridges, &c.: would that 2,050 include those?—No, they would be extra.

439. If you had the plans of the permanent-way you could give us an accurate idea of the number of sleepers?—Yes.

440. You might also at the same time give us the number of extra sleepers required for points and crossings?—Yes.

441. There is another item here, "Freight on rails, &c., and sleepers, £632 7s. 8d.": was that paid by the Public Works Department to the Railway Department?—Yes.

442. You did not pay it?—No.

443. There is another item, "Maintenance of section, £316": can you explain that to us? Of course, you will remember there was no traffic on the line at this time—that the line was not running?—Does not the Public Works Department maintain the line for a short period after the line is open—I think, for three months?

444. I was with you and Mr. Ronayne at the time you handed over the line to the Railway Department: did you not hand the line over absolutely, except the relief sidings?—Yes.

445. Did you have anything more to do with it after that day?—No.

446. So that its maintenance would have been previous to your handing it over to the Railway Department?—I think there is an allowance made to the Railway Department by the Public Works Department for the cost of maintenance for the first three months after handing over.

447. Suppose the Railway Department in their returns claim to have maintained the line from the day they took it over until they got entire possession, could there be another claim for maintenance for the same period?—Although the Railway Department did the work of maintenance, there would be an allowance of two or three months made by the Public Works Department. I cannot speak as to the fact; I am merely speaking as to the possibility.

448. Were you in charge of the line when it was taken over by the Government in 1895?—No; Mr. Wilson was in charge. I was his assistant.

449. You had no Inspector at the tunnel?—No, not during the work of piercing.

450. You did it all yourself?—Yes.

451. Did you put up buildings in the Belgrove yard—there are two new buildings there, the Stationmaster's house and a platelayer's cottage?—The Stationmaster's house was shifted, but it was added to.

452. Can you tell us the value of the new cottage and the additions made to the Stationmaster's house?—No, not offhand.

453. Can you tell us this afternoon, and also the value of the platelayer's cottage at the other end of the tunnel?—Yes.

454. There was a building which you had originally as an office, and which has been shifted to the Belgrove yard: can you give us the value of that building when it was taken possession of by the Government?—Yes, I will do so.

455. You had a siding that was placed across the road-crossing at Spooner's Range?—Yes.

456. Was that done by the Government after they took possession?—Yes.

457. And afterwards taken up?—Yes.

458. There is an expenditure of £35 for taking up that siding: was that a reasonable expenditure?—Yes.

459. Taking the item of £4,263 for ballasting, platelaying, &c., you cannot say whether that was the amount spent on it or not?—No, because the accounts were not kept here.

460. But you can say that the permanent-way was carried on economically?—Yes; it was done under the co-operative system and paid by schedule.

461. And you consider that platelaying and ballasting is work that can be carried on economically under the co-operative system?—Yes.

THOMAS ROBERTS recalled and further examined.

462. *The Chairman.*] Mr. Roberts, will you now give us the information in answer to the questions which I asked you this morning?—Yes. You asked me for the number of sleepers on curves and on the straight. There were 2 miles and 5 chains of curves in the total length of 6 miles 29 chains. Sleepers on straight, 8,600; sleepers on curves, 4,550; sidings, 52 chains—that would mean about 1,600 sleepers more.

463. Do you make any additions for the long sleepers at the points and crossings, for instance?—No. That will make a total of, say, 15,000 sleepers.

464. Can you give us an approximate value for them?—I do not know how many were silver-pine sleepers, because no accounts were kept here. As to the birch sleepers, the first cost was 2s. delivered at Belgrove.

465. In estimating the value of the birch sleepers used on that section would there be any charge for railway freight?—Not much; we hired the railway occasionally to run them through to the other side of the tunnel.

466. I mean there would be no charge for freight on the railway outside of that section?—There would be a charge, because we had some from Wai-iti.

467. Now, about the rails and fastenings?—You asked me to give you the length of the ballast-pit siding. Ballast-pit siding, 41 chains, rails to go into the pit and for a lay-by. Then, there were two bridges in the river-bed to get over streams; and the sidings, 52 chains—32 chains at Belgrove, and 20 chains at Spooner's Range.

468. Does that include the siding you took up?—Yes.

469. I mean the relief sidings?—Those would be about 10 chains the two.

470. *Mr. Hudson.*] Do I understand that the 20 chains taken up at Spooner's Range were utilised in putting up those relief sidings?—Yes, in part.

471. What became of the balance?—They were used on the line further on.

472. Not on this particular section?—Yes, because they were 53 lb. rails. The "fifty-threes" extended to about 27·50.

473. What is the weight of the other rails?—56 lb.

474. *The Chairman.*] As to those 20 chains you took up, the rails are charged to this section, and you have had the use of the rails since, or a portion of them—in fact, they can be struck out of the account altogether?—They were reutilised.

475. You included the points and crossings in the length you have given us of the sidings?—Yes.

476. What would be the extra cost of those points and crossings?—I could not give you the value. I had nothing to do with the material.

477. Can you tell us the number of the points and crossings?—About eight sets of points and crossings, I think.

478. What was the cost of the platelayer's cottage at Belgrove?—About £220; and the shifting and conversion of the Stationmaster's house at Belgrove I put down at £150; and the shed and the office which the company left I put down at £170. The iron building I put at £120, and the office at £50.

WESTPORT.

WEDNESDAY, 27TH FEBRUARY, 1901.

JOHN SNODGRASS examined on oath.

1. *The Chairman.*] You are District Surveyor, residing in Westport?—Yes.
2. *Mr. Bell.*] How long have you been in this district?—Twenty-one years.
3. Are you fairly well acquainted with the value of land in the Town of Westport?—Yes.
4. You have had a list supplied to you of sections owned by the Midland Railway Company, and still unsold?—I have.
5. Have you prepared a valuation of these unsold sections?—Yes.
6. Will you hand it in?—I put in the following list of the sections and their present values, ranging from £5 to £15, viz:—

Town of Westport.—Midland Railway Sections.

Section.	Value.			Section.	Value.			Section.	Value.		
	£	s.	d.		£	s.	d.		£	s.	d.
352	10 0 0	678	...	...	5 0 0	706	...	...	7 10 0
443	10 0 0	679	...	...	5 0 0	707	...	...	7 10 0
607	10 0 0	680	...	...	5 0 0	708	...	...	7 10 0
709	12 0 0	681	...	...	10 0 0	709	...	...	12 0 0
610	10 0 0	683	...	...	10 0 0	712	...	...	7 10 0
611	10 0 0	684	...	...	5 0 0	713	...	...	7 10 0
616	10 0 0	685	...	...	5 0 0	714	...	...	7 10 0
624	10 0 0	686	...	...	5 0 0	716	...	...	7 10 0
626	15 0 0	687	...	...	5 0 0	717	...	...	12 0 0
643	7 10 0	688	...	...	5 0 0	718	...	...	12 0 0
645	7 10 0	689	...	...	10 0 0	719	...	...	7 10 0
646	7 10 0	690	...	...	10 0 0	720	...	...	7 10 0
647	12 0 0	691	...	...	5 0 0	722	...	...	7 10 0
664	7 10 0	693	...	...	5 0 0	725	...	...	15 0 0
665	7 10 0	694	...	...	5 0 0	726	...	...	10 0 0
666	7 10 0	695	...	...	10 0 0	727	...	...	10 0 0
667	7 10 0	697	...	...	12 0 0	728	...	...	10 0 0
668	12 0 0	698	...	...	7 10 0	733	...	...	10 0 0
669	10 0 0	699	...	...	7 10 0	734	...	...	10 0 0
670	5 0 0	700	...	...	7 10 0	737	...	...	15 0 0
671	5 0 0	701	...	...	7 10 0	746	...	...	15 0 0
673	5 0 0	702	...	...	7 10 0	747	...	...	10 0 0
674	5 0 0	703	...	...	12 0 0	748	...	...	10 0 0
675	10 0 0	704	...	...	12 0 0				
676	10 0 0	705	...	...	7 10 0				
677	5 0 0								
								74 sections			£640 10 0

7. You know of some sales that have been made by Mr. Slee?—I do.
8. What is Mr. Slee?—He is agent for the Midland Railway Company in Westport.
9. He is a commission agent here, who has acted on behalf of the company and the Receiver?—Yes.
10. And you know that sales have been made by him?—He furnished me with a list of sales made by him.
11. Do you remember the number of sections he has sold?—Forty-nine sections.
12. Do you know the prices realised for that land?—From £7 10s. to £15 per section.
13. Do you know when these sales were made by Mr. Slee?—He sold two sections yesterday. I do not know when he got the agency.
14. How long ago, roughly?—I think, within a year, so far as I recollect.
15. Do you know what he sold the two sections yesterday for?—£10 each.
16. That list shows, in your opinion, the selling-value of the sections according to your capacity for judging?—Yes.
17. What are the total seventy-four sections valued at?—£640 10s.
18. You have a plan, I think, showing the position of these sections?—Yes.

19. *Dr. Findlay.*] The most of this information has been obtained by you from Mr. Slee?—It has.

20. Did he give you any statement in writing, or is the list simply a recollection of what he told you?—I noted on my list from his prices.

21. I understand you to say that some forty-nine sections have been sold?—Yes.

22. How many remain unsold?—Seventy-four, I think.

23. Do you know that these sections have been in the market for many years?—Of course, they have.

24. And I suppose it is fair to assume that the sections which have been bought are probably the best sections of the whole number?—No doubt they are selected.

25. Then, you would not infer that the remaining sections would bring as much as those that have been sold?—They have been valued rather less. I do not think they will bring as much.

26. Do I understand you to say that if the company endeavoured to push the sale of these sections within the next year—if they had only a year in which to sell them—do you think the prices you fix would be obtained?—I think they would within twelve months.

27. They would be bought to hold?—Yes.

28. Not to be built on?—Either to build or to speculate with.

29. That is your best opinion: that if they had to be sold within a year—of course, I am giving you the assumption that they are sold to the best advantage in the year—you think they would bring what you have put before the Commission?—Yes.

30. *The Chairman.*] How does the value of sections in this town now compare with the value three or four years ago?—I think they must be increasing slightly in value in the last three or four years.

31. Were these sections ever submitted to public auction?—I am not positively certain, but I assume they must have been.

32. You stated the company sold forty-nine sections?—Yes.

33. Do you know what these sections sold for within the last two or three years?—Yes.

34. Is there any reason for valuing these sections less now than what you did a few years ago?—Yes; because they are in a worse situation in regard to the town, and there are also a good many wet sections which require filling before they can be utilised.

35. *Mr. Bell.*] Your district extends to Inangahua?—Yes.

36. The Midland Railway reservation has been upon all the lands in that district?—Yes.

37. You have a plan, I think, showing the mining reserves?—Yes.

38. You know the land in the district?—I do.

39. You know the Inangahua Valley?—Yes.

40. Part of it is reserved for mining?—Yes.

41. I ask you to confine your attention to the part not so reserved which has been in the Midland reservation, now withdrawn: assume that the railway will stop at Reefton, and will not be carried on to Inangahua, will there be a considerable increase of settlement in the Inangahua Valley?—I should think so. There is very little land available, excepting the Inangahua Valley, that the railway would tap at Reefton.

42. So that, in your opinion, traffic on the railway would be advantaged by settlement in the Inangahua Valley and by the opening-up of other lands?—Yes.

43. Now, excluding the mining reserves, how much land is there in the Inangahua Valley fit for agricultural purposes?—Roughly, I have been looking over the area, and I think about 20,000 acres will be available for agricultural purposes.

44. *Mr. Fraser.*] Do you mean grazing?—I mean ploughable land.

45. *Mr. Bell.*] And, in your opinion, the produce of those 20,000 acres would find its way to Greymouth from Reefton?—Well, the railway would be the outlet for it.

46. I think you have not been asked to make a calculation as to what that would add to the traffic?—I have not.

47. *Dr. Findlay.*] You think about 20,000 acres would be available for agricultural purposes?—Yes; that includes lands that have been actually sold. The 20,000 acres is all the available agricultural land in the valley.

48. *Mr. McKerrow.*] Do you mean land still open for settlement?—No; I mean that is a calculation, roughly, of the available agricultural land that exists in the valley.

49. *Dr. Findlay.*] What area is now occupied?—I am not prepared to say, but I should think probably 7,000 or 8,000 acres.

50. That means about 12,000 or 13,000 are still available?—Yes.

51. Mr. Bell asked you what area, excluding the mining reserves, is in the valley, and you said 20,000 acres?—Yes.

52. And that includes land already settled?—Yes.

53. I want to know, for a purpose, what additional area available for agricultural purposes was in the mining reserve?—We had it at about 5,000 acres. It was merely guesswork.

54. Would there be any further area in addition to this 20,000 acres available for settlement, not ploughable?—Oh, yes, a great deal of the hilly country is suitable for grazing.

55. Now that the Midland Railway reservation is broken up, do you apprehend there will be any settlement?—There will be, no doubt, in the future.

56. What area do you think—of course, it is only an approximation—may be sheep-farmed?—Well, I cannot say without scaling it on the maps. There is a very great deal of good limestone country between the Inangahua and the Buller which would make very good grazing country.

57. What, in a rough way, would the area be?—I should think there would be 40,000 or 50,000 acres if you take the hills as far as the timber goes.

58. And the products of these grazing-farms would no doubt find their way over the railway from Reefton to Greymouth?—Yes, part of it would, I believe; the other portion might go to Westport.

59. Then, agricultural settlement and grazing settlement might be expected within comparatively few years now that the reservation is gone?—It takes time to settle country; but, as the better land is selected, people in the North Island come here now looking for land.

60. And you think the breaking-up of this reservation will mean very large settlement?—Well, it will mean assisting settlement and causing settlement to form.

61. The rate of settlement, then, in the past under the control of the company would be no guide as to the rate of settlement in the future now that the reservation is gone?—No, I should think not.

62. *Mr. Bell.*] In your estimate of the 40,000 or 50,000 acres, have you included the land the produce from and the goods to which have to pass through the Buller Valley at the junction?—I have included land in the Buller Valley, certainly.

63. What is the distance by dray from Inangahua Junction to Reefton?—Twenty miles.

64. And how far from Inangahua Junction to Westport?—Twenty-six miles.

65. Excluding for a moment the Inangahua Valley, can you imagine produce which reaches the junction being taken up to Reefton and there put into the railway rather than being taken from the junction to Westport?—I should think the valley could not export produce at all excepting to Greymouth.

66. I am excluding the Inangahua Valley: I am supposing the produce of the sheep-farms, or anything else you like, which has to go by dray to Inangahua Junction. Now, at Inangahua it will either turn up the valley to get into the railway at Reefton and have two handlings more, or it will go to Westport and be delivered into the steamer at Westport: can you imagine produce being taken by the railway under these circumstances?—It would all depend on the cost of cartage.

67. But you told me the distance is something more?—The difference is six miles between the two. If the traffic comes from the limestone country it would go to Westport; from any part of the Inangahua Valley it would go to Reefton.

68. With the exception of land in the Inangahua Valley, supposing the railway be carried not further than Reefton, is it your opinion that any part of the produce of the lands will go to Greymouth, or that any part of the supplies for those lands will come from Greymouth?—I should not think that any land in the Buller Valley would assist the railway whatever.

69. Or land of the hills, which go first into the Buller Valley and then up the Inangahua Valley?—They would not take produce that way at all.

70. *Dr. Findlay.*] 40,000 acres or 50,000 acres are mentioned by you?—Yes.

71. Can you tell me, roughly, what locality that land lies in?—The great portion of it is in the Inangahua Valley. There would only be a few thousand acres in the Buller Valley.

72. Can you give me a rough proportion—one-third, a quarter, or one-fifth—of the 50,000 acres?—There might be a fifth.

73. That is about 10,000 acres?—I do not know that there would be a fifth.

74. Probably less than a fifth?—Yes.

75. Then, less than a fifth, on the grounds put to you by Mr. Bell, would go to Westport?—Yes.

76. The remaining four-fifths would go to Reefton?—Yes.

77. *The Chairman.*] Is this land you refer to up the Dee Valley?—I refer to the land from the Blackwater to the Inangahua.

78. That is entirely on this side of the junction?—Yes.

79. Do you think the produce from that land will come this way or go to Reefton?—I think any from the Blackwater will go to Westport.

80. Now, the four-fifths that will go to Reefton, where is that locality?—All the slopes of the hills on the east side of the Inangahua Valley, and the hills on each side of the valley up to Reefton.

81. And the produce from there and the goods to the settlers will come from Reefton?—Yes.

82. Which way does the traffic go now?—I think this way; part of that is served by Westport now, excepting the Inangahua Valley.

83. The bulk of the traffic from the settlers there is from Reefton now?—Yes.

84. Take from the Dee up to the Lyell and the south side of the Buller Range: do you think the traffic will come from and go to here or Reefton?—At present I should say about half the traffic from that district goes to Reefton and half to Westport.

85. That is, by the road from Inangahua on towards Longford?—Yes.

86. One-half goes each way?—Yes.

87. Now, as to the mining reserves, do you think these reserves are likely to be settled for settlement purposes of any kind?—Oh, yes; they will be settled in the future.

88. That is, both for agricultural and grazing purposes?—Yes.

89. Did you include any of the mining reserves in your estimate?—No.

90. What is the area of the mining reserves?—I estimate about 5,000 acres of mining reserves to be agricultural land, but there are 16,000 or 17,000 acres of mining reserves altogether.

91. Would the rest be suitable for grazing purposes?—Yes.

92. *Mr. McKerrow.*] You said there were 7,000 or 8,000 acres of agricultural land in the Inangahua Valley already taken up?—Yes.

93. What is the product from that agricultural land: is it grain?—No; mostly stock and potatoes and garden produce.

94. Is it dairy produce?—Yes, there is dairying too.

95. Then, the land taken up, or the greater part of it, is simply grass land at the present moment?—Yes.

96. And are there not climatic reasons against growing grain?—They say it is rather wet in some parts of the season, and grain does not ripen well.

97. Are the oats for the district imported to or grown in the district?—Most are imported, but the farmers in the Inangahua Valley grow their own.

98. Suppose all these hills to be down in grass, is it your opinion that they would be simply additions to the present holdings on the 7,000 or 8,000 acres?—I think there would be a number more settlers, because usually settlers on the West Coast have not the means to clear the hills. I think we would get another class of settlers to take up large areas of these hills.

99. Would there be suitable homesteads exterior to the 7,000 or 8,000 acres already occupied for working these hills?—They would get a portion of the flats to work with the hills.

100. Some of these flats are still vacant?—Yes.

101. In what size of holding could the hills be profitably worked?—For ordinary grazing—runs it would require 2,000 acres.

102. So that the 40,000 or 50,000 acres gives about twenty or twenty-five settlers more?—Yes.

103. *Mr. Fraser.*] You made a remark just now, in reply to Mr. Bell, that you could not conceive much produce from the Inangahua Valley would come here when it had Greymouth to go to: does that mean that Greymouth is a better market than Westport?—Any produce at present is used in Reefton. I do not think they send any produce to Greymouth; but Greymouth is considered a better market for stock than Westport.

104. *Mr. Hudson.*] You say that there is available about 20,000 acres of arable land in the Inangahua Valley, of which about 8,000 acres have been taken up, leaving 12,000 acres still to be settled?—Yes.

105. In what areas would that 12,000 acres be divided—in other words, how many settlers could be provided for?—The holdings would be from 50 acres to 300 acres.

106. *The Chairman.*] How much of the Midland Railway reserve is included in your land district?—There was 67,000 acres of mining reserve made in this district, and, of course, the whole coast up to Kongahu Point. I have been estimating that there are about 500,000 acres of Midland Railway land in the county.

107. How much of the 500,000 acres could be used for grazing, and how much is arable land?—Only a small portion of it is fit for arable land; I cannot say exactly, but I do not suppose 10 per cent. of it is.

108. What percentage do you think is suitable for grazing?—It is all more or less suitable for grazing, except the very worst of the hilltops, such as the Denniston hilltops.

109. Would there be 400,000 acres out of the 500,000 acres suitable for grazing?—Yes, more than that. I should not think more than 20,000 acres would be unfit for grazing.

110. What percentage of the increased population in your land district would be likely to travel over the railway-line to Christchurch?—A very small percentage.

111. What proportion do you reckon would go from Reefton to Greymouth by the railway?—Not very many. It all depends on the state of the Greymouth bar; if it is not workable, people go by way of Reefton.

112. Do you think more people will go that way in ten years' time than now?—I have no doubt there would be.

113. Would that be due to increase of population or change of habits in travelling? Are you aware that more people travel from here to Greymouth since the railway was made to Reefton than were in the habit of travelling before the railway was made?—I am not aware of it as a fact; but I should say there were more travelling to Greymouth since the railway has been at Reefton.

114. Now, following that up, do you think that an increase of population in that district will bring a similar percentage of that increase to the railway from Reefton to Greymouth?—I think, as the population increases the percentage will remain about the same.

115. Do you anticipate a considerable increase of population or settlement within the next ten or twelve years owing to the Midland Railway reservation being removed?—I do not think there will be very much increase of population, but we shall have considerably more settlement in the future than we have had in the past ten years.

116. Can you tell us what area has been settled in the last ten years in your district?—Practically none since the land was locked up.

117. Has there been any outside the railway reservation?—A little at Karamea; that is the only district outside the reservation.

WILLIAM ROBERTS examined on oath.

118. *The Chairman.*] You are Inspector of Permanent-way, and reside at Westport?—Yes; Westport is my headquarters.

119. *Mr. Bell.*] When did you last inspect the permanent-way on the Nelson-Belgrove Railway?—At the end of July and beginning of August last year.

120. You then inspected the whole of the permanent-way from Nelson to Motupiko?—Yes.

121. You saw it again last week?—Yes.

122. Was it in the same condition last week as when you saw it in August?—Much the same.

123. Has there been any ballasting put on the line since?—No.

124. I think you found it short of ballast?—Yes.

125. You found that the banks required some making up?—Yes.

126. Have they been made up since?—No.

127. Then, the line in July last was in the same condition as when the Commissioners saw it the other day?—Yes.

128. *Dr. Findlay.*] Do you know anything of the condition of the line in May, 1895?—No.

129. Between May, 1895, when the Government took possession, and July, 1900, when it was confiscated?—I was there in 1899; that was the first time I was there.

130. Do you know whether any ballasting was done between May, 1895, when the Government took possession, and the date of your inspection in July last year?—Yes.

131. Do you know why that ballasting was done?—There had not been enough put on in the first instance.

132. Then, the line was not properly ballasted in the first instance?—It was bare of ballast—that is, as far as I can say. I was not there in 1895; I am speaking from what I saw in 1899. The line may have been fairly well ballasted, but the banks had settled down.

133. Who did the ballasting?—I do not know.

134. Since you first saw the line in 1899 has there been some ballasting done to it?—Yes.

135. To what extent?—I could not say exactly as to the quantity.

136. In the roughest way, what amount of money was spent in ballasting at that end?—I could not say; Mr. Richardson could give you an idea as to that.

137. Could you give any idea as to what it would cost to ballast the line now?—It would take close on 2,000 yards of ballast—I mean from Belgrove to Motupiko.

138. Do you know the part constructed by the company?—Yes.

139. Can you allocate the 2,000 yards, and tell us how much of the ballast would have to go to that piece?—Roughly speaking, about 1,000 yards. I am speaking now of the line from Belgrove to Norris's Gully.

140. What would the cost be on that piece of line with the facilities that are there?—It would cost from 2s. to 2s. 6d. a yard.

141. About £100 would do it?—Yes, about that.

142. You have no other fault to find with that piece of line?—The banks required widening and making up.

143. Is that from the wear-and-tear of time, or were they improperly constructed to begin with?—I could not say.

144. What would it cost to put the banks right?—About £200.

145. Then, £300 would put that piece of line in fairly good order?—Yes.

146. *Mr. Bell.*] You are an officer of the Working Railways?—Yes.

147. And the Public Works Department handed this piece of line over to the railways short of ballast?—Yes.

148. Is that a common complaint of the Working Railways against the Public Works Department?—I do not know, but it was so in this case.

149. Do you know when the Working Railways took it over?—I think, about March, 1899.

150. Then, with regard to the width of the banks, is the Public Works width different from the Working Railways?—14 ft. is the Working Railways width. I do not know that the Public Works make it so wide.

151. When the Order in Council was issued was the railway in the same condition as when you saw it last week?—Much the same; very little difference.

152. *The Chairman.*] If the Public Works Department handed over the line properly ballasted, and with the banks made up, would it have required more fixing in July, 1899?—The line required regauging in places; some parts of it were tight and some slack.

153. You say the Public Works Department handed over the line to the Railway Department in 1899?—Yes.

154. Supposing that line was handed over to the Railway Department in first-class condition as regards ballasting, &c., would there be any necessity to spend £200 on it, as you stated, a few months afterwards?—No, not so much.

155. Would it have wanted anything?—Not in that time; it is only a short time.

156. Are you aware that those banks had been formed before it was handed over to the Railway Department?—I do not know.

157. Supposing it had been formed seven or eight years before the permanent-way was laid, should there have been any settlement after that time?—In some cases it will settle down longer than that.

158. Would the settlement be of an extensive nature after being constructed for seven or eight years?—I should think not.

159. What condition was the rolling-stock in?—I had nothing to do with the rolling-stock.

160. *Mr. McKerrow.*] You said the line required regauging in some places: what did it cost?—5s. a chain, perhaps.

161. How many miles is it?—I suppose, seven miles.

162. That would be about £140 in putting it to gauge?—Yes. I may say that it is usual to go over the line after it is taken over from the Public Works Department and regauge it.

163. *Mr. Fraser.*] You said that out of the 2,000 yards it would require 1,000 yards from Belgrove to Norris's Gully and 1,000 yards from Norris's Gully to Motupiko: the distances are not equal?—The line is bare of ballast from Norris's Gully to Motupiko.

GEORGE EDWARD RICHARDSON examined on oath.

164. *The Chairman.*] You are District Engineer, residing at Westport?—Yes.

165. *Mr. Hudson.*] When did you leave Nelson for Westport?—13th May, 1900.

166. And when did you go to Nelson in the first instance?—9th February, 1897.

167. You were in charge continually from one date to the other?—Yes.

168. Then, you were in charge at the time the railway was handed over by the Public Works Department to the Railway Department—I think, on the 1st March, 1899?—Yes.

169. Can you state the condition of the line and rolling-stock at that time?—The rolling-stock was all new at that time. There were ten L wagons and two K wagons, all new. They were in perfect running-order.

170. Were there any tarpaulins on the line belonging to the company?—Ten.

171. In what order were they?—They were new.

172. What was the condition of the running-track?—It was in fair order. It was bare of ballast all through—the banks wanted making up; and the line wanted regauging.

173. Can you give us any information as to whether there was an amount allowed for maintenance from the Public Works Department immediately after handing over the line? You know it is customary for the Public Works Department to allow a certain sum for maintenance during the first three months: did you have any authority for that?—Not that I remember.

174. You do not remember any such authority being issued?—No; repairs on that line were always kept separate from the Government part—Nelson to Belgrove.

175. It was charged to the Revenue Account practically?—Yes.

176. What was the state of the line and rolling-stock at the date you left?—The rolling-stock was in good condition; the tarpaulins were in good condition. There was just the ordinary wear-and-tear.

177. As to the running-track?—It was in very fair condition. From Belgrove to about three-quarters of a mile on the Belgrove side of the tunnel had been regauged, and a small portion between the tunnel and Norris's Gully Bridge had had a little ballast put on to it in very bare places.

178. What was the condition of the track on the 13th July, 1900, comparing it with the condition when handed over to you in 1899—I am referring to the line from Belgrove to Norris's Gully?—It was in better order.

179. In every way?—Yes.

180. *The Chairman.*] Do you mean in better condition for durability?—I mean for running purposes.

181. *Mr. Hudson.*] Was there any ballasting done on the line during your charge between Belgrove and Norris's Gully?—Twelve trucks of ballast were put on.

182. Was that ballasting done during your charge?—Yes, on that portion—the Belgrove-Norris's Gully portion.

183. Now, I wish to ask you some questions with regard to the prospective traffic on the railway between Belgrove and Norris's Gully. Assuming that it is fully equipped for traffic, but does not go any further than Norris's Gully, what business would be likely to accrue to the railway?—Very little indeed, I should think.

184. Why do you express that opinion—you have got an extension of the railway to that point?—There is not much settlement close to Norris's Gully, and people have to drive a considerable distance with their produce, and when once they get it there they might as well go over the hill with it. The majority of them go into town with their produce, and see it sold. Of course, it will increase to a certain extent; but I think if it stopped there the increase would have been very small.

185. What class of traffic did you have during the period of your charge?—General merchandise principally, and two dredges went through.

186. What produce?—A small quantity of hops going from Motupiko, and perhaps 500 or 600 bales of wool, and a few trucks of firewood.

187. Would that traffic have gone on the railway at Norris's Gully, assuming the railway had stopped there and did not go to Motupiko?—Hops and wool?

188. Yes?—I think not; I think it would have gone over the hill by the road.

189. Why do you think that, seeing it would have saved a great deal of uphill?—My reason is this: that they have done so since the railway has been to Motupiko. I cannot say for certain. I do not know the district personally. I think if the line stopped at Norris's Gully they would go straight into Nelson with their hops, and see them sold.

190. Do they do that from Tadmor?—Yes, as a general rule; they have to make arrangements for selling, and have to go into town themselves.

191. Do they drive their hops right into town?—To Belgrove.

192. If they put their hops on the railway at Belgrove, why not also at Norris's Gully?—Possibly they would if the freight suited. I may state that these wagoners have six- and eight-horse teams, and they must have separate accommodation.

193. At Norris's Gully there is no accommodation for the men and horses, and therefore they go on to Belgrove, where there is accommodation?—Yes; there is accommodation for the men and horses there.

194. The returns of revenue you rendered do not contain any traffic due to construction-works?—There was a 3-ton crane taken up to the Motupiko station-yard—that was done after the line was open for traffic; but there was very little else. There was the crane and the material for making the concrete foundation. That is as far as I remember.

195. Am I to understand from your evidence that, assuming the line stopped at Norris's Gully, in your opinion there would be very little business carried over the railway at all, or that the business due to the increase of settlement would increase if it stopped there?—I think the increase would be very small.

196. And very little business in any case?—Yes, I think so.

197. *The Chairman.*] Coming to the rolling-stock, you say that was in good condition?—Yes.

198. None of the trucks required painting?—No.

199. And the tarpaulins were practically as good as new?—Yes; I think we had three in the shops for repairs during that time.

200. What do you value them at when new?—Something like £5 each, I think, but I am not sure.

201. What class of sleepers are in the line from Belgrove to Norris's Gully?—There are some silver-pine, but the majority are birch.

202. What do you estimate the life of a birch sleeper at there?—It varies a good deal. I should think from five to seven years.

203. What do you estimate to be the life of a silver-pine sleeper?—We have not had enough experience of that yet. I may state that a good many new sleepers have been put in between Spooner's Range and Belgrove.

204. That was before the line was opened at all?—After we took charge of it. We repaired the sleepers immediately after. I think there were one or two hundred.

205. What percentage ought to be allowed for depreciation of the line from the time it was constructed till July, 1900?—The departmental reports would show that. The decrease would be nothing on the rails, because there was next to no traffic. There was light traffic, and a very small engine running.

206. Was there any construction-work after you took control?—No.

207. *Dr. Findlay.*] You were asked by Mr. Hudson to express an opinion with regard to the prospective increase of traffic over the piece of line between Norris's Gully and Belgrove?—Yes.

208. And you expressed the opinion that little or no increase was to be anticipated?—Yes.

209. You gave as one of your reasons that the traffic at the present time goes to the Belgrove Station and is put on the train there?—Yes.

210. How long had the line been running before you left?—About twelve months.

211. You say that during that twelve months produce was taken to the Belgrove Station and put upon the train there?—Yes.

212. At a time when the train was running from Norris's Gully?—Yes.

213. In other words, settlers would cart their stuff over the hill and on to Belgrove?—Yes.

214. Would you say that a considerable portion of the produce was so carried?—I could not tell you the proportion.

215. Would there be three-fourths of it?—No.

216. Could you give a rough estimate?—I should say one-third of it.

217. What class of produce?—Hops.

218. Nothing else?—Nothing else to cart except wool.

219. Have you any other reason to give for the produce being carted to Belgrove except the one you gave—namely, that there was no accommodation for teamsters at Norris's Gully?—I do not know anything about the district—the value of the land.

220. Supposing Norris's Gully had been equipped with similar conveniences to those at Belgrove, would that traffic have still gone to Belgrove?—Yes, I think so.

221. So that it is not dependent on the conveniences at Belgrove at all?—No; it is the convenience of the grower.

222. Then, it must pay him better to cart the stuff to Belgrove than send it by train from Norris's Gully?—Yes.

223. If that is so, why would it not pay him better to take it right in to Nelson?—I cannot say.

224. Do you suggest that the teams can profitably compete with the railway in this part of the country?—I am not prepared to say.

225. What is the height of the hill they have to cross before they reach Belgrove?—I cannot say, but perhaps 1,000 ft.

226. The wagons have to ascend that 1,000 ft. to reach Belgrove?—Yes.

227. And you think it pays them better to do what you say?—I do not know whether it pays them better, but they do so.

228. Do you know anything of the country round about Belgrove or Norris's Gully?—No.

229. You do not know whether it is fit for settlement or not?—Norris's Gully is not.

230. Do you know anything about the country which lies beyond Norris's Gully?—No.

231. How can you say whether or not there is likely to be any increase in settlement there? Do you know anything about the chance of settlement beyond Norris's Gully?—No.

232. You cannot say what the prospects are of increased traffic on this line from increased settlement?—No, I cannot.

233. *Mr. Bell.*] When you were in charge a separate account was kept, was it not, of the traffic on this particular portion of the line?—Yes.

234. And full rates were charged, were they not—separate rates?—Yes.

235. Because it was the Midland Railway Company's receipts?—Yes.

236. So that there would be two charges—the charge from Norris's Gully or Motupiko to Belgrove—full rate—and then another full-rate charge from Belgrove to Nelson?—Yes.

237. The rate, of course, now from Motupiko to Nelson would be less than it was in your time?—Yes.

238. It is possible that may have made a difference to the people?—Yes.

FRANK SLEE examined on oath.

239. *The Chairman.*] What is your occupation?—I am a land-broker, residing at Westport.

240. Are you acting as agent for the Receiver of the Midland Railway debenture-holders?—Yes, in connection with the sale of these Westport sections.

241. There are some of these sections not yet sold?—Yes, a few.

242. How many?—That is shown in the list submitted by Mr. Snodgrass.

243. I want the value of the sections unsold, and the number unsold on the 8th February?—They are valued from £5 to £15.

244. Is there any reserve on any of them above that amount?—No; I sold them from £5 to £15, according to where they were placed.

245. Have you ever submitted them to public auction?—Never.

246. Do you think they would have fetched any more if they had been submitted to public auction?—No, I do not.

247. *Mr. Bell.*] They seemed to go off pretty readily at these reserve prices?—At first I sold a good many, but since some now front on to streets not formed they are going off slowly. I have sold three within the last week.

248. What did you get for them?—I got £10 each for them—my reserve.

249. Have you sold any above your reserve?—None whatever.

250. *Mr. Fraser.*] Are the sections left unsold of equal value to the forty-nine you have sold?—Yes, I should say they are, pretty nearly. Certainly, you cannot get to those now unsold so well as you can to the sold sections. As you sell the sections they make roads or approaches to them, so it is easier to get at them.

251. Do you think the remaining seventy-four sections, if they had to be sold within the next twelve months, would realise as much per section on an average as those you sold?—No, because very many are marked at £5, and some at £7 10s. The first lot sold were at £10 and £15—£15 for corner sections and £10 for intermediate sections.

252. Then, the unsold sections are not as valuable as those sold?—No.

253. *Dr. Findlay.*] In fixing the reserve it was largely your opinion of the value?—Yes, I was asked my opinion.

254. You have made every effort to sell at the best price?—I have.

255. And in no case have you exceeded the reserve put upon them?—Never once.

256. I may take it you have made the most profitable sale of these sections that could be made?—I think so.

257. *The Chairman.*] Do you pay the rates on these sections to the Borough Council?—No.

258. You never have?—No; I believe the Midland Railway pays the rates.

259. Do you know what they are valued at for local rating?—No; I have never taken the trouble to look it up.

260. You are in the habit of valuing land inside and outside the borough: what is the value of land per acre immediately outside the borough boundary?—My opinion of the land is that it is of very little value.

261. Do you know what people are in the habit of buying and selling land for on the borough boundary in the vicinity of these sections?—I do not think they would get £20 per acre outside the borough.

262. Do you know of any sales that have taken place for less?—I cannot bring them to mind at the moment.

263. *Dr. Findlay.*] Some are wet and under water?—One or two are, but the generality of sections are dry. I have not been over them myself, but I sent a man over them, and his opinion was that they are all good and dry sections; only there are big stumps on a number of them, and some are not gettable at present.

GREYMOUTH.

MONDAY, 11TH MARCH, 1901.

HENRY WILLIAM YOUNG examined on oath.

1. *The Chairman.*] What is your occupation?—I am a civil engineer.
2. Residing at?—Greymouth.
3. *Dr. Findlay.*] You were engaged on the Brunner Railway in 1874?—Yes.
4. What were you on that railway?—I was contractor's engineer.
5. You were also engineer for the Westport inclines and railway?—Yes, in conjunction with my brother, R. A. Young.
6. You were contractor's engineer on the Mount Rochfort Railway?—On some sections of it; and also engineer for the then Coal Creek Company and the Point Elizabeth Company syndicates, and in connection with other railways.
7. Under Mr. Napier Bell, you carried out the Cape Foulwind Railway?—Yes; at Westport.
8. You have had a large and varied experience in railway-construction in this colony?—Yes.
9. Now, coming to your connection with the Midland Railway, I think it was in 1886 that Mr. Napier Bell was engaged by the company's engineer, Mr. Wilson, in England, to act as the company's engineer in this colony?—Yes; that was towards the end of 1886—about October, probably.
10. Well, now, were you appointed by Mr. Napier Bell as principal assistant?—Yes.
11. To act with him as engineer?—Yes.
12. Mr. Bell, I think, continued to act as engineer until about 1891?—It was the end of 1891 when he retired to devote himself to his extensive consultation practice.
13. And you were, I believe, continuously engaged from the end of 1886 until about the beginning of 1896 in connection with the Midland Railway?—Yes.
14. Mr. Wilson, I think, came to the colony about May, 1887?—So far as I can recollect.
15. And he returned in about three or four months?—Yes, a few months later.
16. When did he come back to the colony after that?—He came about August, 1889.
17. How long did he continue in the colony?—I forget how long; then he returned Home again.
18. You do not know how long he was in the colony at that time?—Not from memory. I can get the dates.

19. What I want to get at is this: After Mr. Bell retired in 1891, what was your office in connection with the railway?—Then I was chief assistant directly under Mr. Wilson, and I was in charge of the engineering department when Mr. Wilson was at Home.

20. Who was executive officer for the staff and works?—I was throughout. I was chief of staff throughout the whole time I was engaged.

21. That is, from 1886 to 1896?—Yes.

22. Well, now, in this capacity did you control or supervise all surveys?—Yes.

23. All surveys?—Some of them were supervised by Mr. Bell himself when he was otherwise disengaged.

24. But that would be but a very small proportion of the surveys, I suppose?—That would be a portion of them, but they took up some of my time.

25. You had immediate supervision over all the surveys except those supervised by Mr. Bell, and over the latter surveys you still had a general supervision?—I looked after the staff engaged on them, Mr. Bell's instructions usually going through me.

26. So that in every case you would have some kind of supervision over the surveys?—Yes.

27. Who acted as officer for buying land?—I did.

28. All the lands bought by the company for railway purposes?—All, excepting some for the Springfield Section. Those were dealt with from Christchurch.

29. But all on the West Coast and in Nelson you had to deal with?—Yes. This business was done directly under Mr. Wilson or Mr. Scott—whoever was general manager at the time.

30. Did you prepare all the plans, structural drawings, specifications, and estimates of the Reefton line?—Yes, subject to Mr. Bell's instructions.

31. Of the Kaimata to Jackson's Section?—Yes, in similar manner.

32. The Belgrove to Norris's Gully Section?—Yes; that was surveyed by contract, supervised by Mr. Bell or myself; but I had the general control of it during construction.

33. The issue of the plans?—The plans passed through my hands.

34. And the specifications too?—Yes, they were prepared by me. The field-work was done by Dartnell, and the plans were completed in the office here under my charge principally.

35. Of the Springfield to Patterson's Creek Section?—The survey of that was supervised by Mr. Bell himself. He had previously surveyed the line for the Government.

36. Who prepared the drawings, specifications, and estimates?—They were prepared in Grey-mouth by the staff, Mr. Bell himself being also engaged.

37. That is, of the Springfield to Patterson's Creek Section?—Yes.

38. Now, had you anything to do with the proposed Jackson's to Arthur's Pass to Patterson's Creek Section?—Yes; those surveys also were done from the Greymouth office.

39. Had you general charge of all the contracts and construction of the Brunner-ton-Reefton Sections, the Stillwater-Jackson's Sections, and the Belgrove to Norris's Gully Sections, and of all station-yards, buildings, and incidental works?—Yes. The Springfield end was really administered from Christchurch, although the specifications were prepared here and the surveys came from this office. The inspection was looked after from Christchurch, as it was too far to go from here.

40. But the preparation of these documents went through the office here?—Yes.

41. Well, then, I may take it that you have probably a more intimate knowledge of the whole of the Midland Railway construction and purchases and surveys than anybody else in the colony?—Yes.

42. Now, through whose hands did the certificates of payment of moneys to contractors go?—They all passed through mine.

43. For examination?—Yes, and checking. Then they were passed on to be signed by Mr. Bell or Mr. Wilson, or by both, so that they generally had three signatures to them.

44. At any rate, speaking for yourself, you had to examine and check them all?—I was responsible.

45. That applies to certificates of payment to both the English contractors and the colonial contractors?—Yes.

46. Now, the Commission have asked for the actual cost of surveys of each of the sections of railway, with the names of surveyors and number of staff with each surveyor, the period of employment, and the amount paid to each surveyor and his staff. Well, taking the Nelson line—and what you have got to say now applies to all the lines—can you comply with this requisition?—It could be complied with. We should have to go through all the imprest accounts and through all the ledger accounts, and it will take some considerable time and labour to do it, because it means going through and analysing all the imprest and ledger accounts for a period of about eight years.

47. Was there any division of this kind of the cost of survey kept in the books from the first?—No, not that I am aware of. I have not seen the ledger account of it, or how the total is made up.

48. Of course, if it were in the ledger there would be less difficulty?—It would be no difficulty at all.

49. It would take some days, I suppose?—Yes, it would take some time, naturally.

50. That is, assuming the accounts are available?—Yes.

51. Well, now, that applies to the actual cost of the surveys for each section: as to the names of the surveyors and the number of staff with each surveyor, you could get that information from the imprest accounts, I suppose?—Yes, that could be got easily. The men were always paid the current rate of wages.

52. Could you get the period of employment from the books?—Yes, I could get that from the same source.

53. And the amount paid to each surveyor and his staff?—Yes, that I could get from the imprest accounts.

54. Now, I take it that if the accounts are available, and the Commission desire it, you will furnish a statement of this character?—Yes.

55. I want you to give us the best information you can at present as to the actual cost of the surveys: what was the system?—A surveyor or engineer was put in charge of the field party. He had a sub-imprest for the payment of accounts and wages, and so forth, and he sent me in a monthly return of the expenses and wages of his party. Where there were several parties these were brought together in a general imprest return.

56. This return was signed or analysed by whom?—By me, generally.

57. And did you check the work?—Everything was checked.

58. The amount of work done, the wages paid, and so on?—Yes.

59. Assuming you found it in order?—Then these returns, with the vouchers attached, were sent to the accountant for the time being in Christchurch.

60. And there paid?—They were paid out of imprest, and the imprest was passed through as required, but they all came within a general audit; and if a voucher happened to be missing it was sent for by the auditor.

61. From what you know of the whole of the transactions, can you say whether the rates paid for the work were the ordinary rates for survey-work?—All the men employed were specially good men; they were all hard workers, and certainly the work could not have been done more cheaply.

62. You told the Commission you cannot speak with regard to the Nelson Section or any other section in particular, but you can get that detail later on?—Not without analysing the accounts.

63. Now, coming to the second head—the cost of the land bought—there you are asked to give certain information: you cannot give it at once, but I understand you will prepare a statement from the books?—Yes; I had such a return, but I do not know what has become of it. Of course, all this land was acquired by agreement and deeds of release through the solicitor. We got these deeds of release to protect the company. We paid a portion on account, and the terms of the agreement were embodied in these documents.

64. You can get the data required for answering the requisition?—Yes; but we want these agreements, if possible, because they embody the details.

65. But in the meantime you say you had the control of the purchase?—Yes, subject to reference to the general manager for the time being.

66. Now, taking the Nelson end, you had the negotiations for the purchase of land for the railway at that end: do you know what, if any, of the claims remain unsettled?—No claims are unsettled; but, in regard to the claim of Mrs. Morrison, I understand she never took up the cheque for the land.

67. Do you know where this land is?—It is between Belgrove Station and Foxhill.

68. Was the piece of land valued by any other valuers except yourself?—It consisted of a number of pieces of land, with some severances. It was a complicated case.

69. But were the whole of the interests to be taken away valued by valuers other than yourself?—Yes; by two valuers, recommended by Mr. Fell, the company's solicitor.

70. What were their names?—Mr. Sharp and Mr. Sinclair.

71. Do you remember what their valuation was?—I have a difficulty in speaking from memory, but I think the total was somewhere between £200 and £300. Her claim was about £1,300.

72. Did you increase the amount fixed by these two valuers in the offer you made to Mrs. Morrison?—We considered about £300 to be a fair compensation figure; but afterwards, and after some negotiation, the general manager agreed to give £500, really in order to avoid litigation, which would have been costly.

73. You thought £300 a fair market-value, and you increased it to £500?—Yes. It was negotiated through her agent, Mr. R. J. Reeves.

74. Was the amount accepted by her?—Yes.

75. Why was it not paid?—The cheque was with Messrs. Fell and Atkinson for payment, but Mrs. Morrison appeared afterwards to raise some difficulties, or to want some further concessions.

76. The cheque for £500 was lying in their office, but Mrs. Morrison kept raising difficulties and would not sign the deed?—Yes.

77. And the matter was put off from time to time owing to these difficulties?—Yes.

78. How long was it lying in Fell and Atkinson's office?—Some two or three months, to the best of my recollection.

79. Then the company got into financial difficulties and the cheque was not honoured?—It was withdrawn.

80. And it is plain that Mrs. Morrison is still entitled to that £500?—I presume so.

81. But, on the other hand, that £500 does not appear as a sum paid by the company for the acquisition of the land?—No.

82. That is the only claim you know of that remains unsettled in respect to the Belgrove Section?—Yes.

83. Still dealing with the question of land-purchases, can you say whether the land purchased for the railway was bought at the lowest market-price?—Yes, it was the lowest market-price, by which I mean the lowest possible under the circumstances.

84. Can you say whether more land was bought than was necessary for railway purposes?—As a rule there was not. At Totara Flat there was perhaps a little in excess of actual present requirements. Sometimes the amount of acreage taken does not make much difference, because if you took less area you would have to pay a higher rate for it, and more for damages.

85. It saves severance, also entry probably upon the other remaining portion of land, and so on?—Yes.

86. Speaking generally, you say, as the officer charged with these duties, that you did not buy more land than was necessary for railway purposes?—No, with that sole exception before mentioned; and the purchases and compensation were the very best terms that could be made.

87. These observations apply to the Belgrove Section and the whole of the West Coast sections?—Yes.

88. You had nothing to do with the Springfield purchases?—No.

89. You mentioned that there were some small claims at the Jackson's end: what is the position of these claims?—Agreements were made in each case with the claimant, and under them a certain amount, equal to about 75 per cent. of the compensation sum, was paid on their signing a deed of release and agreement to transfer. The remaining 25 per cent. was held over until the survey of land and the completion of the transfer. So far as I can recollect, there are four properties here in regard to which there are claims agreed to, but not finally paid off. One is that of Mrs. Evans.

90. There is a letter before the Commission from Mrs. Evans, in which she states, "I am writing in regard to land purchased from me by the Midland Railway Company, which has never been paid for. The area purchased from me was 6 acres, through which the line now runs, at £10 per acre—£60; £40 was paid at the time the line was constructed, and £20 has been owing ever since": what do you say about that?—I cannot recollect the exact details, but the letter bears out what I have said.

91. There may be, as she says, about £20 owing?—Yes.

92. What are the other cases?—One is in connection with a section beside Mrs. Evans's, and which then belonged to a man named McLoughlin.

93. Where does he live?—He lived then at Mr. Bruce's place.

94. Do you recollect about the amount due?—No. It was a small area, and is not a large sum.

95. It is a similar claim to Mrs. Evans's?—Yes.

96. And the next case?—Is that of Mrs. Jackson's, in regard to a section below the accommodation-house. The line goes through it.

97. Is that a similar claim?—Yes; it does not involve a large amount.

98. Was she paid £30 on account?—Yes. Then, there is Mr. Charles Clark's land near the Poerua Railway-station.

99. Do you remember what was paid to Clark?—It was paid in Christchurch, where he lives. The amount was about £75, and there would be about £25 still to pay. There were one or two sections—I forget their numbers—on the Jackson's line between Stillwater and Kokiri which belonged to Mr. Joyce. We had settled for other similar sections on a uniform basis of £15 per section. We cut off the frontage, and took some land. Mr. Joyce was offered the uniform price agreed to by others, but he would not accept it. He never took any action. The matter has simply been dormant.

100. So far as you know, that amount has never been paid?—It has never been paid, and has never been claimed, so far as I know.

101. You do not know whether it is one or two sections?—No; I would have to look the matter up.

102. Does that exhaust the unpaid claims?—Yes.

103. If there are any others that you recollect you will supply them to the Commission later on?—Yes, I will check any statements I make.

104. Then, the Commission want the area of land given by the Government on which the railway is constructed, each of the sections of railway to be shown separately: have you got that?—I suppose the Crown will give that.

105. I pass on to the fourth head, which is important—"The actual cost of construction of each of the sections of railway, showing items in the following order: (a) grading, (b) bridging, (c) tunnelling, (d) buildings and stations, (e) permanent-way, (f) fencing, and (g) rolling-stock, &c. The Commission will accept contractor's tenders, including schedules, for any work let by public competition, and also any additions to or deductions from any contract let by public tender." I am going to ask you to lead up to this by stating to the Commission what you know of these English contracts: you know the work done by the English contractors?—Yes.

106. Who were they?—McKeone, Robinson, and Avigdor.

107. Can you say whether these contracts were let by competition or not?—They were let in London. Nos. 1 and 2 contracts were let in London, and No. 3 contract was arranged, I presume by instructions from London, by Mr. Wilson in the colony, and confirmed from London. It was made really by the directors.

108. And confirmed in London?—Yes, because we got the printed documents out afterwards.

109. In effect, it was really let in England?—Yes, although it was arranged here.

110. Was that third contract let after the English contractors had started work here?—Yes.

111. This No. 3 contract, was it let by competition, do you know?—No, it was not.

112. You do not know whether the first two were let by competition or not?—No; I take it for granted they were not let by public competition.

113. I understand you have got all these contracts, with their schedule rates?—Yes.

114. So that the Commission may know how far that copy can be relied on, will you state how you come to have it?—It was a copy I had for administration, for my own reference.

115. It was supplied to you?—Yes.

116. As a copy of the contracts for administration purposes?—Yes; and in order to make out the certificates, &c.

117. You have no reason to doubt its accuracy as a copy?—No.

118. That applies to the three contracts?—Yes.

119. You can produce the copy to the Commissioners?—Yes; and I will put in a copy of the contract schedules when I have prepared it.

120. Now, you have gone through these contracts and the schedule rates?—Yes.

121. What do you think of the price paid for some of the classes of work?—The prices generally were higher than those for the local contracts.

122. Do you think the prices were in excess of what the work might have been done here for if offered for public tender?—It was in excess.

123. Now, can you tell me, or, if you cannot now, will you be able hereafter to tell me, the amount of work done by the English contractors, as represented by the certificates passed by you: have you got the certificates here?—I have got the certificates here; but perhaps it would be simpler to give you the amounts from the ledger account, and I will produce the certificates later.

124. *The Chairman.*] Can you tell us the total length of No. 2 section?—1 mile 16 chains.

125. No. 3 contract?—6 miles 67 chains.

126. What amount have you got down for these two in your schedule, either separately or together?—In this schedule I have got for No. 1 contract £94,413 10s. This amount I will verify later.

127. What length have you got for that?—7 miles 41·25 chains.

128. You cannot tell me at present what was the total amount paid to the English contractors?—I can tell by looking up the certificates, but it might take a little time. I could give it better in writing.

129. *Dr. Findlay.*] Does the amount shown in the certificates of payment to the English contractors represent the actual cost of the section completed by them or the work done by them?—Yes; it represents the cost of the work done by them. Then, there are the administrative charges to add, and there may be some materials, &c. No. 1 contract included rolling-stock and rails, and some of the rails were used in No. 3 contract. In no case is the total actual cost shown in the certificates. There must be added charges, and in some cases permanent-way and bridge materials, which come under separate heads.

130. *The Chairman.*] Was the contract for the completed line, or was it to only partially complete it?—No. 1 contract was for the completion of the line and to find all the materials. The contractors found the rails, and they found the bridge materials.

131. *Dr. Findlay.*] And No. 2 contract?—Was in the same category. In No. 3 contract the company found the rails, or, rather, transferred them from No. 1 contract, but the contractors found the bridge materials. This is shown in the contract itself in each case. In all other cases the company found the rails and bridge-girders.

132. But the ledger account ought to show the total cost?—Yes.

133. Now, can you tell me by how much the amount paid to the English contractors is in excess of what the work could have been done for under public tender in this colony?—I cannot tell you accurately without comparing all the items and knowing the ground. Anything else is rather mere guesswork.

134. I will put the matter this way, and it is important for the Commission to know this: Can you, by an examination of the English contracts, and from your knowledge of the country and the work done, arrive at an estimate of that excess?—Yes, I could do so.

135. Then, we will leave it on the understanding that you will at some later date produce a statement showing the amount of that excess?—Yes.

136. Well, now, I understand the sum of £12,500 was paid to the English contractors to determine their contracts: you know about that?—Yes.

137. Do you know whether that sum included a sum for plant and material which the English contractors passed over to the company?—I cannot say.

138. What is your recollection of it?—There were some buildings, plant, and materials in the colony, belonging to these contractors, passed over to the company, and I understand that it was thus dealt with at a valuation of about £2,000.

139. *Mr. Graham.*] And that was included in the £12,500?—I cannot say. This was done at Home, and I never knew the particulars. The item might be traced in the books by Mr. Dalston.

140. *Dr. Findlay.*] You do not know of any additional £2,000 paid over and above the £12,500?—I cannot say. It would be shown in the books.

141. There were some materials, plant, buildings, and so on passed over by the contractors to the company?—Yes.

142. You might make that another point to inquire into, whether that £12,500 included the material, and so on?—Yes. The cancellations refer only to the No. 1 contract. That contract really extended for about 25½ miles.

143. Now, I want you to show the Commission, if you have got the plan here, where the English contractors began to work and where they left off: I want you to point out and describe the work really done by the English contractors?—Taking the No. 2 contract section as it extends from Brunneron, it commences at a point 15½ chains west from the present initial peg—that is to say, the initial peg was afterwards shifted 15½ chains easterly by mutual consent. The contract length was 1 mile 16 chains, extending to a peg marked "12 miles 45·25 chains." No. 3 contract commenced at a peg marked "1 mile 41 chains," and extended to a point marked "8 miles 28 chains," near Nelson Creek, a distance of 6 miles 67 chains. No. 1 contract began at the terminal point of No. 2, at the peg then marked "12 miles 45·25 chains," and extended for a length of 25 miles 34·55 chains, towards Teremakau.

144. *The Chairman.*] How much of that was finished by the English contractors?—Section No. 1 was finished to the Kaimata Tunnel, the length being about 7 miles 39 chains. I shall have to verify this afterwards.

145. Then, as to No. 3 contract?—No. 3 contract began at a point marked “1 mile 41 chains,” near the Stillwater Junction, and ends at a point marked “8 miles 28 chains,” near Nelson Creek, and the total length of the contract was 6 miles 67 chains, or thereabouts.

146. *Dr. Findlay.*] That was completed?—Yes, by the English contractors.

147. That is the whole of the work done by the English contractors?—Yes.

148. Can you describe to the Commission the nature and extent of the work done?—No. 1 contract included the supply of formation, bridges, culverts, and so forth; also permanent-way materials and rolling-stock.

149. Did they do that so far as they carried out No. 1 contract?—Yes. They supplied rolling-stock, and they supplied the rails and fastenings.

150. You could get the details of the rolling-stock, &c.?—Yes; the information is in the certificates.

151. If you are going to get the information, will you make it out in one return, accurately setting out the mileages and the extent of the work done by them?—Yes.

152. With regard to contracts for the construction of other parts of the line, how were they let?—They were let by public tender.

153. Were the contracts prepared according to the usage of the Public Works Department?—Yes, as nearly as circumstances permitted.

154. Can you say whether the lowest tender was accepted?—Yes, in all cases.

155. *Mr. Bell.*] Have you got the lists of tenders?—No. The information should be in Christchurch or Wellington.

156. *The Chairman.*] I suppose you can let us have the information when in Christchurch?—Yes, if it is there.

157. *Dr. Findlay.*] Now, I think the general statement you have made has got to be qualified in regard to one small piece of line—about a mile—which was an extension of what was known as the Squaretown contract: what were the circumstances of that?—It was a small piece of line held in abeyance for a certain time because it was doubtful whether the company was going to cross the Inangahua River and go straight on, or whether the bridge question would be held over. Had the work proceeded across the river the intention was to let by public tender a section from the end of the Squaretown contract, including the bridge and station-yard on the Reefton side. This would have made a fairly large contract. The bridge was not built, and therefore a small section of railway was required to bring the line to the present station, and also works to establish the present Reefton station and appurtenances. The extension was really let as an addition to, or an extension of, the Squaretown contract, and at similar rates as far as possible; but for the sake of convenience it is called a separate contract—No. 15. It was practically and necessarily an addition to the Squaretown contract.

158. And it was let at the schedule rates of the Squaretown contract?—It was let at the schedule rates, with increase for haulage, and so forth.

159. What we are concerned to get at is this: Was the work done, in your opinion, as cheaply as if it had been let by public tender?—Yes, and more so, because possible complications between contractors would have increased the price of the work.

160. Who was the contractor for the Squaretown contract?—J. R. Rees and Co.

161. Speaking generally of all the work done by the contractors, other than the English contractors, you say it was done at the lowest market rates?—Yes.

162. Was it done by competent men?—Yes.

163. And you had the examination and checking of all the certificates for payment of these contractors?—Yes.

164. Now, you see that the Commission desire to classify the cost under the headings of “grading,” “bridging,” “tunnellings,” and so on, with respect to each section: can you supply a return showing the information wanted there?—Yes, I can do that.

165. *The Chairman.*] When?—Well, it would take some work, especially in some of the smaller contracts. Most of the information I would get from the certificates, but I would also have to go through the ledger.

166. *Dr. Findlay.*] Is it possible to provide the returns in Greymouth?—I shall endeavour to do so.

167. Where are the materials from which you could compile it?—The materials are largely in the certificate-book, and they are all classified under the desired heads. There are some things which must be got from the ledger, such as purchases of rails, and so forth. The cost of Home purchases must be got from the Christchurch office ledgers. They do not necessarily appear in the certificates.

168. Well, then, you cannot, as I understand, provide a return until you see the ledgers in Christchurch?—No, I cannot.

169. You can give the Commission an extract of all the information you have here?—Yes.

170. When can you have that ready for the Commission, supposing you have ample clerical assistance?—I could have it, I think, by Thursday.

171. As to “The amount expended for supervision, showing the names of officers, the period of employment, and amount (and the annual rate of salary) paid to each; such expenditure to be apportioned to each of the above sections of railway. The amount of money paid in commissions, showing the names of the persons or parties to whom such commissions were paid, and the amount paid to each person or party; such expenditure to be apportioned to each of the above sections of railway. The amount paid in salaries, showing the names of officers, the period of employment, and amount (and the annual rate of salary) paid to each; such expenditure to be apportioned to each of the above sections of railway. The amount paid in incidental expenses, such expenditure to be shown in detail, and separately from the above, and to be apportioned to

each of the above sections of railway": can you supply that information?—No; I can supply part of it, which passed through imprest.

172. It is largely an accountant's matter?—Yes; to be gathered from the books, and traced in the imprest accounts.

173. Then, I take it you cannot supply the information the Commission want under this head?—No.

174. Perhaps it might be of some help to see what is a fair percentage to allow on a contract for the expenses of the engineering staff: do you know what is understood to be sufficient to cover the costs and expenses of all the civil engineering work in connection with the railway?—Excluding surveys, which are variable things, 5 per cent.

175. Now, what is included in the work done for that 5 per cent.?—All the engineering work and supervision. All the work required of an engineering character—administration, specifications, plans, details, the checking of setting out and of work, also the general control of operations, &c. It does not necessarily include land-purchase and compensation.

176. That, you say, would be all included in the 5 per cent.?—Yes.

177. Now, would inspectors' salaries be properly included in that 5 per cent., or would they be carried to the cost of construction?—In a great many cases the inspectors' salaries are carried to the cost of construction.

178. *The Chairman.*] Which inspectors does that refer to?—I mean inspectors of work in progress—inspectors of piling and brickwork, &c.

179. Are they not included in the general supervision?—Not always.

180. *Dr. Findlay.*] For instance, in matters of architecture you pay your architect 5 per cent., and then have to pay a clerk of works, and so forth?—Yes; and in a large building you may have several of them.

181. Were you paid by Mr. Wilson out of salary he obtained?—I was paid by him, but my salary was allocated frequently under different heads. These allocations were sent forward to the Christchurch office and there dealt with. This applies to all the staff.

182. A large sum appears to have been paid to Mr. Wilson for engineering fees: do you know whether he in turn paid away a large portion of that money to officers under him?—Yes; most of these salaries and expenses were paid by cheque from his private account.

183. Most of what salaries?—Those of the engineering staff.

184. Out of the fees he received from the company?—Yes; he also paid the inspectors, and he paid Mr. Napier Bell.

185. So that you are not able to say, I suppose, what sum he actually paid away to the staff, and what sum he retained out of the total appearing as paid to him for his own services?—No, I cannot say. The information largely passed through my hands in detail, but I never saw it focussed in accounts.

186. There was, I suppose, an efficient inspecting and engineering staff on the Midland Railway while under construction?—Yes.

187. Which, so far as you know, was wholly paid by Mr. Wilson?—Yes.

188. *The Chairman.*] I wish to know whether Mr. Wilson, with 5 per cent. on the cost of construction, should have paid the whole of the engineering staff, including inspectors?—Of course, there is consideration for himself to be provided.

189. The point is whether with that 5 per cent. he should have paid the inspectors, or whether they should have been additional to the 5 per cent.?—If the inspectors were paid out of construction, then the 5 per cent. would pay very well. The larger and simpler the operations the less the percentage of cost.

190. What I wish to get your opinion on is this: Do you think that 5 per cent. on the cost of construction of the sections on the Midland Railway, finished or partially finished by the company, should have paid the whole of the staff, including the making of plans and specifications, the letting of contracts, and the cost of inspectors?—I am rather doubtful about the inclusion of inspectors, and, as I explained, I have not seen the whole of the charges. If I had seen the whole of the accounts and the whole of the ledger charges, then I should be better able to form an idea.

191. You have told us already that all the surveys went through your hands?—Yes, all the surveys; but I meant the office charges. I do not know the total of the charges paid by Mr. Wilson.

192. I wish your opinion on works generally and on this case in particular, whether 5 per cent. on the cost of construction should not have paid the whole engineering staff employed by the Midland Railway Company?—I think it should, including inspection, but not including surveys as charged. In many cases inspection itself costs more than 5 per cent. on the cost of works executed.

193. *Dr. Findlay.*] Now I propose to deal with what might properly enter into the cost of construction: you would begin with surveys, I take it?—Preliminary and permanent surveys.

194. Under preliminary surveys what is included?—The obtaining of all existing information, maps, and so forth; the general exploration of routes; the preliminary surveys made to ascertain the best route; and then, lastly, there is the actual staking-out of the selected line: together with any deviations and revisions made in course of construction.

195. Then, the second head?—The second refers to the necessary land for putting the railway on—the purchase of that land, and compensation for damages to properties interfered with by the works.

196. Thirdly?—The actual cost of constructing the railway, including all labour and materials.

197. Fourthly?—There is the supervision, inspection, and administration.

198. Does that include engineers' fees?—Yes; but there would be some administration expenditure apart from these.

199. Would the last heading include that?—Yes.

200. But in addition to that there would be some general administration?—Yes.

201. Fifth?—Then there would be the equipment of the railway with rolling-stock, &c.

202. Sixth, incidental expenses: what do you include under that head?—There are always a number of expenses that cannot be classified.

203. Seventh. Now, as to the question of interest upon money sunk during the period of construction, should anything be allowed for the capital sunk in a large undertaking like this during the time it is under construction and before it begins to run?—I cannot say from any case within my own knowledge, but I happened to have conversations with Mr. Wilson about it, and he said it was usual in undertakings he had been connected with, because if interest was not added, especially during a long course of construction, there must be a sum of money to be found for it—the interest is either being paid or being lost. The interest must be provided for somewhere.

204. Eighth. Then, under a general head there would be law-costs and different legal expenses necessary for acquiring land for the railway?—Yes.

205. You say that would be reasonably added—all law-costs in connection with the acquisition of land for the railway?—Yes; such charges would come under the administrative or incidental expenses I mentioned before.

206. Then, there would be the necessary office expenses, insurance, advertising, stores, &c.?—Yes.

207. At the time of the seizure—May, 1895—a large portion of the railway was practically new, was it not?—A considerable portion of it was so.

208. What proportion of it?—I forget the dates, but I think both Jackson's and Reefton lines were opened within a year or two years. All the work, excepting that of the English contractors, had been done practically between 1890 and 1894, while the seizure was in 1895.

209. Then, the oldest piece of the line at the time of the seizure would be some six or seven years old only?—Yes.

210. Comparing the standard of the work generally with the Government lines of the same day, would you say in what points the Midland Railway line was superior to the Government line?—The general standard of embankments, cuttings, and so forth, was the same as that in use by the Government at the time, and the same as that shown in the plans of the line received from the Government—that is, as far as the earthwork was concerned. The culverts, instead of being of timber, or partly of timber, were practically all of concrete—with some small exceptions. The bridge superstructure of all spans above 20 ft. consisted of iron girders.

211. What was the Government?—All bridges were shown as wooden structures in the plans supplied by the Government.

212. As to the sleepers?—The sleepers were of timbers approved in the public-works specifications of the time. I may mention, in respect of all contracts let in this country, that all the piles were of ironbark, with superstructures of iron.

213. Do you mention that because it was a superior class of material to what the Government was using?—It was superior to what the contract would have compelled the company to use. The Government were beginning to exclusively use more permanent material at the time the company's works were in hand.

214. So you say in all respects the railway was equal to the Government line, and in the respects you have mentioned it was superior?—It was superior to the construction generally adopted by the Government at the time of the Midland Railway contract, and to the construction contemplated at the time the Midland Railway Company's contract was entered into.

215. I understood you to say that at the time the work was being done it was, in the respects you have mentioned, superior to the work being done on the Government line?—They had timber bridges on the Hokitika line, for instance, without iron girders.

216. *The Chairman.*] Where?—At this end of the Hokitika line.

217. They were replacing old bridges?—Yes.

218. *Dr. Findlay.*] The Commission is asked to have regard to two considerations in arriving at the value of the line—one is its earnings up to date, and the other is the prospective increase in traffic under certain limitations: can you say, from your experience, whether the income of the railway up to date affords, in your opinion, any guide to its present value as a going concern?—I have not seen the returns of income, but for some years past the prosperity of the coast has been increasing—it has been increasing considerably during the last two years.

219. Can you say whether, for the purpose of valuing this line as a going concern, you find any reliable guide in the past earnings of the railway?—No, I do not think they are reliable, because for some years past there has been a rather dull time. It is only lately that the timber trade has developed, and is developing, into a large volume. The beginning of the timber trade was really due to the railway. During 1897 there was an exceptional flood which involved exceptional maintenance or renewal. It was the largest recorded flood in the history of the Grey Valley, and naturally led to increased maintenance expenditure for that year. This must have affected the net revenue unless the cost is paid out of capital. Within the last year there has been considerable mining development, and this will probably increase to much greater dimensions. Then, again, there is the possible increase of settlement. Owing to the land being so much locked up, settlement has been almost in abeyance for many years.

220. In addition to these reasons, do you think the first few years' earnings of a railway like this is any fair guide to its capitalised value?—No; the first few years were largely expended in creating the traffic. I will give an instance: In the first year we ran a double-train service to Reefton, and it was absolutely unpayable. Now the department is running a double service four times a week, with frequent special or excursion services, and from the appearance of the trains it must be profitable to do so.

221. You summarise it by saying that the first few years are really spent in creating the traffic which afterwards passes over the line?—Yes.

222. Do you anticipate any improvement in the traffic returns from timber over the line?—The number of mills is increasing now. The expansion is a certain thing. Also, since the land has been thrown open the sawmillers are better able to secure good titles for bush areas, and more ready to invest capital in the industry.

223. Do you know whether there is an increasing demand for timber throughout the colony?—Yes.

224. And a consequent increase of price?—Yes.

225. I understand there are very large timber areas still untouched?—Yes.

226. Where do they chiefly lie?—At places all over the West Coast. There are a number adjacent to the railway between Stillwater and Jackson's.

227. Could you conjecture the area?—No.

228. Some miles, at any rate?—Yes.

229. Could you form any estimate of the gross traffic which each mill would contribute to the railway?—No, but you could get the actual results from the railway accounts with the working mills.

230. Do you know anything of the bush areas which lie beyond Reefton?—Yes; there are some very good forests there, especially on the eastern side of the road.

231. I understand there are coal-measures there?—Yes.

232. Can you say whether, in your opinion, it is probable that private enterprise will connect those coal-measures and timber areas with the terminus of the line at Reefton?—I think it is very likely that a company would be formed to make a light line, judging from expressions I have heard at Reefton.

233. You think that private enterprise will make a light line which would cross the river?—Yes.

234. Assuming authority was got from the Government, you see no objection to connecting the terminus of the line at Reefton—connecting these coal-measures and timber areas with the line?—No.

235. Do you know whether the coal traffic is likely to be increased over the line when the Blackball do away with the aerial tramway and connect their mine with the line?—They expect to increase their output.

236. You have not gone into the question of how much they are likely to increase their output?—No; but they expect to increase it. They find an aerial tramway a restriction, and are doing what they can to get a branch line made.

237. Do you know anything of the coal-measures beyond Reefton?—Very little.

238. Have you used any of the coal?—Yes.

239. What do you think of it for household purposes?—I think it to be a favourite coal for household purposes.

240. Is it not preferred by some West Coast people for household purposes to other coals?—Yes.

241. All coal coming from beyond Reefton would be carried over the Reefton line?—Yes.

242. I suppose we may assume that a large portion of the material required for dredging would pass over the line?—Yes; material during construction, also supplies and passengers during operations.

243. Do you know anything of the extent to which dredging has been progressing during the last year or more here?—It has been progressing rapidly. I have no note of the actual number of dredges.

244. Do you know whether any marked increase is likely to result from the better application of cyanide to the West Coast ores?—I was informed that the Keep-it-Dark Mine owes its existence to the cyanide treatment—that cyanide gives a profit to the concern.

245. And its further development may mean a large increase in the mining industry?—Yes.

246. Do you know anything of the possibilities of the development of mineral oil?—It has been found near the Kotuku Station. I have not been up there, but the reports of experts were sufficiently favourable to warrant the formation of a company. If it is successful it will be a very good thing, and increase the railway traffic.

247. And, so far as that creates any traffic, it would entirely go over the railway?—Yes.

248. Do you know whether in the last year or two there has been an increase of population owing to mining and other reasons on the West Coast?—I have not looked at the statistics, but I am sure there must have been an increase.

249. Do you know whether land in Greymouth has increased very considerably and rapidly in value?—It has increased very largely.

250. And at the present time do you know that houses for renting purposes cannot be got anywhere in Greymouth?—Yes.

251. Can you give us any help with regard to the possibilities of settlement of land which would be served by these branches of the railway?—There were a number of applicants to the company under clause 37, and it is supposed that some of the applications will be renewed.

252. What area was applied for these purposes?—I think, altogether, something like 100,000 acres, but I am speaking from recollection.

253. Do you know what district it was in?—It was scattered throughout the West Coast.

254. *The Chairman.*] Were those applications made to the company?—Yes.

255. *Mr. Bell.*] For timber, or what?—For settlement purposes largely. They were not for gold-mining; they were for timber or for settlement.

256. *Dr. Findlay.*] That is, over the West Coast?—Yes.

257. You are speaking from memory only?—Yes.

258. Will you verify that statement?—Yes.

259. Do you know whether that bush land—take, as an example, the bush land about Lake Brunner—when cleared by the sawmillers, is likely to be available for settlement?—A large portion on the east side will be, because on that side there is some very good land and some of less value which can be worked together. I have no doubt the east side of the lake will be settled very soon. On the west side some of the land may be used for settlement. Those two blocks aggregate about 20,000 acres.

260. Some of these lands have been sold lately by the company or by the Receiver?—Yes.

261. And they have been taken up rapidly?—Yes, and for the purpose of developing them.

262. Then, with regard to the tourist traffic, the Buller Gorge and the Otira Gorge are favourite tourist resorts?—Yes.

263. Do you know whether that traffic has been increasing, and is likely to increase?—I think that traffic must increase with the increase of population and prosperity.

264. You cannot give any figures in a matter of that kind?—No.

265. Can you say from your own knowledge whether the best bush land, cleared and sown, would carry sheep profitably?—Some of it would do so. White-pine land is generally good agricultural land.

266. And the rest?—I have seen much worse land used for it. It appears better than the land in the Motupiko Valley, for instance, and that is all cleared and used.

267. Taking these different heads, and the increase you expect under each, can you say whether the net returns of this railway will steadily increase, in your opinion, from now onwards?—There is every reason to believe that they will do so.

268. Take a period of ten or fifteen years: can you say whether that increase may not reach a fairly profitable stage?—I think it most probable. I have not seen the recent traffic returns, from which one must judge a good deal, but, considering all other indications of advancing industries, large increases in traffic appear certain.

269. You could not conjecture how many times the present net traffic would be increased?—No.

270. Do you think, on consideration, you could give the Commission any idea?—I would like to look into the existing information. Probably I might arrive at something.

271. *Mr. Bell.*] While the company had the railway they were at liberty to select timber, were they not?—Yes.

272. Did they do so to any extent?—They selected Block 28, which is purely a timber block, in the first place.

273. Where is that?—On the western side of Lake Brunner; also Block 26, which is partly timber land and partly settlement land.

274. What has been the result of that selection on their part: they still own the land, do they not?—No; I understand it has passed out of their hands.

275. The company continued to hold it as long as you had anything to do with the company?—Yes.

276. Did they manage to settle much of it?—They could not do so until they got their title for it.

277. There was a difficulty about the title, was there?—There was a delay.

278. That really did not make any difference, did it?—They could not sell without a title.

279. They managed to dispose of land on the East Coast, but they did not manage to dispose of land on the West Coast, and do you suggest that the difficulty was solely one of title?—No.

280. But they had an opportunity of selecting timber without actually taking the land on this coast, and they did not do so?—The timber trade was not then sufficiently developed. They knew it would be a big trade in the future, and they hoped to make it so.

281. The price of timber has recently increased?—Yes.

282. And the supply of timber in other parts of New Zealand has fallen off?—Yes.

283. And there is now a considerable demand upon the West Coast?—Yes.

284. Which, in your opinion, will cause an increased production of sawn timber on this coast, which will be taken over the railway?—Yes.

285. At what distance from the railway can timber be profitably carried by the railway?—It is carried very long distances in Marlborough and Southland.

286. What do you call long distances?—Fifteen or twenty miles, I understand.

287. That is all level country?—Yes, practically level.

288. But as to this district?—There is a considerable valley goes through the country up the Bell Hill way, on the east side of Lake Brunner.

289. How far distant from Jackson's?—About ten miles; it is close to Tekinga Station.

290. Do you suggest that, at a distance of, say, five miles or more from the railway, on those hills, the timber could be available for purposes of export?—It could be if the country is practicable for tramways.

291. Is it practicable?—In many cases it is. You cannot tell unless you go through the country carefully. Any one going over the country at first might have thought it impracticable for the railway.

292. I want to know your opinion?—As a rule, you cannot go large distances in this country without meeting spurs or gullies, enhancing cost.

293. *Dr. Findlay.*] It is all a matter of price, I suppose: if the price is higher you can afford to go further?—Certainly.

294. *Mr. Bell.*] And you think the price of timber will continue to increase?—I think it will.

295. And be exported, of course, from the Port of Greymouth?—Yes.

296. You say that, in your opinion, the revenue of the railway will steadily increase?—I think it will. Industries are steadily increasing now, and this must favourably affect the railway revenue.

297. Do you anticipate that the greater part of the increase will be due to the timber traffic or not?—A certain proportion will, but a large proportion will be owing to the mineral development and settlement.

298. Then, you do not think that the increase from timber will be equal to the amount which you anticipate will be derived from mineral development?—I do not say that. I am not in a position to make any definite estimate, but there is no doubt about the fact that there is now a considerable industrial development on the West Coast, which must enhance the railway traffic.

299. I asked first whether, in your opinion, a great part of the increase which you anticipate will be due to the timber?—A large portion of it.

300. More than half of it?—It will be the soonest realised, and other slower developments will then replace it. I have not the information on which to base an estimate of the proportion. I question whether anybody can do so with any degree of accuracy.

301. You anticipate a steady increase—population will increase, timber will increase, and there will be an increase in the minerals?—Yes, so I anticipate.

302. Do you see any reason—excepting in respect to timber—to anticipate any abnormal increase on the railway from Jackson's to Reefton?—I think dredging will increase and become a much larger industry than it is.

303. And you anticipate that there will be an increase in the passenger traffic by reason of the dredging?—Yes.

304. Leaving out the actual carriage of the machinery, what do you suppose a dredge is worth to the railway—how much a year?—There is a certain amount of coal required; there is the machinery for repairs and renewals; there is the food of the people engaged, and there are their fares, and so forth: therefore each dredge must give a considerable contribution to the railway traffic.

305. *Dr. Findlay.*] If these coal-measures beyond Reefton turn out successfully, the line from Reefton to Greymouth would have a largely increased coal traffic?—Possibly.

306. It would depend, of course, on the success of the coal-mines?—Yes, and of the quartz-mines.

307. Until lately the timber industry has not been in a very healthy condition?—No.

308. Within what time back?—For some years the mills were paying very badly. This was until about eighteen months or two years ago.

309. That marks the improvement in the timber industry?—About that period.

310. So that while the timber industry was in a backward condition the sale of this timber would be considerably retarded?—There was a slack market.

311. *The Chairman.*] Coming back to the Nelson Section, can you tell me the length of line surveyed by the company, starting from Belgrove on?—From Belgrove to Reefton or from Norris's Gully to Reefton there is no line surveyed by the company. There were no further surveys made for that distance; in fact, there were practically no surveys ever made there at all.

312. What surveys were done there were done by contract?—Yes; the field-work at Nelson was done by contract.

313. I suppose you will have that contract?—It will be with the others, I presume.

314. *Dr. Findlay.*] Who was the contractor?—Mr. Dartnell.

315. *The Chairman.*] Coming to the line from Brunnerton to Jackson's, how far did you survey that line?—We surveyed it from near Kaimata to Jackson's, as far as the company's construction extended, as the constructed line goes, and from Jackson's to Springfield.

316. Did you get the surveys of the line from where you commenced at Brunnerton to Kaimata from the Government?—The lines there were already staked, and we used their pegs and plans.

317. Coming to where you started the deviation from one side of Lake Brunner to the other, did you survey the line on the west side of Lake Brunner first?—There was a trial line there which had been done by the Government. We tried variations from it, and made trial surveys with a view of improving the gradients.

318. Did you spend any money on that side of the Lake that was afterwards abandoned?—Only on the revision surveys mentioned.

319. Can you give the Commission any idea of the money spent on that deviation that was afterwards useless?—Perhaps £150 or £200: I am speaking from recollection. Mr. Dobson did the field-work.

320. Did you do any surveys beyond where you finished the line at Jackson's?—Yes; we surveyed it right through to Springfield.

321. Was that a permanent or trial survey?—A permanent survey. We had a number of trial surveys, and alternative lines or variations, before completing the permanent survey. We had a permanent survey from Jackson's to Otira, and in addition to this there were cases where permanent surveys were twice done.

322. Can you tell us whether the survey you made has been used by the Government since in the construction of the line or any portion of it?—It has been used to Otira.

323. You gave them the surveys and plans?—Yes.

324. You are satisfied they are building the line according to those surveys as far as Otira?—Yes.

325. Taking the Springfield-Patterson's Creek end: from where you finished at that end, do you know whether they are following the survey there?—I have not been there since they began, but understand that our line is followed.

326. Did you hand them plans of the survey?—Yes.

327. Coming to the line from Stillwater to Reefton, was that originally surveyed by the Government or the company?—The full surveys were made by the company. There was a Nelson Creek survey for a few miles—within the No. 3 English contract section—but it was resurveyed by the company. It involved some large road-deviations on account of flood-levels. The line does not follow the old Government survey, and it was surveyed afresh.

328. Did you do any surveys beyond where the terminus of the line is at present at Reefton?—Yes; across the river, and to beyond the proposed station-yard at Reefton. We purchased land for this section, also prepared all advertised books of reference to beyond the cemetery.

329. And no further?—No further.

330. Did you make any trial surveys for the line between Reefton and Norris's Gully?—No.

331. You have put in the English contracts to-day?—Yes; copies of them.

332. You have not got the plans of Nos. 1 and 2 contracts: do you know any one who has got the plans by which the line was constructed?—No, I do not.

333. Was the whole of this English contract carried out by sub-contractors?—No; I think some of it was done by wages, but it was largely done by sub-contract.

334. Who were the contractors?—Corcoran and Casserly had contracts for part of the works.

335. Can you give us the names of the sub-contractors from where the line started at Brunner-ton?—Casserly and Corcoran had sub-contracts extending from the end of Rowe's contract to, I think, the Arnold Flat.

336. Who joined on to their contract?—I think the Stillwater station-yard and thereabouts was done by wages gangs. Foreman Baff was the principal ganger in charge.

337. Who connected with Baff's work?—Going out the Jackson's line, I think Casserly and Corcoran had that; then Alexander had a stretch; then, beginning at Kokiri and on to Kaimata, there was Price and O'Connor. Then, going up No. 3 line—that is, Nelson Creek—Samuel Brown had a considerable contract; I think it covered the earthworks and culverts from Stillwater station-yard to Nelson Creek end of the contract.

338. Did those contracts include the laying of the permanent-way and supplying sleepers?—I think these were done by sub-contract, but I am not sure of that. Messrs. Anderson, of Christchurch, had the erection of the bridge superstructure, and Thomas Watson had the cylinder-sinking. All were sub-contracts from McKeone, Robinson, and Avigdor. The girders, cylinders, and rails were supplied by McKeone and Co. to these sub-contractors.

339. Did the sub-contractors erect the buildings, or the contractors themselves?—I think the contractors dealt with them. I fancy they got tenders for them.

340. Can you tell us who supplied the plans for all those sub-contractors?—We supplied the plans to McKeone and Co., and they supplied copies for their sub-contractors.

341. So that there would probably be several copies of those plans drawn?—Yes, certainly.

342. Can you tell me whether those sub-contracts were advertised and let by public tender?—I cannot recollect; and the contractors' methods of conducting their work did not come within my province so long as their work was satisfactory.

343. Coming to what you considered a fair percentage for supervision and management, I notice you excluded permanent surveys?—I excepted all surveys.

344. You do not consider 5 per cent. on the cost of construction of a railway would be sufficient to pay for supervision, management, and surveying?—Not for surveys.

345. Coming to the line from Stillwater to Jackson's, would you consider that a difficult or easy line to survey?—It is a difficult line, requiring a great deal of preliminary examination, and it was very difficult to get about, being swampy with wandering creeks; thus one had often to wade to the middle in water. It was quite strange and unmapped country at the time of survey.

346. Taking the line from Stillwater to Reefton, do you consider that an easy or difficult survey?—That was mostly a fairly easy one, because there was good access, and there were existing maps of the country.

347. How much per mile would you reckon the cost of that survey?—Speaking from recollection, it came to £64 a mile, including all bridge-sites and preliminary surveys. During all the time of survey there were only seven wet days, or seven days of lost time.

348. You said, as far as you knew the staff was entirely paid by Mr. Wilson from his private account: does that mean the whole of the staff employed by the company?—No, only the staff employed in whole or part on engineering work—that was to say, Mr. Bell, myself, the assistant engineers engaged on construction, draftsmen, inspectors, &c. Any engaged on surveys or land work were credited. The salaries of any of Mr. Wilson's staff engaged on surveys, land, or other matters not within the engineer's percentage were credited to him in the imprest returns under the heads "Surveys," "Land," &c.

349. Was Mr. Edwards paid by Mr. Wilson from his private account?—Yes. When engaged on surveys the proportion of his salary was allocated out to surveys, or, if he happened to be engaged for the company on business other than engineering, that was allocated out under its proper head.

350. There were other surveyors who were sometimes making plans, sometimes surveying, and sometimes engaged on supervision: how were they paid?—They were paid by Mr. Wilson; but where they were on surveys it was allocated out and Mr. Wilson credited for it.

351. Can you from the company's books give the amount paid to these various gentlemen by Mr. Wilson or by the company separately?—This can only be found in Mr. Wilson's or the company's general books. We will do the best we can in the matter.

352. As to the state of the rolling-stock at the time of the seizure—25th May, 1895—are you familiar with the condition of the rolling-stock then?—In a general manner only; but I have no doubt the reports of the Government officers are substantially correct.

353. Can you tell us the length of rails laid with yellow-pine or silver-pine sleepers?—There was no difference in price. There were no silver-pine sleepers used beyond Nelson Creek or beyond Kaimata.

354. And none on the Nelson Section or Christchurch Section?—No.

355. Supposing the Reefton line stops where it is at present, do you think the traffic is likely to increase?—Yes, by general increase of present traffic; and if a light-line extension were made new traffic would result.

356. Do you think the coal trade is likely to increase?—Not unless they have some means of communication better than by road.

357. Would the same remark apply to any timber, say, beyond a few miles past Reefton?—This would depend on the demand for the particular timber available and on the price obtainable.

358. Can you give us a return of the net revenue of the line from the time the first section was opened until the time of the seizure? When the line was finished to Ngahere did you open it that far?—Not immediately.

359. Can you tell us whether you charged the contractors freight for the material carried along that section for the construction of other sections?—Yes; when once a section of the line was in traffic the traffic department treated the contractors the same as the public generally.

360. Could you tell the Commission the amount of revenue you received for material carried for the construction of the line further on?—This can best be obtained from the traffic records.

361. How many men would there be employed on the line, say, all the way to Reefton?—There must have been five or six hundred men on those sections.

362. And then you afterwards opened the section from Nelson Creek to this side of the Ahaura River?—Yes.

363. Would those men enhance the revenue of the line from that period materially?—There would be a certain amount of traffic from them, but not very great.

364. Could you give us any idea of what the probable traffic would be?—No.

365. Those men would be the average class of New Zealand working-men following that kind of work?—Yes; but they did not travel much on the railway.

366. *Mr. McKerrow.*] You stated that the cost of the survey of the line from Brunner to Reefton was about £64 per mile?—Yes.

367. That included the cross-sections, maps, and everything ready for calling for tenders?—Yes.

368. Can you give an approximation of the cost of survey from Springfield—a much more difficult part of the line?—I dare say I could give you that if I had the books to refer to and time to do it.

369. I am aware you had a very great difficulty in getting over Arthur's Pass; you contemplated a tunnel, and also a third line, and there was necessarily a very large amount of preliminary survey there before the permanent line was settled?—Yes; it was very difficult country to get about. There was an entire alternative survey of line at Rolleston which had to be staked out and fully quantified.

370. And that is all included under the one designation of survey?—Yes.

371. *Mr. Blow.*] Did the £64 per mile include the land-plans surveys?—No; they are generally made after the line is completed or when approaching completion.

372. *Mr. Hudson.*] Could you give us a list of the sub-contracts, and the amounts at which they were let, in connection with these English contracts?—No; I did not know anything about that officially. I did not necessarily know whether a man was a sub-contractor, or simply a ganger working for wages. I did not usually know what their rates were.

373. We cannot get that information from the company?—No; the company was not concerned in it.

374. *Mr. Graham.*] With reference to Nos. 2 and 3, you gave us the contract price of those combined: I think you stated £34,731. With reference to contract No. 1, you gave us the price as £94,000 odd: was that the price for the whole 25 miles 34 chains?—No; it was for the section from Stillwater to Kaimata Tunnel. The amount included large quantities of rails and rolling-stock.

375. *The Chairman.*] You put in the contract as it stood?—Yes, and I can give you the final certificates.

376. *Mr. Graham.*] I understand you to say that No. 1 contract was 25 miles 4 chains, and the contract price £163,000?—Yes.

377. Do you know what proportion of the contract price was paid to the contractors for the 7 miles 41 chains which they did complete?—About £85,000.

378. Will you furnish the particulars?—Yes.

379. And also with 2 and 3 you will state what the prices were in excess, and what the work could have been done for if let by public competition?—Yes, for Nos. 1, 2, and 3.

THOMAS WHILLIANS BRUCE examined on oath.

380. *The Chairman.*] What is your occupation, Mr. Bruce?—Sheep-farmer.

381. Where do you reside?—At Inchbonnie, near Lake Brunner.

382. *Dr. Findlay.*] How long have you been in this district?—A little upwards of thirty years.

383. You have been a sheep-farmer in the Upper Waimakariri for over thirty years?—Yes, and at Inchbonnie for about the same time.

384. You were a sheep-farmer, I think, before you went to the Upper Waimakariri?—Yes, I was managing the Motunau Run, in North Canterbury.

385. You have been a Justice of the Peace for some years past?—Yes, over twenty years.

386. Do you know how many mills are working on the line from Brunner to Jackson's at present?—Five.

387. Do you know whether any others are being put up?—Yes, there is one in course of erection.

388. Where?—At my own place at Inchbonnie.

389. When do you expect that to be working?—About the beginning of May.

390. Have you calculated as far as you can what the gross amount of traffic will be given to the railway by this new mill of yours?—Yes. For carriage of timber alone I calculate between £1,200 and £1,500 per annum. It is easily calculated. It is 1s. 3d. per 100 ft. from the mill, f.o.b. in Greymouth, and the sawmillers are cutting my timber at a royalty, and they are bound to cut a certain number of feet per annum.

391. Are you allowing for the fact that part of the railway belongs to the Government—or, at least, was constructed by it up to Brunner?—No, I am not allowing for that; that was the total amount from Inchbonnie to Greymouth.

392. Do you know the timber country that will be served by this railway?—Yes, I know it fairly well.

393. Have you made such an examination of the timber country as enables you to give any reasonable idea of the number of mills which may reasonably be expected to be put up within the next ten years, say?—Yes, I think so. I have not been through the forest minutely, but I have been up in the high mountain-ranges with a good binocular, and have looked at the country with the view of seeing what the future development will be.

394. Will you describe where the forests lie?—Going from the railway to Lake Brunner westward the timber would be gathered in from about the Hohuna, close to the Greenstone; and there is a long tract of level and undulating country between Lake Brunner and the head of the New River. The New River, when it gets to the top, spreads out, and a lot of the timber between those forks would be taken over this level and undulating country to the railway-line. Then, on the eastern side of Lake Brunner timber would be gathered in to a distance beyond Bell Hill to the watershed of the Ahaura.

395. Does that exhaust it?—Practically—that is, taking the widest points.

396. Have you been watching the timber trade of late?—Yes.

397. Looking at these areas and the development of the timber trade, have you thought out how many extra mills, in addition to the six you have mentioned, may reasonably be expected to be at work up there within the next ten years?—Yes; I think that the mills are likely to be doubled within the next ten years, but I think the future developments will be more, perhaps, in very big mills instead of them doubling, because we are going to approach the Government presently to ascertain the contour of the country and make reserves for sawmill-sites on the railway, and probably we might then ask the Government to assist. Of course, there is going to be a big system of tramways to bring timber into the railway-line, and we are asking the Government to assist with the trunk line.

398. But assuming that the line stands as it does, with its terminus at Jackson's?—Yes, but there must be a big system of tramways.

399. I am asking you to give the information on the assumption that the Government does no further work in extending the line or making branches to it; it must be entirely left to private means?—Yes, private means will do it if the Government does not.

400. And you think the number of mills—six—will be doubled within the next ten years?—Yes.

401. And the traffic of timber over the line will be doubled to what it will be when your mill is going?—Yes.

402. Can you give me an idea as to how much each of these mills, on the average, would be likely to contribute in the gross to the railway?—The mill at my own place will put out about 2,000,000 ft. per annum—that is the minimum. Some of the mills will not put out quite so much as that.

403. Allowing that they do not, what average would you fix for each of the mills?—I think the average would go close on 2,000,000 ft. per annum.

404. That would be about from £1,200 to £1,500 for each mill: you think that is a fair average estimate?—Yes.

405. If your mill will give from £1,200 to £1,500 a year, those mills that are nearer Greymouth will give less?—Yes; the average would probably be less, if you will allow me to correct myself.

406. Could you give us some idea of what the amount, on the average, would be from each of the twelve mills—the gross return to the railway?—I should say about £1,000 each per annum.

407. That would be about £12,000 per annum these mills would give?—Yes.

408. Allowing these mills are working, what number of years do you think it would reasonably take to cut out these forests?—I could only give a rough approximation, but I should think the mills would be working for the next fifty or sixty years.

409. I take it that during that time, as the forests became scarcer and the miller had to go further for his timber, prices would be rising?—We expect so.

410. So with an increased price you could afford to go further from the railway to get the timber?—Yes, we anticipate that.

TUESDAY, 12TH MARCH, 1901.

HENRY GEORGE HANKIN examined on oath.

411. *The Chairman.*] What is your occupation?—I am a mining agent.

412. Residing at?—Reefton.

413. *Dr. Findlay.*] How long have you been resident in Reefton?—About thirty years.

414. And during that time, I understand, you have been a practical miner?—Yes.

415. You have been engaged in business in Reefton as a storekeeper?—I have.

416. You have been legal manager of a number of companies?—I have.

417. And you are and have been a Justice of the Peace for many years?—Yes.

418. You will be able to tell us the difference in the cost of conveying machinery and goods from Greymouth to Reefton now and the cost immediately before the railway opened?—To the best of my belief, the cost of machinery before the railway opened ranged from £10 to £12 per ton.

419. What is the railway freight, do you know, now?—I think about 16s. a ton, and 2s. 6d. per ton in addition for delivery in town.

420. Can you say to what extent the cost of living in Reefton and the districts surrounding it has been cheapened by the railway?—Well, I should say from 30 to 40 per cent.

421. Now, taking the mining industry first, do you see any reason for expecting a large increase or development in the mining industry in and around Reefton in the future?—Yes, I do. I think we may look for considerable improvement in the opening-up and development of the mines.

422. Are there many places in the field where you see a prospect of gold-mining being profitably carried on?—Yes, undoubtedly. There is an immense tract of auriferous country, you may say, traversing in a broken chain from Golden Bay in the north to Mount Cook in the south.

423. At any rate, there is a very large area of auriferous country about Reefton at present which is not being worked?—Certainly, a very large amount. It is owing, of course, to the absence of capital just now.

424. Do you think the presence of the railway will promote in the future a more extensive and thorough exploration of the mining country?—I have no doubt it will be a very large factor in assisting the development of the resources in consequence of the cheapening of freights.

425. Now, can you say anything with regard to the prospects which the cyanide process offers?—The cyanide process or treatment of golden ores has given new life to the district entirely.

426. Has it been thoroughly tried and applied yet, or is it in its infancy?—It is in its infancy at present. It is only used in some four or five instances at the outside—hardly that, in fact. I think there are only three mines at the present time where the process is being used.

427. Do you know whether it is being used successfully in any of them?—In one or two of the three it has been used successfully. In the third they are not yet proficient in its use. They are experimenting.

428. Can you give us the names of these mines?—The Consolidated Goldfields of New Zealand, the Keep-it-Dark Gold-mining Company, and the New Scotia Gold-mining Company.

429. In all of these you say it is a success?—Yes.

430. In the third it is in an experimental stage only?—Yes.

431. What one is that?—The Consolidated Goldfields of New Zealand.

432. And we know that the Government have had the cyanide rights now for about three years?—Yes.

433. Do you know anything of the dredging about the Reefton district?—Yes; at the present time dredging in the Reefton district is just about commencing. There is an immense scope of country available for dredging purposes.

434. Do you think it promises fair returns?—I think so.

435. Looking at the fields as you, as an old resident and expert miner, will do, and looking at the condition at which the cyanide process stands in Reefton, and the dredging fields available, can you say with a fair degree of accuracy what extension of gold-mining generally may be expected in your district?—Well, with the advent of capital, which I have every reason to believe will come in consequence of the success of the Consolidated Goldfields Company, which, as far as the Progress Mines Company is concerned, has been paying 15 per cent. steadily, I think there is every probability of capital being induced to invest in that district.

436. And with the other agencies you have mentioned—cyanide and dredging—can you see any real reason for expecting the mining industry to be doubled?—Oh, yes; of necessity it would be a very large increase. Probably it might be trebled, as far as that goes.

437. Within, say, ten years?—Quite so. The cyanide, as I said just now, will work an entire revolution. That is to say, low-grade ores which we know at the present time are unpayable under the old process, with cyanide immediately become reproductive.

438. You have an instance of that now?—Yes.

439. What company is that?—The Keep-it-Dark Company.

440. We were told that the whole of the real profit made by that company was due to cyanide?—Yes.

441. Well, I may leave this head with what I understand is your view—that the gold-mining industry up there may reasonably be expected to be very largely increased within the next few years?—Yes.

442. Probably trebled?—Quite so.

443. And that would mean increased traffic on the railway of machinery, goods, and so on?—Exactly; and, of course, a very large increase in the population.

444. Now I pass on to coal: I understand the question of whether coal can be profitably mined in your district has been under consideration by a Commission lately?—Just so.

445. And the matter has been pretty thoroughly investigated?—Yes; I took part before that Commission myself in collecting evidence and bringing it forward.

446. Will you tell us shortly what you think of the prospects of getting coal from this district?—Well, of my own knowledge, I am aware that coal exists in large quantities for a distance of thirty miles in length throughout the district north and south.

447. Can you give us some idea where these belts are?—They traverse both sides of the Inangahua River, and on either side there are a series of belts or seams—coal-measures, in fact—varying in size, some of them, I think, as much as 20 ft. thick, with others less in proportion.

448. Are you satisfied, then, that there is in this district a very large area of coal country?—Yes, I am quite satisfied of that. In fact, I am more satisfied since the Commission sat than I was before, because evidence was adduced before that Commission that went to corroborate all I said, and even more, as to the existence of coal.

449. Supposing the Brunner Mine were closing down, as I understand it is likely to do within a few months, what effect would that have on the coal industry in your district?—Well, given the means of getting it away, I have no hesitation in saying there will be a very large output of coal.

450. You say “given the means”: would it be necessary, for the purpose of getting this coal away, to connect the coal-measures with the present terminus of the line of railway at Reefton?—Just so; it requires that to be done in order to work the coal at a payable profit.

451. Supposing the coal is as extensive as you say, and there be a development of the gold-mining industry, and a development of the timber industry, to which I am going to allude in a moment, do you think that private enterprise would connect the terminus of the line at Reefton with these coalfields?—Well, I have no doubt that such a thing may eventuate, but it would be idle for me to arrive at a definite conclusion as to what private enterprise would undertake in that respect. I have no doubt, if it were properly laid before capitalists, and with the fact of the Brunner Mine being exhausted, a field would be open to capital that might justify the expenditure of a connection.

452. We all know a community will wait and wait a very long time for the Government to move; but, supposing for the purposes of my question, the Government never extend this line beyond Reefton, and your community and capitalists generally have that before them?—Then I should be inclined to favour the opinion that private enterprise would embark in the project and connect the coal-measures with the line at Reefton. I say so, coupling it with the fact of the exhaustion of the Brunner Mine. There would be a larger market than there is at present, although there is a very large demand for the coal now in consequence of its quality for household purposes.

453. What do you say as to its quality?—I say there is no coal equal to it in the colony for household purposes; and even for steam purposes, so far as mining is concerned, it is used satisfactorily for that.

454. If this development took place there would be an enormous increase of traffic over the line?—The inference is so. Instead of the trains going back empty, as they have ever since the railway has been constructed, the trucks would go back full.

455. Taking the Blackball Mine as a guide, do you know whether the Blackball coal is similar to the coal beyond Reefton?—It is similar in character, but it is not as good. It is admitted on all sides that it is not as good for household purposes as coal got in the Reefton district.

456. Do you know how many men the Blackball Mine employs?—I think, somewhere about two hundred miners.

457. What community does that mean?—I should say about six or eight hundred people altogether.

458. Do you know what the output has been at the Blackball Mine?—About 500 tons daily.

459. Well, it may be some help, although it is a very rough guide, to take the output of the Blackball Mine, and the number of men it employs, and ask how many mines equal to the Blackball Mine do you think might be opened on the coal-measures you have mentioned about Reefton?—I think there would be room for at least five or six mines capable of putting out that quantity if they were fairly developed.

460. *The Chairman.*] Do you mean they would employ about ten to twelve hundred men?—Yes.

461. *Dr. Findlay.*] With a total population of probably four or five thousand people?—Yes, provided there is a full and fair development of the whole field.

462. Can you say whether there are large timber areas to the northward of Reefton?—There are.

463. Can you localise them?—The timber is pretty general to the northward. Some portions of it are maiden bush entirely, and some where the fringe of the bush has been utilised. I should not like to say the area. There is room there for a number of mills, supposing there were the means of getting the timber away to the market.

464. Are they, as a matter of fact, carrying sleepers at present by dray from part of this area?—That is so. They are conveying railway-sleepers, well, I dare say about sixteen miles from the bush to the station.

465. Now, what are the timbers generally?—Red-, white-, and black-pines, totara, and several birches.

466. Is there much silver-pine?—There are some bushes of silver-pine, but I cannot speak definitely upon that point.

467. Well, the timber traffic up there is practically undeveloped?—Undoubtedly; in the face of the timber-supply near the coast at the present time, and the difficulty of transit, they cannot compete.

468. What is the nearest mill to Reefton the timber from which is carried over the railway?—Ten or eleven miles.

469. Where is that from Reefton? Whose mill is it?—Perotti's.

470. Now, is there any evidence that the timber industry is developing? Are there any mills going up?—Two mills are going up between here and Reefton.

471. Where are they?—One at Ikamatua, and another in the neighbourhood.

472. Will the output of these mills be carried over the line?—Yes.

473. Suppose, then, that private enterprise were connecting the terminus of the line at Reefton with the coal-measures, would the same line help to develop the timber industry—would it touch the timber forests?—Of course, they would have to connect with branch tramways.

474. But the timber lies in the direction in which the line would go to tap the coal-measures?—Yes; of course, the line will run down the valley, and the timber is on either side.

475. How far, then, might the line have to run from the present terminus at Reefton to reach these forests beyond Reefton?—Well, the line would have to be constructed six or seven miles to touch the first forest.

476. And then there would be connections with that by tram?—Yes.

477. Supposing that were done, and enterprise effected that connection between the coal-measures and the present terminus and these forests, do you think that sawmillers there could compete with the other mills now in existence?—There would be the additional railage.

478. That would be all?—Yes.

479. Do you know anything of the timber trade and its progress of late?—No. I know there has been a very a large output since the railway has been handed over to the Government from the coast, and I also know that a great number of applications have been made for timber rights since the restrictions were removed from the land. At present there are a great number under consideration by the Warden, and the same thing applies in regard to coal. The only thing is that the persons taking up these timber and coal rights are individual and co-operative parties, with a view, I suppose, to ultimately handing them over if capital is available.

480. Looking at all the circumstances, and basing your opinion on the resources you have already referred to, what do you think might be the number of mills working on these forests within the next ten years?—Well, I should think there ought to be room for seven or eight mills.

481. *The Chairman.*] In addition to those at present in existence?—Yes.

482. *Dr. Findlay.*] And the whole of that traffic would go over this line?—Yes.

483. Now, with regard to settlement, you have, I understand, had some experience as a land agent as well as a mining agent?—Yes.

484. Can you say whether there has been any increasing demand for land lately in this district?—Since the restrictions have been removed I have made a number of applications to the Nelson Land Board for land.

485. What class?—Principally agricultural.

486. Where are those lands?—In the Inangahua Valley, generally speaking.

487. They were lands, I take it, within the Midland Railway reserved area?—Yes.

488. *The Chairman.*] How many do you mean by "several"?—I have made applications for about a dozen people, I suppose. I have filled in the forms.

489. Do you mean by agricultural land first- or second-class land?—Some of it would be first-class land and some second class, and some would be pastoral.

490. *Dr. Findlay.*] What would be the total areas of these applications?—I suppose they would run from 50 to 100 to 150 acres each.

491. And you sent in about a dozen applications?—Yes.

492. Averaging 100 acres each, which would give us 1,200 acres?—Yes.

493. *The Chairman.*] Are you aware whether what you term first-class land is what is classed by the Crown as first-class land?—That I cannot say.

494. Is it what you call first-class land locally?—Yes.

495. *Dr. Findlay.*] That is your experience merely as an agent, and covers the applications you have made?—Yes; acting as agent for the different applicants.

496. And I suppose there are other people who have applied, though not through you?—I presume so.

497. Can you tell me whether the land upon which these forests are standing will be suitable at all for pastoral or agricultural purposes after the timber is removed?—Well, as a rule, wherever you find pine-timber land it is usually very fair land for agricultural purposes. Birch land is not so good.

498. And a large area of this forest land you have referred to is, I understand, pine lands?—Yes.

499. So I deduce that a large portion of it would be suitable for pastoral purposes?—Yes.

500. You say you have a letter from a large coal merchant in Christchurch agreeing to take 250 tons a week of coal from your coalfields?—Yes.

501. What about the price?—I think he said if the price suited. Of course, that is where the difficulty of getting it away comes in.

502. *Mr. Bell.*] With regard to the gold industry, of course the gold has been there ever since the foundation of the colony?—Just so.

503. And the cyanide process is valuable only for quartz-mining, it is not?—So far.

504. Is there any other reason except the discovery of the cyanide process which leads you to anticipate this sudden development in gold-mining?—Well, I consider it is the main and principal factor.

505. And that is applicable to quartz-crushing?—Yes.

506. Are there large areas of quartz reefs in the district?—There are.

507. When you speak of this large belt of auriferous country, do you mean that throughout that belt there are quartz reefs?—Yes; they have been tapped, to my certain knowledge, at certain points. I could enumerate them, I think, pretty accurately.

508. But all unworkable except with cyanide?—I do not say so.

509. Why have they not been worked before?—There have been a number of reasons why. The difficulty of access in many cases has been the cause.

510. How long has the railway been running to Reefton?—I think it has been running about nine years.

511. Surely this difficulty of access has not interfered during the last nine years with the development of these quartz reefs?—No; but, as I have already said, I think the principal factor to which I attribute the improvement likely to occur is the introduction of free cyanide.

512. Then, I put it to you that the quartz reefs are not profitable except with the use of cyanide, otherwise during the last nine years they would have been worked?—Well, the system under which the mines were originally worked was such as to make them non-payable. The system under which the gold-mines in the district are now worked is more scientific than that which has been employed in the past. For instance, I can illustrate what I mean in this way: The crushing in the first instance was of a very coarse and primitive style; the gratings that were used only carried such a thing as 125 meshes to the inch. Well, now there are something over a thousand.

513. But all that has been available for some time: why have not companies been formed before this to exploit these quartz reefs?—I cannot say why they have not, but, as a matter of fact, they have not.

514. Why have they not, the access having been there and the cyanide process having been discovered? Why do you say there is going to be such a boom in quartz-crushing in the near future?—The advent of cyanide is only of recent date.

515. It has been in use in the colony for ten years at least?—True; but it has not been in the Reefton district.

516. It comes down to this: that it is the cyanide process which you say is going to cause a boom within the next ten years in quartz-mining?—I am quite of that opinion.

517. Is the cyanide process available for all ores?—That I am scarcely prepared to answer directly. I have heard, of course, that the different ores require a different strength of solution.

518. I will leave the gold question now. The coal you speak of is a household coal—a brown coal—is it not?—Yes.

519. Do you know whether it is useful or valuable for steam purposes?—It is used in the Reefton district for steam purposes.

520. Do you know whether it could possibly compete with the black coal for steam purposes?—That I cannot say.

521. Your difficulty so far in export has been the question of price?—Yes.

522. You cannot at present compete for foreign trade or other parts of New Zealand with either Westport or Greymouth?—We can compete in so far that the Reefton coal commands a higher price than either of the coals you have mentioned.

523. But your price is necessarily so high that you cannot create a trade?—We could compete profitably provided there was a connection with the present railway. I want the line to be extended across the Inangahua River.

524. To where?—A distance of three or four miles would tap a lot of the coal.

525. Supposing that were done, you say you would be able to send coal into Greymouth to compete in Lyttelton and Wellington with Greymouth and Westport coal for household purposes?—I say so. We could afford to pay the additional railage in consequence of the additional prices to be got for the coal.

526. Why has it not been done in the past? The coal has been there and the railage has been there: why, if it has not been done by private enterprise in the past, is it to be done in the next ten years?—The land has all been locked up.

527. You mean the company has had the coal?—No; the Government set aside mining reserves which embraced all these fields, and you could not get a license until these restrictions were removed.

528. Well, are companies being formed now?—Yes; I know of one instance where a company is being formed, I believe, in Canterbury.

529. With what capital?—That I cannot say. It has only been initiated very recently. I know the locality of the coal, and I know that steps are being taken to open it up.

530. You know there are large coal areas in New Zealand. Take, for instance, this Point Elizabeth area here, and the Mokihinui and the Westport-Cardiff areas, to which railways have been opened, they have not been and are not being worked profitably?—So I have heard.

531. You anticipate, nevertheless, for this coal, available only for household purposes, a profitable output and trade?—Yes; I think there is a market sufficient throughout New Zealand to warrant the extension of the line, and to warrant an output that would keep the trains moving with a back load.

532. Do you think you will be able to sell at a lower price than Westport coal?—No, I do not think we should be able to sell for a lower price, because there is additional railage; but we might.

533. Do you anticipate that you will be able to sell Reefton coal at a lower price than Westport coal?—No.

534. Then, you will have to compete on level terms and even prices with the Coalbrookdale coal?—As a matter of fact, I have already said the Reefton coal commands a higher price than other coals in any part of New Zealand.

535. *Dr. Findlay.*] It is 7s. 6d. per ton more in Greymouth than Coalbrookdale?—Yes.

536. *Mr. Bell.*] Than Greymouth coal?—Yes.

537. For household purposes?—Yes.

538. I think you cannot poke it, can you?—It does not require poking.

539. Now, with regard to the timber, the traffic, you say, has been undeveloped?—Yes.

540. You are aware that the company had power to grant timber leases?—Yes.

541. Then, why has the timber traffic remained undeveloped?—Owing to the difficulty of transit in connecting with the present line of railway.

542. But it has been open to private enterprise to develop this timber trade heretofore by timber leases: why do you anticipate that it will be done in future years?—Because of the ample supply nearer the seaport.

543. And it is because the supply nearer the seaport is being exhausted that you anticipate a trade further inland?—That is so.

544. And that means closing the mills nearer the seaport?—Yes, within a term of eight or ten years.

545. Do you see that the closing of the mills nearer the seaport deprives the railway of the trade from these mills?—That may be so.

546. Is it not so?—Undoubtedly, if the commodity is exhausted near the seaport and you have to go further inland. Nevertheless, the railway becomes the carrier.

547. It will carry the timber for a greater distance, but it will not double or treble the output?—I can hardly say. I think it is very likely it would. The less timber that is available nearer the seaport the greater quantity necessarily will come over the line from inland.

548. And a less quantity over the shorter lengths from the places nearer the seaport?—That is so.

549. You say, with regard to land, that pine land as a rule is good land?—Yes.

550. Now, when the pine bush is cleared away on this coast, is it a simple matter to make the land available for agricultural or pastoral purposes?—No; it is rather a costly process.

551. Now, is it not the costliness of the process which has been the bar to the settlement of these lands on the coast?—There is no doubt but that it has militated against settlement.

552. Well, in that respect the militation will be equal in the future as in the past?—I do not think so. Capable men make homes for themselves to settle upon, and if the mineral resources of the country are developed, necessarily an increase in settlement must occur.

553. But not an increase in lands cleared for agricultural and pastoral purposes?—Well, as a matter of fact, in my experience of upwards of thirty years on this coast I have seen the difficulties facing settlement; but, notwithstanding the difficulties, the people still endeavour to make homes for themselves as fast as they can, and the clearing and settlement of the country would have advanced much more rapidly had there been no land restrictions.

554. But one cannot help seeing that, except in a small area in the Inangahua Valley, the reeds and undergrowth have got ahead of settlement?—I admit that is a fact; it is a great feature of the coast.

555. Why do you anticipate, then, within the next ten years that that feature, which is a climatic one, will be changed?—By continual cultivation and improvement of the land.

556. It is all a question of cost, is it not?—Not so much after the first cost of clearing is overcome. Then, with regard to the particular land you refer to, if this line were extended, as it is sought to be, to the junction, it also taps to a certain extent the Murchison district, which is further north, the trade of which now goes principally to Nelson by dray. There we have a vast agricultural country.

557. Do you or do you not anticipate that that land will really be settled in the way you describe unless the line is carried from Reefton to the junction?—Of course, everything depends upon that. I say of course, as I said in my examination, that I do think private enterprise during the next ten years is likely to develop the whole of the mineral resources of the district.

558. *Dr. Findlay.*] And for that purpose, if the Government will not or do not do it now—or we must assume that the Government will not do it now—private enterprise will make a connection to the mineral resources?—I think it is quite possible that may occur inside the next ten years.

559. You were asked somewhat closely by Mr. Bell about the reasons you had for expecting a development of the mining, and you mentioned cyanide as the principal factor in that development?—Yes.

560. In your examination-in-chief you pointed out that an increasing amount of capital would necessarily largely develop the mining industry?—Yes.

561. For instance, I understand in the Consolidated Goldfields of New Zealand something like £250,000 has been sunk?—Yes.

562. And it is paying 15 per cent. on that?—It is paying 15 per cent. on less, if I understand their balance-sheet.

563. At any rate, a very large sum has been sunk, and it is paying 15 per cent.?—Yes.

564. Do I understand you to say that with the application of capital a very large amount of gold might be won throughout the Reefton district?—I do say so.

565. It is a development which necessarily demands a large amount of capital?—Yes; and that accounts for the success of the present Consolidated Goldfields of New Zealand. The company have a large available capital, and are able to carry out any improvements deemed necessary.

566. Then, I will put it to you: As the line has been open for ten years, and this rapid development has not taken place, your conjecture was probably wrong?—Just so.

567. I understand you to say that two factors at least—capital and cyanide—will make a difference in the future?—That is my opinion.

568. Now, do you know whether a new and profitable reef has been found at a place called Victoria Range?—I do.

569. Is that lately?—I think, so far as my memory serves me, it would be about three years ago.

570. Has it turned out well?—It is paying very well.

571. Do they use cyanide for that?—Not at present.

572. Without cyanide it is paying very well?—Yes. That, I may say, is entirely a new development. It is apart from anything we have known of yet. It is a parallel belt of reefs northwards of anything that has been worked yet.

573. You told Mr. Bell that the development of the forests and the cutting of the forests north of Reefton would necessarily mean the closing of the mills nearer the seaport?—Not necessarily. What I meant to say was this: that as the timber is exhausted nearer the seaport a demand would be created for timber inland.

574. Do you know whether the prices of timber have been improving of late?—I cannot say.

575. Supposing the price of timber were increased, you might have forests at a considerable distance from the seaport worked profitably?—Just so.

576. And you might have forests along the line and forests at a distance worked at the same time?—Yes.

577. So that the sequence put to you by Mr. Bell need not necessarily follow?—That is so.

578. *Mr. Bell.*] Where is this Victoria Range reef?—It is to the eastward of any known reef worked in the Inangahua district.

579. How far is it away from Reefton?—It would be about twelve miles, I suppose.

580. In which direction?—North and east, towards the Lyell.

581. And has a company been formed to exploit this reef?—There are two companies.

582. And who has formed them?—There are two registered companies. I cannot tell you who constitute the shareholders, but the ground was held at first for some time after it was discovered by the Anglo-Continental Company.

583. What did they do with it?—They wasted a lot of money in trying to develop it, and their representative gave it away, and gave away a good property. It is a really valuable property.

584. *Dr. Findlay.*] Has it been worked since?—Yes.

585. And profitably?—Undoubtedly.

586. How many ounces to the ton does it produce?—I think the stone has given 1 oz. to the ton.

587. *The Chairman.*] In reply to Dr. Findlay, you said that the cost of cartage from Grey-mouth to Reefton was £10 to £12 a ton immediately before the railway opened?—Yes.

588. Can you tell the Commission where that was from, and about what time?—I am only speaking generally.

589. We do not care much about generalities: we want something definite?—I know; but, speaking generally, that was the freight for machinery.

590. Do you know, of your own knowledge as a storekeeper, say, fifteen or twenty years ago, what the cost was on goods and produce from Brunner-ton to Reefton?—£8 to £10 and £12 per ton.

591. Did not all the wagoners have the same rates?—Yes, but it varied at times.

592. Say, fifteen years ago?—I should say the freight was about £6 or £7 per ton.

593. Now, you told Dr. Findlay that the freight has been reduced to 16s. per ton, with 2s. 6d. added for town delivery?—I strike that as an average. The railway freight varies, of course, from 5s. to £1 17s. per ton.

594. But, as an inference from that, you say the cost of living has been reduced by 30 to 40 per cent.?—Yes.

595. Does that mean that the boardinghouses and hotels charge 30 to 40 per cent. less than they did before the railway opened?—I would not say that of the hotels or boardinghouses; but I am speaking of the actual cost of produce consumed by the miners—storekeepers' supplies.

596. Is it a fact that the cost of living in Reefton is from 30 to 40 per cent. cheaper?—Yes, I say so.

597. You told us boardinghouses and hotels are just charging the same?—I did not say so. We used to pay two guineas a week, and we can get it now for one guinea.

598. At the hotels?—Yes.

599. You say that in all probability, if the railway-line is extended, or if these large coal-measures are connected by private enterprise with the present railway, there will be from ten to twelve hundred miners working in five or six mines?—I am of that opinion, within the next ten years.

600. Can you tell us how much coal these ten or twelve hundred miners are likely to produce per year?—It would run into 1,000,000 tons, I suppose.

601. Can you give the Commission any idea where this 1,000,000 tons are likely to be consumed?—A very large percentage will be consumed in the colony.

602. Then, you say that probably there would be five or six sawmills in addition to the present mills: can you tell me how long Perotti's mill at Mawhera-iti has been in existence?—I think about twenty years.

603. Are you aware that there was a sawmill at the Ahaura for some years?—Yes.

604. How many sawmills were there in the Reefton district fifteen years ago?—I do not think there was above one.

605. Had Lockington not a mill?—It was more recently.

606. Well, before the railway was made?—Lockington was there before the railway was made.

607. Did not Corcoran have a mill?—He had a mill for a very short time.

608. Did Maine have a mill?—Maine was the first mill-owner.

609. Did Perotti have a mill?—No.
610. Not at Devil's Creek?—Not that I am aware of.
611. Do you think the mills that were in existence before the railway was made are cutting more timber now than before the railway was made?—The local mills have increased; they have had to cut a very large and increased quantity of timber for local demands. The Consolidated Company alone keeps two of them going.
612. Coming towards Greymouth, do they send any timber over the railway at present?—I think the only timber they send away is railway-sleepers.
613. Do you know whether the railway derives any revenue from them, or whether they are carried free of charge?—I know the cartage on them to the railway is a matter for the contractor.
614. I mean so far as the railway revenue is concerned?—Of course, I do not know.
615. Are you of opinion that considerable areas of land will be settled on now that the restrictions are removed in the Reefton district?—Taking into account the development of the coal industry, and the timber industry, and the gold-mining industry, necessarily a larger population will prevail, and, of course, settlement also. I have no reason to see why there should not be. As I have already said, I think cyanide will be an immense factor in the development of the gold-mining industry.
616. What you wish the Commission to understand is that with cyanide and the advent of capital to develop the mining industry settlers in the Inangahua Valley would have a good local market in Reefton, which would render settlement in that valley profitable?—Yes. There would be a larger mining population—miners and, of course, their families.
617. *Mr. McKerrow.*] You stated that in the course of the next ten years the coal output might be 1,000,000 tons per annum?—I did not go into figures; that is a haphazard statement.
618. Do you know what is the annual output from all the coal-mines in New Zealand?—I have not gone into the figures.
619. I may inform you it is not 1,000,000 tons?—It was a haphazard guess, and I had better withdraw it now. I cannot say the output without going into calculations.
620. *Mr. Hudson.*] In the event of the output being under what you have already stated, would you not require to reduce the number of men you think the industry will employ?—I do not know. I have already admitted making a mistake in the output, or, at least, I have assumed that the quantity will be larger than it probably will be.
621. In one part of your evidence you told us that you anticipated that five or six mines of equal size to the Blackball Coal-mine would be working, and that the Blackball employs two hundred miners?—Yes; I believe that is so.
622. And therefore you anticipate that about a thousand men will be employed near Reefton?—Yes; but I think that is excessive. I would be very glad, as a resident, at all events, if half the number were employed there. It would make a vast difference to the success and prosperity of the district.
623. *Mr. Graham.*] With reference to your statements generally in regard to the conveyance of goods before and after the railway opened, these are just your general impressions: you have not got them from any authorised data?—They are my recollections. Of course, having been a resident of the district, and having had to pay freight, I can approximate it.
624. What do you mean by approximating it?—I can say from memory.
625. That the freight was higher or lower?—Yes.
626. But you cannot say if it was £8 or £10 per ton, instead of 16s. per ton?—Yes; I can say that. I do know that as legal manager of companies.
627. *The Chairman.*] Was machinery carried by weight, or by measurement?—By weight; but, of course, as you know, in the early days of the field there were no roads at all.
628. What do you say of ten or fifteen years ago: my own impression is that freight was £5 per ton?—Before the advent of the railway it was about £5 per ton.
629. How long ago was living in Reefton 30 or 40 per cent. higher than it is now?—Fifteen or twenty years ago.
630. What do you pay at the hotels now?—You can get accommodation now for £1 per week.
631. You mean permanent residence?—Yes; regular boarders.
632. Is the amount paid by the commercial traveller 40 per cent. less than it was twenty years ago?—I would not say 40 per cent.
633. Would you say 30 per cent.?—I would say it was quite 30 per cent.
634. These are simply your impressions?—I am not prepared to give actual statements. They are my impressions of what I know of the past.
635. *Mr. Fraser.*] Do I understand you to mean that the cost of living for residents in Reefton and the neighbourhood is 40 per cent. less than it was twenty years ago?—Yes.

THOMAS PAVITT examined on oath.

636. *The Chairman.*] What is your occupation?—I am a land agent at present.
637. Residing where?—At Greymouth.
638. *Dr. Findlay.*] Before you came to the West Coast I understand you were carrying on business in Christchurch?—Yes.
639. For how many years?—Nearly thirty years.
640. In what business?—Timber and coal.
641. You conducted, I understand, a very large timber business?—Yes.
642. And also a large coal business?—Yes.
643. You imported timber from the west coast of this Island?—Yes.
644. In considerable quantities when you were in Christchurch?—Yes.

645. And since then, I understand, you have watched the timber industry pretty closely?—Yes, very carefully.
646. In 1887 you entered the employ of the Midland Railway Company?—Yes.
647. In what capacity?—As inspector of forests and in regard to their lands generally.
648. How long were you in that office?—I have been up till within about twelve months ago. I should say up to 1895, and since then I have been acting for the Receiver for the debenture-holders, and also for the Midland Railway Company.
649. In the same office?—Yes.
650. What were your duties?—In looking after the forest country and reporting generally upon the character of the land, including forests.
651. Then, I understand, it was part of your duty to make yourself acquainted with the nature of the forests belonging to the company, and in that way, I understand, you became familiar with the forest lands generally?—Yes; I had a large experience in forest country before I came here.
652. Where did you gain that experience?—In Canterbury—on Banks Peninsula.
653. In 1890 did the Midland Railway Company take any steps to develop the timber industry?—Yes.
654. What was done?—They requested me to visit the different parts of the colony to endeavour to get sawmillers to establish plants in this district. I visited the Otago District, the Wellington District, and the Picton and Havelock districts for that purpose.
655. And you also went to Australia I believe?—Yes.
656. As the result of your operations, how many mills were established by the company?—Six; or, rather, they issued orders to the extent of some 6,000,000 feet of timber as an inducement for these mills to commence.
657. Do you mean 1,000,000 feet each?—Some were larger and some smaller—an average of 1,000,000 feet.
658. What did the company do with the timber?—The greater portion of it was exported to Melbourne and Sydney.
659. *Mr. Bell.*] Was that without royalty?—No, the royalty was paid on it.
660. *Dr. Findlay.*] At a price agreed upon, I suppose?—Yes; I am not sure that the whole of this order was executed, but nearly the whole of it was.
661. Do you recollect what year that was in?—In 1890.
662. Then, it would be part of your duty to try and place the timber the company was ordering?—Yes, I visited Broken Hill for that purpose.
663. Do you recollect what it cost the company to promote this development?—I have not the figures before me now, but I think altogether some £4,000.
664. That was lost in your effort to establish the business and create settlement?—Yes.
665. Can you tell me how many mills have come into existence on the West Coast here since the company made this effort in 1890?—Altogether, I think there were some twenty-four or twenty-five mills established up to 1899.
666. All working now?—Yes; some small and some large.
667. Employing about how many men?—Upwards of five hundred men; and their dependents, including themselves, would be at least two thousand people.
668. Now, can you tell me what the output in superficial feet for the past year was?—Within a trifle of fifteen millions.
669. And since the industry started in 1891, what has the total output been?—Slightly over 90,000,000 ft.
670. Have you arrived at any value of this timber?—Valuing the timber at 6s. per hundred.
671. Why do you fix that?—That is the present price of red- and white-pine. An approximate value of the past year's output would be about £45,000, and since 1891 the value of the 90,000,000 ft. would be about £270,000.
672. What proportion of the whole of that timber has been railed over the Midland sections?—So far as I can learn, about three-quarters of it.
673. With regard to the prospects of the timber trade: you say that you have, for many years past, been intimately connected with it?—Yes.
674. What do you think will be the tendency in regard to prices in the future?—I think they will harden. They are bound to do so. All the forest country throughout New Zealand is becoming very difficult of access, and the demand for timber is greatly increasing throughout all the larger centres. At present there are large inquiries for additional supplies in Canterbury. Even those timber merchants of Christchurch who have already established mills here are now considering the importance of erecting additional mills.
675. And the timber business as a whole appears to be prosperous and progressing?—Yes; there are many inquiries being made also in Wellington by the timber merchants. That would be a new market.
676. And will the further construction of the railway affect the timber industry?—Oh, certainly. I can only say that if there was the means of getting the timber out of the country by rail there is a very large quantity of an inferior class of timber—timber which is not suitable for house-building, but which would find a market in Canterbury and elsewhere for many useful purposes, such as farm-buildings, sheds, and so on—and all this could be sent away if railed, but it cannot bear the seaborne cost.
677. Commencing on the north-east side of the Arnold River, I want you to describe the forest areas which you think would be marketable?—At a point near the Stillwater Station, immediately on the north-east side of the Arnold River, there is, taking a width of five miles parallel to the Reefton Railway, a considerable tract of forest country. There are some 39,000 acres, of which there should be at least 18,000 acres between Arnold River and Nelson Creek.

678. You say about 18,000 acres of profitable forest?—Yes.
679. Consisting of what kinds of timber?—Red- and white-pine principally, mixed with silver-pine and birch.
680. Is that timber of first-class quality?—It is excellent timber.
681. And that, of course, would be carried over this railway?—Yes; the country has a fall towards the line of railway, and the cost of haulage would not be excessive.
682. Now, crossing to Nelson Creek, and continuing in a north-easterly direction, can you describe any area lying there?—There are about 9,000 acres.
683. To what point?—To the Ahaura River, running back in the direction of Lake Hochstetter.
684. About how far back from the line?—Four to five miles.
685. Mixed forest?—Yes.
686. What area?—I think about 9,000 acres.
687. What kind of timber is this?—I think fully one-half is birch; the rest is red- and white-pine with silver-pine.
688. Is it easy country to tram?—Yes, it all falls to the railway.
689. From the Ahaura River, travelling beyond the open lands which are termed the Ahaura Plains, what do you find?—A very extensive forest reaching to the Kopura.
690. What area?—I think that which would be utilised in the next few years would contain about 12,000 acres, but beyond that distance the forest is very extensive in the Kopura district. It is principally red- and white-pine, with a large silver-pine forest.
691. Why do you not include that in the area?—It would mean a much greater distance. It would reach some sixteen miles, and at present that, of course, would be beyond the means of a private line to haul timber.
692. But if prices rise, as they promise to do?—If they rise from 1s. to 2s. a hundred that Kopura forest could be worked profitably.
693. Can you give me the area?—I have not gone through it, and I cannot give you the area.
694. Can you fix a rough minimum?—I think from 12,000 to 14,000 acres.
695. Now, starting at a point opposite Brandy Jack's, on the east side of the railway, and continuing to the Big Grey River, what do you find?—Mixed forest, the larger proportion being birch—red-, and brown-, and white-birch.
696. What is the area?—Some 6,000 acres.
697. Is there a further area of 4,000 acres near Ikamatua?—Yes; after crossing the Grey River, and still on the east side of the line, I find an area of 4,000 acres; it continues from the Big Grey to the Little Grey.
698. What kind of bush?—Principally birch.
699. Does the same class of forest continue up to Reefton?—Yes, brown-, red-, and white-birch.
700. Commencing on the other side of the Grey River, near Stillwater, what general description of the country can you give us?—There is a width of about a mile to a mile and a half, and that goes a distance of about twenty-three miles, after which you reach Burton's Creek, beyond Mawhera-iti.
701. Is it good timber?—Yes, there is some excellent timber.
702. Can you give me a rough idea of the area?—I should say from 12,000 to 15,000 acres. There is an excellent quantity of silver-pine, as well as a good crop of red- and white-pine, on this area. They are cutting silver-pine there now.
703. On both sides of the Jackson's line of railway, in addition to what you have already referred to, is there not an immense area of forest?—Yes.
704. What do you estimate the area to be?—I should think from 150,000 to 160,000 acres.
705. What kind of timber?—Mixed forest. There is a large quantity of red- and white-pine on the lower spurs of the country.
706. And on the higher spurs?—Beyond a certain altitude you get into dwarf birch.
707. Is there any silver-pine?—Yes, there is some silver-pine.
708. Now, you necessarily know something of the output of the mills: what number of feet per acre on the average have you found the mills extract?—I have tested it in many instances and the average is about 14,000 ft. I think you may take that as a fair and just average. It comes down as low as 5,000 ft., and it goes as high as 65,000 ft. Where you get a thick forest of pines it is almost incredible the quantity of timber you get per acre. I may say these are rare instances.
709. You say 14,000 ft. is about an average, taking it all over?—Yes, I have made very careful tests.
710. I think you have told us that the present export from Greymouth is about 15,000,000 ft. per annum?—Yes.
711. Is there a growing demand for these West Coast timbers in Canterbury?—Yes. The red-pine is superior to that from Southland; it is less knotty, and an easier kind of timber to manufacture. It is driving Southland timber completely out of the market.
712. And you say there is a demand rising in Wellington?—Yes; on several occasions quite lately timber merchants have asked me if I could place some large orders for them here, but the mills were too full of orders, and could not accept them.
713. Now, taking these prospects, what is your best judgment as to the increase of the export of timber from Greymouth during the next six years?—Well, hitherto the increase has been equal to about two millions a year. There has never been the number of inquiries for timber that there are at the present moment, and in consequence of that I assume it is not unreasonable to imagine that in the next six years the increase will exceed 2,000,000 ft. per annum.

714. In six years you ought to have the export more than doubled?—Yes; even with no outside market other than the Canterbury market. There are already several mills now being erected which will export at least two millions per year, and there are timber-millers coming up from the south now.

715. These will be moderate sized mills?—Yes, cutting about the same average—from 180,000 ft. to 200,000 ft. per month.

716. Do you know the larger mills here?—A well-equipped mill of about 25-horse power should turn out some 18,000 ft. to 20,000 ft. per day.

717. How many mills of 25-horse power have you got in the district?—I do not think there are any approaching that. I think the highest horse-power we have is 15. They were second-hand plants in many cases, but a well-equipped and well-ordered mill should put out 20,000 ft. a day. I have visited several of the Southland mills and I have seen them put out 26,000 ft. per day.

718. *The Chairman*] What kind of timber?—Generally mixed timber—red and white pine. It was when they were cutting timber for the Broken Hill fields, and that was shipped to Australia.

719. *Dr. Findlay*.] Can you give us any idea, assuming that there is this increase, how long these forests would last?—Of course, it is altogether a guess, but I should think they would be from twenty-five to thirty years in cutting. I think so because there are other areas adjoining these which I have not been over, and the timber from which will naturally fall into the lower areas.

720. What is the average rate of haulage: do you know?—I think in only one instance is the railway drawing it for less than 1s. per hundred, and the others are paying from 1s. to 1s. 3d. per hundred.

721. Of all the timber passing over one or other of the sections of the Midland lines the rates of haulage vary from 1s. to 1s. 3d.?—Yes.

722. Is that the average?—I think you may safely say 1s. would be the average.

723. Supposing timber is railed from Jackson's to Greymouth, what would the freight be?—There is no timber railed at present, but I understand the rate will not exceed 1s. 3d.—from Inchbonnie, for instance.

724. What part of that will the Government take for its own line—for the eight miles from Brunner?—Of course, I speak under correction, but I think it is at least 6d.

725. The total freight is what?—The total freight from Inchbonnie would be 1s. 3d., but the present average rate of haulage would be 1s.; so that the Midland Railway Company have hitherto, I think, been getting 6d., and the Government 6d.

726. What is the comparison of miles?—Eighteen miles on the Midland line and eight miles on the Government line.

727. Then, do I understand that for eighteen miles of the Midland line the Midland Company were credited with 6d., and for eight miles of the Government line the Government were credited with 6d.?—I think so.

728. *The Chairman*.] Do you know what the Government charge, supposing this timber only happened to come a mile over the Midland Railway, including the terminal charges?—I cannot say what it would be, none having been railed on the Midland line that short distance to my knowledge.

729. So, from that, I understand you cannot give the Commission any idea as to what profit the Midland Railway Company got from the timber traffic?—No; but the company's rolling-stock has been used to carry that for which the company have been getting an equal amount with the Government. They have been carrying it about eighteen miles with their own plant, and for the use of the eight miles of Government line from Brunnerton to Greymouth the amount has been about equal.

730. Do you know the first mill on the Jackson's line from Stillwater?—Yes; that is Baxter's.

731. What is the railway haulage from there?—In 1892 the haulage upon that would be 1s.

732. Now, are you aware that if that traffic had initiated at the commencement of the Government line—say, at Brunnerton—whether the Government would charge 8d. to take it to the Greymouth wharf or station?—It would be 8d.

733. So that out of 8d. only 1d. would be credited to the Midland Company?—I would not say that; I am speaking now of a distance of eighteen miles.

734. Supposing the timber comes from just about Stillwater, and that the rate from Stillwater to Greymouth is 9d., and that the rate from Brunnerton to Greymouth is 8d., a penny of that is all the Midland Railway would be credited with?—I cannot say so. I think, under any circumstances, the Government would get 6d.

735. *Dr. Findlay*.] You say the average hauling-rate is about 1s.?—Yes.

736. Well, taking the timber, and adding the carriage of machinery and goods and the passenger-traffic in connection with each of the mills, what do you think it would be fair to assume each mill contributed to the gross earnings of the railway?—For the carriage of timber alone it would amount to about £1,000 a mill. I refer to mills that would turn out about 2,000,000 ft. a year.

737. And then there would be, in addition, machinery, goods, and passenger traffic?—Yes; and that would be very considerable. The greater number of the sawmillers usually come in on Saturday to Greymouth, and there would be their provisions and stores; and their machinery in the first instance, and the repairs to machinery from time to time. Of course, to approximate it roughly, I should think that a mill employing from sixteen to twenty men would certainly contribute £250 a year to the railway in the carriage of goods and machinery, and in the passenger traffic. I think that is quite a reasonable figure.

738. That is for the whole line, including the piece from Brunner to Greymouth?—Yes. I may say in support of this that you have only to visit the railway-station on Saturday and you will see a full train, nearly all sawmill people.

739. Now, can you say anything of the value of the land after the timber is taken off it?—Well, it is very difficult to say. It depends greatly on the class of timber growing on these special areas. If it were pine-lands generally, and the timber-forest were cut on a face, and the greater portion of the timber felled and then fired at special seasons—not as they do, in some cases, at any time—the land is certainly fit for pastoral purposes. That has been proved in cases where the timber has been felled properly and the burns have been good. I saw an instance of that a short time ago near Lake Brunner, where some 100 or 200 acres were carefully cut.

740. Were these 100 or 200 acres somewhat typical of the larger bush areas you mention?—Yes. There the fire was a good one; the weather was dry and it burnt clearly. The man has sown a large quantity of grass-seed, and it has come up and looks very well. The same treatment in other parts of the forest would give the same results.

741. *Mr. Bell.*] Is there not the wineberry, and is there not the underscrub, too?—No; I think not sufficient to prevent burning.

742. *Dr. Findlay.*] When did you see it?—Quite lately. It resembles very much the land in the vicinity of Taihape and Mangaweka. It is quite equal to many portions of the land in the vicinity of Ohingaiti and Mangaweka.

743. Are there any other areas which have been cleared and sown in grass to which you could allude?—No, there have been very few indeed. Nearly all the other areas were under cultivation years before I came here.

744. You think, from the instance you have given and from your own experience, that if this land, or a large portion of it, were properly burned it will produce good grass?—Yes, if they fire it at proper seasons.

745. Can you give any rough idea of the area of the large tracts you have mentioned which might be rendered available in this way?—If sufficient inducement were given by the Government in the price of the land, I think a certain class of persons would come from the south and elsewhere who would take up many of these areas.

746. Can you advance something a little more definite? I suppose you are not in a position to say anything about the area which might be so rendered available?—No, I would not like to say that. My duties have not required me to report upon the special suitability of the land for close settlement.

747. You have had a large experience with coal in the Canterbury District, I believe?—Yes.

748. And an experience of these West Coast coals?—Yes.

749. Do you know the coal which has been obtained north of Reefton?—Yes, I have frequently seen it burning at Reefton.

750. What is your opinion of it as a coal for domestic purposes?—I think it is an excellent household coal.

751. Do you think, if facilities were offered for bringing it to market, that there would be a market for it?—Yes, certainly. It is tougher and less friable than any of the West Coast coals I have seen yet, and consequently can stand removal.

752. The whole of the coal traffic from that district would come over this line?—Yes.

753. The coal from the Blackball Mine runs partly over this line?—Yes.

754. Do you think the Blackball Mine is capable of development?—Yes.

755. Do you think it is likely to be developed?—Yes. There were two gentlemen from Home, who had had a large experience in coal-mining in Devonshire and Cornwall, and with a large capital, who came to me with letters of introduction to show them any coal measures I knew of. They examined the Brunner Mine, and also the outcrops of the Blackball Mine, and they pronounced the Blackball seams as very extensive, and they would certainly have made an offer to purchase the field had there not been the objection of a bar harbour here. They came specially from Home to make that particular inquiry.

756. Do you know whether lately the Blackball Mine has been purchased?—So I hear.

757. By whom?—Sir Edwin Dawes.

758. *The Chairman.*] You do not know of your own knowledge?—Yes.

759. *Dr. Findlay.*] How long has Dawes owned the Blackball Mine?—I am not quite sure, but I think for about two years.

760. You think there is a prospect of a further development there?—I think so.

761. Do you know the system of aerial tramway employed?—Yes; it is very expensive, and it injures the coal.

762. Supposing, then, that additional capital were embarked, and the coal company connected its mine with the railway by a loop-line of railway, can you say what you think the total output of the Blackball Mine might be?—At present they can transport 500 tons a day, which represents 3,000 tons a week. I am not aware that they are doing that now. Had they that railway, there is no reason why they should not produce 1,000 tons a day. That was the Brunner output for some time in 1888 and 1889.

763. At any rate, you think it would be easy to increase the output to 1,000 tons a day?—Yes.

764. And how many miles over the Midland Railway does that coal go?—At present about eight miles.

765. I believe you know of the many applications which have been made from time to time to the company for land under section 33: how do you come to know about it?—From visiting the different portions of the district. My experience is more confined to that particular district between Reefton and Hokitika. I cannot speak with any certainty in regard to lands further north than Reefton.

766. You prepared a statement: you might tell the Commission what it is first?—These are applications made by persons who wish to take up land on the West Coast and on to Nelson. The company shows in its application-book, which has been carefully posted up, 1,067 applications.

767. What area?—109,000 odd acres.

768. So that the average application would be about 109 acres each?—They vary. The largest area applied for was 5,000 acres; the next highest is 957 acres. The average would be something over 100 acres.

769. That is from 1887 up to when?—Till 1895—the time of the seizure.

770. *Mr. Bell.*] Why, then, did not the company grant these applications? Why did not they select the land and give these people the land they wanted?—I could not make a positive statement with regard to that, but I know these applications were forwarded to the Government from time to time under clause 33.

771. Do you know what happened to the applications in the hands of the Government?—No, beyond that very few of these applications have been granted.

772. Do you know whether the applicants desired to proceed with their applications?—Some have referred to the question since then, but we have had to assure them from time to time that we have done our best, and we could go no further: we were very anxious to get settlement.

773. How many mills do you say there are working now?—I think there are twenty-four or twenty-five in the whole district.

774. How long have they been working?—Some of the smaller mills were in existence when the company started—cutting for local purposes, but not for export: there was no export whatever.

775. The others have been for export?—Yes.

776. How many do you anticipate will be added to that twenty-four or twenty-five?—It is difficult to be definite, but there seems to be a great inclination now for outside millers to come here and erect new mills. There are two persons now on their way from Dunedin who intend to erect mills. A third mill is now being erected at Inchbonnie; and lately the Receiver has disposed of a large block of timbered land, and I understand from the purchasers that they are endeavouring to make arrangements for mills to be erected on their property.

777. That would make four more?—Possibly six more.

778. You say that the present output is about 15,000,000 ft. from the port of Greymouth?—14,900,000 ft.

779. Do you know what the increased export was last year?—I have not the figures with me, but each year it has increased from 1,000,000 ft. to 2,000,000 ft.

780. For how many years?—Since 1895.

781. And do you not think it has got ahead of the demand yet?—Certainly not. There are two mills actually owned by Christchurch timber merchants, and Mr. Brownlee, of Havelock, has a half share in a third mill. Christchurch merchants state that they will have to increase their output considerably; in fact, one of them was wishing to place an order of some 1,500,000 ft. a little while ago, in addition to the output of his own mill.

782. Then, the demand is still in excess of the supply?—Yes, and greatly increasing.

783. In your opinion the effect of the increase of the mills will not be to reduce the price?—No, I think not; I think the tendency is to increase.

784. Will not the effect be to close some of the small mills?—The small mills are cutting principally for local purposes.

785. And the larger mills for export?—Yes.

786. And you anticipate a continuance of this growth at the rate of 2,000,000 ft. per annum?—Yes, at the very least.

787. For how many years?—There seems to be such a general demand in all the large centres that it would go on for a great number of years.

788. Increasing at the rate of 2,000,000 ft. per annum, at least; that is a large quantity?—I think it is not a great quantity. It is one shipload. There are vessels now carrying that quantity from Puget Sound to Port Pirie.

789. But not from the Port of Greymouth?—No, but there is no reason why it should not go from here in smaller vessels. I was in Port Pirie some time ago, and there was a vessel arrived there with 2,000,000 ft. of Oregon pine for the use of the mines. The heart of our red-pine is 30 per cent. stronger than the Oregon timber, and it is very important you should have the strongest timber in mines where the lateral strain is very great. I took some samples of our timber to Broken Hill, and the managers of the mines thought very highly of it, and if that could be placed at Port Pirie at something like 10s. or 10s. 6d. per hundred it would sell well.

790. Is that possible, seeing that Greymouth is a bar harbour?—Quite possible.

791. You are giving us the best of your judgment and opinion, but have you any data upon which you found your opinion that the 2,000,000 ft. increase will go on?—It has been proved so far; it is an absolute fact that it is increasing.

792. You say that has been the result since the year 1895?—Yes.

793. The export trade commenced then, and has gradually expanded?—Yes.

794. Have you any data upon which you found your opinion that the expansion will proceed at the same rate?—I think so. There are so many industries now increasing in importance. In manufacturing different products now they require immense quantities of timber—for instance, for boxes and packing-cases these large meat-vendors use an enormous quantity of timber; and for many other purposes. There has only been a limited demand up to lately for white-pine. White-pine being a tasteless wood is now used generally for butter-boxes, and large orders are now being executed in different parts of New Zealand for it; and I think the class of white-pine here is superior to a great deal of the white-pine that is now going from the Auckland District, and from the Thames.

795. But there is plenty of kahikatea all over the colony?—Yes, but not all lying in place convenient for transport.

796. You have taken a sanguine view of the timber prospects of the Coast for many years, have you not?—Yes.

797. I remind you that in the prospectus for the debenture-holders you were the author of the statement that there were 91,000 acres upon which a profit could be anticipated to the company by royalties—a profit of £650,000?—Yes, I am of that opinion still.

798. That would be 1s. royalty all round?—There is no reason why that royalty should not have been adhered to; but the Government, when we started here, lowered their rate to 3d. per hundred.

799. That would be 1s. royalty all round?—Not for certain woods.

800. Your estimate is 14,000 ft. of all timber per acre?—That is assuming that the line would be made to Canterbury, and we should have been able also to produce a class of wood rather inferior in character to the red-pine.

801. But still your estimate of 14,000 ft. per acre is an estimate of all the timber on the acre?—No; milling timber suitable for the present demand.

802. Does the 14,000 ft. per acre include birch or not?—No.

803. You are speaking only of milling timber that you can cut out?—Yes.

804. You say the company should have got 1s. royalty per 100 ft. all round?—Yes; 1s. per 100 ft. is not an excessive rate, considering that large portions of the land when denuded of timber is of little value—and that that was the main portion of the asset of the land.

805. When you were the author of that portion of the prospectus of the company, in what time did you expect the company to earn that £650,000?—As long as it took to complete the cutting-out of the 91,000 acres.

806. I do not see that observation in the prospectus: I think, probably, you anticipated the profit would have been made earlier?—I gave no time.

807. Then, in your opinion, at that time the £650,000 would have been spread over a considerable number of years?—Yes; one could not anticipate that such a large quantity of timber would be cut out in a few years.

808. I cannot understand why this development of the timber trade has not taken place before to-day?—There are several reasons. The main reason is that Southland was sending away timber at a great loss. The price, as we all know, was so low that it ruined nearly all those engaged in it, and that was a sufficient check upon the development of the trade here.

809. And now that the low prices in Southland have come to an end there is anticipated an enormous increase in the trade on the West Coast?—Yes, I might mention for your information that on visiting Broken Hill I saw a very large quantity of red-pine stacked, both at Port Pirie and at Silverton, that was intended to be used for the mines. That timber had been sent from the Bluff. It had been cut out of very poor timber, instead of being heart, as it should have been, for the mines. More than two-thirds of it was sap; and they attributed a great deal of their misfortune in the collapse of one of their mines to this indifferent timber.

810. *The Chairman.*] Was it sawn timber?—Yes. We could have supplied the very best of heart timber. Shortly after I left they entered into a contract with Puget Sound millers for 18,000,000 ft., which would have gone from here had the timber gone as we should have sent it.

811. *Mr. Bell.*] Do I understand you to say that each of these mills will yield an income to the railway at Greymouth of £1,250 per annum?—Yes.

812. It would be astonishing were you to know that no mill does that at present?—I think the Tekinga mill does.

813. But Tekinga has cut an abnormal amount?—All mills could turn out quite as much.

814. Why do they not?—You have now more experienced persons and capital. I might mention that the Lake Brunner mill in 1899 paid £1,281, and in 1900 paid £1,268 for the haulage of their timber; the Moana mill paid £978 15s. in 1899, and last year they paid £962, and they were only working ten months in the year. I think that proves that my estimate is reasonable. The Kotuku mill in 1899 paid £942, and in 1900 £752, but for three months they were not working.

815. And as to the other mills, have you taken the trouble to get out the figures?—No.

816. *The Chairman.*] Were the payments you mention on the Midland Railway or on the whole line?—On the whole line.

817. Is it fair for the Commission to understand that most of the wooden buildings put up in Canterbury many years ago are now getting decayed, and consequently they require an abnormal amount of timber to replace them?—Yes; at the present time many persons are arriving in Canterbury, and cannot get houses. The amount of building is enormous.

818. Does that apply generally throughout the colony?—I apprehend so. In Wellington merchants have assured me that years ago they would never dream of going to this part of the colony for their timber, and now they are asking whether they can place large orders.

819. You say there are twenty-four or twenty-five mills contributing to this 15,000,000 ft. of output?—I would not like to say that. There are a good many of these smaller mills cutting for local purposes. That, of course, does not pass over the line in many instances.

820. Am I to understand that there are twenty-four or twenty-five mills, say, from Hokitika to Reefton and up to Teremakau?—Yes.

821. Can you tell me how many of these mills were in existence before the railway started?—I should say ten or twelve were cutting for local purposes.

822. Are you aware whether there was a timber export from here to Melbourne before the railway started—I mean white-pine?—Many years before, but that had virtually ceased; they were sending timber in logs roughly hewn but not milled.

823. As to these 1,067 applications for land, can you tell me under what tenure they were?—No, unless I again refer to application-book.

824. Does this apply to applications for land to cut timber?—In a few instances they are included.

825. If the line were continued to Christchurch, can you tell me what would be the freight by rail, say, from Moana to Christchurch, as compared with freight by sea?—I specially asked Mr. Ronayne to tell me what would be a remunerative rate for coal, assuming the line were continued, and he gave me 7s. 6d. as a remunerative rate; and taking coal at 7s. 6d. and timber at 16s. per ton, it would be equal to 3s. 6d. per 100 ft.

826. What class of timber do you mean?—Red- and white-pine. I reckon that 447 ft. superficial goes to the ton of timber—that is, red-pine; fresh cut white-pine is not so heavy.

827. Have you got any idea of the weight per cubic foot of these timbers when they are green?—No, but we have had numbers of trucks weighed for that special purpose, and it weighs 447 superficial feet to the ton. Fresh cut is, of course, green timber.

828. There are standard weights allowed by the Railway Department for carrying timbers?—It varies from 420 odd feet to 480 ft. to the ton—the mean of that being 447 ft.

829. Say timber is carried to Christchurch at 16s. per ton—according to your estimate that would be 3s. 6d. per 100 ft.: compared with railway freight, say, from Moana to Greymouth, then shipping it, and the freight from Lyttelton to Christchurch, which would you think the cheapest to send it, by rail or by sea?—By rail, certainly. In the first place, a great deal of timber would go from much nearer distances than Brunner, and there would be all the timber up the Jackson's line, which shortens the distance. Take 1s. per hundred as the first charge by rail to the seaport (Greymouth), and the freight as 2s. 9d. per hundred to Lyttelton, and then the railage from Lyttelton to Christchurch, including wharfage, which I think is 1s. 2d.: but I am not positive of the latter item.

830. So that from an economical point of view it would be practically 5s. by sea as against 3s. 6d. by rail if that timber is sent to Canterbury by rail ultimately?—And there would be an enormous saving where it was going south of Rolleston.

831. So that it is really a mistake to cut that timber at the present time?—It is a pity it should be selling at this low rate; a royalty of 6d. per hundred represents half the present rate of the average haulage.

832. Coming to this block of 100,000 acres, which at 1s. a hundred royalty you reckon would produce £600,000, can you tell us what was the B1 value of that block?—I know 20,000 acres was charged to the Midland Company at £1 per acre.

833. What was the B1 value of the remainder?—I could get you that information later; the majority of the balance would be 10s. per acre.

834. So that, at a royalty of 1s. per hundred, you estimate the value of this land at £6 an acre at the present time?—Yes; some of the land would be from £6 to £7 per acre.

835. Why did you not select that land for the company when you had the opportunity?—We selected two blocks.

836. Did you select 100,000 acres?—No, only 20,000 acres.

837. At your own estimate of from £6 to £7 an acre, would it not have paid the company to have selected that land?—They might have waited, and lost the sale of land that they selected elsewhere. I could not enter into the general course taken by the manager of the company. I was only an officer.

838. I understand you were selecting land for the company?—To represent to them the values, and the value of the timber, and in some measure the value of the land; but the completion of the line to Canterbury would have made these areas extremely valuable.

839. You have told us that the whole of this block of 100,000 acres is within four or five miles of the constructed railway?—Yes.

840. *Mr. Hudson.*] The company had power to charge the same rates—*plus* 25 per cent.—as were chargeable on the Wellington—Masterton Railway: can you tell me why these low rates were fixed by the company as compared with the rates they had power to charge?—To induce traffic; to compete with the southern lines. The Southland timber merchants were sending timber to Ashburton, so that they were really trespassing on country that the company anticipated they would have to supply.

841. The fact of the matter is that you adopted low rates in consequence of outside competition?—Yes, and to obtain traffic.

842. You have stated that 6s. per 100 ft. is a fair return for the timber?—It leaves a profit. In the case of a well-managed mill 6s. per 100 ft. will pay, until they go beyond a certain limit.

843. You say that since 1891 90,000,000 ft. of timber has been produced, which, at 6s. per 100 ft., represents £270,000?—Yes.

844. Has that price, which I understand is the present price, prevailed during the whole of that period?—No; not as far as red- and white-pine are concerned, but there has been a much higher price for silver-pine.

845. Have you any idea what the timber was you spoke of as being sent to Port Pirie from Southland, and the price got for it?—It was to have been 11s. per 100 ft.

846. I mean f.o.b. at Port Pirie?—I can only say that I visited Southland several times, and Mr. Guthrie, who was largely concerned in the mill business, had an idea that timber could be produced at 2s. 10d. per 100 ft., and I tried to convince him that those prices had ruined everybody who touched it, and it was quite fallacious that anything less than 3s. 6d. in the truck at the mill-sidings would pay.

847. Is it not a fact that they sold timber on the trucks for 3s. a 100 ft.?—It is very possible, but it was mere rubbish. Enormous quantities of timber were sent to Melbourne at the time of the boom that were not fit for shipment, and for a time did us great injury.

848. You said that 6d. per 100 ft. out of the 1s. was the Government proportion for hauling the timber eight miles from Brunner?—I spoke subject to correction; as far as I could gather, I said, that was the charge.

849. Does not that charge include something a great deal more than haulage?—I believe the wharfrage is included in it.

850. It includes all the terminal charges at the port?—Yes. I was referring more particularly to the time when the company was running its own plant. We found the trucks and the engines, and the Government were getting equally with us for the longer distance.

851. But did not the proportion which was taken by the Government include all the port and terminal charges?—Yes.

HENRY SAMUEL CASTLE examined on oath.

852. *The Chairman.*] What is your occupation, Mr. Castle?—Accountant, living at Reefton.

853. *Dr. Findlay.*] How long have you been in Reefton?—With the Consolidated Goldfields of New Zealand and Progress Mine I have been five years.

854. I want you to give us your opinion as to the possible mining development of Reefton: can you give us any grounds for anticipating a marked increase in the mining development in your district?—Yes; I should certainly say there is likely to be a considerable increase as the mines get further opened.

855. What mines?—Both the Progress Mine and all the properties of the Consolidated Goldfields. The Consolidated Goldfields own a number of properties there. There is the Wealth of Nations that is only just being opened up. The Golden Fleece has only just finished her development, and as they get further opened there will be a number of men employed.

856. That is, the development of the mines at present opened up?—Yes.

857. Do you see a prospect of working profitably mining areas which are not just now being worked?—Yes; we have a number of other areas that have to be prospected yet, for which we have protection pending certain results that are being tried.

858. Could you give the Commission some idea of these?—Hardly that. Take, for instance, the Golden Fleece group—there are a number of outside properties in connection with that that have not yet been tested; and we are waiting for the results of certain tests in connection with cyanide and other matters before treating the low-grade ores that we know exist in the other properties.

859. What is your opinion with regard to the prospects of cyanide?—Cyanide at the present time, in my opinion, is only in its infancy—that is, as applied to Reefton. The tests that are being made in the various mines vary so much with different ores. At the present time they are trying different methods and are finding the cheapest way of treating them.

860. A certain amount of experiment has to be gone through before you get the right solutions?—Yes.

861. And before you can decide whether the process can be applied?—Whether it will pay to treat low-grade ores, of which we know a large quantity exist.

862. Can you say from your knowledge that there is likely to be a very large area to which cyanide will probably be applied?—From what I know, there will be a very large area, providing cyanide is a success. In one or two instances it has proved a success. Take the Scotia, the Drake, and another company of the Amalgamated, before they put up the cyanide plant which has just started. These mines, the Scotia and Drake, were abandoned. Now, by means of the cyanide process, they appear to be possible.

863. We were told this morning that the application of capital would probably take place in the future and extensively develop the mining interests there: that other companies are likely to go there?—I think that is very probable, because there is the Inkerman Company, which is an offshoot of another English company. They are at present in the development or prospecting stage; and there are slight improvements lately. Should there be a success there is no doubt it will be the means of bringing other companies into the field.

864. Is not the success of that company likely to invite capital?—Most decidedly; they are watching very eagerly for the outcome of the experiments being made for the Consolidated Company and other companies.

865. So far as the experiments have gone, I understand, they promise to be a permanent success?—Yes, they are looking very well at present.

866. Can you say whether you see any chance in the future of the mining population and the men working in and around Reefton being greatly increased?—I should say most decidedly, Yes. If the low-grade ores can be treated successfully, it must mean the employment of a very large number of men.

867. What is the number of men employed by the Consolidated Company at the present time?—There are five hundred on our pay-sheets.

868. Could you give us any idea of the number of people depending on them?—I think you might safely double that, and say one thousand. I should say one thousand souls, including the workmen.

869. Then, if the development you mention takes place, you might have a very large increase in the mining population of Reefton?—Yes, you might say half more on our particular properties.

870. And that observation applies to all the other mines?—I should certainly think so, with regard to that particular mine.

871. Have you any figures that will help us?—I took out the figures from the time the Consolidated Company took over the old companies. We took over the companies in February, 1896—Mr. Ziman did on behalf of the English syndicate—and for the year ending 1896 we had an average of 151 men employed. The first half of 1897 we had 190 men; the second half, 277 men; the first half of 1898, 300 men; the second half, 400 men; the first half of 1899, 440, and 440 to the close of the year; the first half of 1900, 450 men; and the second half, 500 men.

872. So that from 1896 till now there has been an increase of how many?—350 men.

873. What reasons would you principally ascribe why the mining development has not taken place earlier: you have mentioned cyanide?—A most important factor was the difficulty of getting machinery—the very heavy road-expense of getting stuff there.

874. Can you give us any other reason why the development did not take place earlier?—Want of capital.

875. Is it not true that the past ten years is not a fair guide to the future development for that reason: that capital was not directed to this district as it will be in the future. We want to know how far this existing railway is likely to be benefited by the future development of the mining industry. The Commission desire to know what reasons you have for expecting that the industry will develop in the future at a more rapid rate than it has done in the past?—I have given you a reason already with regard to the treatment of low-grade ores. If the treatment of low-grade ores is a success there must be a much larger number of men employed, and therefore a much larger amount of traffic on the railway.

876. It really depends largely on the success of the cyanide?—To a great extent.

877. You cannot give me any information about dredging?—No, not in that district.

878. Nor with regard to coal or timber?—No.

879. *Mr. Bell.*] It was stated a short time ago that the Consolidated Company was paying a dividend of 15 per cent.?—The Progress Company has been paying three dividends a year.

880. The Progress is one of the companies in which the Consolidated holds a large number of shares?—Yes.

881. *Dr. Findlay.*] What does the Progress pay?—A dividend of 3s.—that means 15 per cent. on the capital of the company.

882. *The Chairman.*] Can you tell us whether you consider the population of the Reefton district has increased proportionately to the increase of the miners working for the Consolidated during the last four years?—Yes, appreciably. I should say by one-half.

883. Proportionately?—You could take my figures with regard to ourselves.

884. As far as the general population of the district is concerned, what is your opinion on that point as to the actual increase during the last four or five years?—I should say it has increased by one-half during the last five years. We have increased more than that, but probably one or two of the other mines have decreased a little.

HORACE BAXTER examined on oath.

885. *The Chairman.*] What is your occupation, Mr. Baxter?—Audit Inspector, Railway Department, residing in Dunedin.

886. *Mr. Bell.*] You have prepared a statement from the books of the amount which it is estimated was earned by the railway between May, 1895, and July, 1900, by reason of the construction of works going on beyond Jackson's?—Yes. [Exhibit No. 8.]

887. In estimating the passenger traffic, how many of the first-class passengers were allowed to go by coach?—All.

888. And the second-class passengers?—About 25 per cent. for coach and local residents.

889. With regard to the second item, "Public works material and stores forwarded to Jackson's"?—The particulars were obtained from the actual payments of material forwarded to Jackson's from Greymouth, or, rather, which were forwarded to Jackson's for the Public Works Department.

890. Then, as to the third item, "Goods and stores for co-operative workmen, Otira extension": those figures have been taken out of the books?—Four months' actual traffic of each year have been taken, and a percentage taken from that.

891. *Dr. Findlay.*] Can you give me what the first-class passengers amount to in money—No.

892. And the second-class: 25 per cent. you allow for the coach and local residents, and 75 per cent. are put down as what?—Men and their families who were at Jackson's or beyond owing to the extension of the line from Jackson's to Otira.

893. Were they men engaged on the line and their families?—Yes.

894. You say it is entirely of the families of men engaged on the line?—The return is based on the total second-class passenger traffic from Jackson's, less 25 per cent. for coach-passengers and local residents.

895. I suppose it is merely an estimate?—Necessarily.

896. You made no record?—No, the information was obtained from the Stationmaster at Jackson's—he was at Jackson's during that period of time. It is an approximate estimate. A very large margin has been allowed.

897. Then, with respect to the item "Goods and stores for co-operative workmen, Otira extension," you say you took it for four months of each year?—Yes.

898. What period of the year did you select? Why not take it during the whole year? Would that involve a great deal of labour?—Yes; it would be a difficult matter to get.

899. But is it impossible?—It did not seem to me practicable to get the information in the time. There are no local residents' goods in this.

900. Can you say with certainty that these stores were exclusively for co-operative workmen: that some of them were not for residents there?—I cannot say that. I can say this: that the total quantity of stores for the Otira Section came to £1941. We took £200 off that so that we should be well within the mark.

901. But you were really in the region of conjecture as to how much should be taken off and how much should not?—Necessarily.

902. And in selecting the four months of the year I suppose you took whatever four months you thought fit?—We took different four months in each year, so that we should be able to get a fair average. The figures did not vary very much for each month, as they had necessarily very limited storage accommodation.

903. *Mr. Bell.*] You have prepared a statement as to the amounts received from the mills during the last year: does it come from the railway books?—Yes. [Exhibit No. 9.]

904. The charge on the Brunner line includes the terminal charges at Greymouth, does it not?—It includes the haulage from Brunner to Greymouth, and possibly storage-accommodation here and placing it alongside the ship's side.

905. *The Chairman.*] Can you tell me whether the new scale is the scale for the carriage of timber throughout the colony?—It is the scale applicable to the Westland Section. The scale does apply to the timber-rates throughout the colony, as well as on this section.

906. It is lower on this section than anywhere else?—Yes.

907. You did not alter the Midland Railway charge for the carriage of timber until after the line became finally vested in the Government?—No, not till after the 27th August.

909. *Mr. Graham.*] As to the item, "Goods and stores for co-operative workmen": if it were possible to take four months in each year, to make it as fair as possible, will you tell us why it is not possible to give the figures for the whole year through? Could you give us the actual returns for 1897, 1898, and 1899?—Yes.

GEORGE VANDERPUT DRURY BUTTS examined on oath.

910. *The Chairman.*] What are you, Mr. Butts?—Railway Workshop Foreman, residing in Greymouth.

911. *Mr. Bell.*] How long have you been Workshop Foreman?—Since May, 1894.

912. You held that office when the seizure took place on the 25th May, 1895, and also on the 23rd July, 1900, when the railway became vested in the Crown?—Yes.

913. Do you remember Mr. McIntosh making a report on the condition of the rolling-stock?—Yes.

914. Have you seen that report?—Yes.

915. By whom was it prepared?—I made out the substance of it. [Report handed in—Exhibit No. 10.]

916. You say that was prepared by Mr. McIntosh from information supplied by you, and you say that is accurate?—Yes.

917. Since 1895 have any repairs and improvements been made in the rolling-stock and engines?—Yes; improvements to the engines and brake-vans more particularly. The following is a list of improvements effected since 1895:—Locomotives: Sight-feed lubricator; metallic packing in piston-rods; cast-iron collar enlargements on trailing and bogie axles; new brasses cast in axle-boxes; cast-iron firebars replacing wrought-iron; standard blower; cow-catcher footsteps and hand-rails for convenience in shunting; bogie spring-brackets improved and strengthened on each engine; spring-gear compensated on two engines; cast-iron smoke-box, front and door on one ditto. Cars: All thoroughly overhauled and repainted, kerosene-lamps fitted. Brake-vans: Capacity of vans have been enlarged by taking in one platform in each; about 2 tons of ballast has greatly improved effective brake-power; brake-screws in place of chain and drum; postal boxes fitted, and internal fittings rearranged and improved.

918. Had the company any machinery at their Stillwater workshops?—One 8 in. screw-cutting lathe.

919. Any other machinery?—I believe they had machinery in connection with the maintenance department in one of the traffic department sheds.

920. When repairs were wanted to the engines where were they done—in the company's time?—The hand-labour repairs were done at Stillwater, and machinery repairs were done mostly at Greymouth, at the Government workshops.

921. In 1895, the engines and rolling-stock being in the condition reported, were any repairs done then to the engines and rolling-stock by the Government?—There were no repairs necessary before the engines could run; repairs were carried out as opportunity offered.

922. What condition was the rolling-stock in generally: did it require repairs more or less than ordinary rolling-stock?—I should say cars required more repairs, and the engines and brake-vans improvements to bring them up to the Government standard, but not so in connection with the wagon stock.

923. And since that the Railway Department has repaired them, has it not?—Yes.

924. And the rolling-stock to-day is much as it was eight months ago?—Yes.

925. *Dr. Findlay.*] You say that the repairs were very slight—that is, repairs required at the time when the Crown took possession in May, 1895?—Yes.

926. At that time the rolling-stock of the company was in good condition?—In fairly good condition.

927. The report which has been put into your hand is signed by Mr. McIntosh: did you supply the whole of the material in this report, or is any of it Mr. McIntosh's own?—I made out practically the whole of it.

928. It is dated July, 1895—that is, shortly after the seizure: it was about that time you supplied the material to Mr. McIntosh?—Yes.

HENRY EDWARD WHITFIELD examined on oath.

929. *The Chairman.*] What are you, Mr. Whitfield?—Inspector of Permanent-way, residing at Greymouth.

930. *Mr. Bell.*] I think you were inspector of permanent-way under the company?—Yes.

931. And you were taken over by the Government on the seizure?—Yes.

932. The permanent-way of the Midland Railway included bridges and buildings, did it not?—Yes; under the company they were under my supervision—the bridges and buildings as well as the permanent-way.

933. Under the Government you had only charge of the ordinary permanent-way?—Yes.

934. Do you remember a report being made by Mr. McIntosh shortly after the Government took possession?—There was a report drawn up. [Exhibit No. 12.]

935. Do you know who supplied the information to Mr. McIntosh?—Mr. McIntosh and I took a considerable time going through the sections.

936. What for?—He wanted the places pointed out.

937. Did you know he was preparing a report?—I had to give him all the information I could.

938. You went over the ground with Mr. McIntosh immediately after the seizure?—Yes; as soon as ever the line was seized I was notified to this effect.

939. You gave him all the information?—Yes.

940. *Dr. Findlay.*] What was your position under the company?—Inspector of permanent-way and bridges.

941. Did you know Mr. Musgrave?—Yes; he was locomotive engineer.

942. It would be his duty to know the condition of the rolling-stock?—Yes.

943. Do you know whether Mr. Musgrave made a report to the engineer-in-chief of the company?—Yes; but I am ignorant of that report.

944. Do you remember whether Mr. Musgrave spoke to you about the report he was preparing for the engineer-in-chief to get information from you?—I could not place that as a fact, but I know Mr. Musgrave was there; he was doing nothing else but reporting to Mr. Wilson.

945. You can tell us probably as well as anybody what was the condition of the permanent-way when the line was taken over by the Crown?—I was instructed to prepare a report on the condition of the road at the time the line was seized. My report is as follows:—

“When seized the track or permanent-way was in good running-order. On the top end of the Reefton Section ballast was required. Water-tables required cleaning up. With ballast-train: Banks wanted to be made up to standard. On the Brunner end to Nelson Creek, rail-beams of cattle-stops wanted renewing, and ballast required in several bad stacks; also banks wanted making up; private crossing not made in some cases; where made more ballast required.

“*Buildings.*—Station-building at Stillwater in good order; stationmaster’s house in good order; platelayer’s cottage—old building, been removed three times; cement-shed, temporary building; w.c., good order; engine-shed, good order; carriage-shed, good order; weighbridge office, new; blacksmith shop, good order; goods-shed, good order.

“No Town: Flag station, good order. Ngahere: Stationmaster’s house, good order; goods-shed, good order; station, good order. Ahaura: Stationmaster’s house, good order; platelayer’s cottage, good order; station-buildings, good order; goods-shed, good order. Raupo: Flag station, good order. Totara Flat: Station, good order; stationmaster’s house, good order; goods-shed, platelayers’ (two) cottages, good order; w.c. Ikamatua: Flag station, good order; platelayer’s cottage, good order; goods-shed, good order. Waimaunga: Flag station, good order; platelayer’s cottage, good order. Mawheraiti: Goods-shed, station, good order. Hinau: Flag station. Maimai: Flag station, good. Tawhai: Flag station, good. Reefton: Station-building, good; stationmaster’s house, good; ED house, good; G house, good; S house, good; engine-shed, good; goods-shed, good.

“*Jackson’s Section.*—Permanent-way in good running-order. Kokiri: Platelayer’s cottage, station, good order. Kaimata: Flag station, good order. Kotuku: Flag station, good order. Moana: Flag station, good order; platelayer’s cottage, good order. Te Kinga: Platelayer’s cottage, good order; flag station, good order. Poerua: Flag station, good; platelayer’s cottage, good order. Inchbonnie: Flag station, good. Jackson’s: Stationmaster’s house, good; station, good; engine-shed, been removed; huts (three), good.”

WEDNESDAY, 13TH MARCH, 1901.

HENRY EDWARD WHITFIELD further examined on oath.

946. *The Chairman.*] You wrote that report five years after you reported on them?—Yes.

947. Is that your real recollection of the condition of the line?—That is to the best of my recollection.

948. Did you go along the line before you wrote that report?—I have been going along the line from the time of the seizure up to the present day.

949. Can you tell me the condition of the buildings, for instance, on the 23rd July, 1900?—There has been the natural depreciation. I was not inside the buildings.

950. What do you mean in your report by “good order”?—That is the usual good order; it is weather-tight.

951. Do you mean well painted and well preserved?—I mean so far as the age of the building is concerned.

952. I want you to say what you mean by “good order”?—Weatherproof and not requiring repairs, except painting.

953. Does that mean that, in your opinion, the buildings required painting a little over five years ago?—Yes. Of course, some of the buildings were old and some were new—some had been up about eleven years and some had only been up half and a third of that time.

954. *Dr. Findlay.*] Were any ever repainted?—No, not in the Midland Company's time.

955. *The Chairman.*] In reporting on a building to the Traffic Manager or to your superior officer, do you report that a building is in good order if it requires a coat of paint?—I would report the building in good order, except that it required a coat of paint. It would be classified in the usual way—"Painting required."

956. Do you report a building to be in good order when it requires a coat of paint?—Yes, I do.

957. That is the usual report to the Railway Department?—That was for the Midland Company.

958. Are you sure you have mentioned all the buildings on the line in that report?—I think so.

959. I want to know exactly?—I think I have missed Mr. Musgrave's house, which has been removed.

960. Do you know the size of the carriage-shed?—I cannot say; it is a big shed.

961. Is it 500 ft. long?—I do not think so.

962. What length do you think?—I should take it to be 400 ft. long.

963. What width?—About 50 ft.

964. Did you examine the shed before you wrote that report?—I looked round all the buildings.

965. Was there a store there?—That is what I call the cement-shed. There is a lean-to attached to the engine-shed.

966. Was there a stable there?—There was, but it is partly gone. It has been cut in half, but the floor is left there.

967. Have you got that down?—No.

968. Do you consider the water service to be a portion of the station-yards and buildings?—Yes.

969. Have you reported on it?—No; I have only reported on the permanent-way and buildings.

970. Any huts there?—Two huts.

971. Have you those down?—No, I have not.

972. So your own report is, on your own admission, incomplete?—I put what I have down there for my own information. They are my notes.

973. Do you expect the Commission to accept that as a report on the condition of the buildings along the line?—I have got the station-buildings and the goods-sheds.

974. Were you asked to report on all the buildings on the line?—I was instructed to prepare what information you required, and I prepared those notes for my own guidance under examination.

975. You did not prepare it complete on your own admission?—Complete to my own satisfaction and for my own purposes.

976. But you have not told the Commissioners of all the buildings along the line?—Oh, I think so; with the exception of two huts and a stable.

977. Now, considering that you were along the line five years after it was seized, can you tell us the condition these buildings were in last February, when you went along the line?—They have been repaired, and alterations have been made to the different buildings. They have been painted and improved.

978. Do you understand the value of buildings?—In a general way I know what a building is like, but I do not know the value of it.

979. Is it part of your work to look after the buildings?—I have not done that in the Government service for the last five years. I am classified as Inspector of Permanent-way. Another man looks after the buildings.

980. *Mr. Fraser.*] You do not hand the report you have read from in as a report on the state of the buildings: it is a memorandum for your own guidance in giving evidence?—Yes.

981. And therefore any omissions do not affect it?—That is so; it is a statement on my own behalf.

982. *Mr. Graham.*] You have simply made a statement as to the condition of the buildings, and you did that to refresh your memory in giving evidence?—That is so; to guide me while under cross-examination.

983. *The Chairman.*] If you do not stand by that report as your evidence, will you please tell me what was the condition of the buildings on the 25th May, 1895?—I reckon they were in good order.

984. Do you reckon that you told the Commission about all the buildings?—With the exception of what we mentioned just now—two huts and a cottage.

985. What condition were the sleepers in, starting at the connection of the Midland Railway with the Government line at Brunnerton?—From Brunner to Nelson Creek was an old section, and the sleepers were birch and silver-pine mixed. The birch sleepers depreciated considerably.

986. How much in value?—I should reckon the life of some of the sleepers would be three years, and some of them are there yet.

987. Some of the sleepers you reckoned would last three years after you examined them in 1895, and some of them are there yet?—Yes.

988. Do you mean three years and five years includes all the sleepers between Brunnerton and Nelson Creek?—Yes; the other sections were comparatively new.

989. Going from Nelson Creek to Reefton, and then from Stillwater to Jackson's, can you tell us the condition the sleepers were in in 1895?—The sleepers had depreciated considerably.

990. How much in money-value?—I should say 25 per cent.—I am speaking of the birch sleepers.

991. How do you think the Jackson's line stood?—From Stillwater to Kaimata the sleepers were principally birch, and they had depreciated on the average about 25 per cent.

992. Do you think the rails had depreciated at all?—No, nothing to observe. I did not observe any defects, or wear or tear, or rust. Of course, you must take into consideration the fact that all rails must rust more or less.

993. How long, on the average, had they been laid down?—I commenced with the Midland Company in 1889, and the Kaimata Section was laid two years before that. It is thirteen years next July since the rails were put down.

994. What was your opinion of them in 1895? Did you think there was any depreciation in the value of the rails at that time?—Some of the rails are there yet.

995. Were they as good as new in 1895?—Yes, just as good.

996. You had nothing to do with the rolling-stock, had you?—No.

997. Taking the bridges from Stillwater to Reefton, what condition were they in?—Commencing at Brunnerton, there is a bridge 38 chains from Brunner. I forget the length of the bridge, and my letter of instructions said nothing about them. It only mentioned permanent-way.

998. Had you to look after the bridges when you were with the Midland Railway Company?—Yes. This bridge is on the Reefton side of the Brunner Tunnel.

999. Do you know the old formation that was made?—Yes; it was one of the bridges on the old Government formation.

1000. What was the condition of that bridge?—It was very bad, and it was secured temporarily until they fixed it up. It was renewed.

1001. By whom?—By the Midland Railway Company. The next bridge to that would be about 60 chains.

1002. On the same old formation?—I cannot say whether it was; I do not think it was. That bridge was in very bad order, and it has been renewed since by the Midland Railway Company.

1003. *Mr. Fraser.*] When was it in bad order?—Previous to 1895, and it was renewed previous to 1895. The next bridge to that was an overhead bridge, and that was renewed by the Government after the seizure. The next bridge is at Stillwater, and that has been renewed by the Government also since the seizure.

1004. Were there concrete foundations to that bridge?—Yes.

1005. And they are still there?—Yes, and the girders are still there.

1006. How many iron girders are there in that bridge?—I cannot say from memory, but I think there are three spans of 44 ft. each. The next bridge you come to is the Arnold cylinder bridge. It was in good order. The sleepers have been renewed since 1895. The next bridge is a span of 44 ft. iron girders between Spring Creek and the Arnold, and separated by a few chains is another span of 44 ft., with concrete abutments, and both of these are the same as when they were made. The next one is at Spring Creek, and it is being renewed at the present time. That was a birch superstructure in pretty bad condition in 1895. The next one is No Town Creek, and the next at the Twelve-mile. The superstructure is birch, with iron girders. It requires renewing now, and nothing has been done to it yet. There is another bridge also at No Town which has birch superstructure and iron girders, and it wants renewing. Then you come to the curved bridge at Deadman's overflow. It has birch superstructure and iron girders, and the birch wanted renewing in 1895. Then there is Deadman's No. 2 bridge, birch superstructure and iron girders, and the birch wanted renewing in 1895. Then there is No. 1 bridge at Red Jack's, birch superstructure and iron girders, and the birch wanted renewing in 1895. Then there is Red Jack's Creek bridge and Red Jack's No. 2 overflow bridge, birch superstructure and iron girders, and the birch wanted renewing in 1895. The next one we come to is the Nelson Creek cylinder bridge, with iron girders, and it was in good order in 1895. There are two approaches to that bridge—one with three or four spans at the north end, and one with a span at this end. The stringers are of birch, and wanted renewing in 1895. Then we go on to just alongside the north side of the Nelson Creek bridge, and there is a bridge with two concrete abutments and two 22 ft. girder spans, with birch piles, which wanted renewing in 1895. Then we come to the Ahaura Section, and the first bridge is over German Gully, and it has three 22 ft. iron girders on concrete abutments, and it was in good order in 1895.

1007. Can you tell me from your observations whether any bridges between there and Reefton wanted repairing or renewing in 1895, or whether they were all in good order in 1895?—Yes, they were in good order, generally speaking. It was all new work.

1008. Do you know whether the piles and piers of all the bridges between Nelson Creek overflow and Reefton were of ironbark?—I cannot vouch for one this side of Mawheraiti—I am not sure whether it is birch or ironbark. It is a cattle-crossing in the embankment.

1009. I mean taking the railway-bridges generally?—Generally speaking, the piles and caps and corbels of the bridges are of ironbark and the sheathing of birch.

1010. How did the sheathing stand in 1895?—It stood very well, with the exception of an odd plank washed out in flood-time.

1011. No extensive repairs were required?—No; they were in fair good order.

1012. Coming back to the line connecting at Nelson Creek and going to Reefton, what condition were the cattle-stops in?—All the rail-beams in the cattle-stops were birch, and the framing was either red-pine or birch.

1013. Did they require any renewing in 1895?—The rail-beams of all the cattle-stops required renewing in 1895.

1014. What about the bars?—They were of silver-pine mostly, and were good.

1015. What about the framing?—On the Reefton Section it was in fair good order.

1016. What condition was the fencing in between Nelson Creek and Reefton in 1895?—There was not much fencing. It was in fair good order with the exception of the black wire, which was very bad.

1017. Is it a seven-wire fence?—Yes, Government standard.
1018. How many of the wires are black wires?—Three out of seven were black, and they wanted renewing.
1019. Were the posts in good order?—Yes, and they are there yet.
1020. Is there any top-rail fencing?—Yes, at McLaughlin's. It was in fair good order.
1021. What was the condition of the telepho-ne-line?—It was in fair good order in 1895.
1022. Are there any other timber-works, such as mile-posts and grading-boards, which you could tell us about?—They were all in good order in 1895.
1023. Now, what was the condition of the timber structure at the Reefton side of the Reefton Tunnel?—It was in good order with the exception of three braces, and they showed signs of shifting. That was the only fault in the whole superstructure.
1024. Well, can you give us your opinion generally on all the timber structures five years afterwards—that is, in July last?—Commencing with the fencing, it was all in good order with the exception of the black wire I have already mentioned, and where renewals had been made the black wire had been replaced with galvanised wire. The telephone-posts, which are of silver-pine, were in good order. Some of the rail-beams of the cattle-stops have been replaced with ironbark, and where the birch is still there they want renewing.
1025. Can you tell me the condition of the sleepers between Nelson Creek and Reefton in 1900?—A considerable number have been renewed since 1895 with silver-pine.
1026. What was the state of the birch sleepers remaining in the line in 1900?—Some are fairly good.
1027. How long do you think they will last?—It is hard to say; some will last longer than others.
1028. What percentage of the sleepers do you think has been renewed between 1895 and 1900?—I should say about 40 per cent. during the five years.
1029. What condition was the ballast in in 1900—I mean on any portion not rebalasted between 1895 and 1900?—Ballast was required, more or less, all over the section.
1030. What quantity do you think would be required?—It generally runs yard to yard, and at the present time I suppose it would require, all over the section, about 33 per cent. of ballast to renewing the ballasting.
1031. What condition were the rails in in 1900?—Fair condition.
1032. Do you reckon there was any depreciation in their money-value?—No, I do not.
1033. Do you know how long the rails have been laid between Nelson Creek and Reefton?—Since 1891—ten years.
1034. Now, taking the section of line between Nelson Creek and Kaimata—known as the English contract—what was the condition of the bridges on the Jackson's portion between Stillwater and Kaimata?—There are no bridges. There are only two 22 ft. spans at Kokiri.
1035. What was the condition in 1895, and also in July, 1900, of the sleepers on that section from Nelson Creek back to Stillwater, and from Stillwater to Kaimata Tunnel?—The birch sleepers had depreciated considerably up to 1895; the silver-pine sleepers had not depreciated, and were in good order.
1036. Give us your opinion on the same sleepers in 1900?—A considerable number of the birch sleepers had been renewed with silver-pine.
1037. What percentage of sleepers do you think required renewing in 1895?—About 60 per cent.
1038. Now, as to the condition of the ballast on that section?—From Stillwater to Kaimata ballasting was required yard for yard. The ballast was very bad and required to be completely renewed.
1039. And from Nelson Creek to Brunnerton?—Ballasting was required more or less. I suppose 40 per cent. of ballast was required.
1040. Was there any depreciation in the rails?—The rails were in good order; there was no depreciation to speak of in 1895.
1041. And in 1900?—There was little visible sign of depreciation. The fish-plates and fish-bolts were oxidizing in some cases.
1042. What percentage, if any, of the fastenings do you think required renewing?—About 25 per cent. of the fish-bolts required renewing.
1043. What is your opinion of the line from Kaimata to Jackson's in regard to the condition of the sleepers in 1895?—Fairly good.
1044. What about ballast in 1895 on that section?—It was good, and the rails and fastenings were in good order.
1045. What is your opinion on the same points in 1900?—Several of the birch sleepers have been renewed. The rails and fastenings were in good order to all appearances.
1046. What percentage of sleepers required renewing in July, 1900?—Very few.
1047. You know this line generally: I want to know is it your opinion that any repairs and protective works done since 1895 up to the present time were absolutely necessary for the safety of the line?—I think all works were necessary for the safety of the line.
1048. You do not know of any work that was done that was not required when it was done?—No.
1049. *Mr. Hudson.*] Does your answer to the Chairman's question include protective works that have been done?—Yes, most decidedly.
1050. *Mr. Graham.*] You were Inspector of Permanent-ways in 1895?—Yes.
1051. Is the statement you have given us this morning as to the condition of the line in 1895 from recollection, or did you take the information from any official record in 1895?—It was from recollection and going over the line, so far as the buildings were concerned.

1052. When?—I was going over it every day.
1053. You were the Inspector in 1895, and you made an inspection in 1895: did you keep any record of that inspection, or are you speaking now from memory?—I am speaking from memory and observation up to date.
1054. You have no official record of 1895—you are speaking from your recollection?—That is all. All my reports were sent in monthly, and whoever was in charge took possession of them.
1055. You were not officer in charge of the permanent-way in 1900?—Up to the 11th March I was.
- 1055A. But in July, 1900, you were not in charge?—No.
1056. And you have made no official inspection for the purpose of giving the information you did this morning?—No.
1057. And you have not been asked to do so?—Yes; I was asked by the District Engineer to formulate a statement for my own guidance.
1058. Have you been asked to report on the condition of the rolling-stock and track in 1900?—No.
1059. And you have never made any inspection for that purpose?—No.
1060. And the information you have been giving is just your recollection from previous knowledge?—That is so.
1061. *The Chairman.*] Is it not a fact that you have been asked by your superior officer since February last to make a report on the condition of the line?—I wished to read that letter, which explains itself, but I have not been allowed to do so.
1062. Were you inspector for the Midland Railway Company or the Government at the time of the seizure?—For the Midland Railway Company.
1063. *Dr. Findlay.*] You were in the employ of the Midland Company for how many years before the line was seized in 1895?—I started with the Midland Railway Company in July, 1889.
1064. You were, roughly, about five years with them?—Yes.
1065. And what was your office during all that time?—I was inspector on construction until 1891, and then I was made inspector of permanent-way.
1066. Had you any experience of railway-construction or of railways prior to your employment with the Midland Company?—Yes.
1067. On what lines?—In South Australia, and I was three years with the New Zealand Government on construction.
1068. Then, you would be able, I take it, to compare the condition of the permanent-way of the Midland Company in 1895 with the average condition of the permanent-way of other railways?—Yes, with the New Zealand Government railways principally.
1069. You know Mr. Musgrave?—Yes.
1070. Was he a gentleman who knew what he was talking about?—Yes.
1071. And a gentleman who, if he made a report, would make the report fairly?—Yes.
1072. Do you think the main line, station-yards, and all the sidings on the Christchurch-Reefton branches were kept in good order throughout up to 1895?—I think they were; with the exception of the ballast required, we were making the best of a good job. The top of the road was in good running-order.
1073. You have given us a number of replies about the renewal of sleepers, and parts of cattle-stops, and parts of bridges, and I am not quite sure what you mean by "requires renewing": you said a great many of the sleepers required renewing in 1895?—Yes.
1074. I want to know whether the whole 25 per cent. of the sleepers which you say required renewing in 1895 have been renewed by the Government since then?—That is a big question.
1075. I may take it that you cannot say "Yes" or "No" to the question?—They are going daily along the line renewing.
1076. The impression left on my mind is this: that in 1895 a very large number of sleepers should be condemned as unfit for use. When you say they require renewing, do you mean to say it would be unsafe for the line to continue with these sleepers there, or do you mean renewal in the next four or five years?—I think it would be perfectly safe if the sleepers were renewed in twelve months.
1077. Do you say that the whole of the sleepers which you say required renewing in 1895 should have been renewed within twelve months of that date?—Or as soon as possible.
1078. But not more than twelve months afterwards?—That is a question for the Engineer to decide.
1079. When you say a sleeper requires renewing, how long do you think it could be safely used afterwards?—Supposing we put in two new sleepers under one length of rail, the life of the other seven sleepers would be a question of three years.
1080. Do I understand that if you put two new sleepers under one length of rail they will increase the life of the other sleepers by three years?—Yes; with the exception, of course, of any very bad sleepers.
1081. That would reduce the number of sleepers actually put in proportionately?—Yes.
1082. In regard to the timber in the bridges, was it your duty to examine the bridges and report on them?—Yes.
1083. If you put your condemnation mark on any of that timber, tell us how long afterwards it would be safe to run an engine over the bridge?—It would go on for a year, or perhaps three years.

JAMES FERGUSON NELSON examined on oath.

1084. *The Chairman.*] What is your occupation?—I am foreman of works on the New Zealand railways.

1085. On what section?—On the Westland Section.

1086. Residing at?—Cobden.
1087. *Mr. Bell.*] You were in the Railway Department in May, 1895?—Yes.
1088. What were you then?—I was leading carpenter on the Brunner Railway.
1089. When were you appointed foreman of works over the whole line?—Some time in 1896.
1090. You were appointed foreman of works over the whole line, including the Midland Railway?—Yes.
1091. Were you instructed by Mr. McIntosh to go over the buildings and the bridges?—Yes.
1092. Mr. McIntosh was District Engineer?—Yes.
1093. And did you write certain reports to him as to the timber that would be required?—Yes.
1094. Will you see if this is your report?—Yes. [Exhibit No. 13.]
1095. Are these reports of yours a correct statement of the repairs required then to the bridges and cattle-stops?—Yes.
1096. And the quantity of timber also required?—Yes.
1097. Did the overhead bridge at Stillwater require entire rebuilding?—Yes.
1098. You say this is a correct report?—Yes.
1099. Now, the timber that was required for renewal was ironbark?—Yes.
1100. Will you give us the price of ironbark during the years 1896, 1897, and 1898?—In 1895 it was 15s. 6d.
1101. *The Chairman.*] Where was that?—I understand, delivered in Greymouth.
1102. How do you know that was the price?—I got it from the officer.
1103. You do not know it of your own knowledge?—No.
1104. *Mr. Bell.*] It is information derived from the department?—Yes. In 1897 it was 17s. ; in 1898, 19s. 6d. ; and in 1900, £1 4s. 6d.
1105. During the time that you were foreman of works were any repairs done that were not necessary?—No, all that was done was absolutely necessary.
1106. *Dr. Findlay.*] And this represents a statement of all the timber required for repairs to bridges and cattle-stops?—Yes ; in May, 1896.
1107. It was really timber which could not stand any longer on the road, and that was the year after the seizure?—Yes.
1108. *The Chairman.*] You told us the price of ironbark in 1895, 1897, 1898, and 1900 : can you tell us what the price of birch was in the same years?—It all depends on the length and size you require.
1109. Well, say, similar lengths, supposing you had replaced this timber with birch?—Up to 20 ft. lengths, from 14s. to 15s. per hundred ; longer than 20 ft. lengths, you have to pay 19s. or £1 per hundred.
1110. Would that be the price of birch when you told us ironbark was costing £1?—No.
1111. What was the cost of birch at per 100 ft., say, in July, 1900?—You could get it for 14s. up to 20 ft. lengths.
1112. What would it cost above 20 ft.?—I have not got any since.
1113. Are we to understand from you that to make these repairs with birch timber would cost practically as much as to make them with ironbark?—Certainly.
1114. How did you gain your knowledge as to the price of ironbark timber in the years you gave us : did you pay that amount yourself?—No ; I always got a certain amount of information from the office as to the price of it.
1115. Are you giving the Commission the price in the Government contracts for ironbark for these years?—Yes, so far as I know.
1116. Are you Inspector of Permanent-way?—No.
1117. *Mr. Graham.*] Has the timber mentioned in this return been supplied to you and used since?—Yes, and a lot more besides.
1118. *The Chairman.*] Have you got to do the repairs to buildings along the line?—Yes.
1119. Can you tell us the condition of the buildings generally between Stillwater and Reefton and Stillwater and Jackson's in 1895, and also on the 23rd July, 1900? If they wanted any repairs you might give us your opinion as to what the repairs cost?—Most of the buildings wanted a certain amount of repairs, and wanted painting very badly. Inside some of the buildings you could put your hands through the lining. These had to be scrimmed and papered.
1120. If you are in charge of the buildings you will have a fair idea as to the original cost of putting up these buildings : what percentage of the original cost do you consider it would be necessary to spend for the painting and repairs you mentioned?—It would take about 25 per cent.
1121. *Dr. Findlay.*] Of the whole cost of the buildings?—Some of them ; I do not say all of them.
1122. *The Chairman.*] I want you to give us what you consider a fair reasonable average as to what the cost of repairs and painting would be?—It would cost about 25 per cent. Some of them were worse than others.
1123. Do you know how long these buildings have been up?—I do not.
1124. Consequently you cannot tell us how long they are likely to last?—No.
1125. *Mr. Graham.*] You said you used this timber and a lot more besides?—Yes.
1126. Have you got a record of all the timber put in in addition?—I dare say I could get it.
1127. This return only includes part of the timber you have used for renewals?—That is so.
1128. It was used in the same way as this for ordinary maintenance?—Yes.
1129. *The Chairman.*] If you pulled down, say, a pile bridge, and replaced the abutments or foundations with concrete, would you consider that ordinary maintenance, or do you consider it an addition to the value of the line?—If you pull down a bridge, it all depends whether there is an order issued for it. All repairs to bridges are put down as ordinary maintenance.

1130. Suppose you pull down a bridge having birch piles, and you replace the foundations of that bridge with concrete, which would cost considerably more, do you consider the concrete piers should be classed as ordinary maintenance?—That is a matter of opinion.

1131. Do you consider that ordinary maintenance or an improvement to the value of the line?—It is an improvement to the value of the line, certainly.

1132. *Mr. Bell.*] The Inspector of Permanent-way under the Government does not have control of the bridges and cattle-stops?—No.

1133. Whose duty is it on this line?—Mine.

1134. Under the Midland Railway Company the inspector of permanent-way did all that?—Yes.

1135. *Dr. Findlay.*] You told the Chairman you thought 25 per cent. was required in 1895 to put these buildings in proper order?—Yes.

1136. Twenty-five per cent. of the original cost?—Yes.

1137. And in fixing that you fixed it as an average over the whole of the buildings?—Yes.

1138. Can you tell me how long, on the average, these buildings had been up?—I cannot say.

1139. Some of them would be quite recently erected, and some of them would be somewhat aged?—Yes.

1140. The average would be seven or eight years up?—About that.

1141. Do you not think 25 per cent. is a rather extravagant depreciation in seven or eight years?—I think it is quite reasonable.

1142. What sum, roundly speaking, do you think was necessary to put these buildings in repair in 1895?—I cannot give that right off.

1143. I want to know, roughly?—I would not say the cost right off.

1144. You would not even fix an approximate amount?—No.

1145. But, although you cannot do that, you think 25 per cent. was the amount of depreciation?—Yes.

1146. Would it not be as easy, or nearly as easy, to give a rough idea of the cost as to fix the proportion you mention? You would not say whether it was anywhere between £500 and £1,000?—I would not like to say unless I went through the books and worked it out.

1147. You cannot say whether it did actually cost 25 per cent.?—As nearly as I can tell.

1148. Have you been through the books for the purpose?—No.

1149. It is merely a speculation—it may be less, and it may be more?—It may be more; I do not think it is any less.

1150. You put in a statement showing the amount of timber required—can you give me an idea of what these repairs cost, roughly?—It all depends on the nature of the work and the place you are doing it in.

1151. Can you give me a rough idea of what this work cost?—Where you have trains running, and you have to pull out timber and put it in, it takes more to do that work than new construction-work.

1152. Can you give me, roughly, an estimate of what this work cost—there are 1,000 ft. of timber?—I would not like to say.

HENRY ST. JOHN CHRISTOPHERS examined on oath.

1153. *The Chairman.*] What is your occupation?—I am District Engineer of the New Zealand railways, Greymouth.

1154. *Mr. Bell.*] I think you came to Greymouth in February, 1897?—Yes; from Nelson.

1155. You had then been in charge of the Nelson line about four years?—Yes.

1156. And while there you were District Traffic Manager as well as District Engineer?—Yes.

1157. You replaced Mr. McIntosh at Greymouth in 1897?—Yes.

1158. The Government had then had charge of the Midland line about twenty months?—Yes.

1159. What condition was the Midland line in when you took it over?—So far as portions of it were concerned, it was in what I might call fair running-order.

1160. And the other portions?—They were in poor order. Ballast was badly wanted throughout. Some of the structures were in excellent order, and some were in poor order.

1161. With regard to your expenditure on the Midland Company's line which had been seized, was there any difference to the system which obtained in regard to expenditure on the Government lines?—The instruction that was given me more particularly than any other when I arrived was to try and keep as nearly as possible to the same practice that had obtained during the time the Midland Railway Company held possession of their own line; to avoid all unnecessary expense, and to spend nothing that was not absolutely necessary.

1162. Give an instance in regard to the maintenance gangs?—When I came here I found the maintenance gangs composed only of three men—that was, a ganger and two men—one man less than the practice I had been accustomed to in the Government departments. I pointed this out, but the department would not approve of my adding to the number.

1163. On what ground?—I was told that was the practice that had obtained during the Midland Company's time, and that they did not wish to disturb that. That reply came to me on many occasions when I asked for additional expenditure or wished to make a difference in arrangements.

1164. According to you, the expenditure was kept down below the Government standard?—Yes; I always had greater difficulty in getting authorities for expenditure on the Midland line than I had on my own Government sections.

1165. When the line became finally vested in the Governor were the maintenance gangs increased?—Shortly afterwards, to four men.

1166. When was the rebalasting of the Reefton-Totara Flat Section done?—It has been done about sixteen months.

1167. The whole length of about eighteen miles?—Yes.

1168. Was that necessary?—Oh, absolutely.

1169. Is there more ballast still required?—Yes, a very large quantity.

1170. You had some heavy protective works on the Big Grey?—Yes.

1171. And more at the Little Grey?—Yes, larger still.

1172. Were these necessary?—Absolutely necessary. We had suffered from an inundation of a very serious nature in March, 1897, which did very large damage, and cut away large portions of the railway. The whole bed of the Little Grey River threatened to leave its course and take down between the railway and the road, which meant the absolute destruction of the line; and not only that, but doing away with the utility of a large and expensive bridge across the Little Grey which had been built for the Midland Railway Company.

1173. These protective works which you put there would not be an annually recurrent expenditure?—No; they give every evidence of being absolutely permanent, and they have effected the purpose for which they were erected.

1174. I wish to ask you to state your opinion as to the prospective increase of traffic on this railway—the prospective increase on the present earnings, say, within the next ten years throughout the whole section?—I think it would be very fair to consider that there is a large increase in front of the sections, more especially of the Jackson's Section, because, so far as the connection between here and Christchurch is concerned, that is so far in the future that it would hardly enter into the calculations. I presume you refer to the whole of the earning-power only of the Jackson's Section as contained between Jackson's and Stillwater, and the returns show that a large increase has taken place in the export of timber over that section, and there is every evidence of it continuing for the next ten years. I do not go beyond that. There are several new mills being erected, and it is fair to presume that they will at least maintain the present rate of export, in face of what the old mills are losing by being cut out. But beyond that I cannot say anything definite. So far as the Reefton Section is concerned, unless the coal-measures at Blackball were very largely developed, and that aerial tramway done away with, and some other means of increasing their daily output, which is now limited, is substituted, I do not see how you are going to look for any greater output from that part. The earnings of the Reefton Section between Greymouth and Reefton, except for passenger traffic, are very small.

1175. Should you not say beyond Ngahere instead of Totara Flat?—I say that because there is a large number of dredges being built in and about the district, and the probabilities are that many of them will create a considerable amount of traffic, as they will burn coal and create passenger traffic. But Totara Flat serves all that, and beyond that I can see little or nothing. I think, considering that the questions you are asking me are somewhat out of my district—I do not pretend to be a professional traffic expert or estimator—I can only give you the common-sense views that struck me. I presume they are about as valuable as the average.

1176. *Dr. Findlay.*] As valuable as the average person, I take it, who has your knowledge and experience of the district?—Just so.

1177. How long have you been here?—Four years, with a lucid interval of seven months when I was absent.

1178. You do not, I take it, know or claim to know anything of the country lying beyond Reefton?—Absolutely nothing.

1179. Nor do you know, I understand, what prospect lies before these coal-measures which have been referred to by witnesses from Reefton?—I know nothing but hearsay.

1180. Nor can you speak of the possibilities of connecting the forests beyond Reefton profitably with the terminus of the Reefton line?—You see, I was limited by the questions put to me. If the question of branch feeders had been introduced it would have vastly altered my replies.

1181. You will have to contemplate an extension of the line beyond its present terminus near to Reefton or the original terminus at Jackson's. It has been suggested by witnesses that extensive coalfields beyond Reefton and large forest areas there may induce private enterprise to connect these resources by a light line of railway privately constructed with the terminus at Reefton, and I put it to you therefore: If private enterprise constructed such a light line, bringing in the coal-measures and the forests and gold country, can you or can you not say what influence that would have on the traffic between Reefton and Greymouth?—It would have a very large influence if the coal and timber are there in payable quantities.

1182. And of their existence you do not speak?—I know nothing; I know the coal is there, and that it is good and excellent for household purposes only.

1183. Now, we had a gentleman named Pavitt, who has had very many years' experience, and he gave us a large number of figures in regard to the future possibilities of the timber trade, and he gave us an estimate of the different timber areas: do you know anything of them up the Reefton line or up the Jackson's line?—I know very little beyond the railway-fences.

1184. It is really unfair to ask you to speculate on the prospective value?—I do not speculate on anything I do not know.

1185. You do not ask the Commission to accept from you any guidance as to the possible increase of traffic over this line?—I do not consider my opinion valuable on the subject at all.

1186. With regard to the cost of maintenance on the Midland Railway sections, Mr. Bell led you to say that a large expenditure had been made on protective works at the Big Grey and Little Grey Rivers?—Yes.

1187. Can you give me an idea of the amount of money spent on these protective works?—Somewhere between £4,000 and £5,000.

1188. Now, the flood in 1897 was the heaviest, I am told, ever known in this district?—It is the heaviest I ever knew. It certainly was the heaviest ever known since the Midland Railway was built.

1189. To what account was the whole of these protective works charged?—So far as I know, every one of these protective works was charged to what we call “Separate Order Account,” and that information is rendered to the accountant, and he charges it under whatever heading he considers fit and proper.

1190. You do not know whether it is charged to maintenance, or what I would call an “Improvement Account”?—If that expenditure had been incurred on a Government line I could tell you exactly under what heading it would be charged, because I know what class of expenditure is charged to what we call “Working-expenses and ordinary maintenance.” There are other classes of expenditure which we call “Additions to open lines,” and we classify under these two headings. But under what heading that expenditure was charged I cannot say.

1191. Then, looking at the nature of the work, do you think it has effected a permanent improvement to the railway as constructed by the Midland Railway Company?—I think it has done absolutely what it was designed for.

1192. Then, the line has been increased in value by the £4,000 spent on these works?—Most certainly, because had it not been spent the railway would hardly have existed in its place.

1193. It has had the same effect in protecting the railway as possibly a large embankment may have had along the railway-line in protecting it from the river; it is really a permanent improvement, inasmuch as it guarantees the permanent safety of the line?—Certainly.

1194. That being so, and these payments having been made by you, to what account, if this had been a Government line, would this expenditure have been debited?—That would somewhat depend upon the circumstances. If, for instance, the damage had been done, and you had to replace that line in the condition in which it was prior to the damage, that, I presume, would have to be made good out of ordinary maintenance; but if it is irrespective of any damage done, then I presume it would be charged to what we call “Additions to open lines.”

1195. You told Mr. Bell that a large portion of the railway-line was cut away: do you know what the expenditure was?—Yes.

1196. What was it?—To make good the line to resume traffic cost over £2,000.

1197. Out of the £5,000, or in addition to the £5,000?—Out of the £5,000. That was the total expenditure.

1198. The protective works cost about £3,000, and the repairs cost about £2,000?—Yes, roughly.

1199. I wish to deal with the matter theoretically: Supposing you have a phenomenal mishap—some earthquake or some unforeseen and unprecedented event—and large damage is done to the line, would you debit the restoration of the line to maintenance, so as to treat it as a proper deduction from income?—I consider that ordinary maintenance means that you must reproduce your line in the same equal condition of service in which it was before out of what we call “maintenance expenditure.”

1200. Supposing you have a period of five years given to you, and you are asked during that time to determine the net earnings of the railway, and in one of the five years you come across an expenditure which is unprecedented owing to some phenomenal accident, would you consider that as maintenance for the purpose of getting at your net earnings for that period of five years?—You must maintain your line in the position in which it was before you can consider it any outside expenditure, no matter what the cost was.

1201. Supposing the restoration of the line had cost £20,000, and you are taking a period of five years, and in that five years your earnings are about £20,000, would you deduct the whole of the £20,000, and assume that the average net earnings of that railway was nothing?—That is rather a different question, and it is a question I have really not to deal with. I can only tell you, as an engineer in charge of works, that if you ask me what is legitimate maintenance expenditure I consider that you must put your line back into a condition to earn money, and place it as a going concern; and I consider that is real maintenance.

1202. That is the point of view from a railway expert like yourself?—I am only an engineer, not an accountant in these matters. I do not know how you would deal with figures and accounts.

1203. You cannot say from your own experience whether, in a case like the one I have instanced, a large expenditure should not be spread over the years with a view to a possible recurrence of the accident which caused the damage?—You are asking me now a financial question which I do not think it is within my province to reply to. It is a matter to be dealt with by the people who have it in hand.

1204. You prefer to say you cannot answer my question?—Well, you put it to me in a way which I think it is rather out of my province to answer.

1205. Where you have an outlay which is not likely to recur for a period of, say, fifty years, should that properly be charged to maintenance in determining the net income of the railway for a period of, say, five years?—No.

1206. Would you not spread it over the period in which it is likely to recur?—Yes, if you can arrive at that period.

1207. *The Chairman.*] Referring to the Belgrove-Norris’s Gully Section, you know where the first railway-bridge is?—Yes; where the coach-road goes under the railway.

1208. Were you in Nelson when the line was seized?—Yes.

1209. Can you tell us what rolling-stock was on that line when it was opened—before July, 1900?—There was no rolling-stock on the extension whatever.

1210. No rolling-stock that was charged to the Midland Railway Company?—There was some rolling-stock which was in charge of the Public Works Department, who were building the line. There was no rolling-stock belonging to the Midland Railway Company.

1211. When did you take charge here?—In February, 1897.

1212. Can you tell me the condition of the sleepers on the line, say, from Jackson's to Brunnerton and from Stillwater to Reefton in July, 1900?—A very large proportion of them are in bad order and require early renewal.

1213. What percentage would you say?—I consider we shall have to renew the whole of the birch sleepers within five years.

1214. Can you tell me the number of sleepers to the mile on that line?—Roughly speaking, two thousand.

1215. Can you tell me the length of the line, adding the length of all sidings?—Not from memory.

1216. What condition was the ballast in in July last?—A large quantity of ballast was required.

1217. And the rails?—Beyond the ordinary depreciation by time, the rails were in good order. Nothing beyond the ordinary fair wear-and-tear of traffic and depreciation by age had taken place.

1218. Coming to the question of maintenance, and putting the Midland Railway question out of your mind altogether, and taking the question of repairs or additions to open lines, if you replace a bridge which was originally built of birch with an ironbark bridge, would the difference of cost between birch timber and ironbark timber, or such portion of it over the cost of birch, be charged as an addition to open lines?—We do not consider it so. There are instances where we charge part of improvements to additions to open lines, but in a case where we replace birch with ironbark it would all go to working-expenses.

1219. Suppose you replace birch sleepers with silver-pine sleepers, which would cost you something more, would you charge the difference in such a case as additions to open lines?—We do not.

1220. Suppose you replace 40 lb. rails with 56 lb. rails, do you charge the difference in the cost as an addition to open lines?—In that case we do—a proportion of the difference in the cost. If we consider any structures too weak for the heavier classes of engine, and the structures would be quite good enough for the ordinary classes, we then charge the additional cost of strengthening the structures to additions to open lines.

1221. In laying sleepers on the Midland Company's line, I understand you replace the original nine sleepers with eleven sleepers: do you consider the additional two sleepers as additions to open lines?—Yes, we do in that case.

1222. *Mr. Bell.*] I have here a return of the additions to rolling-stock since the seizure by the Government of the Midland Railway Company [Exhibit No. 14]: is that a correct return?—Yes.

1223. *The Chairman.*] As to the probable increase of traffic, you said, I think, in reply to Dr. Findlay, that there would be an increase in the timber traffic on the Lake Brunner line?—Every probability of it.

1224. What percentage of increase do you imagine it will be on the present traffic, say, within the next ten years?—I only base my calculations on the fact that men who build sawmills satisfy themselves that there is suitable country behind them.

1225. Do you anticipate any material increase of the traffic on the Midland Railway section from Stillwater to Reefton within the next ten years, always understanding that there is no further extension of the line and no branch extensions?—Nothing beyond the ordinary increase which has shown itself to exist up to the present.

1226. You do not think there will be any abnormal increase, but just the ordinary increase due to the ordinary increase of population?—With the restrictions you have placed upon it, I do not see how it can very well. The country cannot carry a very much greater population, and the only coal-mine working is limited to 500 tons a day; and with the exception of the dredging industry, which is an unknown quantity, I do not see anything else.

1227. *Mr. Hudson.*] Can you tell us what the practice has been since the date of the seizure to the date of vesting with regard to the carriage of materials for repairs and renewals on the Midland Railway?—They have all gone free of cost absolutely on their own line. Where the Midland Railway goods have gone over the Government line before the Midland line was vested they paid Government rates.

1228. Were you in Nelson when the section beyond Belgrove was handed over to the Railway Department to work?—It was not altogether handed over. We ran a train over it occasionally, but the Public Works Department still kept on working over it. I did not manage it.

1229. Then, it was not handed over?—No; but we had limited running-powers over it.

1230. Then, it is a fact that you were never in charge of the railway beyond Belgrove?—No.

WALTER IRVING examined on oath.

1231. *The Chairman.*] What is your occupation, Mr. Irving?—I am a sharebroker and commission agent, residing in Reefton.

1232. *Dr. Findlay.*] How long have you been in the Reefton district?—Since 1866, with the exception of about two years.

1233. During that time have you been gold-mining?—Yes, both alluvial and quartz.

1234. Have you been a mine-manager?—Yes.

1235. Have you been an auctioneer?—Yes.

1236. And I think at the same time you carried on the business of a coal merchant for two years?—Yes.

1237. You were Chairman of the County Council for, I think, seven years?—Yes.

1238. And you are a Justice of the Peace?—Yes.

1239. We want your help as to the future prospects of the Midland Railway-line running to Reefton: I understand you have made application for certain coal licenses?—No, I had a coal lease.

1240. Where?—Lanky's Creek, about four miles from Reefton.
1241. Did you employ your son to prospect?—Yes, that is only recently.
1242. The prospecting was in the coal-measures north of Reefton?—Yes.
1243. From the result of his prospecting, and from the inquiries you have made, and from your local knowledge, can you say whether or not there are extensive coal-measures beyond Reefton?—I have no doubt of it myself—very extensive measures, judging from the outcrops.
1244. What class of coal is it?—A splendid coal; a very free-burning coal, bright and hard—splendid household coal.
1245. Do you think that, if a light line were constructed by either a coal company or private enterprise of some other kind to the terminus at Reefton, these measures would be developed?—I am quite certain they would.
1246. How many miles would it require to be?—To the outcrops I speak of it would be between five and six miles. They are to the west of the river.
1247. You know something of the timber area?—Yes.
1248. You have made an examination of the forests in the valley of the Inangahua?—Yes.
1249. Can you say whether there is a large or small area there?—There is a large area of really first-class timber, commencing about eight miles north of Reefton and extending down to the Junction—about thirteen miles of good timber running all the way.
1250. Could you give me any idea of the breadth?—I should say from two and a half to three miles, and more in places.
1251. Are there any other forests besides those?—There are forests near Reefton.
1252. Where are they?—On the Westland side of the river.
1253. What area, roughly, in miles?—About four or five miles in length, and about a mile and a half wide.
1254. Is this all good forest?—Fair forest.
1255. All the timber down to Inangahua is also good forest?—Yes.
1256. What does the timber consist of?—There are all classes of timber—birch, black-pine, red-pine, totara, and some silver-pine.
1257. Confining ourselves to these two classes—coal and timber—do you think, if the Government does not extend the line beyond Reefton, that private enterprise will connect the terminus with these forests and coal-measures?—I think it will. It has already been proposed to connect with the outcrops.
1258. If that connection were made, do you know any reason why the timber should not be brought from these forests to Greymouth?—I see no reason; it has already been carried about fifteen miles. Silver-pine sleepers have already been carried from close to the landing in to the Reefton Station—taken by carts.
1259. How many miles?—Fifteen miles.
1260. Then, I may make the inference: Do you think a very large coal and timber industry can be expected north of Reefton?—Yes.
1261. The whole of it would go over the Reefton line?—Yes.
1262. You have been a gold-miner and mine-manager?—Yes.
1263. You know the history of most of the mining that has been carried on at Reefton?—Yes.
1264. Do you know that a very large area in total of abandoned mines exists around Reefton?—Yes, a great many.
1265. Do you know whether there is a reasonable prospect of the bulk of those areas being worked again with the use of cyanide?—Yes; and with more capital I think they are bound to be worked.
1266. Have you any illustrations to give the Commission of that being bound to happen in fact?—There is a mine now up at Crushington, the Keep-it-Dark. They could not make it pay until they adopted cyanide; now they are paying regular dividends.
1267. Cyanide, we have been told, is in its infancy up there?—It has not been adopted very long.
1268. You really are of opinion that cyanide will be employed to bring into work a great many of these abandoned mines?—I have no doubt it will.
1269. Are there any reefs which have not been opened up there?—Yes.
1270. Do you look for any marked improvement of the gold-mining industry?—Yes; I think it is only in its infancy at Reefton. I think, with cyanide and capital, that the industry will more than double itself within the next few years.
1271. Do you know what kind of land these forests are growing on—whether on the removal of the timber it will be suitable for pastoral purposes?—Yes; nearly all the timber land will be suitable for pastoral purposes, and some of it is suitable for cropping. There is some really excellent land near the Junction. It commences about twelve miles from Reefton and runs down to the Junction.
1272. It is at present under bush?—Yes.
1273. Which, if cleared, would be available for cropping?—Yes.
1274. If the timber were removed, would there be a larger area for sowing grass?—Yes.
1275. What area in miles?—Right from Reefton down to the Junction—twenty-one miles.
1276. Do you think it would grow grass profitably?—Yes.
1277. Then, the development of the timber industry would mean as a consequence largely increased settlement?—It would assist.
1278. You have been enabled to contrast the cost of living in Reefton from time to time during the time you have been there: do you know how the cost of living in Reefton compares now with the cost of living at the time the railway began?—I should say it is 40 per cent. cheaper now than it was then.

1279. You are familiar with these figures?—Yes; the following is a comparative cost of living at Reefton. [Exhibit No. 17.]

1280. You say the total result of that is that living in Reefton is nearly 40 per cent. cheaper now than what it was?—Yes. Of course, competition has had a good deal to do with that, as well as the cheapening of freight.

1281. *Mr. Bell.*] Why has not private enterprise tackled these forests before?—Simply because they had no way of getting rid of their produce.

1282. How long has the railway been opened up to Reefton?—Ten years.

1283. Dr. Findlay has asked you whether private enterprise is likely to run tramways into these forests for timber and coal: why has it not done so before?—I think the reason is because they were waiting for the Government or the company to make the railway.

1284. As I understand it, the railway will not run into the forest; you still have to make your tram from the forest to the rail: why have they not done it?—I have told you that they are expecting the Government to take the railway across the river.

1285. That would assist private enterprise?—Yes. They are carting coal now to the station and sending it down the line.

1286. Is it better than the Grey coal?—Yes, for household purposes.

1287. Do they prefer it to the Westport coal at Westport?—I could not tell you.

1288. It is preferable to Blackball and Brunner for household purposes?—Yes.

1289. *Dr. Findlay.*] Westport coal could be brought here more cheaply than that coal could be brought from Reefton?—Yes.

1290. *Mr. Bell.*] Which is the better port, Greymouth or Westport?—I prefer not to say.

1291. You have spoken of the good land available for settlement at the Inangahua Junction: you say there is a good deal there?—Yes, and up the Inangahua River.

1292. Supposing the railway goes no further than Reefton—supposing it stops where it is—where do you suppose that settlement round the Inangahua Junction will get its stores, and where do you think it will send its produce—to the railway at Reefton to be delivered at the Port of Grey, or down the road to Westport?—It will go to Westport unless the railway is extended, or unless there is a connecting line.

1293. You have told us something about the cost of living. The railway has been opened ten years: did not the railway bring down the cost of living?—Yes.

1294. You say it has been opened for ten years: why has not the country gone ahead?—It is going ahead now, but it would go ahead still more if the railway was extended.

1295. But leave that out: you do not anticipate any fall in the cost of living at Reefton now?—No.

1296. You are a go-ahead people at Reefton: why has it not brought along this prosperity in the last ten years?—They want to increase the prosperity; there has been a good deal of prosperity in Reefton in the last five or six years.

1297. I do not know whether you have ever given evidence before any of the Committees of Parliament?—Yes.

1298. When?—About two years ago.

1299. Were you just as sanguine then about this prosperity that was immediately coming? You have not seen the prosperity come that has been prophesied?—No; but I have no doubt it will come.

1300. Are you just as sanguine now as when you gave your evidence before Parliament?—My opinion is just the same now as it has been.

1301. Ten years ago you were anticipating the prosperity, and it has not come along yet?—But I think it will.

1302. You were ten years waiting for the realisation of your anticipations, and you might wait another ten years?—Probably.

1303. *Dr. Findlay.*] Has there been any increased prosperity at Reefton during the last five years?—Yes.

1304. Any marked increase?—The population has increased.

1305. Doubled?—No; the statement that the population has doubled is not correct. The estimated population at the present time is about a thousand more than it was five years ago.

1306. What is the total population?—Then it was a little over four thousand, now it will be over five thousand.

1307. It has increased about 25 per cent. in about five years?—That is the Inangahua County.

1308. Do you say in other respects, from other evidences of prosperity, that the place has substantially increased during the last five years?—Yes.

1309. You have been asked as to why this prosperity has not come along?—Yes.

1310. You know there were large reserves made for the company: did they include the country lying around Reefton?—Yes; all the country was reserved.

1311. Was it easy to get either timber or coal licenses?—No; you could get timber licenses upon certain portions of mining reserves, and then only for mining purposes.

1312. What do you say with regard to the effect of these reserves upon settlement?—Settlement was very much retarded.

1313. Do you anticipate, from the fact that the country has now been released from these reserves, that there would be more than the usual increase of settlement?—There are a very large number of applications now for land made to the Nelson and Westland Land Boards.

1314. Have these applications been received?—Yes.

1315. Since the reservations have been released?—Yes; a good many applications were made during the time and since the railway first started.

1316. *Mr. Bell.*] The population you say has increased 25 per cent. in five years?—Yes.
 1317. Do you know whether that compares favourably or unfavourably with the rest of New Zealand?—I cannot say.

WILLIAM GEORGE MURRAY examined on oath.

1318. *The Chairman.*] What are you, Mr. Murray?—Chief Surveyor and Commissioner of Crown Lands, Westland.
 1319. *Mr. Bell.*] Referring to Mr. Dalston's return of the 8th February, have you valued a house opposite Jackson's Station?—Yes; £80.
 1320. And the stables at Jackson's occupied by H. Cassidy?—£100.
 1321. The land on which McAlpine's hotel at Jackson's stands—land only?—About £1; that is the prairie value.
 1322. What would it sell for if the building was down?—A couple of pounds.
 1323. It is of no value for a building-site?—Not much.
 1324. The Ahaura Section, and the Cobden Sections, and the Westport Sections are all in the Nelson District?—Yes.
 1325. The land on which the railway is constructed, how much is there in your district—that is, south of the Arnold?—This is a return of the land granted by the Crown on which the railway is built. [Exhibit No. 16.]
 1326. The total area is 396 acres 2 roods 36 perches?—Yes.
 1327. What is the value of it?—About £1 an acre.
 1328. *Mr. McKerrow.*] What area of land within your district lies into and is served by the railway, Brunner to Jackson's?—The total area is about 94,347 acres.
 1329. Of that area, how much is agricultural, pastoral, and barren?—Agricultural, 14,700 acres; pastoral, 68,647 acres; barren, 11,000 acres.
 1330. Of these areas, how much is occupied in freehold and leasehold respectively?—29,505 acres freehold, 6,860 acres leasehold.
 1331. In these areas of freehold and leasehold land, do you include any of Blocks 26 and 28, B1 map, which belong to the Midland Railway?—Yes, they are included in the 29,000 acres.
 1332. Could you say approximately, if not accurately, how many settlers are on those areas now?—About twenty-nine.
 1333. Coming to the lands that are unoccupied within the first area that you gave: of the lands presently unoccupied, how much could be occupied for settlement, and in what average areas, say, within the next ten years?—Available for settlement, say, 2,000 acres in the next ten years, and the average area would be, say, 300 acres.
 1334. Have any town lands in your district been selected by the Midland Railway Company?—No.
 1335. Do you know if there is coal or other minerals within the area you are speaking of?—Yes; at Brunner, and from there up to Maori Gully.
 1336. You mean on the railway side of the river?—Yes.
 1337. Where the Denniston Mine was?—Yes, on that large spur.
 1338. Any other place?—There, and about the head-waters of Maori Gully.
 1339. Where is that?—Inland from Kokiri.
 1340. Are there any other minerals you could mention within your area?—There has been some quartz found at Mount Te Kinga and the Mount Alexander Range, opposite Jackson's, but it has not been worked.
 1341. Is it long since they were attempted to be worked—since they were prospected?—About six or seven years ago.
 1342. Could you state approximately what extent of land has been proved to be payably auriferous within your district—that is, in the district lying in to the railway?—Only Maori Gully, a distance of seven or eight miles, by about half a mile to a mile, which has been proved, and has been pretty well worked for the last twenty or thirty years.
 1343. Are there any dredging areas within your district?—I think there are dredging areas at Stillwater.
 1344. Can you state approximately the extent in area of milling timber within the area?—About 35,000 acres.
 1345. Do you know how many sawmills are at work there now?—There are six mills at work—four in Westland and two in Nelson District.
 1346. What are the areas allotted to them within which they can cut timber?—They are allowed 200 acres, and 600 acres are reserved for them.
 1347. I suppose they must cut out the 200 acres first before taking another 200 acres?—Yes; there are 600 acres reserved for them to work upon.
 1348. What rates or royalties do they pay for the timber?—On application they pay £10, and they pay a royalty of 6d. per 100 ft., and 3d. each for silver-pine sleepers. They pay these fees into the Warden's Court.
 1349. Then, I suppose you cannot say what the output of the mills will be?—No.
 1350. *Dr. Fendley.*] I understand you to say there is an area of something like 94,000 acres in the district to which you refer?—Yes.
 1351. And of that 11,000 are barren, leaving approximately about 83,000 acres of agricultural and pastoral land?—Yes.
 1352. About 29,500 acres freehold and 6,860 acres leasehold are already settled?—Yes.

1353. Is that so? I want to know the total area occupied out of this 94,000 acres?—There would be the 29,505 acres.

1354. And the 6,000 acres of leasehold?—Yes.

1355. That gives us about 35,000 or 36,000 acres—leaving about 47,000 acres of pastoral or agricultural land: I understood you to say that only 2,000 acres would be available for settlement in addition to what is already settled?—Yes.

1356. Do you suggest that 45,000 acres of this land will never be settled?—I take it up to the watershed of the hills.

1357. Even striking out the barren land, there seems to be a balance of 45,000 acres of agricultural or pastoral land which, in your figures, would never be settled: why, then, do you call it agricultural or pastoral land?—It is the land on the slopes of the mountains; there is a great deal of it that is of no use at all, scarcely.

1358. Would you call it agricultural or pastoral land?—I would call it pastoral land.

1359. And, although you call it pastoral land, you think it can never be settled, even for pastoral purposes: why not call it barren at once?—Of course, there is a little feed on it.

1360. I want you to tell me whether you do not think that within the next ten years a large portion of that 45,000 acres will be settled either for agricultural or pastoral purposes: supposing a very large portion of the forest is cut down in the next ten years, and the land sown in grass, could it not be profitably sheep-farmed?—Not very well up in those higher regions.

1361. If the timber were cut, and the best land sown in grass, is it not very likely that within ten years a larger additional area could be settled than 2,000 acres?—It is possible it may.

1362. We have been told by one or two gentlemen that certain white-pine land is land that could be sown in grass. I am suggesting to you that there might be a considerable area sown in grass that might be profitable for sheep-farming: is not that profitable?—Yes.

1363. Within ten years there may be a very large addition to the 2,000 acres which you have already mentioned?—Yes.

1364. Could you give me the proportion of the 45,000 acres that might possibly be settled?—No.

1365. About the quarter—about 10,000 acres in addition to the 2,000 acres?—Yes.

1366. *Mr. Bell.*] Why do you add the 10,000 acres to the 2,000 acres?—I think it is probable.

1367. *Mr. Fraser.*] Do you know of your own knowledge what it costs to reclaim from the bush this land and put it into grass in this part of the colony?—I suppose about £4 an acre.

1368. Simply to fell the bigger timber, burn it, and put it into grass and fence it?—Yes, from £3 to £4 an acre, not more.

1369. What is your experience as to the lasting qualities of the grass here on the land so treated: does the grass do well?—Yes; for the first three years it does remarkably well.

1370. Then afterwards?—In some lands, like barren lands, it dies out a little; moss comes on after about four or five years, and it wants to be renewed.

1371. Is that in low or high country?—On the low country.

1372. Moss is apt to come?—Yes, and a little green leaf, and some rushes; but they do not mind rushes so much, because grass grows about the roots a good deal.

1373. Does the grass hold a decent time on such land, or does it require renewal?—Yes, sometimes in about five years.

1374. Is that general or in some localities?—Yes; in some of the best land here we have grass all the year round.

1375. And it continues?—Yes.

1376. But there are other parts where, the soil being poorer, the grass dies away and has to be renewed?—Yes.

1377. Have you had any experience in other parts of New Zealand where land is so treated?—No.

1378. *Mr. McKerrow.*] Around Hokitika the district generally is going forward?—I think it is going forward.

1379. Rapidly?—They all depend on these dredges going ahead.

1380. Is the population increasing?—Yes; in Hokitika especially for the last two years it has been increasing very much. New buildings are going up in every direction.

1381. *Mr. Graham.*] By immigration or natural increase?—By people coming into the district.

1382. What has been the addition to the population during the last two years?—I should say, in Hokitika about two or three hundred.

1383. What is the population of the town?—2,300, I think—that is, the borough; and the Greymouth Borough is 3,345.

1384. How long ago was that?—That was the estimated population in 1900.

JOHN AINSLIE MONTGOMERIE examined on oath.

1385. *The Chairman.*] What are you, Mr. Montgomerie?—District Surveyor, residing at Reefton.

1386. *Mr. Bell.*] Your district is part of the Nelson Land District?—Yes, part of the Nelson Province.

1387. How far does it extend south?—To the Westland boundary—to the Arnold and the Grey.

1388. There are some Cobden Town sections that you have been asked to value—still referring to Mr. Dalston's return of the 8th February: did you total them up?—Yes; fifty-eight sections, and the value I put them down at is £684 5s., viz. :—

No.	A.	R.	P.	s.	d.	£1 added	£	s.	d.	No.	A.	R.	P.	s.	d.	£1 added	£	s.	d.
70	0	1	17	5	0		15	5	0	261	0	1	0	5	0		11	0	0
73	0	1	0	5	0	"	11	0	0	263	0	1	0	5	0	"	11	0	0
137	0	1	0	5	0	"	11	0	0	265	0	1	0	5	0	"	11	0	0
139	0	1	0	5	0	"	11	0	0	267	0	1	0	7	6	"	16	0	0
141	0	1	0	7	6	"	16	0	0	269	0	1	0	7	6	"	16	0	0
144	0	1	0	5	0	"	11	0	0	271	0	1	0	5	0	"	11	0	0
145	0	1	0	5	0	"	11	0	0	272	0	1	0	5	0	"	11	0	0
146	0	1	0	5	0	"	11	0	0	273	0	1	0	5	0	"	11	0	0
147	0	1	0	5	0	"	11	0	0	274	0	1	0	5	0	"	11	0	0
148	0	1	0	5	0	"	11	0	0	275	0	1	0	5	0	"	11	0	0
149	0	1	0	5	0	"	11	0	0	276	0	1	0	5	0	"	11	0	0
151	0	1	0	7	6	"	16	0	0	277	0	1	0	7	6	"	16	0	0
195	0	0	32	5	0	"	9	0	0	278	0	1	0	7	6	"	16	0	0
203	0	0	32	5	0	"	9	0	0	281	0	1	0	5	0	"	11	0	0
205	0	0	32	5	0	"	9	0	0	283	0	1	0	5	0	"	11	0	0
207	0	0	32	7	6	"	13	0	0	284	0	1	0	5	0	"	11	0	0
209	0	0	32	7	6	"	13	0	0	285	0	1	0	5	0	"	11	0	0
211	0	0	32	5	0	"	9	0	0	286	0	1	0	5	0	"	11	0	0
212	0	0	32	5	0	"	9	0	0	287	0	1	0	7	6	"	16	0	0
215	0	0	32	5	0	"	9	0	0	288	0	1	0	7	6	"	16	0	0
216	0	0	32	5	0	"	9	0	0	289	0	1	0	7	6	"	16	0	0
217	0	0	32	7	6	"	13	0	0	290	0	1	0	7	6	"	16	0	0
221	0	1	0	5	0	"	11	0	0	291	0	1	0	5	0	"	11	0	0
225	0	1	0	5	0	"	11	0	0	292	0	1	0	5	0	"	11	0	0
231	0	1	0	5	0	"	11	0	0	293	0	1	0	5	0	"	11	0	0
233	0	1	0	5	0	"	11	0	0	294	0	1	0	5	0	"	11	0	0
235	0	1	0	5	0	"	11	0	0	295	0	1	0	5	0	"	11	0	0
241	0	1	0	5	0	"	11	0	0	296	0	1	0	5	0	"	11	0	0
243	0	1	0	5	0	"	11	0	0										
245	0	1	0	5	0	"	11	0	0	58 sec.	14	0	17	...	...	...	684	5	0

1389. They are valued at 5s. per perch?—Yes; corner sections at 7s. 6d. per perch and the others at 5s. per perch, with £1 added as a business license.

1390. *Dr. Findlay.*] With regard to the Cobden sections, how did you arrive at the value you put on them?—At the value the Government charged.

1391. Your method of valuing was to take the old Government method of charging 5s. a perch and 7s. 6d. for corners?—Yes.

1392. So that it does not pretend to be the actual present selling-value of these sections?—I could not say that. I took the sections right through from Reefton, Ahaura, and Cobden.

1393. It is a theoretical value?—It is the same value that the Government put on years ago.

1394. It does not pretend to be the actual value?—Not according to the positions of the sections.

1395. *Mr. McKerrow.*] What area of land within your district lies in to and is served by the railway from Brunner to Reefton?—178,130 acres.

1396. That is extending from the Inangahua Junction right down to Cobden?—Yes.

1397. Of that area how much is agricultural, pastoral, and barren land?—Agricultural, 41,380 acres; pastoral, 132,880 acres; and the balance is barren—about 4,000 acres.

1398. How much is occupied in freehold over this extensive area, and how much is leasehold?—Freehold, 31,870 acres; there is no leasehold.

1399. Could you say how many settlers are there?—Roughly, about one hundred and fifty settlers.

1400. Then, of the lands presently unoccupied how much could be occupied for settlement, and in what areas, within the next ten years, do you think?—I could not say. I do not know the number of applications that have gone in lately; if I had that I might be able to say.

1401. What is the remainder of the land capable of settling?—I mean after the bush is off?—It would have to be in very large areas—say, 1,000 acres—to be of any profit at all.

1402. Would that apply to pretty well all the remainder of the land that is for settlement?—Yes; if the timber was off.

1403. You would have 147,000 acres left. Do you think that could be settled on an average of 1,000 acres each holding?—Yes, if you could get persons to take it. I am doubtful whether any person could take it.

1404. In other words, it would hardly pay to put it into grass?—Only the residents there. I do not think it will pay anybody else to come in; it is all cattle and sheep country.

1405. Your reply is that practically there would be no great increase of settlers?—Yes.

1406. Do you know if there is coal or other minerals within the area?—Yes, in portions I know myself; and I have been told coal has been found in other places. I believe there is coal all the way up the Paparoa Range. I have been told of coal being found at Stony Creek; and there is coal at Giles's, Inangahua, and at Fletcher's; and then on the spur between Larrie's there was a road surveyed there some years ago, and they found outcrops of coal there on the top of the range. That is just at the Junction and at Coal Creek, and just immediately behind the Town of Reefton; and at Boatman's it extends southerly to different places. They say there is coal all down the flats, but I do not know about that.

1407. Beginning at Cobden, there is, of course, Coal Creek—I am referring to working-places?—Yes; up the Seven-mile there is coal; then Brunnerton, then Blackball—then at Reefton, at Burke's Creek. They are working a little at Boatman's, Murray Creek, and Soldiers. These places are within a few miles of Reefton. Then the New Scotia, at Slab-hut Creek; then the New Cumberland has another lease in Deep Creek.

1408. Are there any other minerals within your district?—Gold.

1409. Could you say approximately the extent that has been proved to be auriferous?—I calculated up the areas of the claims, and that totted up to 4,343 acres—that is, in the Reefton district—that area has quartz in it. Then, on the range from Paparoa—Moonlight—I put that down at 6,000 acres.

1410. A good deal of that is speculative?—Yes; but Reefton has been more or less worked at times.

1411. How much has been taken up in dredging claims?—I could not say.

1412. Can you tell us approximately the extent of milling timber over this area?—618,000,000 superficial feet. Of course, timber above an altitude of 2,000 ft. to 2,500 ft. is of very little use at all. The figures I have given refer to milling timber. The remainder is very good mining timber—props and so forth.

1413. What are the predominating trees? Brown-birch, white-pine, red-pine, a few totaras and silver-pine, and also some black-pine in places.

1414. Do you know how many sawmills are at work now?—I could not say.

1415. I suppose you cannot give any accurate statement as to the output of the timber?—No.

1416. Do you know what area was selected by the company at Blackball?—No.

1417. *Mr. Fraser.*] You stated that 147,000 acres is, roughly, the balance of land capable of being settled and grassed, and that you did not believe there would be a great increase in the number of settlers, but that the present settlers would probably increase their areas: on what do you found that—that there would be no new settlers come in?—I am simply judging from the last few years. We have had no settlers come in, but some of the old ones have been increasing their area. I do not know of any settlers who are coming in. I do not think it is likely myself. •

1418. We have been told that a number of applications have been put in lately in the various land offices: do these applications all come from men already holding land?—I stated that if I knew the number of applications in hand I might be able to give you an idea of that.

1419. But you spoke somewhat positively that you did not think any new people would come in: what are your grounds?—That is my opinion.

1420. Is the land still available for settlement of such a character that it could be occupied by other settlers than those already settled there? Are there homestead-sites already left?—All the land of any value along the river-banks is already freehold; outside of that it is all bush land—land very expensive to clear. It would cost probably £40 or £50 an acre to clear it before you could put a plough in it. The timber on it I consider is the best crop.

1421. *Mr. McKerrow.*] Are there any homestead-sites on this large area not taken up?—There are parts flat, but it would have to be opened up by roads. There is no doubt there is plenty of flat country—for instance, between Inangahua and Reefton—that is not taken up.

1422. There will be a chance for new settlers there if they care to take it up?—Yes.

1423. *Dr. Findlay.*] You gave Mr. McKerrow an estimate of the different classes of land—41,380 acres agricultural land, 132,880 pastoral, and the balance barren; of that 41,380 acres of agricultural land, you told us that 31,870 was already freehold. Now, that leaves, roughly, 9,500 acres as the balance that is still unsettled?—I think 7,620 acres of agricultural land is still unsettled in the Crown land.

1424. That 9,500 acres, is that fairly good land?—Some of it is first-class land. I would value it at £1 15s. to £2 an acre as it stands now—that is, for the land itself, without the timber.

1425. Supposing that good land were cleared, in what holdings could it be profitably worked?—I do not think you could get them properly under 100 to 200 acres—that is, in spotting out the little places where there is good land.

1426. What area of this 9,500 acres agricultural land would be divisible into areas of 100 to 200 acres?—That is the area I put down at 7,600 acres.

1427. That would give us thirty-eight different holdings?—Yes.

1428. That would be new settlement?—Yes, if it were taken up.

1429. With regard to the pastoral land, there is an area of something like 132,000 acres?—That is all covered with bush.

1430. Supposing that land were cleared of timber and sown in grass, would it produce fairly good grass?—From what I have been able to see it would produce very fair grass.

1431. Then, the whole of it if cleared might be profitably farmed?—It might be.

1432. In what areas?—Pastoral would have to be in larger areas—from 500 to 1,000 acres.

1433. Supposing we take the mean at 750 acres, you would have about two hundred holdings of that size, so that from the figures you have given us you might have two hundred holdings for pastoral purposes and thirty-eight for agricultural purposes?—Yes, if it were cleared.

1434. Supposing you had a light line extending from Reefton so as to tap these forests, and the timber business was thriving in that district, would not that hasten and facilitate settlement both of the agricultural and pastoral land?—Yes, if they could get rid of the timber. There is the question of getting it away.

1435. Assuming there is a light line, as I have suggested, and the timber industry was progressing there, it would greatly hasten agricultural and pastoral settlement?—Yes.

1436. Then, when you said you did not see any prospect of there being much increased settlement you were assuming that the timber would not be cut out by the mills?—I was judging from the fact that during the last two or three years we have had no strangers taking up agricultural or pastoral land.

1437. You do not say there are not large areas both of agricultural and pastoral land which can be profitably settled?—If it was cleared.

1438. Assuming there is a means of getting your timber to the market, you do not see any difficulty in the way of its being cleared within, say, the next ten years?—There would be the question of competition with forests nearer the port.

1439. We are told the prices are increasing, and we are told, and apparently quite reasonably, that with a slight increase in price you could bring timber from a further distance and still find a market for it: if that continues do you see any insuperable difficulty in the way of getting the whole of this land cleared?—If you assume that the whole of the country would be taken up by mills and the timber cut, and the land was sown in grass, of course there is no doubt it would be. When I replied before I was judging from the past. If we assume that the land will be taken up and the timber cut and the land sown in grass, we must assume that there will be great progress.

1440. We are told that applications are being made for land?—I do not know the number. The only ones I do know of are those already settled.

1441. Do you not think the Midland Railway reservations have done something to retard settlement?—Yes.

1442. If those reserves have retarded settlement in the past, are you entitled to take the past as a proper guide to the future settlement, seeing that the reservations have now disappeared?—I can only say again, as I said before, that I cannot give an idea until I know what applications have been sent in.

1443. We have been told that since the reservations have been removed a number of applications have been sent in?—I do not know what the applications are; they go to Nelson.

THURSDAY, 14TH MARCH, 1901.

JOHN AINSLIE MONTGOMERIE further examined on oath.

1444. *Mr. Bell.*] Referring again to Mr. Dalston's return of the 8th February, have you now valued the Ahaura sections?—Yes.

1445. And this is your valuation?—Yes.

Sections.	Area.			Value.	Sections.	Area.			Value.
	A.	R.	P.	£ s. d.		A.	R.	P.	£ s. d.
11	0	0	12	4 0 0	253	0	0	12	4 0 0
57	0	0	12	4 0 0	254	0	0	12	4 0 0
87	0	0	12	5 10 0	255	0	0	12	5 10 0
90-93	0	1	8	17 10 0	257	0	0	12	4 0 0
103-106	0	1	8	17 10 0	258	0	0	12	5 10 0
108	0	0	12	4 0 0	264	0	1	27	17 15 0
113-121	0	2	28	40 10 0	265	0	1	4	12 0 0
128-144	1	1	4	75 10 0	266	0	0	30	8 10 0
168-179	0	3	24	54 0 0	267	0	0	30	8 10 0
182-220	2	3	28	172 10 0	268	0	0	33	9 5 0
225	0	0	12	4 0 0	269	0	0	12	4 0 0
227	0	0	12	4 0 0	270	0	0	12	4 0 0
229-235	0	2	4	32 10 0	271	0	0	12	5 10 0
237	0	0	11	3 15 0	272	0	0	10	4 15 0
238	0	0	9	3 5 0	273	0	0	10	3 10 0
239	0	0	11	3 15 0	274	0	0	10	3 10 0
240	0	0	7	3 12 6	275	0	0	10	3 10 0
241	0	0	10	4 15 0	276	0	0	10	3 10 0
242	0	0	10	3 10 0	277	0	0	10	4 15 0
243	0	0	10	3 10 0	278-287	0	3	0	43 0 0
244	0	0	10	3 10 0	288	0	0	10	4 15 0
245	0	0	10	3 10 0	289	0	0	10	3 10 0
246	0	0	10	4 15 0	290	0	0	10	3 10 0
247	0	0	12	4 0 0	291	0	0	10	3 10 0
248	0	0	12	4 0 0	292	0	0	10	3 10 0
249	0	0	12	4 0 0	293	0	0	10	4 15 0
250	0	0	12	4 0 0	294-303	0	3	0	43 0 0
251	0	0	12	5 10 0					
252	0	0	12	4 0 0		12	2	6	734 7 6

In the value of these sections I have added £1 as a business-license fee, but I consider that in arriving at the value this should be deducted. My estimate is therefore £734 7s. 6d. *minus* £159 (159 sections); total, £575 7s. 6d.

1446. Now, you have also taken out the areas of Crown lands in the Nelson Provincial District given by the Crown for the railway, and upon which the railway is constructed?—Yes.

1447. And this is your estimate [Exhibit No. 30]?—Yes.

1448. *Dr. Findlay.*] You have valued the total Ahaura sections at how much?—£575 7s. 6d.

1449. First of all, you add £1 as a business license?—Yes; when the Government had the land you had to take out a business license before you could purchase.

1450. Is the fee only £1?—Yes, it was then.

1451. What is it now?—There has been no business license now for some years.

1452. I am told it was £3 for the year, and £1 10s. for the half-year?—Then I must have made a mistake.

1453. How do you arrive at the value of these Ahaura sections?—From the information you get from the people living in the place.

1454. Did you go and see them and value them yourself?—I was there.

1455. Do you know anything about the values of the Ahaura sections?—I judged from what the people there considered a fair value, and also from the county valuation.

1456. You think this sum of £575 7s. 6d., which is just something over £3 per section all round, is what they would bring if sold by auction, say?—I believe so, if the people were there to go on them; it is doubtful, you know.

1457. It is the people who go on them that determines the price of land everywhere in a very large measure?—Yes; if there was a rush, or anything of that kind, they would sell quick enough.

1458. Suppose the present condition of things?—I consider it a fair value; but as to whether they would sell or not is another question.

1459. That is not the present value?—It is a fair value at present.

1460. Would they sell for this at present if the company were pushed, and we had to sell in the course of a few months?—I do not think they would sell for that; probably a few people might buy to "squat" down on them.

1461. If you were to sell these sections within a month you might not get, probably, more than £1 10s. a section for them?—I think you would get more than that.

1462. What do you think you would get?—I think £3 per section.

1463. I understood you to say you would not get that?—It is just a question of people to go on to them.

1464. I understand we are in pursuit of a selling-value, and I want to know if these lands have a selling-value?—Practically at present there is no sale at all.

1465. And probably we would have to put them up at a sacrificial price if we wanted to get rid of them within a year?—If you had to do so, Yes.

1466. Probably for not more than £1 10s. each?—You probably would not sell them at all.

1467. *The Chairman.*] What do you think Ahaura land worth for gardening purposes?—I think the land is very poor for any purpose, and you have to do an immense lot of work to improve it. It would cost an immense lot of money to make it fit for gardening.

1468. Is it worth £10 or £12 per acre?—If the town was going ahead, or there was any spurt on, of course it would be worth more than that.

1469. But I mean at present?—Of course, there is hardly any value at all, because no one will buy—only the people who are there at present.

1470. Taking the land for the railway in and about the Ahaura township, I think you put that down at £1 per acre in your value?—Yes, along the line; that is the value all round.

1471. When you put town sections down at £12 per acre, why do you put land immediately adjoining them at £1 per acre?—That is on account of the township; it is more valuable than land in the suburbs.

1472. Do you think £1 per acre is a fair value for the land taken along there?—I think it is; it is Crown land.

1473. I am talking about freehold land?—Then, of course, you have to take into consideration the cost to the freeholder in making that land good: it is all cleared.

1474. What do you consider a fair value for the freehold land taken below the Ahaura and Totara Flat?—I think land at Totara Flat would be worth £5 per acre.

THOMAS WHILLIANS BRUCE further examined on oath.

1475. *Dr. Findlay.*] I understand you wish to correct some of your previous evidence, and you want to deal with this answer first: "Are you allowing for the fact that part of the railway belongs to the Government, or, at least, was constructed by it up to Brunner?—No, I am not allowing for that; that was the total amount from Inchbonnie to Greymouth." What do you want to say about that?—I think that, as the Midland Railway has enabled the Government line to earn so very much more, justly the bulk of the rate upon timber should be allowed to the Midland Railway Company.

1476. The next answer you wish to deal with is this: "Can you give me an idea as to how much each of these mills on the average would be likely to contribute to the gross earnings of the railway?—The mill at my own place will put out about 2,000,000 ft. per annum—that is the minimum. Some of the mills will not put out quite so much as that.

"Allowing that they do not, what average would you fix for each of the mills?—I think the average would go close upon 2,000,000 ft. per annum.

"That would be about from £1,200 to £1,500 for each mill. You think that is a fair average estimate?—Yes.

"If your mill will give from £1,200 to £1,500 a year, those mills nearer Greymouth will give less?—Yes; the average would probably be less, if you allow me to correct myself.

"Could you give us some idea of what the amount on the average would be from each of the twelve mills—the gross return to the railway?—I should say about £1,000 each per annum." What do you wish to add to that?—I have ascertained that the minimum rate that the railway charges for taking per 100 ft. of timber is 1s. 2d., and all the biggest mills now working along the railway pay 1s. 3d.—the same price as my mill would pay; so that the average revenue from the mills would be a little more than I have put it down.

1477. You put it down at £1,000 per annum, and you think it would be a little more?—Yes; and I also wish to say that my opinion about these mills was going forward—I was speaking of the future.

1478. Not merely of the past returns, but of future development?—Yes.

1479. In that connection I wish to refer you to a statement put in by Mr. Bell, showing the return for the past year ending the 2nd March, 1901, of the gross payments to the Government for the railage of timber produced by the following mills: Wall and England, Goss, and Lake Brunner Company, giving an average of a little over £900 and £1,000 a year. Then, there are a number of other mills—Baxter Brothers, Butler Brothers, and Jay's—which give us an average of about £400 a year. What is your opinion upon that?—The small mills that are giving the smaller returns have been working a long time, and have been working through very troublesome times, when the price of timber was very low. And these mills were nearly all put down at haphazard, because the timber was convenient to the line and the areas taken up were not very large, and they are nearly all worked out.

1480. Can you say if they were working full time during the year ending the 2nd March, 1901?—I cannot say.

1481. But you do say that in the future the number of mills you have mentioned could be employed and produce the quantity of timber you have mentioned and return the gross payments to the Government that you have stated?—Yes; I think, if anything, I have underestimated the amount.

1482. It is pointed out to me that in the return I have read to you six mills are mentioned in the district to which you refer. You said there were five mills, and the one to be put down on your own property would make six?—I really thought there were only five mills working.

1483. Do you know Swede's mill?—That is working and putting out a large quantity, and will increase its output.

1484. And Goss's?—That is working and putting out a large quantity, and will increase its output.

1485. Waller and England?—Yes, that is working.

1486. Butler Brothers?—Yes, that is working.

1487. Jay and Co.?—I think that is working.

1488. Baxter Brothers?—That is working.

1489. Then, there is your own?—Then, I made a mistake in the number of mills.

1490. Then, there are six working now, and your own will make the seventh?—Yes.

1491. And you think we are going to get six more, making thirteen in all?—Yes.

1492. Now, in regard to the mineral resources of the district, do you know the auriferous character of the country in your district?—Yes, fairly well.

1493. You have been there thirty years?—Yes.

1494. Do you know where the auriferous country ends?—At Kelly's Creek. From Stillwater on both sides of the railway for a certain distance, and then on one side afterwards.

1495. Taking a line two miles from the railway as the crow flies, can you point to a place where from £8,000 to £10,000 has been spent in developing at various times?—Yes; at Kelly's Creek.

1496. How far is Kelly's Creek from the railway as the crow flies?—The railway crosses Kelly's Creek, and from the point where the line crosses the creek about two miles from that.

1497. How far from Jackson's, above the point where the railway crosses the creek?—About seven or nine miles.

1498. On which side?—Towards the Otira.

1499. You told us that at a point about two miles from the railway as the crow flies a large sum had been spent in developing: is that point on the railway this side or the other side of Jackson's?—It is where the railway crosses Kelly's Creek.

1500. What has the result proved to you?—The result proved to me, or it is my opinion, that it will be one of the richest places on the West Coast, probably in the near future.

1501. As a gold-bearing country?—Yes; and I would not be surprised to see a town as large as Reefton at Kelly's Creek.

1502. Has this prospecting produced any gold?—Yes.

1503. Any people working there?—No people are working there at present, but two shafts have been sunk there.

1504. When?—About twenty-five or twenty-six years ago. One was put down about 65 ft., and the other about 45 ft. Not very long ago I was down the 45 ft. shaft, and I assure you that down there now there is a reef that will perhaps be about 2½ ft. wide, with about 1 ft. of casing. There is an exceedingly large show, or, rather, rich shoot, of gold in this reef. There was a little tunnel put away from the shaft, and the casing had mouldered down to the floor of the tunnel, and the man in my presence gathered up a dishful of this casing. He brought it to the surface and washed the stuff, and it fairly jappanned the bottom of the dish with fine gold. I have a great many specimens of really beautiful quartz.

1505. All taken from this reef?—Yes.

1506. How many gold-bearing reefs are there?—There are three reefs running parallel, and they go to the Wilberforce Mountains. Mr. E. G. Wright and Mr. Blake sunk a shaft 65 ft. in one of the other reefs.

1507. How long ago?—In the very early times—about thirty years ago. This reef went from 2 ft. to 9 in. thick, averaging somewhere about 15 in.; and the stone from that shaft was taken down to the Lamplough and put through the battery, and it averaged 1 oz. to the ton.

1508. *The Chairman.*] Are you referring to the Taipo reefs?—No; these are distinct from the Taipo reefs.

1509. *Dr. Findlay.*] What was done then?—A long tunnel was put in to cut them; but I think, through mismanagement and high wages, they gave up just before they reached the reefs.

1510. How long ago?—About the same time ago. I may say that about ten years ago a company was formed in Christchurch to further develop these reefs. £1,300 was found, and a tunnel 500 ft. long was run into the hill from the Taipo side; but the manager took the wrong level, and, instead of this tunnel cutting about 60 ft. below the bottom of the shaft, it went up into it, and the Christchurch investors refused to spend any more money, and they stopped further development.

1511. You consequently say that the money was wasted?—Entirely wasted.

1512. There has been no proper exploration of the country at all?—No.

1513. In your opinion, has the country been properly tested yet?—No.

1514. Is there any immediate prospect of it being tested?—Yes; I am trying to get a low-level tunnel driven through Kelly's Range to see whether the reefs live and increase and bear gold as they go down. Reef-ton experience shows that the reefs live, increase, and bear gold to a great depth, an important point proved for Westland.

1515. There have been miners working on the creek which cuts these reefs, I believe, for years?—Yes.

1516. Getting gold?—Yes; rough gold, just like peas and beans. It is well known they have been getting a large quantity of gold.

1516A. You know this country intimately?—Yes.

1517. Do you not own the run in which part of these reefs lie?—Yes. I wish to add that a sample of cinnabar has been found in close vicinity to these reefs.

1518. Lately?—Last fall. I sent a sample of that cinnabar to Wellington to be assayed. It was assayed by Mr. Skey, and I think it went 79 decimal something per cent. of mercury.

1519. You say you have been thirty years in the district, and you know the country intimately, and you have made an examination of the reefs yourself: are you so satisfied of the prospects offered by these reefs that you could, for instance, seriously invite the Commission here to put their money into it?—I could. I would put my own money in it to run a low-level tunnel into the hill. It would probably take £2,500 to make that test.

1520. And you think there is the country and prospects there which might really in the near future give a town as large as Reef-ton?—I honestly believe so.

1521. You are not over-sanguine?—No, I do not think so.

1522. You are a Scotchman?—Yes. I would wish to add to this that just recently—I do not know whether they are working at present, but recently they were working what they call the "fine-gold terraces" in the gorge of the Taipo, and these terraces gave exactly the same sample of gold as I found in the casing of the tunnel I mentioned.

1523. *Mr. Bell.*] How far is the casing away from the terraces?—About four miles. I hold there are other reefs there from which this fine gold has been washed; all the way up to the Wilberforce is golden country.

1524. *Dr. Findlay.*] And you told us that, in your opinion, the country has never been properly explored, and that a proper examination would prove what you say?—Yes.

1525. Now, with regard to dredging, do you know if there are any dredging areas?—Yes; at the head of Lake Brunner there are surface indications. There is a nice sample of gold and black sand there.

1526. And you think there is a possibility of the areas being profitably dredged?—Well, the surface indications show gold, and they will be tried.

1527. Is there anything afoot for the purpose of getting them tried?—We are going to do so. The land is in the hands of three private owners.

1528. Are you one of them?—Yes.

1529. And you are really about to have the country tested?—Yes.

1530. Has any bore been made for oil at Kotuku?—I think there has been no bore made. A prospectus has been issued with a view to forming a company.

1531. What indications are there of oil there?—From my personal knowledge, I do not know.

1532. The oil has only lately been discovered, I understand?—Yes, it is not very long since.

1533. And the answer you have given to me as to why this country has not been opened earlier is that it has not been properly prospected?—Yes.

1534. In the days when these operations took place there was no railway?—No.

1535. And how long has the railway been opened to Jackson's?—Something like five years.

1536. Then, is it a fair inference that the presence of the railway running nearer these reefs will facilitate and hasten the development of them?—It will, because the railway will be able to put the plant down for working these reefs. The railway goes within 300 yards of where a plant could be put down to work reefs.

1537. And the machinery would be carted to Jackson's, supposing the Government refused to allow it to go over the line?—Yes; there is a good road.

1538. Would that be one reason why the development has not taken place earlier?—Yes. I wrote to the Hon. the Premier with a view to getting Government assistance to put in a low-level tunnel. He knows the country quite well.

1539. Do you think that if we called him as a witness in Wellington he would confirm what you say?—Yes, I think he will.

1540. And you want money to develop it still?—I wanted to see what assistance the Government could give, and his reply was that the Government could only give the ordinary assistance, and it is such a big enterprise that such ordinary Government assistance would rather embarrass any company that started. Therefore I considered it was not worth looking further into.

1541. *Mr. Fraser.*] You mean the conditions the Government would impose would embarrass any company?—Yes; because you clearly see that at least three big claims and a number of water-

rights would have to be taken out before the low-level tunnel started, otherwise if these reefs turn out as well as we expect the ground would be jumped. I am earnestly impressed with this; I thoroughly believe it.

1542. *Dr. Findlay.*] I will pass on to the settlement of the land for the purpose of pasture and agriculture. We may say that a very large area—practically the whole of it—is covered with bush?—Yes.

1543. Can you tell us whether, when the timber is cut off and the land sown in grass, the grass holds well?—Yes, I can speak positively on that point.

1544. What do you say of it?—I have had a little of the heavy timber land cleared.

1545. What area?—About 40 acres. That land will carry two sheep to the acre, with a sprinkling of cattle, if cleared and roughly burned and sown in grass.

1546. That, you say, was heavy timber land?—Yes.

1547. Now, of course, what we want to get at is some guide to the average. Now, were the 40 acres selected because they were exceptionally good?—No; it was taken because the timber was very light on that particular portion, and with the heavy timber land I expect rather better results with the grass.

1548. What area do you at present hold?—I hold about 5,700 acres.

1549. It is in bush?—A little over 3,000 acres is in bush.

1550. When you have cleared the bush from your 3,000 acres and sown it in grass, how many sheep to the acre do you think it will carry?—It will average two sheep to the acre, I think.

1551. Can you tell me what is the area of the whole of the bush lands lying in to the railway at your end which could be felled and sown in grass profitably?—I should roughly estimate these lands at probably 180,000 acres. There would be a large area.

1552. What area of that 180,000 acres do you fairly think could be felled and sown in grass profitably?—I think, roughly, two-thirds—about 120,000 acres.

1553. And what would you fix as the average number of sheep to the acre?—I would give about two sheep to the acre over the whole 120,000 acres.

1554. Is there any of the land there served by the railway suitable for agricultural purposes?—As the sawmillers clear the timber it will become so.

1555. I do not wish you to confine yourself to produce grown to serve the local needs, but is there any land sufficiently suitable for agricultural purposes to make it worth while farming it for the export of grain?—I think not. I think grass and turnips should be the foremost stand-by in Westland.

1556. Do you know anything of the Poerua Settlement?—I know it very well.

1557. Was that bush land?—There was a little swamp, and a good deal of scrub, and a good deal of bush land.

1558. What was its condition when it was first settled?—It was just in a state of nature.

1559. Bush?—Bush, scrub, and swamp.

1560. Does it correspond to any of the country in this Brunner district served by the railway?—No; I think it would be unique. It is a little strip of country out there.

1561. Where does it lie?—From the Crooked River to the Orangipuka.

1562. How many miles is it from the Stillwater-Jackson's Railway?—The settlement fronts on to the railway.

1563. What area is there?—About 3,200 acres. The reason why there is no work shown from the railway is that there are about three swampy sections there that have been leased out at quite a nominal rental of something like 3d. and 6d. an acre.

1564. These lie between the railway and the remainder of the settlement?—Yes; and it is beyond the strength of any single settler, or of a number of them if they combined, to drain that swamp. We are going to try and get the settlers who hold the swampy sections to hand in their leases and have their sections reassessed, and get the Government to put in a big drain, and increase the rentals to pay interest on the cost of the work.

1565. What area does the swamp represent?—About 300 or 400 acres.

1566. And beyond that there are 2,800 acres left?—Yes.

1567. What character of land is that?—Good farming land once it is cleared.

1568. Is it capable of being used for dairying purposes?—It is an excellent place for dairying purposes.

1569. What are the minimum holdings into which it could be cut and worked profitably?—I think there are four sections of between 80 and 90 acres, and the others run from 150 to 250 acres.

1570. How many settlers are on it now?—I really do not know how many are living there, but the sections are all taken up except one.

1571. Can you give me any idea how many are living there?—I cannot; but there are sufficient to have a school started there.

1572. As the land is cleared and made available, say, for dairying, do you look for an increase of population on these sections?—Yes.

1573. Within the near future?—Yes.

1574. Do you know when this settlement was made at Poerua?—It was since the railway was opened.

1575. Before that time was there any settlement there at all?—No.

1576. *Mr. Bell.*] With regard to the timber, in estimating the profit to the railway you have taken the full sum to be received from the mill to Greymouth?—Yes; I think the bulk ought to go to the Midland Railway.

1577. You have taken in the whole amount?—Yes.

1578. The railway has been open five years to Jackson's: why did you not have a mill on

your property before?—Because the Government were charging only 3d. per 100 ft. royalty on the timber, and most of the mills settled down on Government areas; and it would not pay me to have my timber cut at 3d. per 100 ft. royalty. The Government were competing against me really.

1579. Then, the Government having put up their royalty to 6d.?—I immediately leased my timber areas.

1580. Have you known before of a boom in the timber trade?—No; it was in a very depressed state until just a little while ago.

1581. But has there not been a boom in the timber trade here?—Not since the railway was opened.

1582. But before that has there not been such a thing as a boom in the timber trade here?—I think not, unless it was in the very early times.

1583. And have all these mills only been making a bare living?—I suppose that; I do not think more.

1584. Now there is a boom, and the result of it is that these mills are going to make a large profit?—Yes.

1585. How long have you been living at Poerua?—I have held property for over thirty years.

1586. How many acres?—4,000 acres; and I have added 1,700 to it.

1587. You have had some 4,000 acres some thirty years?—Yes.

1588. And how long have you been living there?—About ten years.

1589. How many sheep have you got now?—I have about 1,700 sheep.

1590. How many cattle?—I have 100 head of cattle at present. I ought to have 200 head.

1591. How much of your country have you cleared and got down in grass?—In the early times I cleared 500 acres of the scrub land.

1592. And that is now clear?—Yes.

1593. And in grass?—Yes.

1594. How much besides that have you cleared?—Only these 40 acres.

1595. Now, you have been a farmer and settler in New Zealand all this time?—Yes.

1596. Then, why on earth have you not made more use of your land, if this land is going to carry two sheep to the acre?—Because all the land is so heavily timbered that I could not afford to waste the timber, and I have waited for the increased royalty.

1597. And you have waited thirty years?—Yes.

1598. And during the last five years you have told us you were still preserving the timber because you could not afford to cut it at 3d. per hundred?—Yes.

1599. Unless this boom in the timber trade is maintained typical settlers like you will not make any use of that land?—Unless the timber trade goes on I will not be able to use that land. I was not using it.

1600. Then, settlement as well as the traffic in timber depends on the continuance of the boom in the timber trade?—Yes.

1601. *Dr. Findlay.*] Mr. Bell has used the word "boom," which always suggests a burst. Is that the kind of thing going on at present?—I do not think so.

1602. Is it properly a boom at all? Is it not the natural growth of the industry?—I think so.

1603. Do you see any reason why this natural growth should not continue?—I see every reason to believe that it will continue, and I will give my reasons: All over New Zealand the timber is being felled and wasted; in Australia the timber is being felled and wasted in the same way; in the United States and Canada the timber has been felled and wasted in the very same way; and there has been no planting taking place in either of these large countries. We may therefore reasonably conclude that there is a very good future for the timber industry.

1604. Forest areas will grow scarcer, of course?—Yes. I may say more: I met a sawmiller in Southland who has taken up an area at Kotuku, and is going to put up a mill there, and he informed me that in a few years the forests would be cut out in Southland, and that others would be following him up here.

1605. So it is not any temporary boom, but the natural growth you expect to go on?—Yes.

1606. *The Chairman.*] Do you wish the Commissioners to understand that the timber-supply of America and Australia will be exhausted in a few years?—Not quite exhausted, but the accessible portions of it will be taken away, and it is going to cost more in all these countries to produce timber.

1607. Do you expect there will be a town as large as Reefton at Kelly's Creek in the next few years?—I think a tunnel will be put through Kelly's Range in that time, and if the reefs lead down as I believe they do the town will be there.

1608. A town like Reefton in your immediate neighbourhood would create a market for your stock?—Yes.

1609. How much of your own money would you invest in that tunnel?—It would cost £3,500, and if I had the money to spare I would put £500 in it.

1610. You would not put 10s. in the pound in it?—I would be prepared to put £500 in it.

1611. What restrictions would the Government impose on any grants that would prevent any company taking up the ground?—In the meantime the Government give a very small amount.

1612. They give £1 for £1?—No, it is not £1 for £1; it is only so much per foot, and the maximum is only a small sum, probably one-quarter of the cost of some tunnels and some shafts.

1613. Are you acquainted with the regulations under which the Government do give these grants?—Yes, I have looked into them a little.

1614. There have been several starts made at developing these reefs?—Yes.

1615. And hitherto they have all proved to be failures?—Yes; through mismanagement and high wages.

1616. But the wages are as high now as they were then?—Not as high as they were in the early times.

1617. When was the last company started at the Taipo?—I think about ten years ago.

1618. Do you wish us to understand that miners in Reefton are getting lower wages now than they were ten years ago?—I would not say that. We think even 10s. a day very high wages when we are practically getting nothing in return for it.

1619. How long is it since cinnabar was worked there?—There has only been a sample of cinnabar found there. The lode has never been found. The sample was found in one of the tributaries of the Seven-mile.

1620. What makes you think that most of the revenue charged for timber should go to the Midland Railway Company?—Because the Harbour Board's railway from the wharf here to Brunner is a going concern, and the Midland Railway, by bringing the timber revenue, has increased its earnings.

1621. Do you know if the Government charge any more for timber carried along the Brunner line than for timber brought along the Midland line?—I do not know what difference the Government would make.

1622. Suppose the amount the Government charge here is the same as the amount charged in other parts of the colony, would you consider that to be a fair and reasonable charge?—Yes. As I understand it, the opening of the Midland Railway would mean a great increase of revenue to the Harbour Board here without at all increasing the cost of working the line.

1623. Still, the same thing would apply to the Manawatu Railway in Wellington. Suppose it carried timber eight miles over its line, and the timber then travelled over the Government line and was charged the same price, would you consider it a fair and reasonable charge?—I cannot say that this charge should not be made, but before the Midland Railway was completed, although the Government charged 7d. they could only get very few sevenpences. Now that the Midland Railway is completed they get so many more sevenpences that I think the Midland Company ought fairly to be credited with something more.

1624. If the Government did not get the 7d. here they might have got this same 7d. at Foxton or the Bluff: do you admit that to be a fair and reasonable assumption?—No, I do not, because the timber at the Bluff is nearly worked out, and I do not think it could be supplied from anywhere else but here. I think they are bound to come here for it.

1625. *Mr. Hudson.*] You consider that the Government ought to charge less than they do for the carriage of timber from Brunnerton to Greymouth because the Midland Company has brought the business to them?—Yes.

1626. On the other hand, does not the argument apply that the Midland Railway could not bring that timber to Greymouth except for the existence of the Government railway?—Yes, that would apply.

ANDREW MATHESON examined on oath.

1627. *The Chairman.*] What is your occupation?—I am a merchant.

1628. Residing where?—At Greymouth.

1629. *Dr. Findlay.*] You are Mayor of the Town of Greymouth?—Yes.

1630. And, I think, a member of the Westland Land Board?—Yes.

1631. You have been engaged in public affairs for some years in Greymouth?—Yes, for a long time.

1632. And for how many years have you been engaged here as a merchant?—I have been for about twenty-three years as a coal merchant. I was in the wool line about twenty years; and I have been in the produce line about eight or nine years.

1633. Then, you were here long before the Midland Railway Company opened, and since it opened?—Yes.

1634. And you are able to contrast the condition of things now with the condition of things before the railway opened, with a view to deciding the possible future developments?—Yes.

1635. Have you had any experience of the timber trade?—Yes; I have got a mill.

1636. Where?—At the Ahaura.

1637. Have you had anything to do with the timber trade as a timber merchant?—Yes; I have been an exporter. I belong to the Timber Trading Company; they are our agents.

1638. I am taking it that it has been part of your interests and object to learn something of the timber trade throughout the colony?—We have always been making inquiries on behalf of our company.

1639. Can you say whether there is a prospect of the export of timber from Greymouth increasing in future years?—I think so as the population increases and as other parts of the colony are worked out; there is no doubt the Greymouth trade will last longest.

1640. And prices would correspondingly be increasing as bush areas were reduced elsewhere?—Yes; the price has increased now. We have more orders than we had last year by a long way.

1641. The actual orders for this year are much in excess of those of last year?—Yes.

1642. Can you give me a rough estimate of the increase?—I cannot give you an estimate; I can only say that we cannot fulfil our orders. We never get a yearly contract with any one; we take orders as we get them.

1643. And you say the orders are increasing, and the prices given you are also increasing?—We are getting 1s. a hundred more now than we were getting last year.

1644. Then, timber has increased 1s. per hundred over last year's prices?—Yes.

1645. I take it that the advance of 1s. per hundred on timber would enable a sawmiller to bring his trees a considerably longer distance?—Yes.

1646. So that with the increased price and the promise of further increase the more distant bush areas will be made marketable?—No doubt they will. We expect a further increase in the price of timber before long. The Southland millers are coming over here now. I know of one firm from Southland coming here.

1647. Do you say that the timber production of Southland is likely to diminish in future years?—I am of opinion that it is on the wane now.

1648. Is there here a sufficiently extensive area of good timber country to maintain the production of timber from Greymouth for a large number of years to come?—Oh, yes.

1649. Have you considered the subject sufficiently to answer this question: By how much within, say, the next ten years can we reasonably expect the output of timber from the West Coast to increase?—Well, that is a hard question for me to answer. There is no doubt it will be on the increase when Southland is cut out. I should say by the increase it has made since the timber areas were opened, about ten years now—our output now is about 15,000,000 ft.—it ought to double itself in that time.

1650. Do you know anything of the forest areas served by the different branches of the Midland Railway?—Yes, I know them all.

1651. How many years do you think it will take to cut out these areas?—Well, with light branch lines to work them all, I should say they will last over twenty years.

1652. You fix that as a minimum; it might take much longer?—Yes.

1653. You have had the advantage of being in the coal business: have you considered the possible developments of the coal production on the West Coast, limiting it to the coal which is likely or which must be carried over the Midland Railway; do you think that traffic is likely to increase?—There is no doubt it will increase. It is want of development of the mine which keeps it as it is.

1654. From what locality do you think coal may be brought?—I know of only the Blackball Mine on the Midland Railway.

1655. Is there a large possible development there?—I only go by what I hear; I never was at the Blackball.

1656. Have you made any investigation of reports or any inquiry which would help you to arrive at a reliable opinion about it?—Well, the general opinion is that the mine will last for a very long time.

1657. Do you know anything of the coal-measures beyond Reefton?—No.

1658. You know that the Blackball present production is but a small part of the possible production of the mine?—It must be. I think the want of the railway to the mine retards its development.

1659. If the company made a loop line it would aid to largely develop the mine?—Yes.

1660. We are here really to ascertain what the prospective increase of traffic is likely to be over the Midland Railway sections, and, without leading you on any particular head, would you tell the Commission where you think there is likely to be, and to what extent there is likely to be, an increase of traffic over the Midland Railway sections in the future—in other words, what are the prospects of the railway?—There is no doubt the country is going ahead, and there is no doubt the Midland Railway is one of the essential factors in its development. The Blackball Mine has been developed through the Midland Railway, and the timber trade has risen from nil to 15,000,000 ft. per annum, of which, I suppose, 12,000,000 ft. is coming over the Midland Railway; but as to what extent that development of trade will go I cannot say.

1661. I understand you to say there will be an increase?—There must be an increase. There has been an increase from the start, and certainly there will be an increase for the future.

1662. Do you know anything of mining?—All I know is that the facility for mining in Reefton has increased through the Midland Railway. We have been paying £5 per ton freight for goods, and we pay now about 15s. or 16s.

1663. *Mr. Bell.*] How many mills are there served by the railway from Greymouth to Hokitika?—Five that I know of at present.

1664. And there are 15,000,000 ft. exported from Greymouth. How many millions of this quantity come from the mills on the Hokitika line?—I cannot say, but I should think 3,000,000 ft.

1665. How much of these 15,000,000 ft. come over the Grey-Hokitika line?—I cannot answer the question.

1666. Do you think half of it comes?—I do not think so, because there are three mills at Lake Brunner—Swede's, Goss's, and Waller and England's—who cut pretty nearly as much as our company's fifteen mills do.

1667. Which is your company?—The Timber Trading Company.

1668. Do you say that 3,000,000 ft. come over the Grey-Hokitika line?—I cannot say positively, but I should say from what I cut myself that these mills would give about 700,000 ft. each. You must recollect that the mills close to Hokitika ship a good deal of their stuff from Hokitika by boats. If you put down each of the five mills at between 600,000 ft. and 700,000 ft. to come this way, that would give about 3,500,000 ft., and I think that is about as much as they send to Greymouth, because there are three mills sending a lot of the timber to Hokitika.

1669. Are there considerable forests about Kumara available for the mills on the Grey-Hokitika line and at Hokitika?—There is a considerable amount of timber in that country between Kumara and Hokitika.

1670. Which is still available?—Yes.

1671. And that timber is there to compete with the timber at Brunner, and so on?—It is mostly all exported.

1672. Just as yours is?—Yes.

1673. You say that the timber at Hokitika is chiefly exported at Hokitika?—I do not say that half of it is, but a considerable quantity is.

1674. Then, the Port of Hokitika is sufficiently good to enable timber to be carried away from it?—Yes, in sailing-vessels.

1675. And there is that timber to compete with the Midland Railway?—Yes.

1676. *Dr. Findlay.*] The Hokitika line only taps bush on one side; on the other side is the sea?—Yes.

1677. The Midland Railway runs through the forest?—Yes.

1678. *The Chairman.*] Do you think there has been a considerable increase in the population of the Town of Greymouth during the last five years?—I cannot say.

1679. Have you any idea?—No; but it has not gone down. I think the census will show an increase.

1680. What would you consider the average value of quarter-acre sections in Cobden Town?—Between £60 and £70.

1681. I mean unoccupied sections back in the bush towards the lagoon; do you know the Midland Railway sections over there?—I do not suppose they would be worth more than half of that—about £30.

1682. *Mr. Graham.*] Would you buy them at £10 per section?—I do not know where they are.

1683. *The Chairman.*] Your opinion is that they are worth about £30?—Yes; but I do not know where they are situated. In Cobden proper I should say a man would get £30 for a building section within a reasonable distance of the main street. I have got 5 acres over there myself, and I am certain I would not sell the sections under £30, and they are at the back too.

1684. With your knowledge of the coal trade, do you think there is a probability in the next ten years of a large trade with Reefton coal shipped from Greymouth?—I do not think there is a probability of a large trade, and the reason for that is that to a great extent there has been no development of the mines there. If the mines were opened up, I dare say the rate for the railage would be such as to enable the coal to compete, because it is a grand coal to compete in the colonial market.

1685. Taking into consideration the extra railway haulage, do you think it could compete with Blackball coal at an equal price?—I certainly say that at an equal price it would, because we are selling it here at 6s. and 7s. a ton more than the Blackball coal for household purposes. My colleague in the coal trade has got a bin for it now, and is selling it. I would have sold it too, only I am under contract with my company not to sell any coal but theirs.

1686. *Mr. Graham.*] You say Cobden town sections should be worth from £70 to £80 for quarter-acre sections?—In the front streets, yes.

1687. You have got some sections yourself?—Yes; I have got 5 acres.

1688. In a block, or are the quarter-acre sections spread about?—In a block.

1689. Are they town sections?—They are what you call first suburban sections.

1690. What do you consider they are worth?—I think they ought to be worth between £30 and £40 a quarter-acre section.

1691. And the town sections ought to be worth more?—Yes.

1692. And you would not sell under £40?—I would not, and I could have got it too for some sections.

1693. If the suburban sections were worth £40, and you had some town sections available at £10 each, would you buy them?—I would be inclined to buy them if they were not in a swamp.

1694. Do you know the Town of Cobden?—Yes.

1695. Are a lot of the town sections in this swamp?—There is a swamp going towards the sea, and there are a lot of town sections on the face of the cliff, and they would not be worth £40.

1696. Are they included in the town?—Yes.

1697. What would they be worth?—I do not know. I had several applications for my suburban sections, but as I want a paddock for my horses I could not sell.

1698. *Mr. Bell.*] What have you been offered?—I have not been offered any price, but I am of opinion I could have got the price I stated.

1699. *Mr. Graham.*] The value of these sections may vary so much according to their situation that you are not prepared to say what any particular sections may be worth?—No; because the hill at the back is so close that a section adjoining one that is sold now might be almost worthless.

DUNCAN McLEAN examined on oath.

1700. *The Chairman.*] What is your occupation?—I am a general merchant.

1701. Residing where?—Greymouth.

1702. *Dr. Findlay.*] You have been thirty-five years resident in Greymouth?—Yes.

1703. And during that time you have been a merchant?—Yes.

1704. You are able to say what influence the Midland Railway line has had upon the development of the country since it opened. I want to ask you whether you could give us some information about gold-mining—quartz, alluvial, and dredging: do you see any prospect of a considerable development in that industry in the future?—Yes, I do.

1705. In what direction?—In the Paparoa Ranges.

1706. In any other directions?—In the Blackball and Moonlight.

1707. Quartz?—Quartz, alluvial, and dredging.

1708. Do you know what number of dredges are likely to be working in the next two or three years?—There will be a great number, but I cannot say for certain.

1709. And that increase will bring with it an increase of workmen and population to supply their wants?—Yes; the dredges are doing that at present.

1710. Do you know anything of the possibility of the development at Reefton?—No. I have been doing no business there to speak of for some time.

1711. Have you any knowledge of the timber business?—Not beyond that it has created a great industry; and, of course, we supply many more people along the line than we used to do. We supply the mills with produce, goods, and machinery.

1712. Can you say anything with regard to the possibilities of settlement throughout the district?—Settlement is taking place at present along the line, and I think settlement would have been greater if the land could have been got from the Midland Railway Company; but it has been locked up, and stopped settlement to a certain extent.

1713. And you think the removal of these restrictions will increase settlement in the future more proportionately than in the past?—Yes.

1714. The object we chiefly want your opinion on, as an old resident of Greymouth and one having large commercial relations here, is as to the possible and probable increase of traffic over the Midland Railway sections within, say, the next ten or twelve years. First of all, do you think that traffic will increase or decrease?—I think it will increase.

1715. Substantially?—I think so, as we get population along the line.

1716. Will you just tell the Commission your reasons for the expectation?—My reason is that we thought the Hokitika line would not pay for grease. In fact, I was very much against the Hokitika line. Now I see by experience that the line is paying, and people are settling along the line, and therefore I consider the other railway will be in the same position; and more so, because there are better inducements on the Midland line, in the shape of gold and timber, and so on.

1717. *Mr. Bell.*] The railway was opened to Reefton in 1891—about ten years ago?—Yes; I was one of the contractors for it.

1718. And it was progressing towards Jackson in 1891?—Yes.

1719. Let me tell you that since the census of 1891 the population of Greymouth has decreased by three hundred persons. Supposing that to be the number, as the Registrar-General shows, and supposing the population of the Coast has actually decreased by a thousand persons since 1891, why has not prosperity come along already by reason of the railway?—The prosperity of Greymouth has increased of late. You cannot get a piece of ground in the borough to build on, and a building cannot be had for love or money. A great number of people and families are living in hotels.

1720. Why did not the boom come along years ago? Is it not entirely owing to the present boom in the timber trade?—I think it is due more to the dredging. Of course, the timber trade employs a great many people, and a great many families are dependent upon it. I suppose there are close on two thousand people in all connected with the timber trade.

1721. And you say that dredging is having a great influence now?—Yes.

1722. Then, is it your opinion that that is the reason of the present prosperity of Greymouth?—Dredging and timber; and things are looking better all over.

1723. But the timber and railway have been there since 1891, and I point out to you that the population of Greymouth has decreased by three hundred people?—I do not agree with that statement.

1724. Do you say that the population has increased or that it has not increased since 1891?—It must have increased greatly of late.

1725. Do you say there are more people here now than in 1891, when the railway was opened?—I cannot say, but the population must be greatly increased.

FELIX CAMPBELL examined on oath.

1726. *The Chairman.*] What are you, Mr. Campbell?—Merchant, residing in Greymouth.

1727. *Dr. Findlay.*] How many years have you been in Greymouth?—About thirty-five years.

1728. Have you throughout that time been a merchant here?—The greater portion of that time.

1729. What particular lines have you been most familiar with?—General produce, except wines and spirits.

1730. Have you ever had any connection with the timber trade?—No, not directly.

1731. Nor with coal?—Not directly.

1732. What we really want to speak about is this: We want to know whether you can give us any reasons for expecting an increase in the traffic over the sections of the railway from the development of the timber or coal industries or any other mineral resources of the West Coast. I would like you to tell us what you think of the future of the Midland Railway sections, and that involves your view of the future timber, coal, and other industries here?—I might say that in a general way I would fully expect that the trade of the district should increase, and my reason for thinking so is the development of the district, which I think is to some extent due to the construction of the Midland Railway.

1733. *Mr. Bell.*] The Midland Railway was opened to Reefton ten years ago, and opened to Jackson's more than six years ago; you say that you think the district will develop in consequence of the existence of the railway: why has it not developed already in consequence of the railway?—It has developed already.

1734. In what respects?—In the various industries.

1735. The population of the district has increased, has it?—I think so.

1736. The population has not increased very materially, at all events?—I think not, but in a general way it has increased.

1737. Since the railway was opened?—Yes.

1738. Then, the timber industry, as we know, recently has very considerably increased?—Yes.

1739. Dredging has recently developed, has it not?—To some extent.

1740. And you anticipate a good deal more?—Yes; but I would not think that the Midland Railway could take any credit for that.

1741. Except the timber and the dredging, can you give any other industry which, in your opinion, is likely to be developed to the advantage of the railway?—I could not very well pick out

any single industry but—I speak generally—all industries have grown, aided by the cheap and easy mode of transit it gives.

1742. And the population has increased?—I think so.

1743. Do you think the industries have increased in the same ratio as the population or at a great ratio?—I think they have progressed on parallel lines.

1744. You think that the industries have developed as the population has increased?—Yes.

1745. *Dr. Findlay.*] I understand that a large number of men were employed by the Government at the Jackson's end of the line, and from there on to Otira, until quite recently?—Yes; I heard of it.

1746. Do you know whether there is not at present full employment for all men wanting employment in Greymouth?—I think so.

1747. Can you say whether, as a matter of fact, employment is not more readily obtained now than it has been for many years in Greymouth?—I think it is more readily obtained now than it has been for a long time.

1748. And that that fact exists notwithstanding that the Government have ceased work at the Jackson's end: some hundreds of men employed on that section came from Greymouth?—Yes.

1749. Notwithstanding the fact that the Government have discontinued the employment of a large number of men beyond Jackson's, employment was never more plentiful than it is in Greymouth to-day?—I would not say "never."

1750. I am speaking of, say, the last ten years?—Yes; I think labour is more readily obtained now than for the past ten years.

1751. *The Chairman.*] Do you think the population of the Town of Greymouth has increased in the last five years?—I think it has increased since the last census was taken.

1752. Is that a material increase or just the ordinary increase?—I think the increase of the population, speaking of the Town of Greymouth, is largely due to the prosperity of the district all round.

JAMES MARSHALL examined on oath.

1753. *The Chairman.*] What are you, Mr. Marshall?—A farmer, residing at Totara Flat.

1754. *Dr. Findlay.*] You are, I believe, the oldest member of the Grey County Council?—Yes.

1755. You are chairman of directors of the dairy factory?—Yes.

1756. And a member of the Board of Education?—Yes.

1757. How many years have you been at Totara Flat?—For about thirty years.

1758. You can speak of the difference the Midland Railway has made to your district as a help to determining what future development may be expected?—Yes.

1759. What have you to say?—It has made great improvements, and developed and opened up the district. It has made great improvements to what the district would have been if the line had remained as it was. We could never have expected to have carried on industries if it had not been for the railway.

1760. More particularly in regard to coal and timber?—Yes, principally.

1761. The Blackball Mine has never been worked to its full capacity: it is capable of large development?—I understand it is.

1762. With regard to timber, do you know anything of the timber industry?—It is steadily improving every year.

1763. You are able to say whether you think the fact of the timber being cleared by the different mills will have the effect of making the pastoral country sooner come into grass?—Some of it.

1764. What particular area are you speaking of now?—Where the pine grows it may be considered to be suitable for agriculture, but silver-pine does not grow in country where you would expect to get much out of it.

1765. Do you know anything of the dredging industry?—Yes. It is making rapid strides up to the present time. There should be a big return from the railway; I should say there is a big return now from the carriage of machinery and plant. I think there will be a steady return, and I should say much of it could not be taken except for the railway.

1766. You would say the existence of the railway is directly helpful to the dredging industry?—Yes.

1767. And you think there is a large increase of railway revenue to be expected in the future?—Yes.

1768. What amount of coal does a dredge consume in a week?—I understand from 12 to 15 tons a week.

1769. Can you help the Commission by stating any reasons you have for believing that the gross earnings of the Midland Railway sections will be increased with the development of these industries and the increase of population?—I think that up to the present time the railway has the credit of the traffic, and has brought us nearer into communication with the seaport, and there has been a reduction of freight on what we used to pay to Totara Flat. We used to pay something like £2 a ton. I do not know the tariff exactly now, but produce is run very low. I suppose it is 12s. or 14s. at the present time. There were a number of wagons on the road years ago, and they consumed the farmers' produce. We do not grow any grain; but there was no demand for chaff when the railway was started. Up to the present time I can safely say, without fear of contradiction, there are three horses now used for every one when the wagons were on the road. Therefore there is a greater consumption. And then there is the carting of fuel for the dredges. Then, we get coal for our dairy factory at Totara Flat brought at a freight of 2s. 6d. a ton, which is a small rate. We also have the benefit of the railway for the output of our produce to compete with the North Island, which is a very great consideration. I think I might be safe in saying that

we should have had no dairy factory there except for the railway. And although land in the vicinity of the railway may be poor still if it is close to the line, which is an outlet to the produce, it is wonderful how it is utilised and worked. I think there is prosperity; and I think, as far as the population is concerned, it has very much increased, and I should say is increasing at the present time. A little industry in the timber trade has just started across the railway from Totara Landing, and I have an interest in it, myself. I took up a bit of country. I should say about forty men are getting out timber at the present time, and that would never have taken place except for the means of transit for the export of sleepers. I might safely say we would never have had such a timber trade in the Grey Valley unless the railway had been constructed.

1770. *Mr. Bell.*] The railway has been opened to Reefton since 1891?—Yes, I think so.

1771. During all those ten years it has added to the prosperity of the people through whose land the railway runs?—Yes.

1772. And you have been turned into farmers, and are doing fairly well?—Yes.

1773. Of course, it has been an advantage to you?—Yes.

1774. Are you likely to grow much richer now—I mean are you likely to export more produce now or eat more food than you are doing now?—The population will increase, I suppose. It has been doing so for a number of years. Then, there is the dredging industry.

1775. If the population has been improving, is that a factor that is going to increase the traffic on the railway?—Yes; and the dredging business, and settling more people on the land.

1776. Is not the land in the Inangahua Valley as far as Reefton fairly well settled already?—Yes, very close to the line.

1777. I see from your statement that your district has benefited very largely from the construction of the railway?—Yes.

1778. But I do not see from your statement that the railway returns are likely to be very much larger for the future than they have been since June, 1891?—New mills are starting, and they are opening up fresh country for timber.

1779. There will be the timber industry and dredging; anything else?—And the coal. I do not think the output of coal is what it should be.

1780. How long has the Blackball Colliery been open?—Probably seven or eight years.

1781. And during all that time the railway was open?—There is a big demand for coal now. I think there is a better price now.

1782. Except that there is a larger demand, can you see any reason why you should anticipate that the Blackball Company will manage its business in any different way?—No, not unless the demand increases.

1783. *The Chairman.*] Are you a sawmiller?—Yes.

1784. And you supply a lot of silver-pine sleepers?—Yes.

1785. How far from the railway are you getting those sleepers?—I make three or four trips a day—about two miles.

1786. Do you think within the next ten years you will have to go further from the railway to get sleepers?—Yes.

1787. How long do you think the silver-pine sleepers are likely to last in your district?—It was thought they would have been worked out before now. It is astonishing where they are finding patches—near at hand too. There was a patch found recently not two miles from the Ikamatua Station. The man told me he had more on that 60 acres than we had on 200 acres.

1788. Do you think the present output of silver-pine sleepers is likely to last for the next ten years?—I would not say; they will have to go further back. There are a large number of people in the trade now. Silver-pine trees do not grow very thickly. You have to go over a lot of ground for them.

1789. Take the mixed bush you use: how long do you reckon the white-pine will last in the Grey Valley?—They will have to go further back; there are immense forests of red-pine.

1790. Do you think the population of the Grey Valley has increased during the last five years?—Yes.

1791. Any material increase?—Yes.

1792. What is it due to?—The timber trade has increased and the dredging industry has sprung up.

1793. Do you know whether there is any likelihood of more dredges being placed on those rivers—the Grey River and its tributaries?—They are building more dredges now.

1794. *Mr. McKerrow.*] With regard to the settlement of the back country that is unoccupied at present, by and by, no doubt there will be settlers in there?—Right back where the silver-pine grows, I do not think so, but it is hard to tell. It does not look very encouraging from an agricultural point of view.

1795. You say silver-pine land does not take grass very well; but after the pines are cut out it might be prepared and drained?—It wants draining.

1796. I understand from your reply that there is not likely to be a large increase of settlers in your valley—the level land along the line has pretty well been taken up now?—Yes.

1797. So that the back country when occupied will very likely just be added to the present holdings?—Some of the settlers will have larger holdings; some people will take up new holdings.

1798. But when it is taken up it will mostly be grazing?—Yes.

1799. Then, so far as the railway traffic is concerned, it will not add very much to the traffic in the way of sending produce out of the district?—We send stock—lambs, sheep, and cattle.

1800. You are chairman of the dairy factory?—Yes.

1801. You mentioned that but for the railway there never would have been a factory there?—I question whether there would have been.

1802. Does the railway help you in gathering in the milk at all?—Yes; we have the creameries that send it along.

JOSEPH JAY examined on oath.

1803. *The Chairman.*] What are you, Mr. Jay?—A civil engineer, residing in Greymouth.

1804. You own a sawmill in the district?—I am interested in five or six of them.

1805. Are any of them along the Midland Railway line?—Yes.

1806. How long do you think the supply of timber along the Midland Railway line is likely to last—I mean ordinary building timber?—Some mills, we are working now will last about ten years; after that we may have to shift up to another block.

1807. How far back from the line do you reckon they will have to shift?—We could not put the mill further back, but we would shift the mill further up into another block of land, and continue the tramway back into the bush.

1808. Do you think there is a market in Australia for West Coast timber?—I tried to place red-pine in Australia some years ago, but I was not able to do so, because they considered it too hard to work. But we cannot supply the market we have got here.

1809. Do you supply silver-pine sleepers?—Yes.

1810. How long do you think your supply of silver-pine is likely to last at the present rate of output?—We have not a very large supply of silver-pine. We do not supply silver-pine to anything like the extent some other mills do; our silver-pine, I do not suppose, will last us more than a few years, unless we take up more land.

1811. You are pretty familiar with the district between Reefton and Teremakau: do you think the population has increased there during the last five or six years?—Certainly.

1812. Can you give us any idea of what the percentage is likely to be?—No; but a number of mills have started there, and they employ a number of men, and then there are the families of the men. The squaring of silver-pine itself is an industry which has only been started for the last few years. A large number of men are engaged in that. Coal only commenced to open up at Blackball after the railway started.

1813. You constructed a good deal of the Midland Railway?—Yes.

1814. What were the sleepers that you used in your permanent-way?—Mostly birch.

1815. In going along the line do you take notice of those sleepers?—Yes.

1816. How long do you think they are likely to last from the time they were put down?—The life of red-birch is not more than ten years in our climate here.

1817. Did your contracts include station-buildings, Stationmasters' and platelayers' cottages, &c.?—Yes.

1818. And fencing?—Yes; permanent-way and everything.

1819. *Mr. Fraser.*] You stated that the population was increasing: did you mean that it would be increasing steadily for the last ten years, or that it has been increasing for the last four or five years?—It has gradually been increasing for the last ten years, as the works extended and the mills were erected. They have gradually been erected—from one to six, and every year more sawmills are erected.

1820. We have been told that there is a great scarcity of houses in Greymouth, and that has been adduced as an instance of the increase of population: did the scarcity of houses prevail four years ago?—Not in the same degree as now.

1821. Then, the demand for houses is greater now in Greymouth than it was four years ago?—Certainly.

1822. Is it greater than three years ago?—Since the start of the dredging, say, two years and a half ago: that is really the cause of a great number of houses being built here lately.

1823. Then, you think the dredging industry has given an impetus to the place, and is causing a larger influx of population?—Certainly; that is my opinion.

1824. Do you think the increase of population that has occurred, say, during the last two years is likely to continue, or is it going to remain as at present?—I think it will continue.

1825. Say, for the next ten years?—Yes, and I base that on the increase of the last few years; and I think the dredging industry will increase enormously during the next ten years.

1826. Has the number of sawmills increased more during the last two years than during the former eight years?—Yes; and the proportion of increase is greater in the last two years.

1827. Do you think that is likely to increase?—That will only continue up to a certain point: that really depends on the price of timber. If we can get an extra shilling for timber than we are getting now it will continue. Our present market is principally Christchurch; ultimately we shall have to supply Wellington and other places in the colony. If so, there is no doubt the sawmills will be very largely increased, because we shall be able to go back with iron rails and get more timber than we can now get with wooden rails.

1828. On what do you base your idea of being able to supply Wellington and Christchurch more fully than now?—The price of timber is rising in Wellington, and when it reaches a certain figure we can afford to compete with that market, and can afford to supply that market.

1829. *Mr. Hudson.*] Do you export any timber outside the colony?—To Melbourne and Sydney. I have taken a cargo to Capetown.

1830. How long ago is that?—Four years and a half ago.

1831. Was that a success?—I sold it all. But the only reason why we were not able to supply Capetown is this: The Capetown railways carry all their timber by the ton, and not by the 100 ft. The General Manager of Railways and I had a long conversation about this. I had very good introductions from the present Government to the authorities there, and I had an opportunity of travelling over their lines and meeting all the people interested in the timber trade. He estimated our timber at 48 lb. a cubic foot, and, of course, it was in my interest, and also in the interest of New Zealand, if we were going to open up a trade there, to get it down as low as possible. I got some of the timber, and proved to him that when the timber is fairly seasoned we could export it and it would weigh 45 lb. That prohibited us taking the timber over their

railways. The Baltic and Oregon timbers are very much lighter than ours, and we could not compete with the Johannesburg market. But they are quite satisfied with the timber.

1832. But, being carried dead-weight such enormous distances, the difference between the specific gravity of other timbers and ours put us out of the market?—Yes.

1833. With regard to the export to Australia?—We have a very large market there; more than we can supply—white-pine especially.

1834. Are you sending any there now?—All we can get in the district; we are not cutting so much as we used to.

1835. How is that?—One reason is that a few years ago we were cutting a very large quantity of white-pine, and the market got rather overstocked in Melbourne and Sydney, with the result that the merchants there began to find fault with it and lower the price. The result was that we lost a considerable sum of money on several cargoes, and several other mills started cutting white-pine. The market has got better now. We have got the price up by 8d. a hundred. But it depends on the Auckland people, because they are sending a larger quantity.

1836. You have markets in Australia at the present time which at any time you can supply if you think proper?—Yes, as far as white-pine is concerned.

1837. *Mr. Graham.*] You stated that you considered the population of Greymouth had considerably increased?—It is increasing.

1838. And, as evidence of that, you said the buildings were increasing rapidly?—Yes.

1839. Have you any idea of the number of new buildings erected within the last five years in Greymouth?—No; but I have a very good return by knowing the quantity of timber used in Greymouth per annum for the last few years, and I know by the increase of timber that there must be an increase in the number of houses. The Greymouth local trade—that is, the average—was 600,000 ft. per annum from 1890 to 1895; 1896, 752,000 ft.; 1897, 900,000 ft.; 1898, 1,241,000 ft.; 1899, 1,132,000 ft.; 1900, 1,714,000 ft.; and this year it will be greater still.

1840. And you have reason to believe that the whole of the timber has been used in the local building trade?—Yes; you must understand this is not all the timber used in Greymouth, but our firm are the principal suppliers of Greymouth.

1841. That means only what has been supplied by your firm?—Yes; but, as we supply nine-tenths of it, you may take that as an indication of the progress.

1842. If we added about one-tenth to those quantities, that would show the increase in the building?—Yes.

1843. *The Chairman.*] Can you give us an idea of the quantity of timber used in the construction of a cottage such as is occupied by working-men generally—say, a five- or six-roomed cottage?—Not from memory; I will write you a letter giving you the information.

1844. *Dr. Findlay.*] You were a contractor on the Midland Railway line: can you tell us whether, in 1891, a large number of men were employed in the construction of the line?—Yes.

1845. Can you give me any idea of the total number of men employed?—We employed from three hundred and fifty to four hundred men.

1846. How many would you add to that number?—Of course, there were other contracts going on besides ours.

1847. Would you double the number?—Yes, I should say so.

1848. That would give us about six hundred men?—Yes.

1849. And they, with their wives and families, might be put down at—what?—About three thousand.

1850. Would any number of the men have their wives and families in Greymouth?—Most of the men lived in their own huts along the line, but some would have their homes in Greymouth.

1851. Now, in 1896, I understand you can tell me whether the operations of the Midland Railway practically ceased?—Yes.

1852. So that a large number of men employed in 1891 were not employed in 1896 in railway construction?—They went away.

1853. So you would expect the census returns of 1891 to be considerably in excess of the census returns of 1896?—Yes, for the country districts.

1854. And you would expect some depreciation in Greymouth itself?—Yes.

1855. But both in the town and country, taking them generally, you say there was a considerable decrease owing to the dispersion of the workmen?—Yes.

1856. You said you thought the demand for houses in Greymouth three years ago was not as great as the demand for houses in Greymouth to-day, although in those two years this immense amount of timber was employed in building in the town?—Yes.

1857. So that, given the enormous increase in the number of houses, the demand for houses is greater now than it was three years ago?—Certainly.

1858. Does that not conclusively show that the population must have increased?—Certainly.

1859. Supposing the price for timber increased to the same extent as it has done during the last two or three years, could you give me a rough idea of the extent to which the output of timber from Greymouth will be increased?—Our output at the present time is about 14,000,000 ft. for the year for the port—that is, including all timber; and, taking a business view of the timber trade, I am quite prepared to believe that the timber trade will increase on the West Coast, for the reason I gave before—namely, that the West Coast timber will eventually have to be sent to other districts besides Christchurch. Christchurch is our principal market, but we shall have Wanganui and Wellington. Wellington supplies Wanganui at present, or the Wellington district does. Ultimately we shall send to Wanganui when their timber gets cut out, because our timber is going to last a considerable number of years longer than theirs. Therefore our trade, I think, must increase.

1860. Could you say within what number of years you would expect the export from this

port to double, assuming the prices increase as they have been doing?—I could not say; doubling it means 28,000,000 ft. An impetus might be given to trade if the price was big enough.

1861. We have been told that the price has increased by about 1s. a hundred?—Yes; we are getting 1s. more for our timber than we were getting.

1862. Could you come a little nearer the point, and give me, say, within six or seven years?—Within six or seven years some of the mills will be cut out; other mills will have started, provided the price goes up in the same ratio that it has done. I should not be at all surprised to see the timber export go up another 5,000,000 ft. or 6,000,000 ft. a year during the next few years. I believe, if we can only maintain our price according to the cost of production, we shall be able to export 5,000,000 ft. or 6,000,000 ft. more in the next five or six years than we are doing at the present time.

1863. *Mr. Bell.*] The census returns show that the population of the Borough of Grey in 1891 was 3,787, and in 1896, 3,099—a decrease of 688 in five years: that does not astonish you at all. The railway was opened in 1891 to Reefton, and it was opened later on to Jackson's, and then you find the census returns show that the Borough of Grey has decreased in population in five years by 688?—I can quite understand that. During the time the railway was under construction there were a great number of people living here, and when the railway was completed a great number of these people had to seek work elsewhere, and at that time we had not developed our timber industry. It was in a very immature state, and the people had not arrived here to start the industry. So I am quite satisfied there would be a difference in the population after all the workmen left.

1864. Supposing the Registrar-General estimates in 1900 that the population is less by three hundred than it was in 1891, and only three hundred more than it was in 1896, how do you account for this immense increase in the consumption of timber that you have stated?—All I know from the actual facts is this: that there were a great number of men employed during the construction of the railway, which, of course, would bring up the population during the construction. Then when the work ceased some of the men went away to other work.

1865. Is it not quite possible that the timber may have been used for mines and dredges, and not for houses?—No. The figures I am giving you refer to the timber supplied to Greymouth only. The timber for dredges is cut up the country, and is delivered from the up-country mills to the dredges, and does not come to Greymouth.

1866. May not timber delivered by you in Greymouth be used for mining purposes?—No; only a few slabs to the Lake Brunner Mine, and they go from up-country mills.

1867. You have not got any actual statement of the number of houses which have actually been built in the last year or two?—No; but there are seventeen new houses which have been built around my own house since I built mine.

1868. How long is that?—In the last three years.

1869. Is not your view of the increased population of the borough influenced by the Registrar-General's estimate?—I am not going by the Registrar-General's estimates at all. I only give an expression of opinion as to what I see personally in the town. I know there have been so many more houses built, and I assume there are people living in them.

1870. *The Chairman.*] Are all the houses occupied in Greymouth in 1891 still in existence?—Yes, most of them.

1871. I suppose they are pretty well occupied at present?—Yes.

1872. And the new houses which have been built are also occupied?—Yes.

EDWARD IVEAGH LORD examined on oath.

1873. *The Chairman.*] What are you, Mr. Lord?—Borough Engineer and Town Clerk, Greymouth.

1874. *Dr. Findlay.*] You are the Town Surveyor of Greymouth?—Yes.

1875. How long have you been in that office?—I have been Town Surveyor since 1886.

1876. You will, I suppose, know something about the population of Greymouth?—I ought to.

1877. We will start at 1891. Have you any reason for believing that the census of 1891 was inflated by the presence here of a Chinese festival?—That is the year that the population boomed in the town. I remember the year, and we put it down to the fact that the Chinese were in great numbers in the town—partly to that and partly to the strangers at work on the contracts.

1878. On the Midland Railway contracts?—Yes.

1879. In 1896 the census returns show a falling-off of about six hundred odd?—I remember that.

1880. That is after the Midland Railway contracts closed?—Yes.

1881. How do you account for that difference between the 1891 census and 1896?—I remember the Chief Enumerator, Mr. Mueller, wrote to me about it, and asked me how I accounted for it at the time. I could not explain it in any other way than that the census had been boomed by the presence of Chinese and navvies in the town.

1882. You have watched the progress of the town, I suppose, very carefully?—Yes, during the last four or five years especially; but before that I was only Town Surveyor, and I was not intimately connected with the borough in any other way.

1883. During the last five years?—As far as I know, we have made regular progress in population in the borough. We have increased materially in the last two years in population.

1884. What is your best estimate of the population of the Borough of Greymouth to-day?—I think it must be getting on to four thousand now. I will tell you why I think so: because during the past twelve months I have issued thirty-two building permits for new buildings.

1885. In twelve months there have been over thirty new houses?—Yes, thirty-two.

1886. And previous years?—There have been a few new houses going up every year, but perhaps the best way would be to give you the exact figures from our books, viz.: 1898, 12; 1899, 15.

1887. Your estimate is that perhaps a thousand have been added to the population in five years?—I can only estimate it, but I think it will be close on four thousand next census.

1888. Do you think you are prepared to stand by your estimate against the estimate of the Registrar-General, who gives the estimate in 1900 that the population is less by three hundred than it was in 1891, and only three hundred more than in 1896—3,423 last year?—I do not know how he gets at that.

1889. You are prepared to stick to your estimate?—I know the new houses that have gone up, and they speak for themselves.

1890. Can you say whether there has been a steady growth in the value of property: do you know anything about the country districts round about?—Yes, I am pretty familiar with it.

1891. Do you know whether there has been a steady increase in the value of land in the boroughs and country districts during the last five years?—During the last two years I think there has been. I think before that it was about normal. It is the dredging that has given the impetus to the values. I can tell you the values of properties in Greymouth and Cobden; I have instances of sales during the past few years. I know that in the freehold portion of the Town of Greymouth South property which you could buy for £40 eighteen months ago you now have to pay £150 for. Two sections were sold three weeks ago in High Street for £150 each, unimproved; and in a back street—Shakespeare Street—two others that are down on my valuation-roll, unimproved value £20, fetched £95 each.

1892. Those are not exceptional instances, you think?—No.

1893. They represent fairly the growth in the value of sections in the last two years?—Yes. In Cobden the Education Board bought a section belonging to the late Mr. Nancarrow, and they gave £50 for a quarter-acre.

1894. *Mr. Bell.*] Was there a Chinese festival in every borough on the Coast in 1891?—I could not say that. They have their festivals on the same day throughout.

1895. The population of Brunner was 2,200 in 1891 and 1,600 in 1896: was the population of Brunner inflated by a Chinese festival?—I cannot say.

1896. I wanted to know whether you think the Chinese festival inflated the population of every borough on the Coast in 1891?—I cannot say.

1897. *Mr. McKerrow.*] About Cobden: We have been requiring evidence about the value of sections there belonging to the company?—I know of the sale I mentioned, because I was acting for the Education Board in the matter.

1898. I mean the sections that have not been sold?—I know the sections on the map.

1899. You could not tell about any one section, but what do you think about the value generally, making an estimate of the value of the fifty-eight sections—about 14½ acres?—There are buildings going up there; some of the new-comers like that side of the river, and lately there has been a request for sections, but they like sections alongside the metalled road. Those along the metalled road would fetch, I think, from £40 to £50 a quarter-acre; those in the bush perhaps not half that.

1900. So that an average estimate might be about £25?—Yes.

1901. *Mr. Hudson.*] I should like to be clear that you are referring to the sections belonging to the Midland Railway Company in your reply to Mr. McKerrow?—I do not remember whether any of those sections abut on the road or not.

1902. Do you know where they are?—Yes.

1903. Knowing where they are, do you believe them to be worth from £20 to £25 a section?—I should think that would be a fair value for them.

1904. They would realise that if sold?—Yes.

1905. *Mr. Graham.*] You do not know the sections on the ground?—No.

1906. Then, you are not in a position to value them at all?—Only in relation to the values of adjacent properties.

1907. You do not know the Midland Railway properties?—Not intimately—not to value them for valuation purposes.

1908. *Dr. Findlay.*] Do you know that nearly all of them are under water?—Yes, some of them.

1909. *Mr. Graham.*] What would you value those at?—Perhaps £10 or £12. Those in the swamp are practically useless unless they are drained, and that would cost a good bit.

1910. Are there many in the swamp?—A good many of them.

ADAM BLAIR examined on oath.

1911. *The Chairman.*] What are you, Mr. Blair?—Sawmiller, residing in Greymouth.

1912. You have been for several years in the sawmilling business?—Yes.

1913. How many mills are you interested in?—Our firm owns five mills.

1914. Do you know what the export timber trade of Greymouth is at present?—I think somewhere about 14,000,000 ft. or 15,000,000 ft. last year.

1915. What proportion of that do you reckon has travelled over the Midland Railway?—I should say about two-thirds of it travels over the railway; a portion of it travels over the Hokitika line.

1916. Are any of your mills on the Midland line?—Yes.

1917. How long do you reckon your timber-supply will last?—I suppose some of our present mills will be working for ten or twelve years yet. We will have to go back further for the timber.

1918. Do you think the population of Greymouth has increased during the last few years?—Yes, it must have increased wonderfully.

1919. And the country population?—There are some parts of the Grey County decreasing, and there are other portions of it increasing. Sawmills have increased it a bit in some places, and the mining population has decreased in some places.

1920. Is there much probability of an increased number of dredges on the rivers?—Yes, there is every appearance.

1921. How many are there built now?—I could not give you the exact number, but they are under construction; in almost every creek you will see a dredge being started to be built.

1922. Do you supply silver-pine sleepers?—A few.

1923. How long do you think the supply is likely to last—I mean from the Midland Railway district?—For the next ten or twelve years, probably longer; but they will have to go further back for them.

1924. *Dr. Findlay.*] You have five mills, I think?—Yes.

1925. Could you give me an idea of what you contribute to the railway for the traffic of timber in the year?—I could not say correctly, but I think we contribute something like £50 or £60 a week to the railway for freight; I should think it fully averages that.

1926. About £3,000 a year, probably?—Yes, in freight.

1927. What is the total product of timber per annum?—The quantity we cut altogether with our mills, I suppose, is between 3,000,000 ft. and 4,000,000 ft. a year.

1928. That involves in one way or another a payment of freight amounting to nearly £3,000 a year?—Yes, fully.

1929. Supposing you had 15,000,000 ft. produced in much the same way as you say, you would have about £15,000 a year to pay to the Government in freight of all kinds connected with the mills?—Yes.

1930. Did you hear Mr. Jay's evidence?—Yes.

1931. Do you share his views with respect to the prospects of timber?—Yes; it is bound to increase. We have plenty of timber here.

1932. And as the price increases you can go further back?—Yes.

1933. You heard his statement that he thought that in a few years the output might be increased about 5,000,000 ft.; what is your idea, say, within the next six or seven years: do you think we might reasonably expect an increase in view of increasing prices?—As the price goes up you can go further back for your timber, and you can erect mills where you cannot at present. We are erecting mills now where we could not four or five years ago.

1934. In other words, you can make a very much larger area marketable—Yes; there is plenty of timber if you can get the price.

1935. Would it be extravagant to say that the output would be doubled in five years?—To double the output of last year would be a big thing; but we might add four or five mills in three years.

1936. So that it would be doubled upon those figures in about ten years?—Yes.

1937. It was put to a witness this morning as if it were something in the nature of a boom: do you think so?—No; it is not a boom.

1938. You see no reason why this upward tendency should not continue?—It will continue for a time.

1939. You generally agree with Mr. Jay that there is an unlimited market in Australia for white-pine?—Sometimes you get a fair price and sometimes nothing.

1940. If a steady price prevailed in Australia for white-pine, could you extend your production unlimitedly?—The supply of white-pine is limited on the Coast, but you can always get a certain quantity of it.

1941. It is not near its limit yet?—No.

1942. If you got the price for it you could double or treble the present output?—Yes.

1943. So that, should the price be favourable and steady in Australia, there might be a very large development of the trade in white-pine?—Yes; I think their timber-market is very unsteady.

1944. Allowing an increase in price, in how many years would you cut out the whole of the marketable forests?—That is a very big question.

1945. Would you give me a minimum time?—At the rate we are going on now I think twenty-five years would make a very big hole in it.

1946. Even then, if the price had largely risen, you could go still further back?—Yes.

1947. It is only a question of price, then?—Yes.

1948. *Mr. Bell.*] You said it would go on for a time—the increase in price and demand?—The output at present is not equal to the demand; that is the reason they are so anxious to get timber.

1949. You said you expected it to go on for a time?—Yes; for the next ten or twelve years.

1950. How long do you expect it to go on?—For a few years, I hope.

1951. What do you mean by a few years?—Christchurch regulates the market here.

1952. There is a great demand for timber everywhere now?—Yes.

1953. How long do you expect it to go on at the present high price, and the consequent good pay for taking out the timber?—I suppose for a few years more.

1954. What do you in the trade expect? How long do you anticipate this excess of demand and high price to continue?—I do not say it is a very high price yet; we are only getting a reasonable price.

1955. It is a higher price than you have been getting?—Yes.

1956. How long do you expect the present price to go on?—From all appearance, we expect it to go on for the next four or five years.

1957. *Dr. Findlay.*] Beyond that, do you know why it should not continue?—It ought to continue.

ANDREW MACKAY examined on oath.

1958. *The Chairman.*] What are you, Mr. Mackay?—Mine-owner and contractor, residing in Greymouth.

1959. *Dr. Findlay.*] How long have you been a resident here?—Thirty-six years in this district.

1960. I understand you have taken considerable interest and have considerable interests in gold-mining properties?—Yes.

1961. Have you any at Reefton?—Yes, large interests there. I have some £10,000 or £12,000 invested there in the Consolidated, Keep-it-Dark, and other companies.

1962. And you have given some particular attention to the use of cyanide?—Yes.

1963. Will you tell the Commission what you believe will be the result of the cyanide process in the Reefton district?—I think it will be the means of increasing by 25 per cent. the production of gold. The Keep-it-Dark some years ago sent me to the North Island to investigate the cyanide process. Up to that time we had been getting a very small percentage of the gold we are getting now; in fact, we clear a profit of about £700 per month, and from £200 to £250 comes from cyanide alone. Cyanide has been a great success.

1964. Do you know any reason why the success should not be extended to other mines?—No. I may say that the ordinary process produces three-fifths and the cyanide produces another two-fifths.

1965. You have given us reasons for expecting that the total output of gold from the Reefton district will be increased owing to the cyanide process. You mention 25 per cent.: is that an increase of 25 per cent. on the present output of the Reefton district?—Yes, so far as it has been tried.

1966. You expect 25 per cent. will be added to the present output of gold from the Reefton district by means of cyanide?—From memory I think more, but I shall confine myself to 25 per cent.

1967. Then, I take it that land which is not capable of being profitably worked now will, when the cyanide process is applied, become profitably worked?—Yes; the New Scotia has only newly been taken up, since the success of the Keep-it-Dark.

1968. I understand that a considerable amount of experiment is necessary to find a solution applicable to each of the ores: the process is in a state of experiment still?—I think so. I do not think they have got to the limit.

1969. It is a necessary inference that, if the gold output is to be increased in this way, you will have a large increase of population?—There is no doubt it has increased. The Consolidated and Keep-it-Dark were almost shutting down, and the New Scotia is now starting. I suppose they will employ about thirty, and we will employ about forty. In the cyanide-works we have ten or twelve men employed in the Keep-it-Dark.

1970. Could you give me any idea of the increase in population in the Reefton district which may be reasonably expected from these reasons in, say, another five years?—I could not say, but I think there will be a great increase.

1971. What do you think the effect of the dredging industry will be upon the traffic over the Midland Railway sections?—I think the dredging industry has come to stay; it will be a success, there is no doubt of it.

1972. Do you know how many dredges are working now?—Six or seven.

1973. Can you give me any idea of how many you think would be working in, say, five years from now?—I should think not less than a hundred—that is, from below Ross in the south to beyond Westport in the north, and inland over the whole area.

1974. A large proportion of these have their machinery and goods carried over the Midland lines?—There will be a proportion.

1975. Could you give me the proportion?—I suppose one-fourth.

1976. At present, how many dredges have their goods carried over that line?—Three, I think.

1977. So that we may expect in five years something like thirteen times the present dredge traffic over the sections of the Midland Railway?—One-fourth of the whole; I do not think it will be more than that.

1978. Do you know anything of the coal-measures beyond Reefton?—Yes.

1979. What do you think of their future?—I think there is a good future before them. It is very good household coal.

1980. Before it can have a considerable market I think it will be necessary to have light lines constructed to the Reefton terminus?—Yes. There are lots of scattered seams all round. In fact, the gold industry would not have been what it is but for the coal. I might say that they run parallel with one another: there is a coal-seam and there is a gold outcrop—an outcrop of quartz. It is very good steam coal. I think it is causing a good deal of the success of the Reefton mines. I do not think these measures are as well defined as the Brunner mines.

1981. Do you speak from any particular examination of the seams?—No; but there is a great future for the industry, because there are a great number of outcrops.

1982. *Mr. Hudson.*] I want to understand whether you say that cyanide increases the amount of gold got out of each ton of quartz 25 per cent.?—I said the profits amounted to 25 per cent. I pointed out that lately we have been making about £700 per month minimum profit, and about £200 to £250 is due to cyanide.

1983. What you really meant to say was that the reduction per ton of quartz would be increased 25 per cent. by means of cyanide?—Yes.

1984. *The Chairman.*] Do you know anything of the Taipo reefs?—Yes.

1985. Do you think they are likely to be worked with cyanide?—Yes; I think cyanide is in its infancy.

1986. Do you think there is a payable reef there?—Yes.
 1987. Do you know Kelly's Creek, near Otira Gorge?—Yes.
 1988. Do you think there is payable gold there?—Yes, in some parts of it.
 1989. You know the Victoria Range?—Yes.
 1990. Have you ever been up there?—No.
 1991. You could not say anything of your own knowledge with respect to it?—No.

HORACE BAXTER further examined on oath.

1992. *Mr. Bell.*] Referring to your return of the 9th March [Exhibit No. 8], have you now corrected the third item, "Goods and stores for co-operative workmen"?—Yes; that is verified by the books at Jackson's Station.

1993. What is the total now?—£1,944 3s. 8d.

1994. Do you think that £200 ought to be allowed after having gone into the figures?—No; the figures have now been verified by the men acquainted with the local traffic. [Exhibit corrected accordingly.]

1995. *Dr. Findlay.*] With respect to the £200 which you took off the estimated total?—I explained at the time that I thought in preparing the return that £200 would cover all outside amounts, such as Taipo Road, &c.; but since then the return has been prepared by an officer who was two years stationmaster at Jackson's. He knows all the residents there, and he knows all the circumstances in connection with the railway at that time, and he was in the best position to form an opinion as to the actual quantity of goods that was consigned for co-operative purposes.

1996. But, after all, has he not had to decide from a better or poorer opinion whether the goods in some cases were for co-operative workmen or for residents?—He has the best possible means of judging.

1997. But he has had to form an opinion whether the goods were for co-operative workmen or residents?—Necessarily; but none of the goods consigned to residents were charged for.

1998. It cannot be said with absolute certainty that £1,941 really represents the traffic for goods going to co-operative workmen?—As far as possible from local knowledge it is correct.

1999. Do you not think it would have been prudent to have taken off something for the element of error?—I think the information has been as correctly compiled as it is possible to get it.

2000. You do not think, as a matter of safeguard against an overcharge, that something should be allowed off for possible error?—I do not think so; a large margin has been allowed already.

2001. Then, the gentleman you refer to has exercised his discretion and allowed a margin?—When I speak of margin I mean that the whole of the traffic which could possibly be put down for residents has been taken off.

2002. He has absolutely exercised his best opinion, and nothing has been allowed over and above for possible error?—His local knowledge was the best obtainable.

2003. *Mr. Bell.*] I asked you whether it would be fair to allow £200, and you have stated that the figures are as nearly as possible accurate?—Yes.

HENRY ST. JOHN CHRISTOPHERS further examined on oath.

2004. *Mr. Bell.*] You produce further returns?—Yes; returns of the rolling-stock and locomotives taken over from Midland Railway Company [Exhibit No. 18]; estimate for re-sleepering and ballasting Midland Railway sections [Exhibit No. 19]; statement of stores and material taken over with Midland Railway [Exhibit No. 20]; estimate of depreciation of locomotives and rolling-stock belonging to Midland Railway Company [Exhibit No. 21].

FRIDAY, 15TH MARCH, 1901.

PATRICK CORCORAN examined on oath.

2005. *The Chairman.*] What is your occupation?—I am a farmer, residing at the Ahaura.

2006. I understand you had a contract under the English contractors?—I had only power of attorney under that contract for the disbursing and receiving of all moneys.

2007. From whom?—Mr. John Casserley.

2008. Where did your contract start?—At the starting-point of the Midland Railway—that is, this side of the stone cutting at the end of the Government line.

2009. And how far did you go?—I went beyond the Stillwater Station. I had a continuation of the same contract on the Jackson's line.

2010. Can you tell us the length of the first contract?—I think about 60 chains.

2011. Did that end before you got to the Stillwater yard?—I think it included the Stillwater yard.

2012. Did you do the formation of the yard?—Yes; the forming and clearing and erection of the sheds. I did that under a different contract.

2013. Can you tell us what works were included in the first contract, and the length in miles or chainage?—I came to the station in the first contract.

2014. Did you go to the junction of the Jackson's and Reefton lines?—No; but that was included in the next contract.

2015. Did your contract include the formation and clearing?—Yes.

2016. And culverts and bridges?—Yes.

2017. And you had a separate contract for putting up the Stillwater Bridge?—Yes.

2018. And a separate contract for the buildings in the Stillwater Station yard?—Yes.

2019. And did you lay the permanent-way?—No.

2020. Tell us where you ended on the Jackson's line?—I went as far as the Maori Gully Road—within 10 chains of it. The length of the contract was 3 miles 50 chains.

2021. Have you got a copy of your contract?—I have a copy of the prices. This is a pay-sheet with the specified prices [Exhibit No. 22]:

2022. Does this include the prices for all the buildings at present on the Stillwater Station yard?—No; it does not include any of the buildings, except the old cement-shed which was erected at the commencement of the works.

2023. This pay-sheet was made out in McKeone, Avigdor, and Robinson's office?—Yes.

2024. *Dr. Findlay.*] Does it show all the moneys received from them?—Yes. It was the pay-sheet for the 4th March, the month after starting the contract.

2025. *The Chairman.*] It does not show the Stillwater Bridge?—No; that was a separate contract.

2026. But it shows all the other moneys you received?—Yes; for earthworks and clearing and grubbing.

2027. And culverts?—I do not think it shows the culverts. They were a separate contract.

2028. *Mr. McKerrow.*] You have had a good many separate contracts?—Yes.

2029. How many altogether?—I cannot remember.

2030. *The Chairman.*] This shows the formation contract, and the clearing contract, and the Stillwater Bridge contract. In the Stillwater Bridge contract there are 228 yards of concrete?—That represents the abutments.

2031. The concrete foundations and piers?—Yes, pile piers.

2032. There are one or two little bridges this side of the road-crossing where you started: did you replace them?—I had nothing to do with them.

2033. Can you tell us if all the money you received for work is shown on that sheet; and, if not, tell us the other amounts?—Approximately speaking, I received between £10,000 and £11,000 from McKeone, Avigdor, and Robinson for all the work I did; that included everything.

2034. Except the permanent-way?—Yes; that includes all the work I did for them, so far as my memory goes.

2035. Who joined on to your contract on the Jackson's line?—Mr. Alexander.

2036. And who joined on the Reefton line?—They did that themselves. It was done under the supervision of a man named Baff, who came out from England.

2037. How far did Baff work to?—He did the big long bank and cutting from Stillwater Station to the Arnold River, and 30 to 40 chains more towards Reefton.

2038. Who did it from there?—Mr. Samuel Brown, of Wellington.

2039. How far did he go to?—Across Nelson Creek.

2040. Did you pay your men the current rate of wages in the district?—Yes.

2041. And how did the work pay?—They worked fairly well, as ordinary workmen do.

2042. I mean how did the work pay you? Did you make the ordinary New Zealand contractor's profit out of the work?—I did.

2043. *Mr. McKerrow.*] It paid you well?—No, not well. It paid me so far that I made both ends meet and had a margin left for myself.

2044. A reasonable margin of profit?—Not a big one. It gave me fair wages for the undertaking.

2045. *Dr. Findlay.*] Would you care to take up another contract on the same terms?—I would, and under the same man.

2046. *The Chairman.*] Who did the permanent-way along the section?—McKeone, Avigdor, and Robinson, and Mr. Baff supervised the work.

2047. How far did they make a complete railway-line on the Jackson's Section?—To Kokiri, I think, but I cannot speak with any authority on this point.

2048. Did Mr. Brown lay the permanent-way on the section he had?—No; the English contractors did that. He only did the formation and bridges and culverts.

2049. Can you tell me who put up the buildings in the Stillwater Station yard?—Mr. Stewart.

2050. Do you know where he is now?—I saw him in Christchurch lately.

2051. Do you know his address?—No.

2052. What is his Christian name?—I do not know.

2053. *Dr. Findlay.*] Do you know whether the contract you did was a contract at schedule rates on quantities to be measured up afterwards, or whether it was a contract on a lump amount of work?—It was at schedule rates.

2054. It was a contract at schedule rates upon quantities to be measured up afterwards?—That is so.

2055. You did your contract in what year?—I began it on the 26th December, 1886, and finished in 1887. I was about eight or nine months.

2056. Can you give the Commission an idea of the rate of wages, per week or per day, you paid for the different classes of work on your contract?—I gave the ordinary navy or labourer 9s. per day, and mechanics, such as carpenters, 14s. a day.

2057. Those were the two main classes?—Yes. I had a few blacksmiths at a fixed wage per week.

2058. Were these the prevailing rates of wages for that class of work at that time?—Yes; those were the lowest wages I could get competent men for.

2059. Do you know whether the rate of wages a year or two after the completion of your contract fell or increased?—The wages of the navy or ordinary labourer came down. There was a reduction immediately after I completed my contract; and also during construction I was asked to reduce my wages, but it was not worth my while then.

2060. But immediately after you completed your contract navvies' wages fell 1s. per day?—Yes; from 9s. to 8s.

2061. Do you know whether later still they were reduced still further?—I do not know.

2062. Do you know whether, after your contract was completed, the wages of carpenters, whom you were paying at the rate of 14s. a day, came down?—I have no direct knowledge, but Mr. Stewart told me in casual conversation he could get carpenters cheaper than I was getting them, and I think he told me he could get them at 12s. a day, but I have no reliable proof.

2063. Who was Stewart?—This was the man under whose care the buildings at Stillwater were erected.

2064. He was a competent man, and knew whether men could be got at that wage?—Yes.

2065. And he told you, so far as you recollect, that he could get men at 12s. a day?—Yes; I know some of the men working for him.

2066. Can you tell me what difference it would have made in the total of your contract if your navvies had been working at 8s. a day and the carpenters at 12s. a day throughout the nine months?—I should imagine it would have made fully 10 per cent. difference—that is, approximately speaking.

2067. *The Chairman.*] Is this pay-sheet the only paper you have in connection with the contract?—This is a communication I got from Mr. Edwards [Exhibit No. 23].

2068. Does this relate to railway-crossings originally in your contract and afterwards not put in?—They were not included in the work I had at that time. This occurred three years afterwards. This was a property I bought on the Reefton line, and these were crossings on the property shown on the plan, but afterwards not made.

2069. And this shows the price agreed upon?—Yes; compensation for dispensing with the crossings. They made ample provision for crossings along their railway-line.

2070. And they paid you £39 3s. 8d. as compensation for doing away with the crossings?—Yes.

2071. *Mr. Fraser.*] You said that you had cleared all expenses and made fair wages?—Yes.

2072. What do you mean by fair wages? Do you mean the wages of a working-man or of a competent contractor?—As a contractor. I consider it left me a margin of about £500, in round figures, on a contract of £10,000. I consider that fairly good for the time.

2073. *Mr. Graham.*] That £500 included wages and profit combined?—Yes.

2074. *Mr. Fraser.*] How many participated in that profit?—I had sole charge of the contract, and I reaped the whole benefit. I consider I made fully that amount.

JOSEPH SCOTT examined on oath.

2075. *The Chairman.*] What are you, Mr. Scott?—Mine-manager, residing at Ngahere.

2076. *Dr. Findlay.*] How long have you been in charge of your present mine?—About six years and a half.

2077. How far from the Brunner is your mine?—The bins where we deliver at Ngahere would be about eight miles from the Brunner Mine, and the coal passes over the Midland Railway for a distance of about eight miles.

2078. Is the mine an old one or in rather an early stage of development?—Well, you might call it an early stage of development; we have only been working seven years.

2079. Is it capable of expansion?—Yes.

2080. Do you see any prospect of the mine being developed still further within the next five or six years, say?—According to the present demand it might be developed.

2081. I take it that the measures are there if they were needed?—Yes.

2082. What is your present output of coal?—For the last eleven months it was 82,500 tons. You might say 100,000 tons for the year.

2083. Could you give me any idea of what you think—supposing the demand became much larger, or, we will assume, unlimited—you could put out?—With our present appliances we could put out 120,000 tons.

2084. And if you had such appliances as you would recommend for the purpose of increasing the output, what would be the maximum?—120,000 tons a year.

2085. Do I understand that the mine is incapable under any circumstances of producing more than that per year?—Yes, without putting on more men.

2086. But granting you any conditions you like to assume; I want to find out what possible expansion could be made: what do you think the mine could reasonably put out if you had an unlimited number of men?—Up to 200,000 tons, if we had a railway.

2087. If there was a loop line connecting you, you could get up to 200,000 tons a year?—Yes.

2088. Is the demand for your coal increasing?—Yes.

2089. Has it increased during the last year or two?—Over 20,000 tons last year.

2090. Do you see any reason why that increase, with the present outlook in the coal trade, should not go on?—No.

2091. So that you may have an increase of 20,000 tons a year?—Yes.

2092. And when the increase reaches something like 200,000 tons you, of course, would have your loop line?—Yes.

2093. So that we may take it as quite probable that within five years the traffic of your coal over the Midland Railway might be doubled?—Yes, if the loop line was put in.

2094. You do not claim to be able to speak about any of the other coal-measures, or of the timber trade?—No.

2095. *Mr. Bell.*] Dr. Findlay put it to you that in five years your output might be doubled; he said that you increased 20,000 tons last year, and that you may increase 40,000 tons this year, and 60,000 tons next year, and so on?—No; our maximum output could be only 200,000 tons if we had the railway.

2096. You have increased 20,000 tons, and you could not go to more than 100,000 tons without the tramway?—No; the aerial tram-line is not capable of carrying any more.

2097. How do you compare with Coalbrookdale coal, Westport? Can you undersell it?—I could not tell you the prices they charge and the other conditions.

2098. Could you undersell it?—No; I believe they can deliver it almost as cheap.

2099. Supposing Coalbrookdale had a large expansion of its coal trade, would not the tendency be to keep down your expansion?—I do not think so.

2100. Is your coal used for a different purpose?—Almost all of it is used for steaming purposes.

2101. Is it considered as good for steaming purposes as Coalbrookdale?—Engineers think so.

2102. Its repute is hardly so high; you have not had the Samoa "Calliope" record?—No; we have not been in the field so long.

2103. You know the Reefton coal?—I have seen it in the trucks.

2104. That, we are told, is very good household coal?—I do not know anything about it.

2105. You do not know whether it could compete with you at all for steam coal?—I do not know anything about Reefton.

2106. You have not even seen it?—Only passing through in the trucks.

2107. Has there been any want of capital in your mine?—There was in the first instance.

2108. Is there now?—No, I think not.

2109. So that when your directors thought it necessary to extend their methods of development they could do so; there is no financial difficulty now?—I do not think there is any financial difficulty.

2110. Your directors, I presume, are competent men?—Yes.

2111. Who are they?—Mr. E. G. Wright, Mr. G. G. Stead, and Mr. H. B. Hill.

2112. You say, so far as you know, there is no financial difficulty to prevent them expanding your process of development at any time they think fit?—I do not think there is.

2113. Is it at present contemplated that you should alter the aerial method of tram-line?—I think it is the intention of the Government to construct a bridge; they have been busy lately making surveys.

2114. If the Government did not do so, I presume your trade would justify your company making it?—Yes.

2115. And then you think you could work up to 200,000 tons?—Yes.

2116. And you think there would be a market for 200,000 tons?—Yes, I think so, from the present position.

2117. What would be the effect of opening up the Point Elizabeth Mine on your trade?—I do not think it would affect us. It would mean a continuation of the Brunner trade.

2118. There is a gas coal and a steam coal too?—Yes.

2119. So that the Brunner mine does compete with you for steam?—Yes; but I think there is sufficient demand for the two.

2120. I am speaking of the development of the Point Elizabeth Mine. Would not that create a very large factor in the competition with the steam?—I do not think so—not in the state of the present demand.

2121. You think it will require the Point Elizabeth Mine to keep up with the demand?—I think so.

2122. *Dr. Findlay.*] You are dealing with but one seam now?—No; we have two seams.

2123. Are there any other seams untouched?—No.

2124. Both the known seams you are working?—Yes.

2125. *The Chairman.*] What is the population of Blackball?—I think six hundred.

2126. What would you think the population was in April, 1896—about the time you went there?—I could not tell. There would be half that number perhaps—less than half.

ROBERT ALISON examined on oath.

2127. *The Chairman.*] What are you, Mr. Alison?—Mine-manager, residing at Brunner.

2128. *Dr. Findlay.*] You are manager of the Brunner Mine?—Yes.

2129. How many years have you been there?—About three years and a half.

2130. Brunner coal, I suppose, passes almost wholly over the Government railway?—To within a late period.

2131. How recent?—The dredges have taken some of it over the Midland Railway, and previous to that the Public Works Department.

2132. What proportion—can you give me an average throughout your period?—No; but previous to the Government taking possession it was infinitesimal.

2133. And since the Government took possession?—Within the last seven months over 100 tons a month, excluding the public works.

2134. And what have you sent over the Government lines?—Last year 120,000 tons.

2135. This year would be equal to that?—I think so.

2136. What do you say of the future of the mine?—I am not prepared to rectify the public opinion.

2137. May I take it that you are disposed to think that the mine is nearly exhausted?—I do not know. Public opinion says it is.

2138. May I put it that you would rather not answer the question?—Yes.

2139. What number of tons of coal do you think can be won and made marketable from the Brunner Mine within the next five years?—I object to give it on a year's basis. I will give you the tons. 300,000 tons I reckon to be the quantity of coal there now which may be made marketable.

2140. What was your output last year?—120,000 tons.

2141. During the time this 300,000 tons lasts do you see any prospect of the traffic over the Midland line increasing? You say there was about 100 tons a month for the last seven months—that is, 1,200 tons a year: what prospect is there of the traffic increasing over the Midland sections?—It depends greatly on the dredging industry.

2142. Have you paid any attention to the possibilities of the dredging industry expanding. We have been told that a few dredges only are now working, but that it is possible that some more dredges may be working—served by the Midland sections—in a few years?—There is a possibility of that number working.

2143. What number do you think are working now getting coal from you?—Three.

2144. Supposing between twenty and forty were working, what increase would you expect in that case on the traffic of the Midland Railway?—About 15 tons a dredge per week is what they use. Of course, we might not get all the dredges; that is about the average consumption of a dredge per week.

2145. About 750 tons a year?—About 700 tons a year per dredge.

2146. And you think there is a prospect of your company supplying some of the dredges?—It depends greatly on the reports of the engineers and what coal they will have.

2147. You know the coals with which you have to compete—the number of mines and quality of the coal: what, in your opinion, is the chance of your getting, say, half?—I do not expect half.

2148. What proportion might you fairly expect?—I suppose about a quarter.

2149. Of the probable thirty or forty dredges?—Yes.

2150. That would be an average of say, nine dredges, at 700 tons a year each, that might be expected to be added to the present traffic?—Yes, it might be in time.

2151. *Mr. Bell.*] With regard to your mine—the Brunner—it is owned, is it not, by the Greymouth-Point Elizabeth Company?—I understand it is.

2152. Do you not know your own master?—I do not.

2153. What company pays you?—I pay myself, in one sense.

2154. Do you know whether the same company that owns your mine owns the Greymouth-Point Elizabeth Point coal leases?—I believe so.

2155. Has a railway been built by that company, or partly built, to those leaseholds?—Yes; partly built and brought across the river by the company.

2156. With the object of developing those mines?—Yes.

2157. In the meantime the Brunner Mine is producing coal?—Yes.

2158. If the railway extended a little further would it not open up the Point Elizabeth leases?—Yes; the railway is opening up the coal-seams on the leases.

2159. Which you understand belong to the same company—the Brunner?—Yes.

2160. Do you know the Point Elizabeth seams?—I have been over them several times.

2161. Are there any large seams of coal or large outcrops?—Practically speaking, there are three different outcrops of seams: one is a large seam, and the other two are ordinary sized seams.

2162. They say these seams would be available to your company if there is a termination of the Brunner Mine export?—Yes.

2163. *The Chairman.*] I understood you to mean the Brunner lease when you referred to the 300,000 tons?—Yes; the Brunner mines.

2164. Would an extensive prospect, in your opinion, discover any more coal-seams in the same lease?—There are other seams, but they are not get-at-able from the Brunner side, but from the Point Elizabeth side.

2165. How does the population of Brunner compare now with what it was five years ago?—I cannot go back five years.

2166. Since you have been there?—I think there has been an increase of population during the last three years.

2167. *Mr. Hudson.*] Have you any knowledge of the Reefton coal?—Nothing further than seeing it pass in the train.

HENRY ST. JOHN CHRISTOPHERS further examined on oath.

2168. *The Chairman.*] You put in this return as a return of the rolling-stock and its condition when the line was seized, or shortly after?—This is the amended return of the stock you wished me to make [Exhibit No. 18]. I have given the matter very careful consideration. I have taken into consideration all the circumstances, and I do not know that I can get any nearer.

2169. Can you give me any idea of the amount of depreciation of a building along the line from the commencement of the Midland Railway to Reefton and from the Junction to Jackson's?—I should take it that a building on the West Coast would depreciate at the rate of at least 5 per cent. per annum on its value—that is, taking into consideration the severe climate the buildings are subjected to, which, as you know, is very damp. Providing, of course, that proper supervision and care were exercised and that painting had been done, I think that 5 per cent. would be about a fair valuation to make. Some of the buildings taken over from the Midland Railway Company, especially the cottages and residences, I think, from my observation, had been built in rather a cheaper and more hurried manner than many of the other structures put up by the company; so much so that a very large quantity of green timber had been used, more especially in the lining. This necessitated, of course, a good deal of extra expense in scrimming and papering to make them habitable in the winter weather, and that would naturally add a good deal to the expense of repairs and up-keep of buildings of that class. The other buildings, such as stations, goods-sheds, engine-sheds, repairing-sheds, &c., would, of course, come under the heading I have already given you, which I think would be met by a depreciation of 5 per cent. per annum.

2170. You saw all those buildings?—Yes; I have inspected them all on many occasions.

2171. What condition do you consider them to be in now as to repairs?—Fairly good; perhaps slightly below the average I have stated, but not more so than would be recoverable by a slight expenditure. In my opinion, 5 per cent. would be a fair amount for fair depreciation and repairs.

HENRY WILLIAM YOUNG further examined on oath.

2172. *Dr Findlay.*] Referring to the return signed by Mr. Musgrave [Exhibit No. 11], what position did Mr. Musgrave occupy when the return was made?—Prior to the date of the return the maintenance generally had been looked after by the traffic department, but as the line grew Mr. Musgrave was appointed assistant engineer of working railways and locomotive superintendent. He came over to Westland just before the seizure and made an examination, the results of which are embodied in this report.

2173. That report was made to the engineer-in-chief of the Midland Railway?—Yes; and the seizure happened to occur while Mr. Musgrave was over in Christchurch delivering his report to Mr. Wilson. Of course, there was no knowledge of the seizure at that time.

2174. You know that this is a report by Mr. Musgrave?—It is signed by him, and I remember seeing something of it at the time it was done. There is no doubt about it.

MONDAY, 18TH MARCH, 1901.

ERNEST NICHOLSON examined on oath.

2175. *The Chairman.*] What are you?—Traffic Clerk in the Railway Department, Greymouth.

2176. Do you put in this return as being correct according to the railway traffic-books?—Yes. [Exhibit No. 26.]

GEORGE STEPHEN CRAY examined on oath.

2177. *The Chairman.*] What is your occupation?—I am a sharebroker and mining agent, residing in Greymouth. I was formerly assistant traffic manager on the Midland Railway and traffic clerk in the Government service.

2178. *Dr Findlay.*] You joined the Midland Railway service when?—In November, 1889.

2179. In what capacity?—Clerk with the traffic manager.

2180. In the office?—Yes.

2181. And you continued in the employ of the company until the time of the seizure?—Yes, until May, 1895.

2182. Were you in a position to say what proportion of the passenger traffic receipts is represented by the carriage of workmen engaged in construction-works over the line?—I could give you a rough opinion. It would be impossible to give any absolute figures any one could swear to.

2183. Why?—Because no record was kept of the passengers who travelled as workmen—that is, not distinguishable from ordinary passengers.

2184. They paid their fares in the ordinary way?—Yes.

2185. And there is no record kept to show how many there were, or how many such fares were paid?—It would be impossible to distinguish.

2186. Will you tell the Commission how you arrived at the calculation you made?—Well, I calculate that from 1889 to the time of the seizure there were about sixteen hundred different men employed on the work.

2187. Where?—On the various sections of the work; and I should say it would be fair to estimate that about half of these would travel by the railway and the other half would be recruited locally.

2188. From workmen about?—From all sources that would not go over the railway.

2189. Then, about eight hundred, in your opinion, would be carried on the railway?—I should say that would be a fair estimate.

2190. How much would you say that each of those eight hundred would contribute?—Well, taking the long and the short sections together, I should say it would be fair to estimate that those eight hundred men would not contribute more than 2s. 6d. a head.

2191. There were not sixteen hundred men employed the whole period of time from 1889 to 1895?—No; at times there were not more than a couple of hundred.

2192. And you allow 2s. 6d. each for the carrying of these men over the railway and back again, taking the long and the short distances; some of these men would only travel a few miles over the Midland Railway?—Yes; in the earlier stages of the company's career they would only travel six or eight miles, because the sections were only opened that distance.

2193. But, looking over the whole period, your best opinion is that if you debit eight hundred half-crowns you arrive at the total amount contributed by the workmen engaged on the construction-works to the traffic of the railway?—Yes; I should say that would be fairly accurate. They were not a material source of revenue to the department; they rarely travelled, and, as a rule, they were working beyond the limits of the railway—that is to say, the sections where the traffic terminated would not come in touch with the contracts—the contracts would be some miles ahead.

2194. They would have to travel over a difficult and probably an unroaded country?—Yes.

2195. Then, we take it that about £100 is the total sum which you think was contributed by the workmen to the railway?—Yes; looking at the short sections, I should say that would be about right.

2196. The section to Ngahere was opened—when?—1889.

2197. And when was the next section opened?—To Ahaura about a year later.

2198. And the next section?—The line was opened in short sections—to Totara Flat and other places, and so on up to Reefton, in February, 1892.

2199. And to Jackson's?—I really could not tell you from memory.
2200. Was it late?—I think in March, 1894.
2201. You have carefully considered this whole matter?—Yes, I have carefully considered it; it is a rough estimate; it is my best estimate.
2202. *Mr. Blow.*] You were assistant traffic manager?—Yes.
2203. When did you commence your duties in that position?—I think it was in 1891.
2204. Who was traffic manager?—Primarily, Mr. Steele.
2205. During the whole period?—No; up to the time when I became assistant traffic manager.
2206. Who was traffic manager after that?—Mr. David Wallace.
2207. Did Mr. Wallace have any connection with the working of the railway at all prior to 1891?—I was wrong in saying that Mr. Steele was traffic manager. Mr. Steele was manager of working railways and Mr. Wallace was the traffic manager.
2208. And Mr. Wallace was located on the section?—They were both located on the section—one in Greymouth and the other at Stillwater.
2209. Where is Mr. Steele now?—In Scotland.
2210. Do you know where Mr. Wallace is?—In Dunedin.
2211. Can you define what Mr. Wallace's duties were, and your own?—Mr. Wallace, during the period I was associated with him, was traffic manager; he had sole charge of the traffic department.
2212. And you assisted him in a clerical capacity?—Yes; and also in a managerial capacity.
2213. If Mr. Wallace's opinion is taken in the matter of the traffic, do you think he would be in a position to offer an opinion?—Yes; but it would be only an opinion.
2214. Yes; but as traffic manager it was his duty to watch the traffic from day to day: he made it his special study, did he not?—Probably to the same extent as I did myself.
2215. You had nothing to do with keeping the construction accounts, had you—the cost of construction?—No.
2216. Consequently you do not know what amount in the construction account is debited for the carriage of goods over the railway?—Yes; but I could not say without reference to the books; but the construction account for carriage was always debited to the ledger account of the construction department.
2217. Yes; but I want to know from the books of the working department?—The carriage account for the construction department was merged in the traffic accounts.
2218. But when goods were consigned over the railway by an ordinary consignor he paid freight in cash, but the company did not do so?—Yes.
2219. The latter account was kept in the traffic branch?—Yes.
2220. Can that be produced?—I presume it can. I have been away from the department for some years. I have no knowledge of what has become of the books.
2221. You are aware that such an account was kept?—Yes.
2222. What stationmasters were on the Reefton line at the time you left?—There was a stationmaster at Ngahere, a cadet at Ahaura, a stationmaster at Totara Flat, and another one at Reefton, and at Stillwater the station duties were supervised by the traffic manager.
2223. Who was the stationmaster at Ngahere, and what is his present address?—He is dead now.
2224. Who succeeded him at Ngahere?—He was stationmaster there at the time of the seizure, and he continued in charge of the station for some time afterwards, and he died when in the service of the Government about two years ago.
2225. Who was the cadet in charge at Ahaura?—A young man named Pavitt.
2226. Do you know where he is now?—In the Working Railways service.
2227. Who was in charge at Totara Flat?—A young man named Thomson.
2228. Is he in the Government service?—He was discharged after the seizure.
2229. And you do not know where he is?—No.
2230. Who was in charge at Reefton?—It was in charge of a stationmaster named Petre.
2231. Is he still there?—No; he is at Blenheim.
2232. The Commission desire to get the total passenger traffic due to construction: did any of the workmen have their families with them?—Some few of them.
2233. Did the families of others reside mostly in Greymouth district?—No; the contractors got men from Christchurch, and Reefton, and some from Ahaura. They took them as they could get them; they were generally young men.
2234. And do you seriously contend that these workmen only went once up the line to get to their work and travelled once back again in leaving it?—I should say that would be a fair estimate of the travelling of these men; some of them might have travelled more and others less. Some "swagged" it to their work and asked for a job.
2235. Would not they come in to the races, for example?—There were very few who would come in to the races; they had not the money.
2236. How was the traffic worked? Was it not worked on a local passenger service?—Yes, to the terminus; but the construction-works were ahead of the terminus.
2237. Who filled your trains in going backwards and forwards on the open line?—They were not filled. If the line had been constructed merely for the purpose of running passengers it would have been insane to keep the trains running.
2238. But this line paid more than its working-expenses?—Well, I never noticed that it did.
2239. We have it in evidence that it produced a profit of several thousands a year?—Yes, from the traffic generally; but the passenger traffic as a rule was very low. The trains running up and down on the Jackson Section carried very few passengers for years. When the mills opened the number of passengers increased.
2240. Are you sure whether any passenger trains were running on the Jackson Section?—They carried any traffic that was forthcoming.

2241. You did not have a regular service and time-table?—Yes, a regular service. I think it was chiefly two trains a week.

2242. The same as now?—Not so frequent as now; but the increase in the timber traffic has necessitated an increase in the trains.

2243. There are only two trains a week now, except Saturday?—There were less then. The trains used to run up and come back the same day on the shorter section; and afterwards, when the sections were extended, the back running was at a loss, and the trains were left at the terminus, and left the following day—twice a week.

2244. I would like you to consider the matter for a moment. After considering not only the sixteen hundred workmen, and the families of those who had their families with them, and all the stores that had to be taken up to feed those people, and taking into consideration the men who had families in Greymouth and travelled backwards and forwards, do you still wish the Commission to infer from your evidence that these people, on an average, only contributed 2s. 6d. each for five years?—I was not asked that.

2245. I will ask you the question now: Will you kindly give your opinion as to the total payment that was made on account of the passenger traffic, not only of the workmen themselves—we will leave out of consideration the question of stores—but the passenger traffic of the men, their families and dependants: what do you now think these people, on an average, paid during that period of five years?—I was not asked anything about the families.

2246. I am asking that question now?—I think you could put it down liberally at 50 per cent. increase: that would be 3s. 9d. instead of 2s. 6d. I should like to explain that the contract from Totara Flat to Reefton was chiefly recruited from local sources that did not contribute to the railway at all. Mr. Rees, contractor, drew his men chiefly from Reefton district, and they came down by coach. They may have gone to the races occasionally.

2247. The presence of so large a number of men in the district must surely have had an effect on the passenger traffic on the railway?—Yes, it had an effect. If you take the indirect benefits from it, the people who went to see it, and the wives and families of the men—they increased it a little bit.

2248. You still think 3s. 9d. per head of eight hundred men was a fair estimate of the passenger traffic derived in connection with construction? Yes, I should say that—that is, taking 3s. 9d. as the average, because many of these men, so far as the Midland Railway was concerned, only contributed 6d. or 9d., because the sections were short.

2249. *Dr. Findlay.*] The line was opened to Reefton in 1892; after that there were no men working beyond Reefton?—No.

2250. So there would be no traffic of workmen over that line?—No.

2251. A small section was opened to Ngahere in August, 1889?—Yes.

2252. When did you reach Totara Flat?—9th February, 1891.

2253. When the line was completed to Reefton the traffic of workmen engaged on construction-works ceased over that line?—Yes.

2254. So that if we discard the Jackson line you have got an average of two or three years when the men were constructing the line to Reefton?—Yes.

2255. So it is not a period of six years, or any such period; it is a very much shorter period if you want to get an average?—Yes.

2256. The passenger traffic was not very considerable?—No, it was not good.

2257. You have been asked to consider what addition the families might make, and you think a liberal allowance would be another £50?—Yes.

2258. For this short period?—Yes.

2259. *The Chairman.*] Can you tell me what the population of Reefton was when the line was opened?—Roughly, about two thousand.

2260. Men, women, and children?—Yes.

2261. How many able-bodied men do you think would be in Reefton—I mean in the Reefton mining district?—I should think about three thousand people in the district.

2262. How many males, say, over sixteen years of age?—I suppose about eight hundred men.

2263. How much do you think they contributed from 1889 to 1891 to the Midland Railway revenue—how much per head?—Very little; because they were removed from the railway terminus.

2264. How much per head do you think they would contribute?—I could only make a pot-shot at it.

2265. Just the same as you did at the number of men?—Yes; from 1889 to 1891 they would contribute more, when the line was opened to Reefton. When they had to travel otherwise to Totara Flat they would only contribute a coach-load at a time.

2266. How much each do you think they would contribute to the railway revenue—strike an average?—I should think they would contribute 5s. per head from Reefton.

2267. That is about £200 a year?—Yes, from the Reefton people—I mean per annum.

2268. Do you think they would contribute any more per annum than the men working on the line?—Yes.

2269. And you consider that, taking into consideration that a considerable portion of the men working on the line had their wives and families living here or at Brunnerton?—I should say not a considerable proportion.

2270. Do you think there were any at all living here?—Yes, a good number of them.

2271. How many do you think?—I should think perhaps a hundred or a hundred and fifty.

2272. Out of the sixteen hundred?—Yes.

2273. And taking into consideration the fact that those men had their wives and families living at Greymouth or Brunnerton, and other men had their families living at Reefton, you think that people working on the line contributed 3s. 9d. and the others 5s.: what would make that

difference?—Because those who contributed from Reefton paid over the long distance, whilst those who contributed the 3s. 9d. only paid over the shorter sections.

2274. How could they contribute over the long sections before the sections were finished?—Passengers travelling from Reefton to Greymouth would contribute over the long section whilst the others would only travel perhaps six or eight miles. Men who travelled from Reefton on their usual business in Greymouth would contribute a larger fare than the majority of men who worked on the railway.

2275. You still think that the men who lived at Reefton permanently with their families paid more than the men working on the line?—Yes; because they travelled a greater distance.

2276. How much do you think Mr. Jay or Mr. Rees paid individually during the construction?—They travelled at quarter-rates; I think each man may have contributed about £8 a year.

2277. Did they have any foremen who travelled more than the ordinary workman?—I did not notice that the foremen travelled; there was very little passenger traffic from the contracts.

2278. They always stayed there?—No; but there was very little traffic.

2279. *Mr. Graham.*] In speaking about the eight hundred men who with their families contributed 3s. 9d., that meant during the whole period?—Yes.

2280. With reference to the 5s. for the longer distance, did that mean per annum?—Yes.

2281. You spoke of 3s. 9d. for the whole period, and the other for 5s. per annum: if it had been for the same time it would have amounted to 12s. 6d. instead of 5s.?—If it had been opened for two years and a half.

2282. That would be two and a half times 3s. 9d.?—I took the shorter sections to contribute 3s. 9d. and the longer distances 5s.

2283. Do you wish us to understand that, out of the sixteen hundred men who worked on the Midland Railway, eight hundred of them never travelled over any portion of the railway at all?—Yes, I should say so. A great many men on the Jackson's line came from Christchurch, Kumara, and Hokitika, and they came to their work by the road, and never contributed to the railway revenue at all, because the Hokitika line was not opened.

2284. Can you tell us what were the first- and second-class fares from Brunnerton to Ahaura, to Ngahere and Totara Flat, and Ikamatua: can you tell us those fares from memory?—Not from memory.

2285. Then, how can you tell us the other information from memory?—I gave it as a rough opinion.

2286. *Mr. Hudson.*] I want to ask you whether, after the railway was opened to Reefton, you noticed an appreciable difference in the number of people travelling in consequence of the construction-works finishing?—Yes; there was an improvement in the traffic afterwards.

2287. Does that bring to your mind a proportionate amount of depreciation in the passenger traffic? As soon as the construction-works ceased at Reefton you say you noticed a considerable falling-off in the passenger traffic?—No; there was an increase.

2288. Did you notice a considerable decrease in the passenger traffic due to the construction-works being stopped? Did you notice an effect on the passenger traffic after 1891?—No; on the contrary, there was an increase.

2289. I mean the passenger traffic in connection with the construction-works—whether you noticed a difference in the traffic?—As soon as the trains touched Reefton the passenger traffic was benefited, and there was a better service of trains. I should like to explain about remembering the railway fares: it would be a very difficult matter to speak definitely of these fares after being so long dissociated from the Railway Department.

2290. *The Chairman.*] But would it not be just as easy to remember the fares you had to deal with as that the men would only contribute 2s. 6d. to the railway revenue during a period of years?—One is minute information and the other is general information.

HENRY WILLIAM YOUNG further examined on oath.

2291. *The Chairman.*] You hand in certain returns, Mr. Young?—Yes. (1) Contract No. 1, copies of contract schedules and final certificates [Exhibit No. 27]; (2) contract No. 2, copies of contract schedules and final certificates [Exhibit No. 28]; (3) contract No. 3, copies of contract schedules and final certificates [Exhibit No. 29].

2292. You put in these returns as true copies so far as you know?—Yes.

2293. And the additions and deductions are true copies?—Yes. I wish to mention that there were some amounts paid in London to the contractors that may not appear here. There is about £4,000 for bridge-girders, and there may be other amounts.

CHRISTCHURCH.

MONDAY, 25TH MARCH, 1901.

HENRY WILLIAM YOUNG further examined on oath.

1. *The Chairman.*] You wish to present certain returns giving particulars of contracts for the various sections of the Midland Railway?—Yes.

2. Before you do so I wish you to give an explanation with regard to the altered station-yard at Ahaura?—I have to explain that by the papers bound up with the contract you will see that the section length was extended from 14 m. 3·5 ch. to 14 m. 25 ch., so as to include all the station works; and the contractor for No. 4 contract agreed, prior to the signing of contract, that this should be done at the schedule rates of the Ahaura contract.

3. *Mr. Fraser.*] Why was the station altered?—Because when our plans of No. 4 contract were advertised for tenders the County Council made objections to the proposed position of the station, which crossed their road.

4. Was this after the station was finished?—No; it was before the contract was let.
5. *The Chairman.*] Can you explain to us why the Totara Flat Section does not connect with the Ahaura Section?—The Totara Flat Section connects at 14 m. 25 ch., coinciding with the adjusted termination of No. 4 contract.
6. So that the Ahaura Station yard is really in contract No. 4?—Yes; it always was in contract No. 4. The shifting of the station lengthened that contract 21½ chains.
7. I want to know if the distance of 21½ chains—14 m. 3½ ch. to 14 m. 25 ch.—was included in contract No. 5?—It was originally included in contract No. 5, but subsequently deducted from No. 5 and added to No. 4, so as to cover the station alterations.
8. It was included in contract No. 5 as contracted for and let?—Yes; but it was afterwards cut out of it. The contract works comprised within the distance in question were valued at schedule rates, deducted from contract No. 5, and added to contract No. 4.
9. These returns show certain deductions from and additions to the original contract prices, and the Commission will require an explanation of them?—In this and other cases I can give you such explanations from the certificate-books, which are in Wellington.
10. And you will furnish us with these particulars in Wellington?—Yes.
11. You hand in the following returns of contracts [Exhibits No. 31 to No. 59 inclusive]?—Yes.
12. And you put these returns in as true copies of the original contracts to the best of your knowledge and belief?—Yes.

PETER MILLER STEWART examined on oath.

13. *The Chairman.*] What is your occupation, Mr. Stewart?—Builder and contractor, residing at Papanui.
14. *Mr. Blow.*] You were a subcontractor under Messrs. McKeone, Robinson, and Avigdor on the Midland Railway?—Yes.
15. What did you do for them?—I built most of the station-buildings, platforms, goods-sheds, culverts, woodwork about bridges, fixed girders, and iron girders.
16. Which particular station-buildings did you erect?—Stillwater.
17. Did you erect the buildings at Kokiri?—Yes.
18. At Kaimata?—Yes; station and platform.
19. And at No Town the shelter-shed?—Yes.
20. And at Nelson Creek—Ngahere—sundry buildings?—Yes.
21. Have you prepared a statement to the best of your knowledge and belief of the work that you carried out and the prices you got for the work?—Yes. [Exhibit No. 60.]
22. Did the prices paid include the supply of all materials?—Yes; in most of these contracts I supplied all materials.
23. Not all?—No; part was supplied by McKeone and Co.
24. Could you indicate in what cases McKeone and Co. supplied materials?—There were tip-wagons, and part of the ironwork was supplied by them—that is, the wheels and axles.
25. But, as regards the station-buildings, did you supply all the materials?—Yes.
26. And your contract included all labour and plant?—Yes.
27. And the same in the case of cattle-stops?—Yes.
28. Did your contract pay you?—Not in all instances. Some did, and others did not.
29. Taking them all in all, did you do fairly well?—No; I might have done very much better.
30. You did not lose money by the contract?—Well, I did not make any: that is a certainty.
31. You cleared your expenses?—Not quite.
32. You actually lost money over those contracts?—That was simply through loss of time. For six months we did nothing at all. That ate away the profit.
33. How did that happen?—The work was partly stopped for want of money.
34. It was through no fault of yours?—No.
35. If that stoppage had not happened, you think you would have come out all right?—I think so.
36. *Dr. Findlay.*] You have not the original contract?—No; I destroyed most of my papers and books many years ago. I only managed to get these.
37. Where did you get these from?—From my memorandum and time books, which I happened to have still in my possession.
38. I suppose your details are a little mixed and scattered—it was taken from a variety of sources?—Yes, taken from a variety of sources.
39. Can you say that in every case the exact amounts are given here?—I believe that statement to be perfectly correct.
40. You told Mr. Blow that in some cases the material was supplied by the principal contractors?—Yes.
41. And you mentioned ironwork: did they supply any material for any other of the contracts here?—No. I did not supply the ironwork.
42. The principal contractors supplied the iron girders in those cases?—Yes.
43. That would be the bridge-work?—Yes.
44. You mentioned tip-wagons and ironwork?—Part of the ironwork—axles and wheels.
45. With regard to the buildings, you said you supplied all the timber. Was there any part of other material supplied by the principal contractors?—I do not think so.
46. You could not say definitely?—I am almost certain there was none. My contract included all material in connection with buildings.

47. Can you say whether all material in the case of important buildings was wholly provided by you?—I think so.

48. You can only speak from memory?—I am almost positive I supplied all materials in the buildings.

49. We have got the girders and certain ironwork for these tip-wagons: was material supplied for any of the other contracts—any other material?—Yes; for cylinder bridges. They supplied the timber for those bridges.

50. Your work was only fixing them?—Yes.

50A. Is there anything else you recall where the material was supplied?—No. I will give you my word that I supplied all material for building except these corbels.

51. You do not know the value of the whole of the material supplied by you in carrying out these contracts?—No.

52. You paid for the carriage of the material?—I did.

53. All the material which you had to supply?—When the permanent-way was laid as far as Kokiri they did run the stuff up for me by rail.

54. You were not charged carriage on that?—No, I do not think so.

55. *The Chairman.*] Can you tell me where those buildings are on the railway which you built?—Yes.

56. What are the buildings you built in the Stillwater Station yard?—There is the station-building, stationmaster's house, goods-shed, oil-store, coal-store, loading-bank at the goods-shed, station platform, and the picket-fencing and gates in connection with the station-yard.

57. You did not build the carriage-shed?—No.

58. There are some huts there: did you build them?—I built a house for the groom, and also the stable.

59. Did the stable have a concrete foundation?—Yes, the floor was concrete; but I could not tell you all the money I had on them.

60. Is it included in this statement?—No.

61. *Dr. Findlay.*] This is an incomplete statement?—Yes.

62. *The Chairman.*] Did you put up the tank-stands?—Yes.

63. Are they included in this statement?—Yes.

64. Did you put up the engine-shed?—No.

65. There is a blacksmith's shop there: did you put that up?—Yes.

66. Is that included in the statement?—Yes.

67. There are two platelayers' cottages at Stillwater: did you put both of those up?—No.

68. There are three huts there: did you erect them?—No, I do not think I put them up.

69. Where are the other buildings you put up?—There is a small plank bridge near Stillwater.

70. Did you put up the buildings at Ngahere?—Yes; the goods-shed, stationmaster's house, and station, a platform, urinals, picket-fencing, and everything complete.

71. Everything that was done when the line was opened?—Yes.

72. There is a flag-station at Twelve-mile: did you put up the building there?—Yes; and a loading-bank there. It is also in the statement.

73. Did you go any further up that line?—No.

74. Did you do any work at Kokiri?—As far as the tunnel.

75. What buildings did you put up at the Kokiri Station yard?—The station, urinals, loading-bank, and station platform.

76. Did you erect the platelayer's cottage?—No.

77. They are all included in this statement?—Yes.

78. What buildings did you put up at Kaimata?—The station-shed, platform, water-service, and tank.

79. Did you do any bridge- or culvert-work on that line?—No, only cattle-stops.

80. Did you build all the cattle-stops?—Yes, as far as Kokiri.

81. Are they included in this statement?—Yes; I believe I put in all cattle-stops from Brunnerton to Kaimata, and also from Brunnerton to Nelson Creek.

82. Therefore, although the English contractors did the permanent-way, you did the cattle-stops?—Yes.

83. As this return is not quite complete, can you give us the further particulars of the work done by you?—Yes.

84. When could you have it ready?—By next Wednesday.

DAVID WALLACE examined on oath.

85. *The Chairman.*] What is your occupation?—Goods Agent at Dunedin for the New Zealand Railway Department.

86. *Mr. Blow.*] You were in the employ of the Midland Railway Company?—Yes.

87. What position did you occupy?—I was traffic manager.

88. For the whole line from Brunnerton to Reefton and from Stillwater to Jackson's?—Yes.

89. Did you come out from England under engagement to the company?—Yes.

90. When was that?—In October, 1889.

91. As manager?—Yes.

92. Was any part of the line then open for traffic?—Yes; it had been running for about a couple of months from Brunnerton to Ngahere.

93. From the time that you arrived the whole of the traffic was in your charge as manager?—That is so.

94. And did you remain until the seizure took place, and for some time after?—Yes.

95. Were you transferred by the Government to Dunedin?—Yes.

96. Accounts were kept in your office against the different departments of the company?—Yes.

97. How were they described?—There was a lands department, a timber department, a construction department, and a traffic department.

98. And some debits were made against these departments for services rendered by the railway?—Practically they were charged just the same as an outside individual; each department was charged for anything under that department carried over the line, with the exception of the traffic department. Of course, there was nothing charged locally.

99. What would be the nature of the debits against the lands department, for example?—We only kept that as a department, but there was never much debited against it other than collecting the rents for them. There were not many railages debited against them.

100. There were some pieces of land taken for the construction of the railway: do I understand that the land not required for the railway was let?—That is so.

101. And the traffic department collected the rent?—Yes.

102. And you credited the land department with the revenue derived from that land?—Yes.

103. What were the debits against the timber department?—That was all the timber cut on behalf of the department. The department gave orders for timber. Large quantities of white-pine were cut to the order of the department, and when they were sent to Greymouth railage was charged against them.

104. The company themselves gave orders for timber which they themselves shipped from Greymouth?—Yes.

105. And your department charged the company for the railage of that timber?—That is so.

106. What were the debits against the construction department?—Raw materials of every description sent up to the works, and also railage of the material coming from the port. All the material was put in the depot at Stillwater when it came from Home, and then it was sent up the line as the contractor required it in the usual way.

107. Did that apply to sleepers and rails?—Yes.

108. When the line was open to Ahaura, and if there were no sleepers along the Totara Flat Section, would the sleepers taken over the line be charged for?—There was a sawmill at Totara Flat. The contractors got the sleepers ordinarily while the work was going on.

109. You do not think they went along the line?—Probably a few thousand for the Ahaura Section were taken over by the company from McKeone and Company, but they were carried along the line before the section was opened.

110. *Mr. Blow.*] On a good deal of this line there were two railages, one from Brunner to Stillwater, and then on from Stillwater when the line was opened?—Yes.

111. You are speaking now of materials that were the property of the company?—Yes.

112. Of course, there would be railage charged on material that was used by the subcontractors?—Yes; all the cement and other work that the contractor required for the carrying-out of the contract. Cement formed a big item itself.

113. *The Chairman.*] When the line was open to Ahaura, and when the Totara Flat Section was under construction, would the 600 tons of stone from Greymouth for the section be charged for at the ordinary rate?—Yes.

114. *Mr. Blow.*] In mentioning the class of materials you did not say anything about iron girders and cylinders: what would be done in that case?—That was only for a couple of bridges. The other cylinders were brought from Dunedin, I think, to Greymouth, and charged against the contractor. The contractor, I think, paid the railage of all the cylinders.

115. And McKeone, Robinson, and Avigdor would be charged for the railage of such material as they sent it over the line?—The company had squared up with them before I came to the colony. I know nothing of it other than the material taken over from them by the company and the ultimate distribution of it—that is, the sleepers and cement on hand at the time.

116. What was the nature of the debits against the traffic department?—Principally for stores and coal coming up the Government section, which, of course, had to be entered up in the usual way.

117. Where did you get your coal from?—From Brunner.

118. You did not use Blackball?—Not much of it.

119. And Brunner coal had to come for a short distance over the Government railway?—Yes.

120. Would you charge freight for that on the Midland Railway too?—No; just the same practice was followed as is done on the Government railways.

121. Are you familiar with the book in which these accounts were kept?—Yes.

122. And if you were allowed access to the book you could furnish the Commission with accurate returns of the debits to the several departments?—Yes.

123. On many of these items that are debited against the department a proportionate amount of the debit had to be paid to the Government in respect to freight over the Government line?—Yes.

124. A proportion of this came back to the company?—Yes; after the terminal was deducted from the proportion 40 per cent. was taken by the company for the haulage and the use of the plant; 60 per cent. was paid to the Government.

125. Of the freight that went to the Government 40 per cent. came back to the company for the use of the company's plant and haulage?—Yes.

126. The trains being, as a matter of fact, hauled by the Midland Company's engines?—Yes.

127. Then, I take it, if you have access to the books of the company, you can furnish the Commission with detailed information later on in Wellington?—Yes.

WEDNESDAY, 27TH MARCH, 1901.

WILLIAM HOOD GAW examined on oath.

128. *The Chairman.*] What is your occupation?—I am Traffic Superintendent for the New Zealand railways for the South Island.

129. Residing where?—Dunedin.

130. *Mr. Blow.*] How long have you been Traffic Superintendent?—About eight months.

131. And prior to that what were you?—District Traffic Manager for the Canterbury railways.

132. In your capacity as District Traffic Manager, Christchurch, you had charge of the traffic on the extension of the railway beyond Springfield to Otarama?—Yes.

133. And it was part of your duty to study that traffic, and to make such arrangements as were necessary for carrying it on?—Yes.

134. The Government seized the line in May, 1895: what passenger traffic has taken place on the line since that date?—None since that date except excursion traffic from Christchurch. We ran no trains on the line at all except a goods train for the Public Works Department occasionally.

135. The only traffic, then, has been an occasional excursion train and goods trains for public works?—Yes.

136. Have you prepared a return of the goods traffic of the Public Works Department?—Yes. [Exhibit No. 61.] It is a return of the carriage of material for the construction-works beyond Otarama.

137. *The Chairman.*] Is this copied from your books?—Yes.

138. And you put it in as a true copy of what is in your books to the best of your knowledge and belief?—Yes.

139. *Mr. Blow.*] Were there any efforts made at any time to create or provide for traffic on that line?—Yes; we ran a train regularly for some time—about eight or ten months; but we had to give it up, because there was practically no business for it.

140. A daily train?—No, once a week on Saturdays; but there was no passenger traffic on the line, and very little other traffic—a few trucks of firewood occasionally.

141. Not business to warrant running a train even once a week?—None at all.

142. *Dr. Findlay.*] The trains ran as far as Otarama?—Yes.

143. What traffic did you expect to get by continuing the trains? You made efforts to promote traffic and ran trains for some eight or ten months, and I assume it was not done with the full knowledge that the trains would not pay?—It was done as an experiment to see what we could get from the line.

144. What did you expect to get from it?—We expected to get firewood, and that was pretty well all that could be got.

145. There still will be firewood to come over the line?—Very little.

146. Of course, it is a diminishing quantity?—Yes, I expect so.

147. You see we are limited in this inquiry to a consideration of what the traffic is likely to be if the line stops at Otarama, and we are not allowed to assume that the work is going on beyond that: now, bearing that in mind, would you not expect an increase in traffic, considering future settlement?—No, I think not.

148. You think there will be no settlement there at all?—There is no room for settlement.

149. You see no prospect of traffic?—I see no prospect of business being any better than it was in the ten months we worked it.

150. What proportion of the traffic was firewood in the ten months you worked it?—It was all firewood, and a few tons of merchandise going to the people living there.

151. What proportion of the traffic was due to construction material?—There was no construction-work then; it did not begin for some years afterwards.

152. At the present moment can you tell me how much of the traffic is due to the carriage of construction material and how much is due to the public traffic?—No, I cannot tell you that unless I had the return compiled by the railway accountant. If you deduct the return I have handed in from that return you will get the exact figures.

153. You honestly do not see any prospect of the traffic on this section being increased through any source at all?—I do not.

154. Would there be any increase supposing private enterprise made a further extension of the line: would that help matters at all?—I do not think so, unless the line was carried through to the West Coast.

155. *The Chairman.*] You think that line has no value whatever supposing it stopped at Patterson's Creek?—It has no value whatever as a commercial concern. We could not afford to work it, because it would cost more to work it than we could get out of it.

156. Would the rails and sleepers have any value if taken up?—Certainly.

157. What value?—I cannot give any value.

158. You cannot tell us how much per ton the rails and fastenings are worth?—No.

CHARLES BARNES SHANKS examined on oath.

159. *The Chairman.*] What is your occupation?—Chief Draughtsman, New Zealand Survey Department.

160. Residing where?—Christchurch.

161. *Mr. Blow.*] At the present time you are acting for the Commissioner of Crown Lands in Canterbury?—Yes; he is on sick-leave.

162. Have you prepared a return of the Crown lands and reserves occupied by the section of the Midland Railway between Springfield and Patterson's Creek?—Yes; this is it [Exhibit No. 62].

163. Have you any personal knowledge of these lands?—No; I have not been over the line at all.

164. You are not competent to give any value?—No; I think Mr. Ward might give that.

165. I believe you have been furnished with a list of the unsold lands belonging to the company in Canterbury?—That is so.

166. Have you been able to make or obtain a valuation of these lands?—I have two surveyors who can speak of them. Of course, I do not know the lands, as I have never been over the country.

167. Who are these gentlemen?—Mr. Ward and Mr. McClure.

168. *Dr. Findlay.*] You have been furnished with a list of the unsold lands belonging to whom?—To the company.

169. Who furnished the list?—Mr. Dalston.

170. And that list has been submitted to Mr. Ward and Mr. McClure?—Yes.

171. *The Chairman.*] Can you tell me if the areas in the return you have just handed in are contained in blocks selected by the Midland Railway Company subsequently?—The last six items are, but, of course, they were not sold with the block.

172. But they were within a block selected by the company afterwards?—Yes; these bracketed were within a Midland Railway section.

173. *Mr. Hudson.*] The land had been given by the Crown for the construction of the railway and then subsequently selected as part of their grant?—A block was selected, but the land was cut out for the railway and was never paid for; it was not included in the area of the grant.

174. So that it would be actually Crown land?—Yes.

FRANK WARD examined on oath.

175. *The Chairman.*] What is your occupation?—Crown Lands Ranger.

176. Residing where?—At Christchurch.

177. Have you seen a return of the unsold land of the Midland Railway Company which was put before the Commission by Mr. Dalston?—Yes.

178. Have you any personal knowledge of these lands?—Of some of them.

179. *Mr. McKerrow.*] In Block 62, in the B1 map, the first unsold section is No. 37056, containing 179 acres and 11 perches: what is your value of that?—£1 5s. per acre.

180. The next section is No. 37059, containing 11 acres and 2 perches: what is your value of that?—£4 10s. per acre.

181. Is that highly improved?—Yes; it is all in grass and clover. I did not see the owner, but, from the remarks of people round about, the person occupying it is supposed to be the owner.

182. The next section is No. 37061, containing 155 acres 1 rood 27 perches: what is your value of that?—£2 10s. per acre.

183. *Mr. Blow.*] Is that improved also?—It has been worked, and about half of it has been cropped and laid down in grass, but in a poor manner. I cannot say it has been improved, except by the fence around it.

184. And do you include the improvements in your valuation?—No; I did not include fencing. I reckon it will have some effect on the value; but the fences are not of a valuable character.

185. *The Chairman.*] Are you giving us the prairie value?—I am giving you the value of the land without improvements.

186. *Mr. Fraser.*] Do I understand you are valuing these properties as they are standing to-day, with the improvements, whatever they may be worth, upon them, or are you valuing them apart from improvements?—I valued the land having regard for the amount I would give for it as it stands. The owner might take some of the improvements off it if he chose to do so.

187. *Mr. McKerrow.*] The next section is No. 35753, containing 6 acres 3 roods 16 perches: what is your value of that?—£3 10s. per acre.

188. *Mr. Blow.*] Is that improved?—The improvements are such as not to be worth anything.

189. *Mr. McKerrow.*] We come now to B1 Block No. 64, and, taking Section No. 35838, containing 21 acres, what is your value of that?—£2 per acre.

190. The next section is No. 35839, containing 31 acres: what is your value of that?—£2 per acre also.

191. *The Chairman.*] Can you make out a return showing the number of these sections, and the area, and the prices you have just given us?—Yes.

192. *Dr. Findlay.*] When did you make an inspection for the purpose of putting these values on the land?—Principally yesterday.

193. I suppose in each case something has been done to the land during the last ten years in the way of improvements?—In one case certainly; Section No. 37059 has been highly improved.

194. Is it possible for you to tell me what was the prairie value of that land before their improvements were put upon it?—That would take me back years and years.

195. I believe the land was granted to the company ten or fifteen years ago?—I did not know it then.

196. Can you distinguish now between how much the land has been improved since it was granted ten or fifteen years ago and the state it was then in?—It would be rather difficult for me, not having seen it at that time, to say exactly.

197. To what extent per acre, in your opinion, has the land been improved by the tenants?—I cannot say.

198. It was valued for the purpose of granting to the company at £1 per acre; now you value it at £4 10s. per acre: would you not infer from that that it has been improved since it was granted to the company to the extent of £3 10s. per acre?—Certainly not.

199. Can you tell me to what extent per acre the land has been improved from its original condition?—No; I could only give it approximately.

200. Everything would depend on the condition it was in when the first tenant began to improve it, and you cannot say whether it has been improved to the extent of £3 10s. per acre, or £2 10s., or £1 10s. per acre?—I could only get at it from my knowledge of the land generally, and what it cost to improve the land. I think it certainly has been improved from its original state.

201. Was it shingle land, or alluvial land, or mixed land, or well-watered land?—The land is mixed in quality. A portion of it, I should say, was originally improved by the influence of the river; and a portion of it is stony ground—about 2 acres are stony; and the balance of it is fairly good light soil.

202. Can you tell me to what extent this land has been improved from its original condition?—I should say the value of the improvements on the land itself is about 10s. per acre from its original state.

203. Is there any fencing around it?—Yes.

204. The value at £4 10s. per acre is the value of the land as it stands?—Yes.

205. Do you include fencing in your value?—No, I do not.

206. What is the land worth with the improvements?—I would have to go into another calculation.

207. Do you value the fencing at anything?—I did not value the fencing at all.

208. £4 10s. per acre is the value of the land altogether apart from the fencing?—Yes.

209. And 10s. per acre is the extent of the improvements on the land?—Yes.

210. And the original value of the land is £4 per acre?—Yes; that is the present value.

211. With regard to Section 37061, you value that at £2 10s. per acre: what improvements do you think have been done to that?—A portion of it has been ploughed, and I think years ago a small amount of grass was sown in, but the grass has died, and I do not consider the improvements of any value.

212. You estimated the improvements on the other section at 10s. per acre: can you tell me what you value the improvements on this section at?—I do not value them at anything.

213. The land is worth no more than the prairie value?—That is so.

214. Does that apply to Section 35753? Are there any improvements on that?—I consider the improvements are scarcely worth any value.

215. You add nothing for improvements there at all: your value is the prairie value?—I should say it is slightly above the original value, but very little. It is in grass, but the grass is so poor as to be scarcely worth valuing.

216. The other two sections at £2 per acre: are they improved at all?—They are in their original state.

217. *The Chairman.*] When you saw the land yesterday did you think the land without the fencing worth the value you told Mr. McKerrow?—Yes.

218. If it was to be sold, say, at any time within a month or six weeks, do you think it would fetch the value you told Mr. McKerrow with the value of the fencing added?—I think if it were put up to public auction and sold it would fetch that, with what I consider to be the value of the fences.

219. And that applies to the other sections you refer to?—Yes.

220. Is there any one in occupation of these sections at present?—Yes; but it is rather difficult to get to know who is in occupation.

221. Who has been collecting the rents? Has your department collected the rent?—No, not that I am aware of.

222. Are there any buildings on any of these sections?—No.

GORDON HURRELL MORLAND McCLURE examined on oath.

223. *The Chairman.*] What is your occupation?—District Surveyor, Lands and Survey Department.

224. Residing where?—Christchurch.

225. *Mr. McKerrow.*] We want to know the value of some of the unsold land belonging to the Midland Railway Company. I will begin with B1 Block 63, two sections of which are still unsold, and the first section is No. 37005, containing 189 acres 1 rood: what is your value of that?—£1 per acre.

226. Then, in the same B1 Block there is No. 37014, containing 430 acres: what is your value of that?—7s. 6d. per acre.

227. Now, coming to B1 Block 64, the first section is No. 37064, containing 5,002 acres and 23 perches: what is your value of that?—18s. per acre.

228. In the same block there is Section No. 37065, containing 761 acres 2 roods: what is your value of that?—18s. per acre.

229. Now, passing to B1 Block 77, at Otarama, there is one section unsold, No. 37084, containing 1,240 acres 3 roods 31 perches: what is your value of that?—15s. per acre.

230. You surveyed these 1,240 acres into sections?—Yes, into twelve lots, ranging from 25 acres to 392 acres.

231. That is, for the company?—Yes.

232. Was there any town lot?—The 25-acre lot was reserved for a township, and was never cut up.

233. Did the company within your knowledge ever offer any of the land for sale?—When I made the survey one man was in occupation, and he built a house, and he told me he had bought the land. His name is Cameron, and I believe he is working now on the Christchurch Road. His house was burnt down and he built it again.

234. *The Chairman.*] Can you supply me with a return showing the number of these sections, and the area, and the value you have put upon them to-day?—Yes.

235. *Mr. Fraser.*] Are these sections all in a state of nature?—They are all in tussock; but the 1,240 acres was bush and open land when I surveyed it. I have not seen it for some years.

236. Are they fenced at all?—They were partly fenced when I made my survey.

237. You have put a certain value on certain sections: are you valuing the land as it stands with any improvements upon it, or are you valuing the land apart from improvements?—Apart from improvements; I am giving you the prairie value.

238. Do you know whether any one ever paid any rents for these sections within the last twelve or fourteen years?—No, I do not.

239. *The Chairman.*] We want to know the value of the lands granted by the Crown, and on which the Midland Railway is constructed, between Springfield and Patterson's Creek, or a little beyond Patterson's Creek. What is your value of the 43 odd acres?—15s. per acre.

WILLIAM HAY GAVIN examined on oath.

240. *The Chairman.*] What is your occupation?—I am Resident Engineer for the Public Works Department.

241. Residing where?—At Patterson's Creek.

242. *Mr. Blow.*] Have you had charge of the extension-works of the Midland Railway since their commencement?—Yes.

243. When were they begun?—March, 1898.

244. Up to what point were the rails laid then?—They were laid to 4 miles 59 chains from Springfield. That is only the chainage; it may or may not be the precise distance from Springfield.

245. That would be the end of the Otarama Station yard?—A little bit beyond that.

246. How much beyond the end of the last points?—Three chains.

247. Had the formation been done beyond that point?—Yes; the formation had been practically completed up to 6 miles 2 chains.

248. How far would that be beyond Patterson's Creek?—Twenty-two chains.

249. You had no knowledge of the works prior to going there in March, 1898?—None whatever.

250. You therefore cannot give evidence as to the exact condition of the works at the date of seizure—May, 1895?—No.

251. But when you saw the work in March, 1898, what was the condition of the formation beyond the rails?—It had fallen out of repair. The cuttings had shed and partially filled up, and the banks had come down owing to rain and wear, and so on.

252. Can you give the Commission any idea of the quantity of material that had to be taken out of the cuttings, for example?—There were two cuttings principally from which we removed material, and from the first cutting beyond Otarama from Springfield we took out 1,660 yards.

253. *The Chairman.*] Can you tell me what the batter was originally? Was it one to one?—I do not know.

254. Can you tell by looking at the plans how the batter was taken out?—It is not shown on the plans.

255. What would you say the batter is now?—They are a little flatter than one to one now, and the cutting is wider than it was originally. But my reference to the slope of the batters is only a matter of opinion.

256. *Mr. Blow.*] Had you to take material from another cutting?—Yes; from the cutting immediately beyond Patterson's Creek—4,324 yards.

257. Was the part of the line on which the rails were laid in any one's custody prior to your going there?—Yes; the Railway Department was in charge of it, I understand.

258. Was it maintained in suitable order for traffic?—I do not know; I never examined it, but I should say it was, decidedly.

259. Any way, goods traffic was run over it from time to time?—Yes.

260. And no special repairs had to be made to enable trains to run?—No.

261. Have you prepared a return of the work done, between the end of the rails and the point where the Midland Railway Company's operations ceased, by the Public Works Department since the seizure?—Yes, I have prepared such a return. [Exhibit No. 63.]

262. And the work included in this return has been actually done.—Yes.

263. And the prices set against the items are the actual cost to the Government to the best of your knowledge and belief?—Yes.

264. Was all the work that has been done necessary to be done?—Yes.

265. And was the cost of it reasonable?—Yes.

266. *Dr. Findlay.*] Your first acquaintance with the line was in March, 1898?—Yes.

267. And the return you have referred to covers the period from March, 1898, to the 16th March, 1901?—Yes.

268. The Proclamation making the railway a Crown railway was on the 23rd July last year, so that this return covers a period of about nine months in which the railway belonged to the Crown?—Yes.

269. Can you say what proportion of this expenditure has taken place during the nine months?—Yes; I believe it is about £160, but I will give you the exact amount.

270. Can you tell me whether the money spent in this way has added to the value of the work as it stood when the Midland Company's contractors finished on it?—Yes; it has added to the permanent value of it.

271. I will put the matter to you in this way: It has been suggested by the Crown that from the contract prices of doing the work by the Midland Railway Company there should be deducted these moneys as necessary expenditure to bring the work up to the condition in which it was left

by the Midland Railway contractors, and I ask you whether the expenditure of this money has not permanently improved the value of the work as left by the Midland Railway contractors?—It has so improved it.

272. Can you give me any idea of the extent to which it has permanently improved it?—Yes, I think I might do so.

273. It will take a little time?—Yes.

274. *The Chairman.*] Is the laying of the permanent-way from Otarama towards Patterson's Creek included in that £2,000?—Yes.

275. And the purchase of rails and fastenings and sleepers?—Yes.

276. You understand the value of the work along that line, and the nature of the cuttings?—Yes.

277. Supposing you had to take the material from the cutting on the other side of Patterson's Creek, how much do you think that material would be worth?—I should like 1s. 6d. a yard if I was a contractor.

278. Would that include building a temporary bridge across the creek for the conveyance of the stuff?—I would not say anything about that at all.

279. What value would you place on that stuff if it was taken across the creek and put on the other side?—I should say about 2s. or 2s. 6d. a yard. It is rather difficult to say.

280. Did you lay the permanent-way over the two miles?—Yes; the distance is rather less than a mile.

281. How much do you consider the linking-in of the permanent-way was worth per lineal yard?—8½d. was the price.

282. Was it done by contract?—Yes.

283. And how much per yard do you reckon the ballasting was?—The ballasting and lifting cost 2s. per cubic yard; but that, however, should not stand by itself: there was the cost of the train—engine, wagons, and vans—£51 6s. 2d.

284. How much did the sleepers cost you?—The silver-pine sleepers cost 2s. 9d. at Greymouth, and it cost 7d. to bring them round to Lyttelton. I do not know exactly what it cost to bring them up to Springfield.

285. How much do you estimate the birch sleepers from the Oxford bush were worth?—I should say they were valueless nearly. I would not put them in the road.

286. How much do you say they would be worth if they were put there?—They ought to be landed at the line where required for about 2s. each.

287. Was the permanent-way done by co-operative contract?—Yes.

288. Would these prices pay a fair margin of profit to an ordinary contractor to do that permanent-way, say, from Springfield to Otarama?—I do not know, I am sure.

289. What wages were your men making at it?—They made good wages; the wages averaged about 9s.

290. What was the current rate of wages in the district at that time?—7s. for ordinary labour, and 8s. for good men.

291. In the cost of the permanent-way and ballasting did you include every expense?—Yes, everything that I could find in my books.

292. The temporary bridge that was built across Patterson's Creek is of no value so far as the line is concerned?—No; it had a *minus* value, because we had to remove it, and it cost us money to remove it.

293. *Mr. Blow.*] In answering the Chairman just now as to what would be the value of forming a bank on the Springfield side of Patterson's Creek, providing the material was brought across the creek, you said the cost would be 2s. to 2s. 6d. per yard?—Yes, I think so.

294. Could that bank be constructed at less charge in any other way than by bringing the material across the river?—Yes; it might be done a little more cheaply by borrowing it on this side. If I had to do the work I should bring it across by wire rope from the other side.

295. *The Chairman.*] Suppose you had to make a bank and cutting there, would the best distribution of the material be by bringing it across the creek?—There is very little difference. It might be a little cheaper to spoil the stuff on the far side and borrow from the embankment on this side.

296. Supposing you were going to build a permanent bridge there, would you not require a temporary structure to enable you to build the permanent one?—Yes; you would require something in the way of staging, but not quite so elaborate as the structure they had there.

297. You would require to go to some expense?—Yes.

THURSDAY, 28TH MARCH, 1901.

PETER MILLER STEWART further examined on oath.

298. *Mr. Blow.*] You produced a statement before the Commission the other day of the work you had done on the Midland Railway?—Yes. [Exhibit No. 60.]

299. Did that statement include work done for Mr. Samuel Brown as well as for Messrs. McKeone, Robinson, and Avigdor?—Yes.

300. Have you also discovered that there were some other works which you did, and which you did not include in that statement?—Yes.

301. And have you prepared a corrected list of the works done by you for the English contractors—Messrs. McKeone, Robinson, and Avigdor—with a further list attached showing the work done for Mr. Samuel Brown, who was a subcontractor under the English contractors?—Yes.

302. Is this the new statement?—Yes. [Exhibit No. 66.]

303. In the first statement you put in there was an item for tarring bridges Nos. 1, 2, 3, and 4—£26 6s.?—Yes.

304. Did you find that that was not quite the full amount for that work?—Yes.

305. And in the statement you put in to-day do you increase that amount from £26 6s. to £35 9s.?—Yes.

306. Does that include the whole cost?—Yes; that is the actual money I received for that job.

307. Consequently, if the item £35 9s. stands in the account, the item £26 6s. in the first account must be struck out?—Yes.

308. *The Chairman.*] Which section was the tarring on?—It was between Brunner Tunnel and Stillwater Junction.

309. Can you tell us when you did that tarring?—No.

310. Was the line open for traffic?—Yes, between Brunner and Stillwater; but not for public traffic.

311. It was not formally opened?—No.

312. My object in asking this question is because the English contracts provided for three months' maintenance of the permanent-way and line after the contracts were finished, and at that time it would be a liability on maintenance?—It was not finished.

313. What year was it?—1888.

314. In your statement you mention "Small office near road-crossing": what road-crossing do you refer to?—The first crossing between Brunner and the tunnel towards Stillwater. It is the main road-crossing. The cattle-stops and first-class signboard are at the same crossing.

315. Did you erect the No Town office for Mr. Brown?—No.

316. Nor the crossing, fencing, and loading-bank?—No.

317. Who was the shed, fence, and drainage of crossing at Arnold Creek done for?—McKeone, Robinson, and Avigdor.

318. *Mr. Graham.*] The whole of the first part of the statement shows the work done for the English contractors?—Yes.

319. And the separate statement shows the work done for Mr. Brown?—Yes.

320. *The Chairman.*] In the miscellaneous list that you did for Mr. Brown, where you say six stops and a half, does that mean thirteen single cattle-stops?—Yes.

321. *Mr. Graham.*] How have you made this statement up?—Partly from books and partly from memory.

322. You have not got a complete book of accounts to produce?—No; because I destroyed nearly all my books and papers in connection with the Midland Railway contracts some seven years ago. I had a big job to fossick out what I did.

323. Can you say it is absolutely reliable?—Yes, it is perfectly correct.

324. What reason have you to suppose that?—It tallies with the total amount I got.

325. You know the total amounts you got?—Yes.

326. And you have made up the statement as nearly as possible to keep up with the totals?—Yes; and I have got several copies of the accepted tenders.

327. You are quite certain of the total amount you received from Mr. Brown and the total amount from the English contractors?—Yes.

328. *Dr. Findlay.*] How were you able to distinguish between the work done for Mr. Brown and the work done for the English contractors?—They were located in separate places. Brown's contract was quite distinct from McKeone, Robinson, and Avigdor's. It was taken from them, but I knew their sections.

329. There is no chance of any possible confusion?—I do not think so. I am quite sure there is not.

330. You told Mr. Graham you had made these sums tally in total with the amount you received from the English contractors?—Yes.

331. What record have you of the amount you received from the English contractors?—Simply memoranda taken down at the time when they accepted my tender.

332. Are you absolutely certain you have included all the moneys you have received from the English contractors?—No, I will not say that, because I know I am a long way short; but I cannot find any record of it. I know I am £1,000 short.

333. You received over £1,000 more from the English contractors than you have been able to account for?—Yes.

334. You do not know what the £1,000 was for?—No.

335. Everything you put down in the statement you did, but there may be work which you have not been able to recall?—Yes.

336. Amounting to £1,000?—Quite over £1,000. The sum-total of this statement is about £4,000, but I know I received from McKeone and Co. and Brown something like £5,400.

337. *Mr. Graham.*] My question to you was whether these two totals from the English contractors and Mr. Brown represented the total sum you had received from them, and your answer was "Yes"?—I must have misunderstood you; that is not the case.

338. *Dr. Findlay.*] I think we understand this is a recollection of the work you know you did, but there may be work running to about £1,000 or more done for the English contractors which you do not recall?—Yes.

339. Can you give the Commission particulars of any of it?—I really cannot tell. There were so many small jobs, and I have lost the run of them.

340. Can you recall any more details in regard to the materials you supplied and the materials supplied to you than you gave us the other day?—No.

341. Was any labour provided by the English contractors on this work?—In connection with the loading-banks at the stations, they did the mullock-work and I simply did the woodwork.

342. Was any other labour in connection with these things done by the English contractors?
—No.
343. All the other labour you did yourself?—Yes.
344. Then, in addition to the work you did, would the English contractors have the expense of the supervision of that work?—Yes.
345. They would have the expense of what is called “setting out,” I understand?—Yes; that was the work of the engineers of the English contractors.
346. Did the English contractors’ engineers do all the setting-out of the work for you?—Yes. Their names were Mr. Graham, Mr. Napper, and Mr. Webster.
347. Then, you were provided with drawings by the English contractors?—Yes.
348. *The Chairman.*] Were there any materials supplied to you by the English contractors for the stationmaster’s house at Stillwater?—None.
349. For the goods-shed?—None.
350. Station-houses?—None.
351. Was the material for any of the items mentioned in the Stillwater Station supplied to you by the English contractors?—No; I supplied everything.
352. Who supplied the materials for the work you did at No Town?—I did.
353. And at Arnold Creek?—I supplied everything.
354. And at Kokiri?—I supplied everything.
355. And at Kaimata?—I did.
356. In the miscellaneous items, down to “Planking three bridges,” did you supply all the material and labour for those works?—I did.
357. In regard to the item “Placing girders, packing and refixing corbels and bolsters at Delaney’s, Ongonin’s, Deadman’s, Branch, McLoughlin’s, and Red Jack’s Nos. 1 and 2 bridges,” I want you to tell us whether all these bridges were not in Mr. Brown’s contract?—Yes.
358. But you have already told me that nothing in this list belonged to Mr. Brown’s contract?—He only drove the piles.
359. Then, the work was done after Mr. Brown had finished his contract?—That is right.
360. Was the line open to Ngahere at that time?—No.
361. *Mr. Graham.*] You were paid independently of Mr. Brown: you were paid by the English contractors?—Yes.
362. *The Chairman.*] In regard to the next item, “Pulling piers at Delaney’s, Mullins’s, Branch, and Red Jack’s Nos. 1 and 2 bridges,” do the same remarks apply to them also?—Yes.
363. Did you supply all the material and labour for the rest of the items on that page?—Yes.
364. Can you tell me where you put up the twelve iron gates?—I cannot tell you from memory.
365. Are they about the Stillwater Station yard?—They are from Stillwater to Kaimata and Nelson Creek.
366. You did not put any of these up for Mr. Brown?—No.
367. Did you supply all the material and labour for them?—I supplied all the timber for them.
368. Did you supply all the material and labour for the eighteen tip-wagons?—Yes, except the wheels and axles.
369. In the item “Fixing holding-down bolts in bridges, Nelson Creek Section,” were you supplied with these bolts?—That is so; I just fixed them in.
370. In regard to the item “Station fence, Stillwater Station, £28 11s.,” did you supply all the material for that?—Yes.
371. And did you put the fence up?—Yes.
372. That is the picket-fence along the back of the station platform?—Yes.
373. *Dr. Findlay.*] It has been suggested to me that there must be a mistake in the item “Placing girders, packing and refixing corbels and bolsters at Delaney’s, Ongonin’s, Deadman’s, Branch, McLoughlin’s, and Red Jack’s Nos. 1 and 2 bridges, £13 13s.”?—It cost more than that, but that is all the record I could find. There is a big mistake in all the bridge-work.
374. *Mr. Graham.*] Do you know the amount you received from the English contractors alone?—No, I cannot say.
375. *The Chairman.*] Did you complete all the buildings you put up?—I did.
376. Do you think you received more for them than you have put down in the statement?—I am quite sure I did not; that is all I received for them.
377. So that any other work you did would not apply to the buildings?—No. There was plenty of other work in connection with the station I have really forgotten about, but not in regard to the buildings.
378. *Mr. Blow.*] Did you build any timber culverts?—Yes.
379. Would they be included in the amounts that are missing?—Yes; many dozens of them, both for Mr. Brown and the English contractors.
380. *The Chairman.*] Did you build culverts in Brown’s contract?—Yes.
381. Did you build any culverts in the line from Stillwater to Kokiri?—Yes, for the English contractors.
382. But that was all sublet to Mr. Alexander?—But McKeone paid me.
383. Were you putting the culverts in ahead of the contractors who made the formation?—No; I used to get my orders from the assistant engineer that certain culverts were wanted on Alexander’s section, and I made them, and they were taken away. I do not know who placed them; I did not.

WILLIAM CHRYSTALL examined on oath.

384. *The Chairman.*] What is your occupation?—A merchant.

385. Residing where?—Christchurch.

386. *Dr. Findlay.*] I understand you have been asked to attend here to give the Commission what assistance you can in the direction of showing that there is a prospective value in the portion of the Midland Railway between Springfield and Otarama through increase of tourist traffic, increase of timber traffic, and increase of traffic generally, through increase of settlement, and any other sources you could mention?—Do I understand you to mean the value to accrue simply to the line between Springfield and Otarama?

387. The limitations which restrict this Commission will not allow us to assume that the Crown will finish the connecting-line between the terminus at Otarama and Jackson's, and, so far as your assumptions proceed on the ground that the Government will connect the line, we are not allowed to ask them; but if you assume that private enterprise may connect the line, then your evidence would be admissible?—My reply may be based on the fact that the line may be completed by private enterprise all through; well, I cannot say that any very large increase of trade will arise through the extension to Otarama, but if it were made through that is a different question.

388. Assuming that it is made through by private enterprise, what have you to say of its prospective value?—Well, if it were completed through to the West Coast there certainly would be a substantial advantage to the merchants of Christchurch, from the fact that at the present time there is no proper communication by steamer and we cannot compete with the Wellington and Dunedin people. For example, all the goods that are dealt with by the merchants in Christchurch have to come up from Lyttelton, and if sent to the West Coast under the present conditions they have to be sent back to Lyttelton again, and the charges for carriage from Lyttelton to Christchurch and back again practically put the Christchurch merchants out of the field so far as the West Coast is concerned. But if the railway were made through there would be a certain amount of trade done by the railway, more particularly in regard to the class of goods the value of which is great in proportion to the bulk or the weight. Then, there would be greater facilities for the travellers of merchants to visit the various centres of the West Coast.

389. You are speaking of goods and travellers going from Christchurch to the West Coast if there was this railway communication?—That is so, and that, I think, would be a substantial advantage. Then, it is possible that coal deposits would be found this side of the range—in fact, I know of one which would probably be worked.

390. This side of what range?—It is near Castle Hill. I happen to know the people connected with the deposit for many years, and they have been looking to the railway with a view to opening it up. I cannot say this with certainty, but there is a possibility of this traffic. Then, I think, if the rates were low, a certain quantity of timber would be carried over from the West Coast. I am not so familiar with the condition of things on the West Coast, simply because as a merchant of Christchurch I have been debarred with others from trading with the West Coast. Still, I believe that trade and settlement on the West Coast would certainly be stimulated by railway communication.

391. You say, in regard to the traffic from east to west, you would have an increase in general merchandise?—Yes, of the lighter kinds.

392. You would have an increase of passenger traffic from merchants' travellers and tourists?—Yes, chiefly tourists.

393. Then you would have an increase, as I understand you, from the reverse way of west to east, of traffic in timber?—Yes.

394. Coal?—I do not know about coal. I am rather afraid that, the coal being generally found near to the ports, and with the good facilities there now for shipment, there will be a tendency for it to come round by water.

395. It has been suggested by experts on the West Coast that the shipping of coal at Westport and Greymouth results in the breaking-up of the coal, which depreciates the coal by more than the extra carriage by rail would amount to?—I am not prepared as an expert to say.

396. Then, you think coal might profitably be worked at Castle Hill?—Yes, if the deposits there are as good as the people imagine.

397. That, of course, might develop into a considerable business?—Yes; but I do not think the coal would be of the same quality as the West Coast coal.

398. Supposing the railway connection were made, what do you say about settlement along the line?—I think there would be a certain amount of settlement, but the land between Springfield and the other side of the ranges is not very suitable for close settlement. There is no great possibility there for settlement unless valuable deposits were found in the way of minerals. Of course, I take it there would be numbers of tourists staying in the neighbourhood of the scenery there—many more than there are now. I think the tourist traffic will increase very largely.

399. Would not a lot of firewood be brought into Christchurch by this line?—Yes. I do not know how much firewood is obtainable on this side, but, of course, a considerable amount is obtainable at Oxford. And there is another thing: I think a certain amount of horse-feed and provisions would be carried from the middle part of Canterbury across this line of railway. I think merchants would rather send it across by rail than send it to Lyttelton for shipment round. They grow only a small quantity of horse-feed on the West Coast.

400. Then, the trade from Christchurch would include a very large area, from somewhere, I suppose, about Inangahua Junction down to Hokitika, or further?—Oh, yes; it would cover all the districts that are settled along the railway on the West Coast—that is, the distributing trade from Christchurch.

401. You were to some extent the originator of this railway project?—I was connected with it as a promoter; we had a syndicate here.

402. The Commission have set themselves to the somewhat commercial question of what the value of the constructed line now is, and, while I understand we are glad to get the information you mention, we would like to know whether you think, if the line was connected, say, by private enterprise, and economically and properly worked, it would pay in time—that is, such time as you like to fix?—When you speak of paying, that is a relative term.

403. I mean as railways pay—no doubt a small rate to begin with, but with the prospect of a lengthy period before you?—I would rather doubt whether it would pay the average rates of the New Zealand railways. I hardly think so.

404. You think it would pay working-expenses?—I certainly think it ought to do so.

405. *Mr. Blow.*] All this is based on the possibility of the line being constructed by private enterprise: do you think there is any likelihood of the line being constructed by private enterprise if the Government were to abandon the undertaking?—I should doubt it very much, without substantial land-grants. The Otira is the great difficulty.

406. *The Chairman.*] Assuming that the line is constructed by private enterprise, can you tell me how far this coal at Castle Hill is away from the line?—I cannot tell you exactly, but it must be within a few miles.

407. Would it require a branch line made to it to connect with the main line?—I fancy it would require something. It is a few miles north-east of the Castle Hill Hotel. I forget altogether the proposed route of the railway, but I know the owners of the concession have been looking to the railway as a means of opening it up.

408. Do you wish us to understand that the tourist traffic referred to the population of the colony only?—No, people coming from outside the colony as well.

409. Supposing you had a daily mail-service between Springfield and Otira, do you think many more people would go to the West Coast or come from the West Coast than there are now?—Yes, I think more would go, but I do not think so many more.

410. What would you consider a fair additional percentage if the mail went, say, three days a week instead of two?—I have hardly the means to form an accurate judgment on that point, but I know many people are afraid of coaches.

411. I mean if you could make the coach journey in one day instead of two days?—That would be a great inducement, I think.

412. Can you give us any idea as to your opinion in regard to the increased percentage of people travelling?—I cannot give it.

413. *Mr. McKerrow.*] Apart from the tourists at the present time, there is a great activity in dredging and mining and sawmilling on the West Coast?—Yes.

414. I presume a good many people on this side of the range are interested therein?—That is so.

415. From the evidence we have these industries are likely to increase?—Yes.

416. And there will be a corresponding increase of travellers on that account?—Yes.

417. Then, in regard to the line from Springfield to Otarama, presuming it never went any further, what is your opinion on that line?—I cannot see any great benefit to be derived from that line, because it practically goes nowhere, and the lands along the line are not valuable for agriculture or pasture. The only thing is that people make excursions to Otarama to see the scenery there. It has for some years been a rather favourite resort for picnicking people from Christchurch in the holiday season.

418. The other traffic would hardly warrant keeping up the railway?—No.

419. In other words, that branch would be worked at a loss in the matter of maintenance?—That is so.

420. *Mr. Hudson.*] I should like to have your opinion as to the prospective increase of business on the West Coast portion of the Midland Railway, having in view the fact that Canterbury has large interests there. For instance, you bring most of your timber from there, and your people here are interested in the timber industry there, and I want to know to what extent during the next ten years is that business likely to be developed by the Canterbury people, and thereby the business of the West Coast portion of the Midland Railway increased, apart from any through connection at all?—I cannot form an accurate judgment. I am not connected with the timber trade, and I cannot tell you what proportion of the timber consumed here is taken from the West Coast. It would be very difficult to form any approximate estimate.

421. Your population is increasing?—Yes.

422. Your prosperity is increasing?—Yes.

423. You want more timber and you have more capital to spend and invest: I want to know to what extent that will benefit the railway between Jackson's and Reefton in the next ten years?—I cannot form an accurate judgment on that point.

424. I am assuming that nothing is done to the line since it became the property of the Crown?—Well, I should say it would benefit, but it is impossible for me to give you any approximate idea. I have not the particular knowledge of the existing state of things on the West Coast to warrant my doing so.

WILLIAM HAY GAVIN further examined on oath.

425. *Mr. Blow.*] Have you prepared a statement showing the total expenditure by the Government on the section between Otarama and 6 miles 2 chains subsequent to the 23rd July, 1900?—Yes. [Exhibit No. 67.]

426. And have you prepared a further statement, at the request of Dr. Findlay, showing the addition to the capital value of the railway by reason of the Government expenditure?—Yes, [Exhibit No. 67.]

427. Have you gone into this matter pretty carefully?—Yes.

428. And you think the figure you have put down is a fair proportion of the figures you supplied before as to the sum expended since the 23rd July, 1900?—Yes.

429. And you therefore think, after allowing an amount of £441 15s. 6d. for expenditure in the nature of repairs, that the balance of £2,196 7s. 9d. is a fair increase on the capital value of the work executed by the company?—Yes.

430. *Dr. Findlay.*] You say the sum of £2,196 7s. 9d. has been added to the capital value of the railway as it left the Midland Company's hands?—Yes; I say that subject only to the fact that I have to assume the state of the line as left by the company.

431. You estimate the expenditure upon repairs to bring the works to the state in which they were presumably left by the Midland Company at £441 15s. 6d.?—Yes.

432. You gave the Commission yesterday some detail of what that work was, and what I want to know is this: The Midland Railway Company lost possession of the line in the month of May, 1895, and there intervenes a period of about three years, from May, 1895, to March, 1898, when you went there?—Yes.

433. In that period I suppose a large amount of dilapidation would take place?—Yes, I should think so.

434. In fixing this sum of £441 15s. 6d., did you eliminate the dilapidation which took place between May, 1895, and March, 1898, and allow only for such expenditure as the Midland Company itself should have incurred in May, 1895?—No.

435. Then, how did you arrive at the £441 15s. 6d.?—I assumed that the company left the works at a certain state of completion—that is to say, their formation was complete, and they were practically ready to lay the rails—and to bring the line up to that point cost £441 15s. 6d. That expenditure covers the whole of the repairs which were necessary.

436. So that the whole repairs necessary to be done include the dilapidations during the period the Government had the line?—Yes.

437. Can you possibly tell me what sum of that money you think you would have had to expend had you effected repairs at the time the Midland Company lost possession?—That is a rather difficult question. I think you had better divide it by the time, and take it proportionately.

438. I want the dilapidation from 1895 to 1898?—It would come to about £240, arriving at it in that way.

439. *Mr. Blow.*] You do not know what period it covers, because you do not know when the Midland Company ceased operations?—No. I know nothing about it beyond the fact that I went there on a certain date.

440. *Dr. Findlay.*] You say the way to arrive at an estimate would be to divide the sum by the number of years between the time the operations ceased on that line and the time the repairs were done?—Yes.

441. If the operations ceased in 1892 it would represent a sum of £165 against the Midland Company and £275 against the Government?—Yes.

442. *The Chairman.*] Can you tell me whether any of this £2,196 has been refunded by the Midland Company to the Crown since the work has been done?—I know nothing about it.

443. Had the works stopped at Patterson's Creek and gone no further, do you think it would be necessary to have done this work at all? Would it have been worth while to lay the rails on it, or to have spent any portion of this money on any of the works?—No.

444. So that in your opinion, as a matter of fact, this expenditure has been undertaken to facilitate the construction of the line further on?—Yes.

445. Professionally, I assume you understand the cost of railway surveys and making working drawings?—Yes.

446. What do you think would be a fair cost per mile to survey the Midland Railway from Springfield to Patterson's Creek, and to make working drawings of the line?—£30; that would be enough for it.

447. Would that include everything?—It would not include bridge-designing.

448. *Dr. Findlay.*] Will you reconsider the answer you have just given the Chairman? Do you not think £30 per mile too little?—I do not think so, but I can go into the matter in detail and give you my opinion again.

449. If you find your estimate is wrong you might let the Chairman know?—Yes.

450. *Mr. Blow.*] You have had experience in railway surveys and location?—Yes.

451. Can you indicate where your experience has been?—I had experience on the Eketahuna-Woodville line, the North Island Main Trunk, the Stratford route, Seaward Bush line, Otago Central Railway, and the location of the line through the Cheviot Estate, and in other places.

452. So that your experience has been pretty extensive?—Yes.

453. Were you ever employed under or with Mr. Holmes?—Yes.

454. Has he the reputation of being a highly qualified man for this work—probably the best in New Zealand?—Yes.

455. *Mr. Fraser.*] You are in charge at present of the works beyond Patterson's Creek: are you using the plans and surveys of the Midland Company for the work you are doing now?—Partly; we only use them as a guide. The line is being relocated throughout. It is usual in works of the magnitude of the present section as the work of construction proceeds to alter the alignment from the survey more or less. In this case it is rather more. I think it is very seldom a line is made actually as "finally" surveyed.

456. Do I understand that the original surveys and plans are of service?—They are of the very greatest service.

457. You mean the Midland Company's original plans and surveys are of the greatest service in the work you are doing now?—Yes.

458. *The Chairman.*] When you are in the field do you do your own field-work and make

your own working-plans?—Yes. I did not do much at making working drawings. On the survey which I carried out, and of which I had practically sole charge, the working drawings were largely made for me in the district office from my field-books.

459. Would the £30 per mile cover the office-work in your estimate?—Yes; I think £30 is sufficient for that particular piece of country.

HUGH CASSIDY examined on oath.

460. *The Chairman.*] What is your occupation?—Coach-proprietor, residing at Springfield.

461. The Commission has asked you for a return of the coach traffic from May, 1895, till 23rd July, 1900: have you got that return?—I have not got it complete. The book-keeper has been getting out the return, and this morning I took what he had finished. He has gone through the books up to May, 1898. The balance we will have to-morrow. This return shows the number of people who travelled from Kumara to Springfield, from Jackson's to Springfield, from Springfield to Jackson's, and from Springfield to Kumara. [Exhibit No. 69.]

462. Will you post to me on Saturday the completed return up to the 23rd July, 1900?—Yes.

463. *Dr. Findlay.*] Before dealing with the fares, I want to ask you what you think of the prospects of increased tourist traffic from this end to both Kumara and Hokitika: do you think the tourist traffic will steadily increase in future years?—I think that it will.

464. You think it will steadily increase?—I might state that, from my experience of twenty-five or thirty years, the tourist traffic is a thing that is likely to be influenced by a variety of things. For instance, the record reign and the Paris Exhibition kept tourists away. The Federal celebrations in Sydney also kept tourists away in the early part of this year. The tourist traffic is very sensitive. But, broadly speaking, I think the tourist traffic is a thing that is growing.

465. What percentage, roughly, do you think, in the normal condition of things, the tourist traffic will increase every year from east to west?—I am not able to speak very positively upon that, because the traffic, as I said before, is liable to be affected by a variety of things.

466. But taking the normal condition of things, and looking back the number of years you have had to deal with it, would 10 per cent. of increase be too much from year to year?—I should think not, providing there was no disturbing element.

467. For instance, the plague would probably stop it?—Yes; it cut it off suddenly in March last year.

468. I believe that this railway on the West Coast enables the Reefton people to save a day in getting here?—Yes. As far as I have noticed, the southern portion of Westland has been going down steadily for some considerable time—that is, Hokitika, Kumara, and Ross, and to the south, which supplied the bulk of the traffic overland for a great many years. That has wasted away—simply perished almost. But the tapping of the line to Jackson's into the road has brought a traffic over this way that would never otherwise have been brought. It has brought traffic from the Grey Valley, Reefton, and Westport. It has brought those people within a two days' journey of Christchurch. That is more a local traffic, and it is a settled traffic. Formerly those people had to make a three days' journey—that is, from Grey Valley, Reefton, and Westport. That traffic, I should think, would quite balance the falling-off in the southern portion of Westland, which, I think, must have dropped off—I do not think I am far wrong in saying a third, or perhaps more. That portion of the West Coast has gone down steadily until within the last twelve months. The prospects there are a little brighter now.

469. What percentage of the total traffic is due to the increase of the dredging industry and to the sawmilling industry?—The sawmilling has done a good deal.

470. And the dredging?—Yes; it has increased for about twelve months. I should think the two industries has made a difference of 50 per cent.

471. If that goes on increasing you may have a very much increased traffic. That, of course, is not tourist traffic—that may be called commercial traffic?—Yes.

472. You said the tourist was very sensitive: I suppose he is as sensitive in the pocket as he is anywhere?—If you treat him well and give him good value he is reasonable.

473. Do you not think if you lowered the prohibitive fares to the West Coast you would greatly increase the tourist traffic?—If I might correct Dr. Findlay I might mention that I have raised the men's wages, and our expenses are nearly all in wages, blacksmith's charges, &c. Instead of the fares being lowered I think they should be increased.

474. You had opposition at one time?—Yes.

475. When did that cease?—About three years ago.

476. Do you remember in what month it ceased?—I think it was somewhere about September, 1897.

477. How long had the opposition continued up till that time?—There were a number of oppositions. There was opposition ten years ago. There have been two oppositions since 1895. The last one lasted about eighteen months.

478. I want to know how far this period was covered by the opposition, because during that period there would be a lot of additional traffic in the other coaches?—For the information of the Commission I may say that Cooks have been agents for us, and the tourists they sent only travelled by the mail-coaches. I do not suppose that two tourists travelled outside the coaches referred to in that return; at any rate, very few indeed travelled in any coaches but ours.

479. How many tourists do you think were carried during the eighteen months you had opposition?—I do not think they carried any genuine tourists. They might have carried one or two.

480. You do not think their passengers would very much alter the figures?—No, I do not think so. There was a class of people who travelled by the other coaches who would not ordinarily travel by the coach at all.

481. They went simply because the fares were cheaper?—They were not legitimate traffic at all.

482. Why?—Because they would not pay their coach-fares to travel.

483. Why were they not legitimate?—Those people would have walked and carried their swags.

484. They travelled because the coach-fares were low?—Yes.

485. You would have an opportunity of saying whether they did not represent a very large number for the eighteen months?—I kept a record of nearly all that traffic. I have a record of it in my books, but I have not got the books here.

486. You could not tell me how many passengers—not necessarily tourists—were carried by the opposition during that period?—No, not just now; but there were not very many. The coaches were often empty.

487. What were the fares they were running at?—They varied very much.

488. What were your fares, then?—We had no fixed fares; just what we could get.

489. Supposing I went to Cook's and asked what the fares were, what would I pay?—Cook would make a bargain with you, I suppose.

490. *Mr. Graham.*] Is that the way you do now?—We sell our wares the same as anybody else does.

491. *Dr. Findlay.*] Was not the fare £1 10s.? I travelled with you ten years ago and I paid £1 10s., and I did not make a bargain?—Very likely.

492. What is the fare now from Springfield to Otira?—£2 8s.

493. And from Springfield to Kumara it is £3?—Yes.

494. *The Chairman.*] Would that return you have given us for 1898 be influenced by any increase in the traffic owing to dredging?—No; there was no dredging started then.

495. There were no men travelling on account of the dredging during the period covered by that return?—No.

496. If the coach-service was done in one day from Springfield to Otira, instead of two days as at present, do you think more people would travel?—No; I think a great deal less. I know many regular travellers who state they would rather go by boat if we did not make a two days' journey of it.

497. Do you notice the coach traffic increase in proportion to the increase in the population of Canterbury and the West Coast?—Yes.

498. Say, if there was 30 per cent. or 25 per cent. increase of the population in five years, do you think the coach traffic would increase accordingly?—Yes, I think it would. The timber industry has done a great deal to increase the population and the traffic.

499. *Mr. Hudson.*] I think the single fares by coach from Springfield to Otira and from Springfield to Kumara are £2 8s. and £3 respectively?—Yes.

500. What are the return fares?—A third more; 30 per cent. more. You know what the railway fares are—about 30 per cent. on the single fares.

501. The railway fares are double now?—That is the new system.

502. Can you tell me the return fare from Springfield to Otira?—£3 8s., and for reserved seats a little more.

503. And to Kumara?—About 15s. more for return.

504. £4 5s. to Kumara?—Yes. We have arranged to make the fare to Kumara the same as it costs to go round by rail. I think you might make the present fare £4.

505. With regard to a one day's service from Christchurch to Greymouth, or *vice versa*, by the present route, summer or winter, you state that you consider that to attempt such a thing would diminish the business?—I do.

506. Why?—If you have half an hour to hear my explanation I can give it. You would have to go down the Otira in the dark. It is too absurd to discuss the matter. The reasons are that the train reaches the end of its journey so late—it is so infernally slow—that when we get away we have only a few hours' daylight when we get to the Otira. The subject was thrashed out with Mr. Gaw, of the Railway Department, and it was shown that to make the journey in one day the coaches would have to go down the Otira in the dark. To go down Porter's Pass is a different thing. I drove a night coach down Porter's Pass for a long time when the Otira Road was washed away. In going down Porter's Pass you have plenty of light, and the shadows and the condition of the road is such that you can travel with safety. But going down Otira is different. There the conditions are such that it is almost impossible for a man to drive down the Otira with safety. I remember going up the Otira with the Chief Justice and others, and we got to Bealey at 3 or 4 o'clock in the morning, but I took special precautions on that occasion. But it would not be safe to make that journey at night as a rule. I should call it entirely unsafe. You would reach the train at 7 o'clock, and the train would get down to Greymouth at 9.30 or 10 o'clock. Then, the Reefton people, and all the people on the other side, would have to stay at Greymouth all night.

507. What is the total distance from Springfield to Otira?—Sixty miles; but it is a road you cannot travel fast over owing to the creeks and crossings.

508. If you left Springfield at 8 o'clock in the morning, could you make Otira with safety that day?—In summer-time you could.

509. I want to get at the length of time it would take to make this one day's trip from Springfield to Otira?—I think it would average six miles an hour.

510. How much time would you allow for loading and getting away?—An hour would be well occupied in doing that.

511. That is eleven hours. How long for lunch?—I suppose half an hour.

512. That is eleven hours and a half?—Yes.

513. That is eleven hours and a half from the time the train arrived at Springfield till you arrived at Otira?—Are you talking of Goat Creek?

514. Yes?—From Goat Creek to Otira means between thirty and forty minutes' extra travelling. It is a river-bed.

515. It means that you want twelve hours from the time the train arrives at Springfield to the time you put the passengers down at Goat Creek?—Yes, to do it comfortably.

516. How long is required?—I have told you my experience. Nothing will induce me to do anything which will risk the life or limbs of anybody.

517. Then, we have to add thirty minutes at the very least for the journey from Goat Creek to Otira?—Fully that.

518. *Dr. Findlay.*] How many miles is it?—It is about two miles, but the road runs through the river-bed.

519. *Mr. Hudson.*] Going the other way, is a similar time required going from Goat Creek to Springfield?—I presume very little difference.

520. *The Chairman.*] You say that to do the journey in one day you would have to go down the Otira in the dark. As far as the tourist is concerned, is not the view in the Otira Gorge one of the principal attractions in going there at all?—Yes; they do not want to go any faster than they do now. You will not improve the present arrangement until you shorten the coach journey by getting the trains closer.

521. *Dr. Findlay.*] Are not business people a very large proportion of your traffic?—Yes.

522. Supposing you could do the journey in one day, do you not think a very large number of business-men would travel through?—No, I am sure they would not. Several business-men who make a good many journeys in the year have written pointing out the total absurdity of the thing.

523. What you say is that if you would go through in a day it would not increase the business traffic on the line?—It would not.

FRIDAY, 29TH MARCH, 1901.

WILLIAM WOOD examined on oath.

524. *The Chairman.*] What is your occupation?—Merchant, residing in Christchurch.

525. *Dr. Findlay.*] How many years have you been a resident in Christchurch?—About forty years.

526. You are Chairman of the Chamber of Commerce?—Yes.

527. What the Commission desire is to get from you your view of the prospective increase of traffic from the East to the West Coast consequent upon the completion of the Midland Railway—assuming it was completed by private enterprise. We will begin first with the assumption that the railway is completed by private enterprise. We want to get first at what you think will be the effect of the completion?—I would understand that the line would tap the large centres on the West Coast, and so feed, as it were, Westport and Hokitika, and would go as now arranged, from Lyttelton to Christchurch, to Rolleston Junction, and so on up that line, and would certainly be in a position to be run on mercantile lines in such a way as to give us our coal carriage through at a reasonable rate and timber at a reasonable rate—going to compete to some extent with the water-carriage on the different rates. If so, there is no doubt there would be an immense trade, or a very large trade indeed, between the West Coast and Canterbury.

528. With what branch of commerce are you most familiar? We will take that first?—I would say that if the trains would take our stock it would mean a very large increase in that business between here and the West Coast, and I fancy we should send a great deal more of our canned meats to the West Coast; and, of course, if the railway could take flour and wheat, and oats and chaff, and such produce, which is all required there, it would mean an increase in the business in those articles. The rates are very heavy by steamer. It is very difficult to get freight. You get it sometimes, but you cannot be certain, for your goods may be shut out.

529. You think, then, from the East to the West Coast there would be a very large traffic in stock, and probably in flour and in general merchandise?—It would all depend on the rates of carriage, because Wellington has such a control over the imported articles, such as tea and sugar; and as a distributing port—it would be folly for us to say that we could place our goods down there cheaper than Wellington. But assuming that the trains were run on commercial lines I think we could compete successfully with Wellington, and there would be a very large trade to be done.

530. Speaking from the West Coast to this side, could you tell us in what directions a large traffic might be expected?—That could only be done in timber and coal, as far as I can see.

531. This district is at present the chief market for the West Coast timbers?—Yes, I think so. Then, there are mills in course of construction—for instance, on Mr. Bruce's property—which, I suppose, is practically on the line.

532. I take it that the timber from those mills along the line towards Otira would come this way?—Yes, it would all come this way.

533. Have you given any attention to the development of dredging on the West Coast?—No; very little. Dredging would have to prove a success before very much would be carried from here.

534. It has already very largely increased the passenger traffic from the East to the West Coast?—No doubt very largely.

535. Do you know that dredging is practically in its infancy there?—That is what we have to prove. If the present dredges can show satisfactory results, and can give satisfactory dividends, there is no doubt the dredging will increase enormously all over the West Coast, and the effect

here will be that we shall have a very large trade and a great number of passengers; but that has entirely to be proved. It is dependent on the result.

536. Do you know anything of the coalfield which it is suggested may be developed about Castle Hill?—I have heard of it, but I know nothing of it from any reliable source. I have heard it is there and is likely to be developed, but I know nothing authentic about it.

537. Do you say anything about the tourist traffic on the completion of the line?—I think if the line were completed there would certainly be a large number of passengers going backwards and forwards to the West Coast—many more than now; and on holidays and excursions many would come from the West Coast to Christchurch. I think it would be very beneficial to the whole of Canterbury and the West Coast.

538. Would the shortening of the journey by rail have a large effect upon all the industries of the West Coast? At present it is a two days' journey at least from any of the bigger centres?—I should think it would help them on to get into close communication with Christchurch, and it would help Christchurch to get into close communication with the West Coast. If the journey was too quick for the tourists, I fancy they could easily break the journey. The tourist traffic will, I think, greatly increase every year as it is more and more advertised.

539. Have you considered the question of land-settlement along the line, or the land that might be served by the railway *en route*?—Wherever railways are pushed forward they cause settlement. No doubt there would be settlement there, but I do not know what the land is suitable for.

540. I suppose, in common with most people on this side, you have given rather more than a casual attention to this Midland Railway project?—Yes; we have had it before us for many years. The Chamber of Commerce has considered the question, and I think some while ago we set up a special committee on this subject, and I think Mr. Chrystall and Mr. Devenish Mears drew up a report, and we formed a league to push this railway forward. We were all very anxious to get it pushed on.

541. Do you think if a period of, say, ten years were allowed, or twenty years, and such development took place as you at present fairly anticipate, that the line would pay by private enterprise?—Yes, certainly.

542. It would justify the completion of the line by private enterprise if you allow a period of, say, ten or twenty years?—Yes, if you allow that period.

543. Assuming that the right to complete it were given, and along with the portions of the Midland line already completed it was submitted to the world's market do you think the railway would find a purchaser at some price?—It is a very difficult question to answer as to whether the line would have found a market. Everything depends so much upon how it is put before the buyers. My own opinion is that if the line were built, and they were not too anxious to pay dividends at first, and if the line was run on commercial lines such as the Manawatu Railway is, I believe the line would pay; but I cannot tell you, because I have had no experience in selling railways. As to whether this line could be bought or sold, it depends on the money-market to a great extent. The year 1895 was a very bad time. Nothing but gilt-edged securities would be accepted in 1895.

544. What was the time your league was formed to promote the project?—I havenot got the date here.

545. I take it from what you say that 1900 would have been a very much better time than 1895?—I would certainly think so. I was one of those who took up shares originally in the league.

546. Was it part of their plan, then, to push on the completion of the line?—Yes, decidedly.

547. Did you see in the project a fairly profitable enterprise?—We did not expect large dividends from the concern, but we thought it would benefit the country so much that a great many business people here took shares in the project.

548. Do you think, if a scheme had been arranged for the purchase of these sections of railway, and the people of Canterbury, Westland, and elsewhere had been invited to co-operate along with the people at Home, that capital could have been found to buy the line and complete it?—I cannot tell you.

549. What scheme had the league in view?—I almost forget what the exact arrangement was. The league desired to get the necessary information, and get somebody to build the line by private enterprise.

550. Shares were taken in the project?—Yes.

551. What date was that?—It was before 1895. It was before the time the company was formed, or just about the time.

552. At that time the league thought the thing was practicable and could be carried through. You do not see any reason for changing your opinion since?—No, I see no reason for changing my opinion. I think it is more practicable now, and the prospects are brighter now than they were then.

553. *Mr. Blow.*] The questions Dr. Findlay asked you with regard to the traffic possibilities of the line were based on the assumption that it might be completed by private enterprise. If the Government were to abandon the undertaking, do you think there is a reasonable prospect of private enterprise taking it up and completing it?—I should think there was no private enterprise in the colony that would complete it at all.

554. Are you of opinion that the Home market has been pretty well tried already?—Yes, I should think so.

555. So that in view of your own knowledge of the colonial market, and from what you have heard as regards the efforts which have been made in London, you do not think there is a good prospect of private enterprise taking the line up?—No, certainly not.

556. I should like to know what you mean when you say "if the railway was run on commercial lines"?—The Government are bound by schedules, and are bound by what I might say

are distances, to make all the railways carry goods at per ton per mile, so that I do not see how they could work it to some extent like a private individual could. For instance, to send some lines of goods from Christchurch to Dunedin would cost about £2 19s., whereas the steamer freight, including insurance and delivery in the port, is about 14s. 6d. Therefore it would be impossible to compete if we were starting from Christchurch alone.

557. I understand that you do not think it would pay probably if the present railway rates were applied to this railway?—No, I would think not.

558. So that special rates would have to be arranged with the view of inducing traffic?—Certainly.

559. Lower rates?—Yes.

560. *The Chairman.*] Can you tell us what the steamer freight, including the railway freight from here to Lyttelton, say, to Greymouth would be—I mean on ordinary merchandise?—I have not got the rate at the moment, but I could send it to you.

561. We are not supposed to consider that the railways are to be extended any further by private enterprise, by the Government, or anybody else: what would you consider would be the commercial or selling value of the line, or do you think it has any selling value?—I am not competent to give any opinion as to the selling value at all. I think the lines would be more likely to pay if they were completed than if they were allowed to remain uncompleted.

562. Supposing the sections that are unfinished were to be handed over to private enterprise, they having to pay local rates and interest on construction: do you think there is a probability of private enterprise taking over the line—that is, the finished portion between Patterson's Creek and Springfield and from Jackson's to Brunner, from Brunner to Reefton, and from Belgrove to Motupiko—do you think private enterprise would be likely to take them up within the next twenty years?—It is a big thing to say they would pay.

563. I mean without any land-grant or other consideration except to hand over the sections already completed?—I should think not.

564. Supposing the line was finished by private enterprise, do you think coal could be sent from Blackball and Brunner to Christchurch, and compete with sea-carriage, at 10s. to Lyttelton and the railway rate from Lyttelton to Christchurch?—Yes; I should think they could carry it well. I think we estimated that for 7s. 6d. the railways could carry coal from those fields down to Christchurch.

565. Are you aware what it costs now to train coal from the mine to Greymouth, to ship it to Lyttelton, and then by train to Christchurch? Can you tell us what that amounts to?—No, I cannot tell you.

566. Say timber was put on the trucks anywhere about Lake Brunner, do you think it could be railed to Christchurch cheaper than it could be railed to Greymouth, shipped to Lyttelton, and then railed to here?—Yes, I think so. I forget the rates for timber, but we came to the conclusion that timber could be carried profitably.

567. *Mr. Hudson.*] Could you tell us what the rates for grain are from Christchurch to the West Coast by sea?—I have heard the rates quoted, but I do not know what they are just now.

568. You stated that it would be necessary to charge lower rates than the schedule rates in order to induce business to come to the railway?—Yes.

569. Do you know what the rate is for grain, say, for 140 miles on the railway?—No, I do not know the rate; but for coal we calculated that the rate would have to be about 7s. 6d.

570. Do you consider that oats should pay no more?—I should not think so. We believed that 7s. 6d. a ton for coal by the railway would pay.

571. And the same freight for oats?—I do not think we went into the matter of oats.

572. What I want to get at is this: Whether the existing rates could be obtained for oats and farm produce?—The steamers would probably cut their rates at once if the railway was made, and it would all depend on the rates and on the competition. You would get the same as they could get, and probably more, because they would have insurance to pay.

573. It means that in consequence of sea competition we should not be able to get our schedule rates?—No.

574. I may tell you that for 140 miles the charge is 11s. 4d. a ton: you do not think we should be able to get that?—I cannot tell you what the steamers could afford to cut their rates to, but I should certainly think that 11s. 4d. was cheap enough for anything.

575. When you were mentioning the rates by sea as compared with the railway did you not omit to take into consideration that by sea freights are based upon measurement, and that railway rates are based upon dead-weight?—I believe that the rate given to me was for weight, but I am not sure as to that.

576. But, as a rule, is not merchandise charged on the sea by measurement?—Yes.

577. And by the railway by dead-weight?—Yes. In considering the question of carriage by sea and rail you must find out the lowest rate the sea could afford to take back carriage.

578. It means that the railway would be in competition with the sea?—Yes.

579. Therefore in many lines the freights would have to come down or they would get no business?—Yes.

580. And that is a disadvantage under which this railway labours?—Yes.

581. *The Chairman.*] Is it not a fact that the grain traffic is controlled by the railway before it gets to the steamers at all?—Yes; they go by rail to the port.

582. Can you tell me what the rate is from here to Lyttelton—to the steamer?—No, I have not got the rates.

583. So that, if the shipping people went in for cutting rates for oats and chaff to the West Coast, the Railway Department could prevent them by increasing the rates from Dunedin to Port Chalmers or from here to Lyttelton?—Yes; but it would not be a very satisfactory way of dealing with the matter.

GEORGE GATONBY STEAD examined on oath.

584. *The Chairman.*] What is your occupation, Mr. Stead?—Merchant, residing in Christchurch.

585. *Dr. Findlay.*] You have been a resident in Christchurch for many years?—Yes, thirty-five years.

586. And during that time have you been intimately connected with commerce?—The whole of that time. Perhaps, more correctly, I have been thirty-one years in business as a merchant myself.

587. And you have been identified, I think, pretty closely with the Midland Railway project as far as the Canterbury people could help it forward?—I should scarcely like to say that. I have not been prominently connected with it. I have taken part once or twice in some of the movements in connection with it, but I have not been very prominent in connection with it.

588. Still, I take it you have given it some attention?—Yes.

589. What we desire is to get some idea of what you think would be the result of the completion of the line, assuming, as we must just now, that it was completed by private enterprise: what traffic do you think the line would have?—Do you mean as to working at a profit over and above interest on the cost, or as to the advantages it would be to the communities on each side of the range?

590. We will take it both ways. First, say, in a period of twenty years, do you think that it would ultimately return a profit to the projectors if it was completed by private enterprise?—I am certainly of opinion that at the outset the railway will not pay working-expenses and interest on cost. It is difficult to forecast how the completion of that railway would develop the trade, but I think there would be a reasonable prospect of it paying even a private company, say, in twenty years hence; but in the interim the accumulated loss would amount to a very considerable sum, I should think.

591. It would depend on the prosperity and advancement of the east and west coast of this Island?—In my opinion, it would depend entirely on the increased prosperity and on the development of trade on both sides of the range.

592. What do you think of the chances of the further development of the West Coast, say, first, from the point of view of the mining and timber industry, and so on?—I am not certain I am capable of giving an opinion as to the prospect of the trade on the West Coast developing very materially; but on general lines I should think, if it were connected with the east coast of this Island, the tendency, of course, would be a development of industries and trade—not only gold-mining, but also the coal and timber industries.

593. Do you think that in twenty years, or in a lesser term, this railway could be run profitably and pay a fair rate of interest upon its expenditure and working-expenses?—I should be inclined to doubt whether it would pay interest on working-expenses much under twenty years; but it is too wide a question for one to offer a very decided opinion upon.

594. What do you think would be the effect of the completion of the railway upon the community at each end?—I think the completion and regular running of the line between the East and West Coast would be an enormous benefit to those resident on the West Coast, and a considerable benefit, but to a lesser degree, to those resident on the East Coast.

595. Of course, those benefits must necessarily tend to develop business on the West Coast?—Yes.

596. And that in time would help to make the railway pay?—Yes, in time.

597. In what lines do you think the traffic from the east to the west would chiefly be?—I take it that if the lines were opened and the trade were reasonable almost the whole of the merchandise and goods now sent from the East to the West Coast by steamer would go by rail.

598. And how far do you think the supplies now drawn from Wellington might be drawn from Christchurch?—I am not certain that I am competent to give a very reliable opinion upon that, but I presume that a large proportion of merchandise which is sent from Wellington to the West Coast would continue to be sent in that way. Wellington has many advantages as a distributing centre, and the merchants there would not likely give up the advantages they now hold without a fight, and they would endeavour to continue to maintain the trade with respect to general merchandise which they now have there.

599. It would all turn, would it not, ultimately upon the respective facilities of rail and steamer?—No doubt the facilities by rail are so much in advance of the facilities by steamer that the tendency would be to get merchandise, we will say, from Christchurch, in consequence of the regularity with which they could depend upon receiving their orders; but I cannot well conceive any freight that could be charged from, we will say, Lyttelton to the West Coast which could compete with the freight they could charge from Wellington to the West Coast by steamer. Until quite recently the freight on coal was 5s. a ton by steamer—that is, from Greymouth to Wellington. The freight has been put up recently. At the present moment everything is high, but no doubt it will come down again.

600. What is the rate now?—You may say 6s.

601. You mention that as showing that it would be impossible to compete with water-carriage in respect of coal?—I intended to say that I think the rate of freight from Wellington to the various ports on the West Coast by steamer would be so much less than the rates by rail that that would give the Wellington merchants an advantage which they would not likely give up; but, on the other hand, under no conditions could you depend upon goods by steamer arriving with the same regularity as goods sent by a well-managed railway-train.

602. It is suggested that the shipping of coal involves, I think, two additional handlings, if not more, and that the breaking of the coal does more damage than the additional freight by rail would amount to?—So far as local consumption is concerned—and when I say local consumption I mean

the consumption in Christchurch—I am strongly of opinion the railway could bring the coal and deliver it in Christchurch as cheaply as, if not more cheaply than, it is now brought by sea. I perhaps might refer more particularly to the Blackball Company. That company have to pay rail from Ngahere to Greymouth, then there is the steam freight from Greymouth to Lyttelton, and then there is the rail from Lyttelton to Christchurch. There are several handlings. There is the handling in discharging the trucks at Greymouth, the handling in discharging the coal at Lyttelton from the steamer, and the handling in discharging from the railway-trucks again; whereas there would be only one handling if there was a through train from Ngahere to Christchurch.

603. In addition to the mere cost of handling, is not there damage to the coal?—Not on the railway. In the three handlings the damage to the coal is considerable, and necessitates it being rescreened.

604. You have stated that you have some coal interests in the West Coast: have you made any inquiries as to what development there is before the West Coast coal trade?—At the present time the mines have the greatest possible difficulty in supplying the demand, and I certainly think there is considerable room yet for development of the mines on the West Coast, or, rather, in developing their output.

605. And with a constructed line you think that a very large portion if not the whole of that coal traffic would come over the Midland Railway?—I think a very considerable portion, if not the whole portion that is used in Canterbury; but not the whole of the output, because, in the case of Dunedin, it perhaps costs only 6d. per ton more to carry it to Dunedin from Greymouth by steamer than it does to Lyttelton. If the coal was brought over by train, and then sent on to Dunedin by train, the cost would be excessive; so that you would have some difficulty in competing with steamers to Dunedin.

606. I understand the Christchurch people consider that Christchurch is to be the great manufacturing centre of the colony?—Some of them may think so, but I do not know any special reason why we should be any better than our neighbours. Of course, no doubt the place will develop in time. In the present state of the harbours on the West Coast it is difficult to have a large export trade. I fear there will be no great development of the output of the mines of the West Coast until we have got harbour accommodation to allow large ships to come and take away coal for foreign trade. I have been confining my remarks to what we may term “domestic trade.”

607. With regard to timber, have you given any attention to that trade?—In the course of my experience I have had a little to do with timber, but I should not call myself an expert.

608. Have you considered the prospect of the timber output of the West Coast coming over the Midland line?—I should think that the whole of the timber which is used in North Canterbury, and which is produced on the West Coast, and which comes now by steamer, would if the line were opened come by rail, but the same difficulty which I have mentioned would apply if you had to send it on to Dunedin.

609. Could you give us any help on this question: We have somewhere between eighty and ninety miles of railway completed on the Midland line. We want, if possible, to get at the value of the completed sections. Could you say from such consideration as you have given this matter whether, if the railway had been submitted to the world's market in July of last year those rights would have found a buyer? The rights would be the rights under the Midland Railway contract—we are allowing at the present moment that the Midland Railway contract was in existence until July of last year, and that that contract included the completed portions of the line and the right to complete the remaining portions on the terms of the contract, with which, I take it, you are familiar. Do you think a buyer would have been found?—You said, I think, that eighty or ninety miles have been completed by the company, and you ask me whether the eighty or ninety completed miles of railway, and what are termed the company's rights—whether they would have found a buyer in the open market?

610. Yes?—Well, the natural conclusion one would under ordinary circumstances come to would be to say “Yes”; but practically had there been considered any large margin of profit in it I think those interested in the Midland Railway would have taken steps to have realised their assets, seeing that they were in such financial difficulties that they were unable to carry on, and they were threatened by the Government with the taking-over of the line unless they completed their contract. I am not now looking at this matter from a Christchurch or from a political point of view. I am trying to look at it as a merchant. I say there was a company in financial straits and threatened with foreclosure, and if they could have got any large sum I think they would have tried to sell their assets and get out of their difficulty,

611. That is the way you look at it. You say that if these people had a marketable asset they would have realised it, instead of allowing it to pass into the hands of the Government, as it has done?—I mean a marketable asset of any considerable value. I should think if they had had a very valuable asset they would not have allowed themselves to get into the position they have done.

612. I want to learn from you whether you think that private enterprise could be induced in any case to complete this line from the east to the west coast—taking it up now from where it has been completed by the company?—The public estimate of the financial position of New Zealand to-day as compared with the public estimate of, say, five years ago has altered, and has improved the credit of New Zealand considerably, and it is just possible that private enterprise in England would induce some capitalists to take it over to-day; but in view of the credit of New Zealand in 1895, and also in view of the financial position in Great Britain in 1895, I think it would have been almost impossible to have found a company or syndicate or association willing to continue the work.

613. Then, I infer this from your answer: that the increasing development and prosperity which we anticipate from both sides of the Island would reflect itself in the financial market?—I think at the present juncture it is possible that you might find a set of men to take over the line.

614. *Mr. Blow.*] There is, we will say, eighty or ninety miles of railway completed. There is a very much longer distance than that yet to be completed—namely, the section between Motupiko and Reefton and the very difficult section between Otira and Patterson's Creek. If this property was put up for sale with the liability to complete the uncompleted portions, do you think a purchaser could be found?—Are you referring to 1895, when the stoppage took place.

615. I will give you either 1895 or now, as you please?—I thought I made my answer clear to Dr. Findlay that in 1895 I think it would have been impossible to have found any one who would have cared to have taken over the liabilities of the company—that is to say, undertaking to complete the line in a certain time, and having in view the limited amount of trade likely to be received at once, and the cost of the uncompleted portions of the line. But in 1901 the credit of New Zealand is high. I happen to know that everything in New Zealand is looked upon with favour in England at the present time, and it is just possible, if the line were put in the market, you might find a company prepared to purchase it and carry it out.

616. *The Chairman.*] When you said it would be impossible to find any one to take over the liabilities of the railway did you mean the liabilities of the debenture-money and the share capital, and also the liability to complete the contract?—Perhaps I did not make myself clear, but I intended to say that in 1895 I doubt whether an association could have been found to undertake to complete the railway within the time and under the conditions set forth in the original agreement.

617. But at the present time, putting the share and debenture capital outside the question altogether, do you think any one would take over the completion of the line, receiving the balance of the land-grant and the other conditions arranged for the company to complete it?—If they had the completed eighty or ninety miles given to them, and the balance of the land, it is possible a syndicate might be found in England to complete it—that is, assuming there was no dispute between the Government and the company. But I doubt whether they would be prepared to undertake the responsibility to pay back the debenture-holders' money.

618. But, putting the land-grant out of the question altogether, do you think any company would buy this line as it stands?—I said, or intended to say, that it is difficult to imagine that eighty or ninety miles of railway would not be saleable at a price, but I said the fact that the company had not attempted to sell the line practically showed that it had no very large value in the market.

619. *Mr. Blow.*] You think it is possible, in the improved condition of the London money-market, that a syndicate might perhaps be formed to complete this railway. Now, supposing your opinion was asked as a colonial man, would you advise a London syndicate to take up the undertaking?—I am afraid I should advise them not to do so. I am not a very sanguine man as to the possibility of the line paying. I have not seen enough to warrant me were I asked to put my money into it, because I think the prospect of payment is too distant to satisfy me as an investor.

620. That includes the line from Motupiko to Reefton?—I am including the whole line; but, still, there are younger men who are more sanguine.

621. But, as a colonial commercial man of over thirty years' standing, your opinion would naturally be of greater value than that of persons resident at the other side of the world who have never seen the country?—Sometimes you find young men who have a great deal more sense than the old men.

622. I think you used the expression "reasonable rates"?—Yes. It might be necessary to make some slight concession upon the present schedule rates, but I do not think to any considerable extent. At the present time any goods shipped from Christchurch have to pay the local rates between Christchurch and Lyttelton and the Lyttelton wharfage, and when they reach Greymouth or Westport they have to pay the local charges there; and the same with goods that we should be importing from there.

623. You said before, "if reasonable rates were charged"; now you are saying that it would not be necessary to charge any other rates?—I did not mean that it would be necessary to make what might be called "cut-throat" rates. I think the rates on the New Zealand railways are not unreasonable now.

624. I understand you to mean if the present rates are charged?—Yes, or nearly so.

625. What is your interpretation of "reasonable rates"?—It is possible there might be some slight adjustment of the schedule necessary.

626. Do you think the ordinary railway tariff of charges could apply to this railway and that it would still secure the trade, or would that line have to submit to an abatement?—Generally, I do not think it would be necessary to make any considerable alteration.

627. Have you any idea of what the total coal consumption of Canterbury is, exclusive of coal placed on board the steamers for use?—It is mixed up with the coal for the steamers. I could not tell you what the local consumption of coal is in Christchurch and the inland towns.

628. Do you suggest that the railway would secure the trade for coal placed on board the steamers for use?—No. I think the steamers would continue to coal as they do now—mostly at Wellington; the bulk of the coaling is done at Wellington, where the coal can be carried at about 5s. per ton by steam.

629. You do not know what the domestic consumption of coal in Canterbury is?—No; I would rather not quote figures, because I might find I was wrong.

630. Have you any idea of what the proportions are of Westport, Greymouth, and Newcastle coal used here?—No. Up to a few years ago the importations of coal from Newcastle were very considerable, but they have been rapidly falling off, and the Westport, Brunner, and Blackball coal has been coming into this market. The various mines on the West Coast are changing their relative proportions from time to time.

631. Can you give us an estimate of the average importation of Newcastle coal for the last five years?—No, I could not do so now; but there will be no difficulty in getting those figures.

632. *The Chairman.*] Assuming that the population of Canterbury and the West Coast will increase within the next ten years, say, 30 per cent., what would you think that would increase the traffic on the existing sections of the Midland Railway, more particularly the section from Otira to Reefton?—If the population increased by 30 per cent., I should think it would be a fair estimate to say that the trade would increase by, say, 30 per cent. I am referring to Canterbury now.

633. Supposing the population doubled within the next twenty-five years, do you think that the railway between Christchurch and the West Coast would be a payable commercial concern then?—Excepting that in a general way there would probably be a larger tourist traffic, or what not.

634. I mean the colonial population?—Tourists come from the North Island.

635. We do not look on the resident population as tourists?—I cannot see that the increase of population in New Zealand outside the radius from this centre and from the centre on that side would affect the earning-power of the railway between here and Greymouth. Supposing, for the sake of argument, that we have got 350,000 people in this Island and they have 400,000 in the North Island, and supposing the North Island increased to 800,000, I do not think that would affect the railway between here and Greymouth if the population here remained stationary. I cannot see that it would, except for passengers.

636. I mean for passengers?—If the population of New Zealand increased very considerably there is no doubt, in the ordinary course of things, there would be a larger passenger traffic. People might go for pleasure.

637. Assuming, for instance, that the population of Otago and Southland was doubled, do you not think that a certain percentage of the population would be likely to travel to the West Coast at holiday and other times?—Yes, I think so. I think it would have a tendency to increase the number of local passengers.

638. Assuming the population of Auckland was doubled within the next twenty-five years, do you not think that would bring extra traffic to the railway?—I think there would be a certain percentage of extra traffic, but not to the extent of making a difference between a non-paying and a paying line. It would have a tendency in the direction of making it a paying line, but I do not think it would increase the passenger traffic to any considerable extent.

639. Supposing that line is now paying a little more than working-expenses from Jackson's to Brunnerton and from Brunnerton to Reefton, do you think increased traffic could be looked forward to in the next twenty years to pay interest on the cost of construction?—If there was an increased population in Canterbury and immediately north and south of the line there would, of course, be an increase in the passenger traffic; but I think you would have to rely to a great extent on the increased trade in Canterbury and on the increased population of Canterbury and the West Coast rather than on the increased population of, say, Otago or Auckland. I do not think the increase of population in the North Island, or the increased production, would materially affect the prosperity or otherwise of the Midland Railway. I take it that if the population of, say, Otago and the North Island were to increase 50 per cent., or any other percentage you like, in the next twenty-five years, there would be a similar increase in the population of Canterbury and the West Coast. Therefore the increased traffic on this line would be in proportion to the increased development and population in other parts of the colony; but if the increased population and trade in New Zealand were confined to the North Island, while Canterbury and Westland remained stationary, I do not think you would have a large increase in the goods traffic on this line, or, in fact, of the passenger traffic.

640. You do not imagine that Canterbury and the West Coast are not going to increase with the rest of the colony?—No; I take it that Canterbury and the West Coast will increase with the rest of the colony, and consequently there will be an increased passenger traffic and volume of goods on that line.

641. Does Canterbury draw its principal timber-supply from the West Coast at the present time?—We get timber from the North Island and Hobart, as well as from the West Coast.

642. I mean your principal New Zealand supply?—A considerable amount comes from the North Island, but, still, Canterbury does import a large amount of timber from the West Coast.

643. Do you think that trade is likely to increase?—I see no reason why it should decrease. They speak of the forests being denuded, but I take it there is still almost an unlimited supply of timber there.

644. There is a large supply of timber there, but as to the demand here?—I have no reason to think that the demand will fall off. In fact, I think there would be an increased demand in proportion to the increased population.

645. Would not Christchurch be able to supply goods to Reefton as cheaply as they could be supplied from Wellington to Reefton?—The regularity with which a merchant could get his goods by train would always be an element in favour of the train; but steam freights from Wellington to the principal ports on the West Coast would always be lower than the rail freights from Lyttelton to those places. I do not think Lyttelton or Christchurch would be able to monopolize all the business on the West Coast for supplying them with goods imported from other countries.

646. Do you think Christchurch would be able to compete with Wellington in supplying goods to, say, Reefton?—The fifty miles of rail from Greymouth to Reefton would be all in favour of Reefton getting its requirements from Lyttelton.

647. Forty miles out of the fifty miles would come into the line between here and Reefton?—Yes; when I was referring to the rates from Wellington on merchandise I was referring to the main ports—Greymouth and Hokitika.

648. Do you think Canterbury could compete on equal terms by railway against Wellington with water-carriage and railway?—I should think Lyttelton probably could compete with the

few inland towns there with Wellington, which would be paying the same freights *plus* thirty or forty miles of railway.

649. Large quantities of mining machinery and sawmilling machinery are used on the West Coast: do you think that Christchurch could compete with either Wellington or Dunedin in the supply of such machinery if the railway was made?—A few shillings per ton would have a very important effect upon the port they were imported from. When you come to heavy machinery the buyers are very careful to calculate the cheapest route they can use.

650. Evidently you have in your mind imported machinery: I have in my mind machinery manufactured in the colony?—I should think the railway would offer inducements, for this reason: We know that many steamers are detained outside the Greymouth Bar; and, then, it is not any easy thing to land heavy machinery from steamers. Then, if the machinery is to be taken inland there is the railway-carriage again. We have large engineering-works at Lyttelton and Christchurch, and if the railway were opened to the inland towns on the West Coast I should think the Christchurch and Lyttelton manufacturers would probably be able to compete with the Wellington manufacturers.

651. *Mr. Hudson.*] Could you give us your opinion as to whether the railway from Reefton to Jackson, with the prospective value of, say, fourteen years' increase of business due to increase of population, would sell as a going concern, if the line was put into the market without any liabilities whatever?—That is a difficult question for a layman to answer. The chances are that the officers of the Government or the company would be able to form a better opinion as to that than I can do. But, generally speaking, I should think that the completed portion of the railways would sell for probably a considerable sum—assuming that the buyer was not taking any further liability on himself for the completion of the additional line.

652. To hand the railway over to the purchaser as it stands, what would he give for it?—I would not offer an opinion as to what he would give for it.

653. You believe it would be a considerable sum?—I should think it would realise a considerable sum. I cannot conceive a condition of affairs where a completed line would not sell for a considerable sum.

654. Would you put some of your money into it?—I should like to go into the details; but, broadly put, I think so if it was cheap enough. It depends upon the price.

655. Do not merchants and warehousemen continually get telegraphic orders for goods, or orders by post, in which the retailers require immediate supply?—Yes, unquestionably; the bulk of the orders are wanted as quickly as they can be supplied.

656. That being the case, in your experience, does not the merchant or warehouseman who is able to supply those orders in the quickest manner possible get the order almost irrespective of the cost of freight?—I would not say that. The merchant or trader who can supply the goods most quickly would certainly have a preference. To give an illustration: Supposing an order was received for, we will say, 100 sacks of oats, and one man could ship it this afternoon at 1d. a bushel higher than the man who could not ship it till to-morrow, in nine cases out of ten the buyer would wait till to-morrow.

657. But would that apply to more costly commodities?—There are commodities on which the rate of freight would bear so small a relation to the value of the article that that question would not come in.

658. Do not the bulky orders in many cases follow the orders for small quantities which can be promptly delivered—in other words, does not the ability to supply promptly secure other business which is not required so promptly?—Yes; that is the tendency of trade, of course.

659. Therefore there would always be that advantage of the railway over the sea?—Yes; I think, myself, the railway would always have an advantage over the sea, other things being equal. I am assuming the freights are the same when I say that.

660. Would not this factor have a tendency to divert some portion of the Wellington business to Canterbury?—Yes, I should think it would; but, as I have said, I do not think the Wellington people would give up their present business without a fight. But, in saying that, I did not for a moment mean to say that they would be able to retain the whole of it. I do not think they would.

661. *The Chairman.*] Assuming that the railway from Reefton to Jackson's is now paying a little over working-expenses, what would you think that railway would be worth as a speculation—if likely to pay 3 or 4 per cent.—within the next ten or twelve years?—I do not think it would be wise to commit myself to a value of that sort.

662. I mean approximately?—I have no desire to evade giving an answer, but I do not like committing myself to figures unless I feel myself competent to speak on the particular question.

663. Assuming that the cost of construction is, say, half a million, and say it is now paying working-expenses and, say, 1 per cent., and with a certainty that within ten years' time it will pay 3 per cent. on the half-million, what proportion of the cost of construction would you be prepared to give for the line?—I should not think there would be any real difficulty in getting, at any rate, a quarter of a million to-day. If it is paying, say, 1 per cent. on half a million to-day, that would be giving 2 per cent. on a quarter of a million at once; and I should think if it was certain to pay 3 per cent. in ten years the chances are it would pay more in the following ten years, and therefore I think buyers would be ready to purchase it, looking to its prospective value.

664. *Mr. Graham.*] It would be an actuarial question to ascertain the present value of the line on the figures given?—Yes. Then, there would be other considerations come in. But I should think there would be no difficulty in finding buyers at the figures mentioned—that is, assuming it is paying 1 per cent. on half a million.

665. If it cost any sum it would be worth half of the sum it cost?—I should say over half.

666. *The Chairman.*] Supposing the line stops where it is at present, and is not connected with Canterbury. Large quantities of timber will be cut out about Lake Brunner and shipped

to the North Island or to Canterbury; that timber will necessarily go over the Midland Railway, and, if the population doubles within the next ten years, would not the consumption of timber also be doubled?—If the population of the North Island increased, and if there was an increased demand for West Coast timber which would have to run over the existing lines, it would make those existing lines more valuable.

667. And that applies to everything the West Coast could produce?—Yes.

668. *Mr. Fraser.*] Everything that came from the West Coast in the shape of coal and timber which goes past Springfield would not all necessarily go to Christchurch?—Quite so.

669. Would there not be other inland places in Canterbury which would take some of that coal and timber apart from Christchurch altogether?—I think that the success of the line would depend much upon the development of trade not only of the West Coast and Christchurch, but also of the inland towns on either side of the line within a reasonable distance. I should call Ashburton a reasonable distance.

670. Would you say Timaru was within a reasonable distance?—No; I think you would be getting rather out of the beat there. Timaru can be supplied by water; but I think Ashburton and other towns similarly situated would get their coal from the West Coast.

JAMES GOSS examined on oath.

671. *The Chairman.*] What is your occupation?—I am a timber merchant.

672. Residing where?—Christchurch.

673. *Dr. Findlay.*] How long have you been in that line of business in Christchurch?—I have been in business forty years, but not all that time in the timber trade. I commenced as a builder, and branched off into the timber business about thirty years ago.

674. Can you tell me whether you draw any of your supplies of timber from the west coast of this Island?—The Christchurch supplies are so drawn.

675. What proportion of the supplies for the rest of Canterbury?—I cannot say, I am sure. Southland supplies as far north as Ashburton on the railway, but Timaru gets a large portion from the West Coast and other places by water.

676. Then, practically, the whole of Christchurch and a large portion of Canterbury draw their supplies of New Zealand timber from the West Coast?—The Christchurch supplies come from the West Coast, but I cannot speak positively in regard to the other parts of Canterbury. I do not know where they get their timber from.

677. Can you say whether the supplies of timber coming from Southland into Canterbury are likely to diminish?—I cannot offer an opinion. I used to get my timber from Southland years ago, but lately I have drawn the bulk of my supplies from the West Coast.

678. What is the reason for that?—The timber is better, although, of course, the other timber has been up till lately cheaper. But I prefer the West Coast timber, and I believe the prices are now about the same.

679. So that with the better quality and the same price it is a fair inference that the supplies from the West Coast will be increased throughout Canterbury?—I do not know that it will increase much. Of course, the demand from Southland has practically stopped.

680. I am speaking about Canterbury?—I do not know much about places outside Christchurch, and whether it will affect them or not I cannot say. I have been given to understand that the Ashburton people can get their supplies from Southland.

681. But, in view of the changed conditions and the fact that the price of the timber is the same and the quality is better, can you speculate as to the results?—No, I cannot; because the carriage to Ashburton means fifty odd miles more railway haulage.

682. Can you say whether, from the prospects of development here, the demand for West Coast timber is likely to increase in Christchurch steadily?—I should scarcely think it will increase to any considerable extent unless we get an influx of population. During the last year or two the demand for timber has been far greater than for any years previously, and I scarcely think it is likely to increase.

683. We can take it that the demand for timber for the last two years has largely increased in Christchurch?—Yes, much more so than for a period of some years before. Of course, things were at a very low ebb previous to that.

684. Was last year better than the preceding year?—I should think they were about the same so far as I have been affected—for the last two or three years perhaps.

685. Do you think the tendency of the price of New Zealand timber will be upward?—Well, as it costs more to obtain it than it does at the present time so the price must be increased, of course.

686. That is your view, I take it?—Yes, I think so. Timber is continually being cut further back from the line, and it costs more to put it in the trucks.

687. And the demand throughout the colony will probably increase?—It has increased during the last few years.

688. Then, I take it that your conclusion is that the price of timber will steadily increase as the years go on?—It just depends on the demand.

689. You are an expert in your own line, and I want you to give us what is your conclusion from your belief that the price of New Zealand timber will steadily increase?—That will depend entirely upon the demand. The fact of the matter is, so far as Christchurch is concerned, it is marvellous the number of buildings that have gone up in the last few years; but why Christchurch should have added so many houses to its previous stock I am at a loss to know. I am interested in houses, and many times I have asked myself what is the reason for it.

690. Can you give me an idea of the number of new houses that have been put up?—I cannot, but there has been a large number.

691. That must necessarily mean an increase of population?—Not necessarily. We know that a great number of old houses have been pulled down and burnt, and some carted away, and people occupy new houses in preference, money being available at a cheaper rate.

692. If you have prosperity of that kind it must reflect itself in increased population?—I should hope so.

693. Do you think the price of timber here and elsewhere in New Zealand will increase in the future?—No, I do not think it will increase over the present price, because I think it will be brought in from outside markets.

694. Have you considered the question of bringing timber over the Midland Railway if it had been completed?—I have, and I have come to the conclusion that it would certainly be an advantage to those carrying on business in Christchurch.

695. Do you think the railway would be able to carry it?—Provided it was done at the same rate.

696. What is the result of such consideration as you have given this question?—It would certainly be an advantage to those dealing in timber to get it by rail.

697. Do you know or have you considered whether the railway could compete with the water-carriage?—That is a question I cannot answer, because we know very well that the water-carriage, as a rule, is always the cheapest.

698. Have you gone into any consideration of the matter?—Not particularly so.

699. *The Chairman.*] In answering Dr. Findlay as to whether the price of timber was likely to increase you said "No," because timber could be got from other markets: where do you think the other markets are available?—It is rather hard to say. There is the Thames; timber can be produced very cheaply there.

700. What sort of timber?—White-pine principally; and, if not red-pine, I think some black-pine also. Then, it would affect the timber-supply at the Pelorus. There is very good timber there, and, provided that timber increased in price, it would be brought from there. Then, they could bring timber from Van Diemen's Land almost as cheaply as we can get it here.

701. Does that apply to building timbers?—The timber could be made use of for building purposes.

702. Would it cost more to work it?—Not for rough purposes. It would not do for joiner's work or anything of that kind.

703. Are you acquainted with the Thames?—No.

704. Can you tell me what supply of timber is there?—No, I have only heard of it.

705. Can you tell me anything of the supply of timber at the Pelorus Sound?—No; I have not been there for some twenty years, but I get timber from there.

706. Who do you get it from?—Brownlee.

707. If you knew that Brownlee was removing his mill to the West Coast, would that be an indication to you that the supply of timber at Pelorus is becoming exhausted?—No, because he is interested in a West Coast mill already.

708. Are you aware if there has been any increase in the population of Christchurch and suburbs during the last twelve months?—No.

709. Supposing it had increased by ten thousand people, would that necessitate the building of a large number of houses?—Of course, it would. If there was an increase of ten thousand that would account for a good number of the new houses.

710. Assuming that there is an increase in the population of Christchurch and suburbs of twelve hundred a year, how many additional houses would that require, do you consider?—I suppose there would be five or six people to a house, and it would mean about three or four hundred new houses.

711. Do you deal in coal?—I used to have a good coal trade when I first started, but I take very little account of it now, and it is scarcely worth talking about.

712. *Mr. Hudson.*] What does it cost you to fetch your timber from the West Coast?—1s. 3d., and 2s. 9d., and 1s. 2d. per 100 ft.—5s. 2d. per 100 ft.

713. What is the 1s. 3d. for?—Railage on the West Coast.

714. And the 2s. 9d.?—Sea freight; and the 1s. 2d. is from Lyttelton to Christchurch. That includes wharfage.

715. Does that include carting from the railway to your yard?—No; that is all extra.

716. That is the amount that would be available to pay the rate over the railway from the mills in Westland to the Christchurch Railway-station?—Yes. I get my timber from Lake Brunner.

717. And you would pay 5s. 2d. to the railway if you could get it direct?—Yes; I would sooner pay 5s. 2d. to get it direct.

718. Would you pay a little more?—No, I could not do it; it would not pay any more. But, other things being equal, the railway would get the preference.

719. *The Chairman.*] How much did you pay the railway on timber when you got it from Southland?—I only paid rail between Lyttelton and Christchurch, as it came by sea the rest of the way.

720. Can you tell me what rate the Ashburton people pay for haulage on timber from Southland to Asburton?—I think somewhere about 5s.

HUNTER MACANDREW examined on oath.

721. *The Chairman.*] What is your occupation?—I am District Engineer of the New Zealand railways.

722. Residing where?—At Christchurch.

723. *Mr. Blow.*] How long have you been District Engineer in the Railway Department?—Since March, 1897.

724. Have you been stationed in Christchurch all that time?—No.

725. When did you come to Christchurch?—October, 1899.

726. Who was your predecessor in Christchurch?—Mr. James Burnett

727. Consequently Mr. Burnett is the person who can give evidence as to the actual condition of the line between Springfield and Otarama in May, 1895, and in July, 1900?—Yes; he was Engineer in Charge up till October, 1899.

728. But as Mr. Burnett's successor you have charge of the books?—Yes.

729. Have you prepared a statement showing the expenditure on the Midland Railway over and above ordinary maintenance charges since it has been in the hands of the Government?—Yes.

730. Is this the statement?—Yes. [Exhibit No. 70.]

731. Do you put that in as a correct statement as copied from the books of the department in your possession?—Yes; as far as I am aware, it is a correct statement of the extra works done on the Midland Railway section between Springfield and Otarama.

732. So far as your knowledge extends, were all these works necessary?—Yes.

733. And were they all carried out, so far as you know, at a reasonable cost?—I should think so.

734. *Dr. Findlay.*] You told Mr. Blow that these charges were for work over and above the ordinary maintenance?—Yes.

735. Then, do I infer that the work done here added to the permanent or capital value of the work done by the Midland Railway?—Yes.

736. It runs from May, 1895, up to what date?—To the present date.

737. Then, it would cover a period during which the railway belonged to the Crown?—Yes.

738. Can you say how much of this has been done since July of last year?—None of it has been done since I took charge.

739. You say the whole of this constitutes an addition to the capital or permanent value of the Midland Railway?—I think so.

740. *The Chairman.*] Do you know how far this or any portion of it has been refunded by the Midland Company, or refunded out of the earnings of other sections of the Midland line?—I do not know.

741. In answer to Dr. Findlay you said you consider the line is worth this £915 more than what the Midland Company spent on it?—These are all what we term "improvements" and "necessary improvements."

742. Now, supposing the line was to stop at Otarama and did not go any further at any future time, do you think this expenditure was at all necessary?—If the line was to be kept up this expenditure was necessary.

743. Do you think the traffic on the line warranted it being kept up?—That is rather a big question for me to answer. Some of these works were absolutely necessary to keep the line from being damaged so as to unfit it for running purposes.

744. We are only allowed to deal with the line so far as it is made, with no further extension at any time, and, if there was insufficient traffic on the line to warrant a train being run at all, would this expenditure be necessary or warrantable?—If the line had to be maintained at all the expenditure was necessary. If the line were to be abandoned altogether and no rolling-stock was to be run over it, that would be another matter. So far as could be seen at the time this expenditure was necessary.

745. Were you Engineer in Charge of the line on the 23rd July, 1900?—Yes.

746. What running condition was it in then?—Much the same as it is now.

747. Is that first-class condition, or ordinary condition, or bad condition?—Very fair condition.

748. *Mr. Hudson.*] These are the items you consider which would ordinarily be charged to capital account?—Yes. It is not the whole expenditure, of course.

749. *The Chairman.*] Had you anything to do with the management of the permanent-way that was laid since the company finished from Otarama to Patterson's Creek?—I had nothing to do with that.

JOHN TIPPETT SMITH examined on oath.

750. *The Chairman.*] What is your occupation?—Bookseller and stationer.

751. Residing where?—At Christchurch.

752. I understand you are Acting-Mayor?—Yes.

753. How long have you been a resident of Christchurch?—Twenty-four years.

754. Are you familiar with the West Coast sections of the Midland Railway?—Not very, except by correspondence. I have a number of customers at Greymouth, Hokitika, Ross, and Westport, and correspond with them.

755. Did you ever visit those districts?—No, I have not visited the Coast.

756. Do you find that the population of Canterbury has increased during the last five years?—I cannot say.

757. Has there been any material increase, do you know?—There has been a considerable increase in the suburbs of Christchurch. They have extended very considerably during the last few years.

758. Suppose I include the whole of Canterbury north of the Rangitata River?—There has been an increase, but I cannot give you the percentage.

759. Do you think closer settlement has taken place?—I think so.

760. To what extent?—I cannot say.

761. *Mr. Hudson.*] In your business relations with the West Coast do you find that your business is increasing there?—Not very much. You see, our business is largely with the Churches and Sunday schools. Of course, there is an increasing business, but I do not realise the whole of that increase.

762. Do you have any business with Reefton?—Yes ; I have several customers at Reefton.

763. *Dr. Findlay.*] Have you given any consideration to the prospects of the Midland Railway as a completed line?—Only in a general way. I think the advantages would be great to the communities on both sides.

764. Have you considered the question that was put to a witness this morning : whether the promptness and certainty with which the traffic could be taken from this side to the West Coast would be an inducement to the West Coast people to make the line the chief means for conveying their goods?—I think so.

765. You have not gone into it at all analytically?—No. Correspondents are constantly making remarks to the effect that if the railway was constructed to Christchurch they would use it. People on the West Coast would no doubt visit this side of the ranges if the communication was more rapid.

ANDREW ANDERSON examined on oath.

766. *The Chairman.*] What is your occupation?—I am a mechanical engineer and contractor.

767. Residing where?—At Christchurch.

768. *Dr. Findlay.*] How many years have you been residing in Christchurch?—I was born here, and I was ten years away.

769. But as a man of business?—About twenty-five years.

770. I want to see if you have any opinions formed as to the future of the Midland line if it was completed?—I am one of those in favour of its completion. I think it would be a very good thing for both sides of the Island, and, although it might not pay immediately after completion, it would do so in the near future.

771. Within, say, ten or twenty years?—Certainly within that period.

772. You think it would pay interest on the cost of construction and working-expenses?—Yes.

773. In what directions do you think it could look for traffic : what would be its main traffic?—Timber and coal from Westland, and, of course, there would be all sorts of commodities going from here. In my own business we would look to having an iron trade on the West Coast, and a trade in machinery.

774. Would you propose to establish factories there or supply the products of your factories from this side?—We would supply from this side. We do so now, of course, by sea, but we would be in a better position if the railway were completed.

775. I suppose in the case of breakdowns in machinery at the present time the materials required for repairs have to go by sea?—Yes.

776. And that means delay?—Yes.

777. You think that the line would be employed to supply machinery from this side?—Yes ; and, of course, general produce and other things.

778. And from that side the timber, coal, and other products of the West Coast?—Yes.

779. Do you know anything of the timber industry at all?—Very little. I see timber arriving in Lyttelton.

780. You have not considered the prospects of the timber trade in point of rise in price and increasing demands?—I have not.

781. Have you considered at all carefully the prospective increase in population in Canterbury and Westland from the development of the natural resources and settlement, and so on?—No, I cannot say I have considered it ; but, of course, it is natural it must increase.

782. You or your firm, as contractors, were employed in the construction of the Midland Railway from Springfield to Otarama?—Yes ; my firm made the line from Springfield to Patterson's Creek, beyond Otarama.

783. From whom did you take the contract?—From the Midland Railway Company direct.

784. Was it by public tender?—Yes.

785. Do you know whether there were other tenderers besides yourself?—Yes ; I forget how many, but the contract was keenly competed for.

786. Do you remember what the total of your contract was?—The original contract, I think, was £44,300, speaking from memory.

787. Do you remember what the extras amounted to?—There were no extras to that contract, but there was an extension of the line, which might be called an extra. I do not remember what that amounted to, but it must have been something like £6,000. It totalled about £50,000 altogether.

788. First of all, taking the whole contract work generally, was it a profitable contract for you?—No, it was not profitable.

789. Can you tell us whether you lost anything on the contract, allowing for your own time and supervision?—Yes, we lost, allowing for my own time and supervision and other expenses—we certainly lost.

790. Can you roughly estimate the extent of your loss?—No, I would not care to do that.

791. At any rate, do you say that the work you did could not have been carried out by the Government for the same price at market rates?—No, certainly not ; it was too cheap.

792. *The Chairman.*] Do you mean the whole contract could not have been carried out at the same price?—Our contract could not have been carried out by the Government or any one else at a profit at our prices.

793. *Dr. Findlay.*] Besides yourself, were there any other contractors engaged on the line?—At this end, none.

794. Did your work, then, begin from the terminus of the Government line at Springfield and go right on to where it was left when the Government took possession in May, 1895?—Yes ; we did the whole of the work.

795. Did you receive from the company the full amount due to you?—Yes.

796. That additional work was from the final point in the contract?—It was an extension.

797. Upon what terms was that done?—The rates for the earthwork were fixed anew, because the stuff had to be taken across Patterson's Creek. The rates for the bridge-work were mostly on the basis of the previous bridge—namely, the Kowhai Bridge. The terms were mutually agreed upon between ourselves and the engineer.

798. Was the extension work done at a profit?—No; it was the part that we really lost on. If we had left it alone altogether we would not have been so badly off.

799. It was on the extension works you really lost?—Yes.

799A. Do you suggest that the price at which you did the extension work was below the proper value of the work?—Yes, considering the difficulties that had to be overcome.

800. What do you think would have been a fair reasonable price for the work you did in regard to this extension?—It would be the merest guess without quantities and figures.

801. Assuming from the work you did, would not that be of some help?—I suppose we wanted £2,000 or £3,000 more to do it.

802. In addition to the £6,000?—Yes.

803. Now, supposing you had not done this extra work, but had done the contract work alone, would that have been a profitable contract?—It was not profitable.

804. Then, what do you think might fairly be added to the contract price to make it a reasonable sum for the work done?—Probably the same amount—£2,000 or £3,000.

805. So that between £4,000 and £5,000 should be added to the amount you received to make it a reasonable payment for the work you did?—Yes.

806. *Mr. Blow.*] Do you know how the extension of your contract was made up? Have you any schedule showing how the £6,000 was arrived at?—I have not got it.

807. You say the work was worth more, considering the way you had to do it?—Yes.

808. I understand, then, that the work could have been done in a more economical way?—No, I do not mean that. The Patterson's Creek Bridge cutting was on the other side of Patterson's Creek from here, and the stuff had to be taken out by us and deposited on the Springfield side of it, and to do that we had to build a huge temporary bridge, which was a very costly affair. Of course, if the permanent bridge had been built first that temporary bridge would have been saved.

809. Do you know what the cost of the temporary bridge was?—I should think it would run to something like £1,500.

810. Supposing the company had been carrying their line through instead of stopping shortly at Patterson's Creek, could the bank on the Springfield side of Patterson's Creek have been more economically formed from borrow-pits, and the spoil from the cutting carried further on?—I do not think so, because there was no bank further on.

811. The country beyond is very rough?—Yes.

812. And abounds in heavy cuttings and banks?—Yes; but not within a reasonable distance of that cutting, so far as I remember.

813. What follows immediately beyond that cutting?—Cuttings and banks, but none of them very large.

814. Then, it really amounts to this: You do not quite know?—You can put it that way if you like.

815. Suppose I produce a section showing there were banks a reasonable distance beyond, then your answer would go for nothing?—Yes, if we agreed what was a reasonable distance.

816. What is a reasonable distance?—It depends on the size of the cuttings and the grade.

817. Was the grade falling beyond Patterson's Creek or rising?—I do not know beyond the cutting.

818. How much per cubic yard of material to be conveyed over it did this bridge cost you?—I cannot remember that.

819. What would it have cost to put that bank in from a borrow-pit?—I suppose it would have been done from about 1s. 6d. to 2s.

820. Have you had much experience in this sort of thing?—Yes.

821. Have you ever had railway-construction work before?—Yes.

822. Where?—Mostly contracts in connection with bridges. We also had a very large contract in the North Island, at Waiteti.

823. Did you personally supervise that?—I visited it frequently, but I did not remain on the ground all the time.

824. Do I understand that you have not personally been in charge of any large earthworks before?—Not acting as my own foreman.

825. You got 2s. a yard for this, and you say it was not nearly enough for it?—Yes.

826. Still, you think it could have been put in from borrow-pits at 1s. 6d. or a little more?—I said 1s. 6d. or 2s., but I should have to examine the ground.

827. *Dr. Findlay.*] Mr. Blow has arrived at the conclusion that your answer agrees with his impression that you have not superintended large earthworks before: do you consider yourself competent to do the work?—Yes.

828. Are you quite sure?—Yes.

829. You do not think there was any waste of money in the construction due to your incompetence?—No.

830. Suppose you had to go about this work again with the experience you have had, could you do it more economically than you did?—If you go over any work a second time you can detect the little slips you made the first time.

831. But taking this work as you had to do it at the time of the contract, was it done as economically and fairly and properly as was possible under the circumstances?—Yes.

832. You do not consider the loss was due to any incompetency on the part of yourself or your workmen?—No.

833. *The Chairman.*] Did you do any other formation or bridge-works on the Midland Railway?—We did bridge-works on the other side. We had the bridges from Arnold Creek to Nelson Creek.

834. Did you supply the cylinders and iron girders?—Not the cylinders, only the iron superstructure.

835. What rate of wages were you paying at the time you did this section here?—7s. a day to navvies, and 8s. to superior workmen.

836. What rate of pay for the men working in the cylinders?—I think it was 2s. 6d. an hour.

837. What rate did you pay the men sinking the cylinders at Arnold Creek or Nelson Creek?—We did not sink the cylinders.

838. Did you have any earthwork at all to do on the other side?—No.

839. Have you any idea what the rate of wages for navvies or ordinary labourers was then on the West Coast?—No, I cannot say, because when we had to employ any outside labour we had to do it in urgent cases, and we had to pay them 10s.

840. Did you tender for any of the Midland sections on the West Coast?—We did.

841. What rate of wages did you expect to pay your navvies when you tendered?—We expected to pay them more than we did on this side, but I cannot recollect the figures exactly.

842. Do you think earthwork could be done as cheaply on the Springfield Section as on any other section—say, between Nelson Creek and Reefton or Stillwater and Jackson's?—For similar work, of course, it would cost more on the West Coast.

843. Do you think that platelaying and ballasting could be done at the same rate per lineal yard here as on the West Coast?—I think it would cost more on the West Coast.

844. Suppose we assume the value of your work here at the rates that were ruling for similar work on the West Coast, would you consider that a fair value for the work you did here?—You see, earthworks depend so largely upon the lead, and various things of that sort.

845. You are a practical railway contractor, and before you put in a tender for a contract you make what is known as a distribution table of your earthworks—that is, you reckon how far you are going to carry your earth from the cutting—and as the earthwork on the West Coast and here, with the exception of Patterson's Creek, is practically the same class of country, is it, then, your opinion that the ruling prices on the West Coast for similar work would be fair prices at this end?—Yes.

846. Can you tell me where your contract started and where it ended?—It started at Springfield and ended at a point a little bit on the Springfield side of Patterson's Creek.

847. Was that large embankment on this side of Patterson's Creek included in the original contract?—Part of it was.

848. Can you tell me how much of it?—I do not think I can. I should think about half.

849. Do you consider it was good or economical management on the part of the Midland Company to have brought that cutting from the other side before Patterson's Creek was permanently bridged?—It all depended entirely upon how they wished to proceed with other work. They evidently wished to proceed with work beyond, and not with the bridge.

850. Suppose we had it in evidence that the company did not want to go any further—that they were forced to spend £60,000: do you think it was economical management to bring that cutting across from the other side?—Not if it was going to stop there.

851. How much platelaying was in your original contract?—Up to Otarama.

852. That was completed?—Yes.

853. Were there not some alterations in the foundations of the Kowhai Bridge?—I think there was a reduction there. I do not think they went so deep as was originally intended; but it was a long time ago, and I have not refreshed my memory.

854. Suppose we find that your prices were equal to the prices ruling for similar work in the country at that time, must it have been due to better management in other parts of the colony that similar contracts paid well?—That does not follow. It all depends upon the character of the work. For instance, you might come to a place where 1s. a yard pays you, and to another where 2s. 6d. does not.

855. You know the nature of the cuttings from Springfield to Otarama, and it appears to be very easily shifted country?—Yes; but the one between Otarama and Patterson's Creek was anything but easy.

856. Do you reckon you had a payable price for the cylinders and ironwork of the bridges?—No; it was too low. The wrought-iron work was too low, and the cast-iron for the cylinders was too low. The sinking, I think, was fairly reasonable, but the concrete was too low.

857. What was the price per ton for the cylinders?—£13 10s.

858. And how much for the girders and other ironwork?—I cannot remember.

859. Supposing contractors in other parts of the colony were getting cylinders at that time for £11 to £12 per ton from the manufacturers in the colony, would that be the ruling price?—But that would not be delivered, and our prices were delivered on the site. £11 per ton was too low.

860. You remember that at this time you were tendering largely for railway- and bridge-work throughout the colony in competition with other firms, and cylinders and bridge ironwork were being largely built in Christchurch and other places: would the prices Scott Brothers got for the Teremakau Bridge be a fair criterion of the prices of material then?—I think so.

861. If we find their price is about the same, we can take it that your price was a reasonable one?—Yes.

FREDERICK WAYMOUTH examined on oath.

862. *The Chairman.*] What is your occupation, Mr. Waymouth?—Company manager, residing at Christchurch.

863. *Dr. Findlay.*] You are Chairman of the Lyttelton Harbour Board?—Yes.

864. How many years have you been a resident in Christchurch?—A little over twenty-seven years.

865. And during that time you have been carrying on business?—For about twenty-one years I have been in business on my own account.

866. On what lines?—Commission merchant, and I am manager of the Canterbury Frozen-meat Company.

867. I suppose you have given the Midland Railway project some consideration?—Yes.

868. Were you a member of the league formed for its promotion?—No.

869. At any rate, I may assume that you know something of the proposed line of railway?—Yes.

870. And of the prospects which it was supposed lay before it as a constructed railway?—Yes.

871. Assuming that the line had been completed by private enterprise, do you think within, say, twenty years it would have paid?—I do not think so.

872. You do not think the traffic would have been sufficient?—No.

873. Do you think there would have been a difficulty in competing with water-carriage?—Yes, on almost all lines, except in a few light goods.

874. You think that would apply to coal?—Certainly, to coal and timber.

875. If it applied to coal and timber it would practically take away the staple products of the West Coast?—Yes.

876. In your opinion, the line was really a very unwise project from the beginning?—I always looked on it as a matter of sentiment rather than as a business concern.

877. *The Chairman.*] Do you know what the railway rates would be between Christchurch and the centre of the timber-supply on the Midland Railway?—I could not form any idea.

878. Say the distance would be a hundred miles?—I do not know what the rates would be.

879. Can you tell us how much it would cost to bring timber from Greymouth?—I cannot say.

880. If it costs now to bring timber from the centre of the Midland Railway supply area 5s. 3d. per 100 superficial feet, and if the railway brought it here for 3s., do you think the railway could compete with sea-carriage?—Certainly. I remember figuring the matter out with coal more especially some time ago, and I reckoned that the railway would have to charge higher rates over those mountains than were charged in Canterbury for our level haulage.

881. You were probably thinking of the time when they proposed to adopt the Abt system over Arthur's Pass?—Yes; but even as it is, if you take the railway rates on coal—say, bituminous coal—to Westport, the charge is 8s. for fifty-five miles. It is probably 150 miles across, which would make it three times as much—that is, £1 4s.

882. *Mr. Hudson.*] No; it would be taken at 9s. 6d. probably?—There is a different railway rate than when I figured it out before. I know then it was impossible for the railway to compete with the water-carriage.

883. *The Chairman.*] Are you not satisfied that your reply to Dr. Findlay now requires some qualification?—Under the altered tariff it might; but I still think the water-carriage would compete with the railway. I know that in England some time ago, with all the favourable conditions for railway-carriage, water-carriage could compete with it.

884. Do you take into consideration the fact that it is New Zealand coal we are dealing with, and that it would have to be taken from Brunner and Blackball to Greymouth, then shipped on board the steamer, taken to Lyttelton, landed in Lyttelton, and then taken by train up here?—Yes; but it is an easy grade on the other side to the steamer, consequently the cost of haulage would be very little.

885. So you still think water-carriage would be cheaper than railway-carriage?—I do.

886. Have you ever considered the damage to the coal by water-carriage?—I do not think the damage to the coal would be greater than by land unless the trucks were covered in. The loss to new coal by being carried in trucks and exposed to the open air is considerable as compared with being carried in the ship's hold.

887. How do you make that out?—There is no doubt that coal deteriorates when exposed to the air; Westport coal deteriorates very rapidly when so exposed.

888. For how many days?—I have tried it as a matter of months.

889. Is it not exposed to the air at Greymouth or Westport when waiting for shipment? Would it take so long coming from the works here?—Judging from the present railway arrangements it would take a very long time—that is, judging from the time it sometimes takes to get coal from Lyttelton.

890. What is the charge for haulage of coal from Lyttelton to Christchurch Station?—Somewhere about half a crown a ton.

891. And do you know how much the shipping freight is?—About 6s.

892. Do you know how much it costs to take it from the mine to the ship and pay wharfage?—No.

893. Supposing it cost, say, 10s. 6d. or 11s. a ton to bring coal from the West Coast to Christchurch by sea, do you think 10s. 6d. or 11s. a ton would pay to bring it by rail?—I am not a judge of railway management.

894. *Mr. Hudson.*] At the present time we have it in evidence that timber costs 5s. 5d. per 100 ft. to bring it from Greymouth to Christchurch. Supposing I tell you that the schedule

mileage rates come to about 3s. 6d. or 3s. 8d. by the Midland route, would not that alter your opinion as to the capacity of the railway to compete with the sea?—Certainly it would; but, of course, it would still remain to be seen whether the railway could afford to carry it at that rate and make a profit.

895. Those are the highest rates I am giving you?—It would be another matter whether the railway could carry it over those mountains or not. It all depends whether it is a paying rate you are naming.

896. You think that the ships could cut so low in freight that it would not pay the railway to carry it at all?—Yes. You have to remember that in sending timber to, say, Ashburton the trucks would return full of grain; but if you brought timber or coal from Westport you would have to take the trucks back empty.

897. So we are to understand from your evidence that, in view of the class of traffic and the competition by water, it would be impossible for the Railway Department to make a profit?—Yes. I do not think, relatively, that the present rates which have been charged by the railway could be charged on this line and make it pay. I know there is room for competition in the sea-carriage.

898. *Dr. Findlay.*] Your answers to me before were admittedly on an erroneous assumption: would not the whole of your answers to me have to be reviewed in the light of what Mr. Hudson has told you?—I do not think so.

899. What, then, did you assume the carriage of coal would be by the railway?—Probably about 10s. a ton.

900. What did you assume the charge for timber would be?—I have not considered that.

901. You said before that you regarded the construction of this railway as a matter of sentiment?—Yes.

902. I suppose if you happen to be largely interested in the Harbour Board at Lyttelton your sentiment is really all one way?—I do not think so. The mere fact of my being made Chairman of the Lyttelton Harbour Board a few months ago does not, I think, affect my judgment on this matter. I formed my opinion before I was connected with the Board.

SATURDAY, 30TH MARCH, 1901.

JOHN DRYDEN HALL examined on oath.

903. *The Chairman.*] What is your occupation?—I am a solicitor.

904. Residing where?—Christchurch.

905. I have received this letter: "Christchurch, 30th March, 1901.—R. McKenzie, Esq., M.H.R., Chairman Midland Railway Commission, Christchurch.—SIR,—We are in receipt of the subpoena requiring us to produce certain books, papers, and plans relating to the Midland Railway Company's business, and are to-day sending the same as requested. Please take notice that by producing the same we do not intend to give up any claim of lien thereon either on behalf of our clients or on our own behalf.—Yours obediently, DUNCAN AND COTTERILL"—and I might inform you that the Commission know nothing whatever about liens or liabilities of any kind in connection with these documents?—Except what is contained in the letter.

906. *Dr. Findlay.*] You produce these documents at the end of the table?—Yes.

907. You place them in the custody of the Commission?—Yes.

908. With liberty to take them to Wellington in their custody, and make such copies from their contents as they think fit?—Yes.

909. And return them to you when they have finished with them?—Yes.

910. These documents came into your possession as from the New Zealand Midland Railway Company?—I do not know that they came into our possession directly from the company. They were in the possession of Mr. Parker.

911. However, directly or indirectly, they came from the Midland Railway Company?—Yes.

912. *The Chairman.*] Do you expect the Commission to be responsible for the return of these documents and papers?—Yes; I was asked to produce them, and was told they would be returned to me.

913. Who told you?—I was asked to produce them on the understanding they would be returned to me.

914. Are you willing to put the books into Dr. Findlay's custody, supposing the Commission decline to take charge of them?—I am quite willing to accept any arrangement I shall make with Dr. Findlay. If Dr. Findlay undertakes to return them to me, I am quite willing to let him have them.

915. So you do not hold the Commission responsible for their safe custody?—No.

916. *Mr. Fraser.*] Do you approve of that inventory which Dr. Findlay has put in?—Yes. I will arrange the matter with Dr. Findlay.

MONDAY, 1ST APRIL, 1901.

ROBERT WEST ENGLAND examined on oath.

917. *The Chairman.*] What is your occupation?—I am a timber merchant.

918. Residing where?—At Christchurch.

919. How long have you been a resident of Christchurch?—A little over thirty years.

920. Have you been long connected with the timber trade?—All my life. I was connected with it before I left England.

921. Do you put a large quantity of timber through your hands annually at present?—Yes; I suppose about as much timber as any one here.

922. Where do you draw your principal supplies from?—Lately from the West Coast.

923. Have you got a mill on the West Coast?—I have got a half-share.

924. Where is it?—At Kotuku; but that only gives me about a third of my supplies.

925. Are you acquainted with the district in which the mill you are interested in is?—Yes; I have been there several times.

926. Do you expect that the export of timber from that district will increase, so far as the supply of Canterbury is concerned? I mean, whether the requirements of Canterbury will increase during the next ten years proportionately to the increase in the last ten years?—I think, if anything is to happen, it might go down a little. It is a rather uncertain question, because three years ago several people in Christchurch interested in the trade thought it would go down, and my own opinion was strongly that the trade would drop annually; but that has not been the case. My turnover last year was larger than at any time before.

927. What are your other sources of supply besides the West Coast?—They are very small from anywhere else.

928. I thought you said you only drew about a third of your supplies from the West Coast?—No; I meant I only drew a third from my own mill; but I draw from other mills in the district. In regard to the future prospects of the timber trade, if we require less here my strong opinion is that we shall have to get as much even then from the West Coast as we are getting now, because during the last two or three years the trade has been gradually changing and going in this direction. Places like Stewart Island, and Southland, and Collingwood, and Takaka, without speaking of Wellington, have got as many local orders as they can supply. No timber is coming from Stewart Island up here now, and the Southland people can scarcely supply their orders, and can only send timber away as far as Ashburton on the railway, and have a difficulty even in executing Ashburton orders. Collingwood and Takaka have sent very little away during the last two or three years, and it is less now. They simply send a little matai and totara.

929. Have you got any knowledge as to whether the supplies in Takaka and Collingwood are practically cut out?—No; but I reckon it is this way: They have not got the facilities to get at the timber. They may go further back by locomotive trams if the timber is there, but I know less about these two districts than anywhere else.

930. Do you think the timber-supply in Southland is practically cut out so far as it is available?—It has been cut out in so far that they cannot supply other districts than Otago and Southland. One large mill has been closed down in the last month or so—I think they call it "Longbush." That supply is cut out.

931. Do you get any timber from the Thames—I mean rimu and white-pine?—No. I may mention that my remarks at present refer to rimu. I am leaving white-pine out of the question, and am not saying anything about the large output for the other colonies, and for box- and cask-making. All my remarks are about red-pine, which is principally used for building.

932. And that is the principal timber you reckon on, so far as your requirements are concerned?—Yes. As these places I have mentioned cannot send timber here to any extent, even supposing our trade did go down, say, 25 per cent., I believe we should want as much as we take now—about 10,000,000 ft. per annum, I think—from the West Coast. I should say we take 5,000,000 ft. from the company and the rest from four other mills.

933. You take 10,000,000 ft. per annum at present in Canterbury from the West Coast?—Yes; that was about the amount we did last year, speaking roughly.

934. Supposing the population of Canterbury increases during the next ten years at the rate of 10 or 20 per cent., would not that cause an increase in the demand for timber?—It must do, of course; but I was going to say that if our trade went down still we would have to go to the Coast for as much timber as we get now.

935. Have you any reason to think the trade is likely to go down?—No. In fact, anything I say now ought to go the other way, because three years ago we thought it was going down and the reverse happened.

936. Do you see any reason at present for thinking it will go down?—No; plenty of houses are wanted.

937. Is it not more reasonable to think your trade will increase?—Well, according to the argument of population it will increase.

938. Is there not also the fact that wooden houses become rotten and require renewal?—They always do that, but still they can be patched up a good deal more than people imagine.

939. *Mr. Graham.*] But timber is required to patch them up?—Yes. What I think with regard to the trade is this: that, seeing the other places cannot send any timber here, practically the West Coast and Havelock are the only two places we can depend upon for our timber.

940. *The Chairman.*] Do I understand that your opinion is that, as the supply of Southland, Takaka, and Collingwood is exhausted to some extent, so far as it is available, Canterbury must depend on the West Coast for its timber-supply?—Yes; it is not only my opinion, but it is a positive fact. There is only one mill at Havelock, but it is a large one, and is sending about 2,750,000 ft. here.

941. How long is that mill likely to last?—I think that is a good mill, and, with a locomotive tram and good steel rails, I think it can go back for many miles.

942. Are you a coal merchant?—No; I only suit the convenience of customers in a small way.

943. Do you get any coal from the West Coast?—Yes; just a little. I do not profess to do anything in the coal line at all.

944. *Mr. Hudson.*] I understand you to say that the West Coast has a monopoly of your timber trade?—Yes; from the situation of it, and owing to the position of all the other places,

which have been cutting timber for years. It has gradually worked round in the last few years, until the West Coast has practically got the ball at its feet.

945. What makes you think you have reached the maximum demand for timber here? I gather from your remarks that you do not anticipate that the quantity of timber you are importing will increase, and I want to know what makes you think so?—It is owing to two circumstances. One is that for a long time things were in a very depressed state in Canterbury, but for the last five years they have gradually improved and have become so brisk that we think the prosperity cannot last.

946. Then, you have had a very great increase in the demand for timber during the last five years?—Yes.

947. Can you give any special reason why that demand has grown quicker and to a greater extent lately than in previous years?—I think the country is in a better position, and the produce and frozen-meat trades have been a great help; and industries of all kinds have been particularly good during these years, and people have come to settle. But, in fact, the building in Christchurch is a mystery that has not been explained. I cannot understand how it is that all the houses which have been built have been let.

948. *Mr. Graham.*] When you stated you import 10,000,000 ft. of timber did you mean from the West Coast or altogether?—From the West Coast.

949. But that does not include your total imports?—Oh, no.

950. How much in addition do you import from the other places?—It is about 17,000,000 ft. altogether.

951. That is, 7,000,000 ft. in addition to the 10,000,000 ft. you get from the West Coast?—Yes. I am just estimating; I have not got the data by me.

952. What reason have you to suppose that if your timber trade decreases you will still continue to get all you do at present from the West Coast and lessen the supply from the other places? Why should it not decrease *pro rata*?—No one else wishes to sell it. If the West Coast were to shut their gates and say "We will not sell you any more" we should be done.

953. You say that if your timber trade were to decrease very considerably, yet you would continue to import all you do from the West Coast now?—Yes.

954. What reason have you to suppose that the total quantity you get from the West Coast now would continue, and that any decrease in trade would come off the other sources of supply?—Because the other sources of supply are exhausted now so far as supplying timber to us is concerned. They have just got enough to carry themselves on.

955. Do I understand that Westland is practically your only source of supply for New Zealand timber?—That and Havelock are practically our main sources of supply.

956. What reason have you to suppose that the timber trade will decrease?—I have nothing that will be a reasonable supposition.

957. On the contrary, do you think it will increase?—No, I do not.

958. Have you any reason to suppose that your timber trade will remain stationary, and will neither increase nor decrease?—I think it will stand still. I think it will rather go down than up.

959. *Mr. Hudson.*] I understand you get 2,750,000 ft. of timber from Brownlee's mill at Havelock?—Yes.

960. That means you get 12,750,000 ft. from the West Coast and Havelock combined?—Yes. I am giving you these figures from my knowledge of the trade, but I do not think I am far out. I have no definite statement by me just now.

961. *The Chairman.*] How long have you been in the timber trade in Christchurch?—I was contracting nearly twenty years ago, and then I went in for timber-selling.

962. Do you remember what the population of Christchurch and suburbs was when you started in the timber trade?—I cannot say, but I suppose it was about half what it is now.

963. Has your timber trade been increasing annually during the last twenty years?—No; it has kept much about the same, until the last five years, when there was a sudden spurt. It has been quite a change.

964. The population of Christchurch and suburbs is supposed to be about fifty thousand at present: do you mean to say that as much timber was used in Christchurch when there was a population of twenty-five thousand as is required for a population of fifty thousand?—I think we imported a little under 9,000,000 ft. of timber twenty years ago.

965. Suppose we look twenty years ahead, and assuming that the population is a hundred thousand in another twenty years' time, what do you say in regard to the requirements of the timber trade then?—It would increase; there is no doubt about that.

966. Do you think it would be double what is required now?—It should during the time of building.

967. You have been on the West Coast?—Yes.

968. Have you seen the forests there?—Yes.

969. Do you think they are likely to last twenty years if double the quantity is taken from them that is being taken now, say, within seven or eight miles of the railway?—I think they would, because you could get small railways to get the timber out.

970. I want to know whether you think the timber is there to be got out by any means?—I could only give you an opinion in regard to the parts I have been through.

971. If the railway was through to Christchurch how would that affect it?—From what I have seen of the line past the Teremakau River there is not very much timber up the Otira Valley, and it is all up the hills.

972. Have you ever been in South Westland?—No; but I know there is timber there.

973. How much does it cost you to get your timber landed in Christchurch from your mill at Kotuku, including freight to Greymouth and wharfage, shipment to Lyttelton, and haulage from

Lyttelton to the Christchurch Railway-station?—It costs 5s. 3d. per hundred, and from the mills above mine it costs 5s. 5d. The average is about 5s. 3d. all along the line.

974. *Mr. Blow.*] What is the present selling-price of ordinary red-pine building timber in Christchurch?—13s. 3d. per hundred gross; it is about 12s. 6d. net.

975. There is a trade discount?—Yes.

976. What was the price five years ago in Christchurch?—It would be about 10s. 6d. At that time we were buying from the mills on the West Coast at considerably less than we do now. The lowest we ever paid for timber was 4s. 6d. per hundred; we pay 6s. 6d. to 6s. 9d. now.

977. You have had the price raised 2s. per hundred in the last four or five years?—Yes.

978. Do you anticipate as a timber merchant that you will be able to get more than 12s. 6d. per hundred for red-pine timber, say, five years hence?—Unless the millers put it up I do not think we will raise it. The millers usually initiate a rise in price. If freights went up it would make a difference.

979. If the millers were to unite amongst themselves and say, "We are going to charge another 1s.," you must necessarily submit to it?—Yes. The West Coast and Havelock people have got everything before them.

980. Where do you think this will end? Is there any limit to the price the people of Canterbury are willing to pay for red-pine timber?—It all rests with the West Coast and Havelock people.

981. Suppose the West Coast people demanded 5s. per hundred more?—Then we would be able to go to the North Island mills and endeavour to purchase at 1s. more.

982. Do you know that there are vast quantities of red- and white-pine timber not yet opened up in the North Island?—Yes.

983. Do you know where?—I have not been to them, but I have studied the matter. There is a bush called Motu, in the neighbourhood of Gisborne.

984. Do you know anything of the timber to be opened up by the North Island Main Trunk Railway?—No; I do not know anything of the extent of bush.

985. You do not know for how many miles the train will run through vast forests?—No; but I am very glad to hear it.

986. If the price of timber on the West Coast was raised 1s. per hundred, do I understand by your evidence that you would have to pay it?—Yes.

987. If the price was raised to 1s. 6d., do you think you would have to pay that?—We should have to travel, and until the big forests in the North Island were tapped we could not get it elsewhere. If we went down south, I do not think the extra 1s. 6d. would tempt the millers there at all, because they would say, "We are doing just as well here."

988. You think if the West Coast people demanded 1s. 6d. they would have to get it?—Yes.

989. *The Chairman.*] Are you acquainted with Gisborne?—No.

990. If that Motu Bush you refer to is some miles from Gisborne, which has a bad harbour, do you think timber from there could compete with the West Coast under the present circumstances?—No; I do not think it would if it was five miles from the coast.

991. Then, coming to the forests tapped by the North Island Main Trunk Railway, supposing that timber had to be railed about seventy miles to the nearest port—probably Wanganui—and then shipped to Lyttelton, do you think it could compete with the West Coast timber?—No; unless the price was raised on the West Coast.

992. Can you tell me the cost of Oregon pine at Christchurch?—No.

993. Can you tell me the cost of kauri for building purposes?—I think it is about 18s. per hundred.

994. I suppose kauri would be preferable?—Yes; builders would give more for it.

995. Would not the same apply to Oregon pine?—But I do not think Oregon pine is as good as kauri, or nearly so.

996. Do you think it would bring more money in the market than red-pine?—Yes, a little more.

997. How much more?—About 1s. 6d. or 2s.

998. So is it your opinion that, if Oregon pine could be sold in Christchurch for 18s., red-pine should be sold at 16s. 6d.—that is, if there was a scarcity of supply?—I suppose if you put 2s. more on red-pine you would have Oregon pine, or even kauri, competing. I think 2s. a hundred extra would do that.

999. So, in your opinion, Oregon pine, or kauri, or bricks, will regulate the prices?—Yes.

1000. *Mr. Hudson.*] You are selling timber at 12s. 6d. per hundred, and you pay 5s. 3d. for delivery to the Christchurch Railway-station and 6s. 9d. to the mill, making a total of 12s., and then you have got cartage into town: I want to know how you can sell it for 12s. 6d.?—I should have said that the price, 6s. 9d. per hundred, is f.o.b. at Greymouth.

EDWARD GEORGE WRIGHT examined on oath.

1001. *The Chairman.*] What is your occupation, Mr. Wright?—For twenty-five years a civil engineer and railway contractor, and for the last twenty-five years a sheep-farmer, residing in Windermere.

1002. I understand you are a member of the Lyttelton Harbour Board?—Yes, I have been from its commencement.

1003. And you are chairman of the local committee of the Blackball Coal Company?—Yes.

1004. Are you intimately acquainted with the district served by the West Coast section of the Midland Railway—that is, from Brunnerton to Jackson's and from Brunnerton to Reefton?—Yes; I am fairly well acquainted with the whole route—that is to say, I have travelled over it several times.

1005. Have you ever taken an interest in the completion of the construction of the railway between the east and west coasts of this Island—I mean that between Canterbury and the West Coast?—For some years past I have been an advocate in favour of its construction, and I may say this: that I look upon the completion of the Midland Railway by the Government of the colony as a sort of debt of honour due to Canterbury in return for the very large land revenue which the Government received after the abolition of the provinces, and which would have sufficed to have made the railway twice over.

1006. Perhaps I had better explain to you that our Commission does not allow us to deal with the completion or extension of the present sections. We are only dealing with the portions already constructed; also to try and arrive at a fair value of the cost between the Government and the debenture-holders and the company; and also what would be a fair selling-value as a going concern, taking into consideration the probability of increased traffic due to increase of population and other developments. You are well acquainted with the West Coast?—Yes; I have known the West Coast for about thirty-seven years.

1007. What is your opinion as to the chances of the further development of the West Coast, say, first, through the coal-mining industry; second, the timber industry; and, third, the gold-mining industry, within the next ten or twelve years?—I think it hinges entirely upon the completion of this line, from my point of view.

1008. I mean dealing with the section from Jackson's to Reefton as it stands now?—I think there are very fair grounds for assuming that there will be a substantial increase in the traffic in the coal industry and in the gold-mining industry. There are a large number of dredges now in process of construction in the Grey Valley; whether they will all pay dividends I would not like to say, but the promoters think they will. As regards the timber traffic, I may say that portions of Canterbury at the present time are drawing their supplies from Southland, which is a very long way to run timber. Timber comes from Southland to Ashburton. It would be a much shorter distance to get it by rail across the ranges.

1009. At present I would prefer that we dealt with the sections as they stand without taking the connection into consideration?—It is extremely difficult to separate the one from the other.

1010. Now that the Midland Railway reservation is removed, what is your opinion as to the probable increase of population through the land on the West Coast being occupied for pastoral or agricultural purposes?—Land on the West Coast is not generally adapted for pastoral purposes. No doubt there would be a substantial increase for dairying purposes and for the raising of cattle. The constructed railway, I think, is paying 1 per cent. over working-expenses.

1011. Supposing this railway in five years has paid some £12,000 over working-expenses, and has paid during the same period in local rates £4,000, and towards rolling-stock, &c., £2,700, and to protective-works—which can be looked upon as an improvement of the line—a sum of £2,300; assuming that the construction of the line cost half a million—for the sake of calculation only: how much do you think would be a fair selling-value for that line at present, and also within the next ten or twelve years, with the prospects of the West Coast as you know them?—£21,000 would not represent 1 per cent. per annum. One per cent. for five years would be £25,000. Before I answer your question I must take into account the prospective earnings in years to come. In doing that I must consider what other railways in the colony have paid after they have been opened for ten or fifteen years as compared with what they paid originally. I would remind the members of the Commission that for many years the Auckland railways paid very little over 1 per cent. For one period I know that it was 1½ per cent. The earnings of that railway of late years have practically doubled what they were twelve or fifteen years ago. Bearing that in mind, I should say that a fair price to pay would be certainly not less than half the cost.

1012. That is to pay at present?—Yes. Taking the cost at, say, half a million, the colony would acquire it cheaply if it paid a quarter of a million—even if the line did not pay more than 1 per cent. at the present time. I think that is a very fair assumption—a very fair price to put on the railway under the conditions mentioned.

1013. Now as to the prospective value?—I am taking both into account. Then, I might point out that this railway was very substantially constructed—in my opinion, more substantially constructed than the Government railways under construction at the same period. I do not say that the company's lines were economically constructed, because the conditions under which the construction was arranged—that is to say, paying the engineer-in-chief a commission of 10 per cent. on the outlay—were not conducive to economy. The conditions, to my view, were the reverse of businesslike, and were calculated in the ordinary nature of things to run up the cost. The more the engineer-in-chief spent the more he would receive; and, even giving him credit for being an extremely honourable man, still the tendency would be always not to spare expense. My answer is that a quarter of a million would certainly not be too much to pay.

1014. Assuming that the colony has already paid £350,000 in the way of land-grants towards the construction of the line, what is your opinion as to the position of the colony then?—Well, I take it that the land which the colony has given has gone to pay interest over many years on the outlay upon an unproductive work. The Midland Railway Company could not have obtained its money on the most favourable terms. I do not know what interest they did guarantee to pay on the debentures.

1015. Five per cent., and the debentures realised £92 10s., and they amounted to £745,000; that was the amount floated, less £54,000 or £55,000 discount; they realised about £700,000?—Five per cent. is £35,000 to pay in interest while the works were under construction.

1016. *Mr. Hudson.*] Two millions and a half was the basis of computation?—They made a bargain it was impossible for them to carry out.

1017. *The Chairman.*] I would like to have your opinion as to what would be a fair amount of that interest to allow—if any, of course?—They provided for £400,000 in the way of interest on

an expenditure of two millions and a half. On the assumption that they expended half a million, it would be one-fifth of it; that would be £80,000. But making a very liberal calculation, that they had spent more than the assumed half-million, I would say that £100,000 would not be too much to allow.

1018. *Mr. Hudson.*] Adding that to the capital cost?—Yes, I would add that to the capital cost.

1019. *The Chairman.*] Would you consider it good finance to have debentures to the value of £745,000 in the market in one issue when the money was not required for two or three years?—I should say it was very bad finance, unless the Midland Railway people saw a fair prospect of lending the money out again at an advance.

1020. Coming to the Springfield Section, and bearing in mind that the Commission does not allow us to deal with any further extension, what is your opinion with respect to the prospective or selling value of the Springfield Section to Patterson's Creek?—Assuming that the railway was not to be proceeded with, the value of that section is nil.

1021. *Mr. Hudson.*] Except the rails?—Yes, the rails and sleepers might be pulled up. What I mean is that it runs into a locality that was already served by the Springfield line. Taking it to Patterson's Creek would not bring it additional business unless it was carried further.

1022. *The Chairman.*] Are you acquainted with the country between Belgrove and Norris's Gully, where the Nelson Section ends?—I cannot say that I am. I have once been through the district, but I would not like to give an opinion as to the value or the prospective value of that section. I should like to visit the district first.

1023. As to the timber trade of Canterbury, what is your opinion as to its increase during the next ten years—I mean as to the supply drawn from the West Coast?—If it were possible to draw the supplies from the West Coast by rail, I should say that the West Coast would supply the principal demands from Canterbury, because I notice the other day that Mr. Goss, in giving evidence, stated that it cost him 5s. 5d. to bring it round from the West Coast by sea. If you take the present railway tariff of the colony, it could be brought over by rail at about half that amount.

1024. *Mr. Hudson.*] About 3s. 6d.?—According to the 1900 tariff the charge on the Wellington-Napier Section for thirty-two miles is 1s. 1d. On that section I am now looking at the six-mile charge does not come in. The rate here jumps 1d. every four miles, but at another page of the table it jumps 1d. every six miles. I take it that if the railway can carry timber at a profit at 1d. for six miles per 100 ft. on one section of the railway it can do so on another.

1025. There are differential rates on the lines?—The railway carries timber per 100 ft. for six miles for 1d., and on that basis the cost from the West Coast, allowing 1s. 1d. for the first thirty miles, would make it 2s. 9d. per 100 ft.

1026. *The Chairman.*] Assuming that the lines were connected by private enterprise, what effect would that have on the portions already constructed—on the Springfield Section and the line from Jackson to Reefton?—Assuming that private enterprise made the line, I think the construction of the line to Canterbury would recoup the cost of interest on the construction of the line in the saving of the coal and timber bill of this district; putting other traffic aside, and assuming that the district had to pay the interest on the cost of completion, it would save it in the reduced price it would have to pay for coal and timber in the future. I have given the saving on the timber carriage; that is about half. As to coal, we have heard a great deal for the last year or two about the excessive price of coal, which is due to the multitude of agencies. I think that coal could be brought over by the railway and sold by the truck-load—I am not going into the retail trade—provided that the people were content to order by the truck-load and have face coal—unscreened coal—which is every bit as good as screened coal for all purposes, except perhaps locomotives in a tunnel—I mean it is as good for raising steam or generating heat in any way. Blackball coal should be delivered at any railway-station in North Canterbury for about £1 per ton by the truck-load—that is, assuming that the price at Ngahere was from 8s. to 9s., and allowing 10s. or 11s. for railage. That would be allowing fully the prices which are charged for the carriage of coal in Newcastle. The charge there is 6s. per ton for a hundred miles, which you will realise is a trifle less than $\frac{3}{4}$ d. per ton per mile. And for small coal they allow a reduction of 20 per cent., so that they carry coal at $\frac{9}{10}$ d. for small coal, and the larger coal at $\frac{3}{4}$ d. per ton per mile. Allowing an equal price of $\frac{3}{4}$ d. to bring coal from the Grey Valley, or Ngahere or Brunnerton, to the Canterbury Plains, it would not run into more than 10s. or 11s. per ton.

1027. Assuming that the line is put through in ten years' time by private enterprise, and that there is at present 10,000,000 ft. of timber taken by sea from the West Coast to Lyttelton, and also that there are 17,000,000 ft. of timber landed in Lyttelton every year, if the line is put through, is it your opinion that the bulk of that timber would come over by the railway?—My opinion is that all that comes from the West Coast now would come from the West Coast then by railway. As to the other 7,000,000 ft., there would be the natural increase. The colony is not standing still. Then, there is the exhaustion of other districts to be considered. For instance, we have exhausted the Peninsula, we have practically exhausted the Little River, nearly exhausted Alford Forest, and nearly exhausted Oxford, so that within ten years we must go to the West Coast or to some other part of the colony for all our supplies.

1028. If it is 17,000,000 ft. a year at present, what would you consider a fair increase to add for the next ten years for the natural increase in the district?—It is very hard to estimate. This is largely an agricultural and pastoral district. Cheaper coal, no doubt, will help to make it to a larger extent a manufacturing district. I should think a fair increase would be to add 50 per cent. to the present quantity—that is, 25,500,000 ft.

1029. Anyhow, we would be safe to assume that Canterbury would require 20,000,000 ft.?—Perfectly safe, I should say.

1030. Now as to coal: can you give us some idea of the coal that would be required by Canterbury from the Midland Railway district within the next ten years?—I cannot tell you what is consumed at present.

1031. I think a fair estimate would be about 100,000 tons—I mean, say, from Ashburton to the Hurunui River?—I would put it at 33 per cent., and I do not think that is overestimating the increase.

1032. All that coal would travel over the portion of the line already constructed—that is, either from Blackball or Brunner to North Canterbury?—I would not say it would go to Lyttelton for shipment, but some of it might do so, because of the great delay occasionally at the Greymouth Bar, which is a very serious matter at times.

1033. You have told us that the bulk of the timber would also travel over a portion of the section already made—say, the portion from Stillwater to Jackson's?—It would come, at all events, from that district or from the Grey Valley.

1034. And it would also pass over the section from Springfield to Patterson's Creek—both the coal and the timber?—Yes.

1035. *Mr. Blow.*] Have you any idea what proportion of the 100,000 tons of coal is Westport and Newcastle coal?—At present I should say perhaps 80 per cent. is either Westport or Newcastle; but then I maintain that both Westport and Newcastle would be cut out entirely by the Grey Valley coal, with the facility of railway-carriage.

1036. Do you think that even Westport coal would be displaced?—I think it would be displaced. Blackball coal is as good a steam coal as Westport.

1037. Does it at present fetch the same price in Christchurch as Westport coal?—I cannot say that. The Westport people have a long-established trade, but the Blackball coal is cutting them very closely.

1038. Do you know any persons who have used Blackball and who have gone back to Westport?—Some few.

1039. Is it not a fact that some people have tried Blackball and abandoned it?—Possibly; but still a great many use it. Some people are very particular about the soot from the coal, but the less wealthy classes of people are glad to get cheap coal, because it is equally good apart from the soot.

1040. What is the difference in price—the selling-price?—I should say about 2s. to 2s. 6d. a ton.

1041. And that small difference is sufficient to insure the trade in Blackball coal?—Yes.

1042. *The Chairman.*] Could you say whether it is the practice in England to allow interest to be charged during construction as a charge against the cost of construction?—I cannot say from actual knowledge, but I should certainly assume that it would be a charge against the cost of construction—in fact, it must be.

1043. Is it your opinion that interest during construction should be charged to capital?—I think so.

HENRY WILLIAM YOUNG further examined on oath.

1044. *The Chairman.*] You put in this return as a true copy of what you find in the company's book of the contract of J. and A. Anderson on the Springfield-Patterson's Creek Section of the Midland Railway?—Yes; it is the contract schedule and final certificate summary of that contract. [Exhibit No. 71.]

WELLINGTON.

WEDNESDAY, 10TH APRIL, 1901.

HENRY WILLIAM YOUNG further examined on oath.

1. *The Chairman.*] I understand you have further returns to present to the Commission?—Yes.

2. What are they?—This is a detailed statement of additions to No. 1 contract [Exhibit No. 72]; this is the final certificate of contract No. 8 [Exhibit No. 73]; this is the final certificate for contract No. 9, which was not a contract properly speaking, but a purchase from the New Zealand Government put in the books under the heading of "Contracts" [Exhibit No. 74]; this is the final certificate of contract No. 10 [Exhibit No. 75]; this is the final certificate of contract No. 13 [Exhibit No. 76]; this is the final certificate of contract No. 15, and was for fixing signals [Exhibit No. 77].

3. Where were these signals used?—At the Stillwater Station; they are the only signals of the sort on the line.

4. Have you any further returns?—Yes. This is the final certificate of contract No. 17, for the supply of telegraph-poles [Exhibit No. 78]; this is the final certificate of contract No. 20, for the supply of telegraph materials [Exhibit No. 79]; this is the final certificate of contract No. 21, for the supply of sleepers [Exhibit No. 80]; this is the final certificate of contract No. 30, for the supply of girders for the Kotuku Section [Exhibit No. 81]; this is the final certificate of contract No. 32A, which was for supplementary work on the Lake Brunner Section [Exhibit No. 82]; this is the final certificate of contract No. 35, for pitching at the Big Kowhai Bridge, on the Springfield Section [Exhibit No. 83].

5. None of these are included in the extras for the contracts?—No. This is the final certificate of contract No. 38, for work at the Stillwater Station yard [Exhibit No. 84]; this is the final certificate of contract No. 40, for clearing at Reefton Station [Exhibit No. 85]; this is the final certificate of contract No. 41, for the Big Kowhai Bridge additions [Exhibit No. 86];

this is the final certificate of contract No. 44, for station-buildings at Reefton [Exhibit No. 87]; this is the final certificate of contract No. 47, also for station-buildings at Reefton [Exhibit No. 88].

6. And you put these in as true records of what is contained in the books of the company?—Yes.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

7. *The Chairman.*] You wish to put in some further returns?—Yes. This is a return showing in detail the iron-girder work generally [Exhibit No. 89].

8. It is an English contract for girder-work, aggregating £18,729 7s. 8d.?—Yes. This is a return showing in detail the freight on those girders [Exhibit No. 90].

9. Have you the original contract for this?—No; but I have the duplicates of the invoices sent out.

10. Do they show whether the girders were to be f.o.b., London, or delivered in the colony freight paid?—No. I am giving you the details of freight paid on them. I can produce the original contract notes in regard to the freight if the Commission desire them.

11. *Mr. Graham.*] Does this represent a payment made in addition to the amounts paid to the English contractors?—Yes; the payment for those girders and freight on them have nothing to do with the Nos. 1, 2, and 3 English contracts.

12. *The Chairman.*] Have you any more returns?—This is a return showing details of sundry expenses on construction [Exhibit No. 91]. The details are included in numerous imprest accounts made up of small amounts.

13. You do not show office expenses?—This return refers only to construction account.

THURSDAY, 11TH APRIL.

DAVID WALLACE further examined on oath.

14. *The Chairman.*] What are you, Mr. Wallace?—Goods Agent, Railways Department, Dunedin.

15. *Mr. Bell.*] What were you under the Midland Railway Company?—Traffic manager.

16. Until the seizure?—Yes.

17. And from what time?—From September, 1889.

18. And at the time of the seizure did you enter into the service of the Government?—Yes.

19. As traffic manager had you the control of the traffic on the line?—Yes.

20. Under whose supervision were the books kept?—I had full control of the working railways and of all departments eventually.

21. Including the accounts?—Yes.

22. Have you recently examined the books of the company?—Yes.

23. Have you examined them for the purpose of preparing these returns?—Yes, I prepared these returns [Exhibits Nos. 92, 93, and 94].

24. Are the statements there made above your signature correct?—Yes; they are as correct as I could possibly estimate them and get the particulars from the books.

25. Is the statement derived from the books?—The statement is all derived from the books with the exception of the estimated passenger traffic on the Reefton Section.

26. And the rest is from direct entry?—Yes.

27. How did you estimate the passenger traffic on the Reefton Section?—I just took the percentage of what I considered the number of workmen engaged on the section, and the percentage of those who travelled monthly, supported by the number of passengers who travelled on the Jackson Section during the course of construction. I had that, of course, from the returns.

28. After the line was completed to Reefton, was there any falling-off in the traffic and in the number of passengers?—Yes; there was a falling-off to the difference I have estimated.

29. In the passenger traffic?—Yes; and in the goods traffic.

30. That you attribute to the line then having no construction traffic or passengers?—Yes.

31. *Dr. Findlay.*] How many years have you examined the books for?—From the beginning of 1890 to the finish of the contract—3rd March, 1894.

32. No record, I understand, was kept as to whether a passenger was a workman or not?—It is simply based on my knowledge in connection with the traffic.

33. Have you allowed a proportion of the passenger traffic as ordinary passenger traffic?—I have allowed no proportion of the passenger traffic travelling, especially on the Jackson Section, where it was booked up to the terminal, because I reckoned all the traffic going to the terminal during course of construction was pure and simple construction passenger traffic.

34. You have allowed no ordinary passenger traffic in that case?—No.

35. You exclude the possibility of there having been any ordinary passenger traffic in that case?—Yes.

36. It means, then, that the whole of the passenger traffic is put down as workmen?—Any special excursion traffic through from Reefton or other places is not included here.

37. But, taking day in and day out, you say no distinction was kept in the books, and you simply rely on your knowledge or belief that it was all workmen traffic, and that there was no ordinary traffic?—Yes.

38. I suppose the same thing applies to this timber, grain, merchandise, and minerals?—So far as timber was concerned, there was no timber of any description went along the line—that is to say, either towards Reefton or towards the Jackson Section—before it was actually required for railway-construction purposes.

39. But there is no distinction kept in the books. It appears as ordinary traffic?—Yes; but I could locate it in a way.

40. But there is no distinction in the books?—No.
41. It depends on your local knowledge of the circumstances?—Yes.
42. And the same applies to the other divisions—grain, merchandise, and minerals?—Yes.
43. I do not suppose you are in any sense partisan, but, as we are not able to check these results, I only want to put it to you that you have in arriving at these results acted completely impartially, and you believe this is an honest and accurate result of the figures you found in the books?—Yes.
44. There is an item here, "Amount charged by traffic department against construction department and contractors for engine- and wagon-hire": what is that item?—It comprises the engines and the finding of the engines for doing the ballasting-work, and also any work required by the construction department, and we charged so much a day for the engines—to man them and equip them in every way. That, of course, was very much paid out in wages.
45. That is charged against the construction department?—And the contractor. The contractor paid was Rees and Co. They had two engines for some months, and they were charged so much per day, and so much for every wagon.
46. Is this item of £2,252 credited anywhere?—The traffic department would have the credit of it.
47. For the same amount?—Yes, £2,252.
48. The traffic department are in turn debited with the cost of this?—That goes against their working-expenses, of course, to a large extent.
49. The same observation applies to "Amount charged by traffic department against contractors for special labour, loading material, cramage, &c., at Stillwater"?—Yes; the amount of £931 is in connection with the contract. The contractor had to take delivery of the material in stock at Stillwater, and 1s. per ton was charged to him for loading of rails.
50. And this is credited to the traffic department in the same way?—Yes; they had to pay almost the same amount.
51. And that appears, of course, in the expenditure of the traffic department?—Yes.
52. There is another item here, "Amount collected by traffic department for rentals on land acquired by company and credited to revenue account." It is suggested that that is not fairly charged here against the company, because it is a continuing charge?—That is an item that represents rentals from houses and various parts of the land that were required in connection with the construction of the railway, and not eventually required by them.
53. Where are they now?—There are some existing still.
54. These rentals will be continuing?—Yes.
55. So it would not be wholly a fair charge against construction. The point is this: We are attempting to get at the net earnings of the railway for the purpose of capitalising it, so that if an item is put in which reduces that net income, and that item is not one which is wholly connected with construction, it would falsify the result very largely. I want to get your opinion as to whether this third item is properly charged against construction?—No, it ought not to be, because in that item there are, as I say, a good many rentals from the various cottages and houses in connection with the working railways, and they now belong to the Government.
56. Could you divide that item into what you think it should be?—No.
57. Mr. Dalston suggests that the carriage of this material—I am dealing with Exhibit No. 92—would be over that part of the Government line from Greymouth to Stillwater?—Part of it is represented as that. As I explained a little while ago, in the item £4,519 5s. 2d. there is included the railage of the material—the bridge and rail material going from Stillwater to the various parts of the work.
58. Probably a large portion of it would pass over the line from Greymouth to Brunner?—Yes; but I have not taken that into consideration at all.
59. Is it not shown at all here?—No.
60. I suppose the amount paid by the company to the Government would be probably as much as this?—That is a question I could not readily answer to a nearness; but, roughly, say, 8,000 or 9,000 tons of material for construction had to pass over the New Zealand Government railway there.
61. But no railage has been charged?—No.
62. Mr. Bell.] With regard to Exhibit No. 93, item £931, I understand you to say that, inasmuch as the traffic department had to do that work, it would practically pay out the whole amount in wages?—Yes, to a nearness; with the exception of the cramage, we retain that.
63. I want you to estimate as nearly as you can do how much of the £931 would be profit?—£100.
64. That would be on the debit side if the accounts were properly kept; there would be a wages account, and on the credit side would be these receipts, and the difference would be £100?—Yes.
65. Let us go back to the first item, "Amount charged by traffic department against construction department and contractors for engine- and wagon-hire, £2,252." Against that you say there would be the debit of the working-expenses of the engines: that means the coal, does it not?—Yes.
66. Anything else?—All stores.
67. With regard to the first item, "£2,252," that is an aggregate of amounts which the traffic department has charged either to the construction department or to contractors?—Yes.
68. And therefore all earned in respect of construction-work?—Yes.
69. To earn that there would be the coal, stores for the engine, and certain part employment of the men: there would have to be a man in charge of the engine whether it was in use or not?—All through there was an engine-driver, fireman, cleaner, and a guard—four men per engine.

70. Can you tell me how much of the £2,252 would be represented on the other side of the company's account by the debit for those charges?—No, I could not do so over that course of years very readily. We charged a nominal figure—say, £2 10s. per day—to the contractors for eight hours' work, and for any overtime at a rate which was *pro rata* of that, and we reckoned that by charging that amount there was not very much to come and go on when the engines were done or run down a little bit with working, and it was anticipated there would be so much of the renewals on the other hand still charged to the construction department.

71. Practically, does it not amount to this: that the only item that could appear on the other side would be the charge for coal?—No; there was also the charge for wages.

72. Could you give an estimate of that either now or later on?—I could give it later on after reference to the books.

73. This is suggested to me: Did not the traffic department charge the construction department practically the actual cost?—No, we could not readily do that; there would be instances where we would go over the item and in others we did not.

74. With regard to the third item, that is all money received as rentals, and goes to swell the revenue account: there is no debit against that?—No.

75. Do you know whether the rentals included the rental of the Totara Flat Hotel?—Yes.

76. At all events, they are rentals of land having nothing to do with the traffic receipts, except that the traffic department collected them, and, as they collected them, they would swell their traffic receipts?—Not all. As I explained a little while ago, the rentals in connection with the houses built along the line for the purpose of housing the men are included in this item.

77. Yes; but what has that got to do with the traffic receipts?—It is the practice to add that to the traffic receipts.

78. With regard to the £931, it is admitted there would be only £100 profit?—Yes.

79. With regard to the first item, it is your opinion that it was worked without a profit?—I would not say that absolutely, but there would not be very much of a margin altogether. If it is desired, I could give you the figures to a nearness later on.

80. Then you have £6,814 11s. 5d. in Exhibit No. 92, and there ought to be £100 for the second item in Exhibit No. 93, and £574 14s. 3d. in Exhibit No. 94?—Yes.

81. *Dr. Findlay.*] With regard to the item "Amount collected by traffic department for rentals on land acquired by company and credited to revenue account," I find in this summary of the working railways the same item you have arrived at?—Yes; I took it from there.

82. It is suggested that the rental of the Totara Flat Hotel was £75 a year; that was the rental we derived from it. It is suggested that nearly the whole of the rest of this £1,471 is either from land or houses which were along the line, and which now are in the possession of the Government, and either are contributing revenue or can contribute revenue. What I want to get at from you is how much of that was revenue entirely due to construction?—There is nothing there in connection with construction at all.

83. There is nothing connected with construction in it?—No.

84. Now, taking it with regard to traffic, how much of it is entirely due to traffic? I want to get from you some kind of estimate as to what amount of the whole should properly be charged to traffic?—For the rentals of cottages on the section as it stands now it comes to something like between £50 and £60 a year.

85. For how many years?—For the whole period—from 1890 to 1896—six years.

86. Would that be the only item you would take out—the six years' rent of those cottages?—Yes.

87. The rest you think are properly charged?—Yes.

88. What mainly makes up the £1,471?—There are the various sections acquired and the Blackball rents. When the sections were sold first of all we collected the sectional rents.

89. Mr. Bell says it would bring it down to £100?—Yes.

90. *The Chairman.*] Can you tell me what length of line was opened for traffic on the 6th December, 1890—I am referring to the first line of the return?—I have not the dates of the opening of that section.

91. If you cannot tell us that date, how do you expect the Commissioners to understand how to credit the line with this revenue?—I did not take note of the dates of the opening of the various sections.

92. But to understand the return do you not think it necessary to have the length of line opened at that time?—I do not see that it makes any difference.

93. Suppose there were six miles opened, and there were eleven hundred second-class passengers who passed over those six miles, do you think that would be a different thing to if there were thirty-two miles opened?—The passenger traffic put down in that return is just in accordance with the revenue derived. If the fare for passengers was 1s. 6d. when there were eight miles opened, and it was 15s. after there was twenty miles opened, it is all taken account of in that way. It is just the actual revenue from the returns.

94. But you cannot tell me what length of line this item applies to—whether it is six or thirty miles?—It would practically be impossible to do that.

95. Do you know whether the line was opened to Reefton on the 6th December, 1890?—No.

96. To give us a fair idea where this earning came from, should you not have told us the length of the line and to what point the line was open?—It was put to me in the way I have given it.

97. If you go further down, to the 10th December, 1892, do you know whether the line was open to Reefton then?—It was open in March, 1892, I think.

98. I suggest that you should have shown the information I have stated in the return, otherwise it is absolutely useless to us, I consider?—The figures as they stand comprise both sections of the contract, as they were both going on all the time.

99. Take the 10th December, 1892: can you tell me what length of line was open then?—Not without reference to the various circulars.
100. You stated that the company supplied the contractor with engines: for what purpose?—For ballasting purposes.
101. Can you tell the Commission what are the contracts you refer to?—Rees and Co.'s contract particularly—their contract from Ahaura to Reefton.
102. Can you tell me whether anything was charged for the use of the rolling-stock between Brunner and Kaimata and between Brunner and the other side of Nelson Creek?—That was before my day, and that was before there was any traffic working on it.
103. Can you say definitely that this applies to Rees's Reefton contract from Totara Flat to Reefton?—From Ahaura they started.
104. That is known as the Totara Flat Section?—Yes.
105. And the Mawheraiti and Squaretown Sections?—Yes.
106. This applies only to those three sections?—I cannot say only to those sections. If the construction department wanted an engine out at any time after a section was handed over—as in the instance of the carrying a lot of stones to the Teremakau Bridge—the traffic department debited the construction department at the same rate as for an engine hired out to the contractors—to cover working-expenses.
107. You had running-powers over the line to Greymouth?—Yes.
108. And any material loaded in Greymouth did not require reloading at Brunner or Stillwater?—Yes, every ton was reloaded at Stillwater—that is, absolute construction material—rails and bridge-work.
109. How can you account for that?—That was the arrangement. The rails came forward at a time when the contractor was not ready for them, and the girders were in the same position; each girder was marked, and they had to be got together and loaded in a specific way, and go on to the work.
110. Was it economical management to load and unload the rails in that way; you say that everything was unloaded at Stillwater?—Yes; but to send them all forward as far as the working-point and unload the rails there and then subsequently to reload them again would not have been a good way of doing the work.
111. Do you know whether there was a rate of freight specified in the contracts for the haulage of contractors' material?—They ordinarily got reduced rates from Stillwater to the point reached.
112. There was no fixed rate in the contract?—No, not that I am aware of.
113. In this line, "Estimated passenger traffic on Reefton Section from May, 1890, to July, 1891—200 single, 670 return": where do you think they came from?—From January, 1890, to May, 1890, I estimate 160 second returns at 1s. 9d.—that is Ngahere; from May, 1890, to February, 1891, I estimate 360 second returns—that is on the Ahaura fare of 3s. 4d.; from February, 1891, to July, 1891, 150 second returns at 4s. 6d.; and then there are 200 second singles, which I estimate, and take the aggregate on the Ahaura rate of 2s. 1d.
114. I think you said there was no timber going up the line except for construction purposes?—That is all I have any recollection of.
115. Were there no buildings going up about Ahaura or Totara Flat at that time?—The local sawmills would supply any local requirements for the building of houses.
116. Where would the local sawmills be situated?—There was Currie's mill, at Ahaura, which supplied a lot of timber in the district.
117. But that timber travelled on the line?—No.
118. Can you give us a return showing the amount received from passengers that you consider were working on the line, or connected with the line, during the periods you have in this return?—I have it here; the total is only shown in the return.
119. How do you ascertain the quantity of merchandise sent up for construction purposes, for instance?—The bulk of it comprises material going from Stillwater, and the Stillwater summary was nothing else but material going forward. A very large quantity of the timber coming up from Greymouth was ironbark. Then, large quantities of cement came up from Greymouth for bridge-work, and in connection with the Reefton Tunnel.
120. Are you sure there was no cement or ironbark used for mining or other purposes in the district at that time?—I have no recollection of it.
121. During those five years, do you consider that no cement was used in Reefton?—I did not know of any going by rail.
122. Say that goods were carried by train to Totara Flat and were then carted, could you distinguish them from the books?—The cement usually came in large quantities—in shiploads.
123. What are these minerals mentioned in the return: coal?—Yes; and stones for protective works, and bricks for the Kaimata Tunnel.
124. When did the traffic department of the Midland Railway get charge of the railway-line from Stillwater to Jackson's to run traffic on it?—The traffic department took over each section as it was finished.
125. Can you tell me when it was legally open for traffic?—I have not the dates. The different sections were opened at different dates.
126. The company's engineer puts it on record that it was not opened until it was opened to Jackson's, which was on the 13th March, 1894, and I want to know whether it was being worked by the construction department or by the traffic department previous to that time?—All the revenue is shown in this return which was derived from the running traffic on the Jackson's Section, with the exception of what was picked up intermediately. There was not much to start with.

127. Did the traffic department keep up a maintenance gang?—After we opened to Kotuku. Any maintenance that was before that we charged to construction.

128. What would that date be?—I suppose you have the date of the opening to Kotuku.

129. We have only the one opening—up to Jackson's, March, 1894: if the construction department was charged for maintenance up to that time, do you not think they should be credited with the revenue received from it?—That was only for a short time.

130. Four or five years, I suppose?—There was a good long while when we had no men working on it at all, and there were no trains running—not until the Stony Creek Section was opened and they commenced to construct Kaimata Tunnel.

131. *Mr. Hudson.*] I do not understand this estimated passenger traffic on the Reefton Section from May, 1890, to July, 1891. Why is it put like that?—All this through passenger traffic which is shown there was absolutely passenger traffic originating on the Jackson Section.

132. From 6th December, 1890, to March, 1894, the return put in refers to the Jackson's line traffic only?—Yes. I could not get it out any other way.

133. Does it refer solely to the Jackson's line traffic in respect to goods as well as passengers?—No.

134. I am to understand that from the 6th December, 1890, to the 3rd March, 1894, year by year, the Jackson's passenger traffic is shown, and, so far as the goods traffic is concerned, it refers to both the Reefton and Jackson's line?—Yes.

135. While the Reefton passenger traffic is entirely contained in the period named in the latter line?—Yes.

136. Could you not give the Commission a fairly correct estimate of the rental of the cottages which are really belonging to the railway—the cottages in which the men lived, and which practically form a portion of the capital expenditure of the line: could you give the Commission a fairly correct estimate of the rentals derived from those cottages and credited to railway revenue?—Yes; there are not so many of them. There are fourteen cottages, and we charged 4s. a week.

137. I suppose you gave the stationmaster's house free, in accordance with the usual practice?—Yes.

138. I will ask you to give that return, if you please?—I shall do so.

139. Will you explain Exhibit No. 94 to me?—That was traffic arising from timber carried on behalf of the company, who gave orders to one or two sawmillers along the line.

140. Where was the timber going to?—They originally intended it for Melbourne.

141. Where did it go to?—A lot of it went, and a lot of it did not go.

142. Did it actually all go to Greymouth?—No; there was a good quantity of it stacked at Stillwater.

143. Is it timber that was used in the construction of the railway?—No.

144. Then, it really is contained in your traffic receipts exactly in the same way as other timber?—Yes.

145. Is this £574 14s. 3d. railway revenue exactly in the same way as if the timber had been sent by a sawmill over the line?—Yes, exactly.

146. It differs in no respect from ordinary timber consigned from one individual to another?—None whatever.

147. And is as much railway revenue as the instance I have given would be?—Yes.

148. And is in no way due to construction?—No.

149. *Mr. Fraser.*] Do I understand you to say that you have debited to construction the whole of the goods and the passengers carried before the line was opened from Stillwater to Jackson's and from Stillwater to Reefton?—Not the whole of the traffic carried to the terminals.

150. I understood you to say that you charged here the whole of the traffic to construction prior to the opening of the line to Reefton and Jackson's?—I did not mean that. You must have misunderstood me.

151. Are there any other receipts during the periods given?—No other receipts in connection with construction-work.

152. But any other?—Yes; the *bona fide* traffic on the line.

153. Before it was opened?—Yes; the traffic on the sections.

154. You say they charged £2 10s. a day to the contractors for the use of the engines: did that cover the cost of wages, coal, and other material, or was there much profit on it?—There was very little profit on it. It was made up and brought to a nominal figure to cover the usual working-expenses.

155. The bulk of the £2,252 in Exhibit No. 93 would appear on the expenditure side as well as on the receipts side?—Most of it.

156. *Mr. Graham.*] In the column under the heading "Passengers," did I correctly understand you to say that in the first five lines the figures apply to passengers carried on the Jackson's line entirely?—Yes.

157. And the last line represents the number carried on the Reefton line?—Yes; to the best of my knowledge.

158. Taking all the rest of the columns, did I understand aright that those refer to the total quantity of timber and other materials carried on both lines?—Yes.

159. Could you show the total amount of material carried on each line in the same way as you show the total number of passengers?—Yes.

160. Was the whole of this 925,700 ft. of timber carried for construction purposes?—Yes; to the best of my belief. I have taken the timber going to the construction point. A large quantity of this timber was comprised of ironbark piles.

161. But all these different materials were carried in connection with construction?—Yes; everything that is there.

162. *The Chairman.*] Have you got any idea of the relative cost of the construction of the line between Stillwater and Jackson's and Stillwater and Reefton—I mean as far as the number of men required to construct each piece was concerned?—No.

163. Suppose, for instance, both lines would require the same number of men for the same period of time, how do you account for 3,421 being put down for the construction of the line from Stillwater to Jackson's and only 200 on the line from Stillwater to Reefton?—That was very largely owing to the nature of the district. One line went through virgin bush, and the workmen lived in tents all the way, and they frequently travelled on Saturdays and holidays to Greymouth; whereas on the Reefton line the men were working so far from the terminal that it was too expensive to travel often.

164. Suppose it took a thousand men four years to make the line from Stillwater to Reefton, do you wish the Commission to believe that only 870 of those men went down the line during those four years, and that they only paid £129 5s. to the revenue?—Yes; to the best of my knowledge.

165. That is what you wish the Commission to understand?—Yes.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

166. *The Chairman.*] You put in this return of "steel pile-shoes and freight, £293 8s.," as being correct to the best of your knowledge and belief?—Yes. [Exhibit No. 95.]

DAVID WALLACE further examined on oath.

167. *Mr. Bell.*] I understand you have prepared an amended statement of the return you handed in yesterday, in accordance with the request of the Commission?—Yes. [Exhibit No. 96.]

168. When was it finished?—About a quarter of an hour ago.

169. You have also prepared the return asked for by Mr. Hudson, showing the amount of rent derived from the cottages along the line?—Yes. [Exhibit No. 97.]

170. You put these in as true records from the books of the company?—Yes.

171. They are correct?—Yes; to the best of my knowledge and belief.

172. *Dr. Findlay.*] The rent of the cottages is the only thing you think should be deducted?—Yes.

173. *The Chairman.*] Are you satisfied that this shows the total quantity of material carried for the contractors?—Yes; to the best of my way of getting at it from the returns.

174. Of course, if the contracts show that double this quantity of material was carried you could not account for it?—No, I could not.

ALEXANDER BARRON examined on oath.

175. *The Chairman.*] What are you, Mr. Barron?—Under-Secretary for Lands, residing in Wellington.

176. *Mr. Bell.*] Pursuant to the letter of the Commission dated the 3rd April, have you caused a return to be prepared?—Yes. [Exhibit No. 98.]

177. Is that a correct return of the land granted to the Midland Railway Company, and the value as stated in the Warrants authorising the issue of the title?—Yes.

HENRY WILLIAM YOUNG further examined on oath.

178. *The Chairman.*] You desire to put in further returns?—Yes; the first relates to contract No. 30, Kotuku Section, and the supply of plate girders and ironwork for bridges [Exhibit No. 99]. The second return relates to contract No. 8, and is a copy of a letter accepting tenders [Exhibit No. 100].

MONDAY, 15TH APRIL, 1901.

ROBERT BAFF examined on oath.

179. *The Chairman.*] What is your occupation?—I am overseer on the Waipara-Cheviot Railway.

180. Residing where?—At Waipara.

181. *Mr. Bell.*] When did you come out from England?—I arrived in the early part of 1888—I think, about January.

182. You had known Mr. McKeone before that?—Yes, for a number of years. I had been an old servant in the firm.

183. And you came out here at his request?—Yes.

184. What was your employment in New Zealand after you arrived?—I commenced work as a foreman for McKeone, Robinson, and Avigdor.

185. How long were you engaged as foreman upon their works?—I do not think more than a month or six weeks. Then Mr. Avigdor came out, and he arranged contracts for me.

186. That is to say, you took up subcontracts of part of the works?—Just so.

187. What was your first subcontract?—It was the Arnold bank, which runs from the Stillwater Station yard to the Arnold River.

188. Was that anybody else's contract to begin with?—No; it was mine.

189. Where was Mr. Corcoran's contract?—That commenced about a quarter of a mile from the Brunner Crossing.

190. Could you show it on the section if you had the plans before you?—Yes.

191. I believe you have none of your contracts by you?—I have not a single piece of paper of any kind in reference to it.

192. What happened to Mr. Corcoran during the course of his contract?—What was known as the "Jubilee flood" washed a lot of his work away.
193. And then what happened?—I finished that part of his contract for him.
194. And you can show us on the section where it was?—Yes.
195. It began between Brunnerton and Stillwater?—Yes.
196. And continued to where?—To the Stillwater Station yard.
197. Who did the Stillwater Station yard?—Corcoran did part of it, and I did part of it.
198. You finished the Stillwater Station yard contract also?—Yes.
199. Then, who finished the work between Stillwater and the commencement of Brown's contract?—I did up to about half a mile on the other side of the Arnold River, and met Brown's contract.
200. Brown's contract included the bridge over the Arnold River?—He did the bridge.
201. And you finished the work up to Brown's contract?—Yes.
202. So that you practically finished the completion of the old Government contract?—Yes.
203. And then you finished the work which had been partly done by Corcoran, including the Stillwater Station yard, and up to the commencement of Brown's contract?—Quite so.
204. You say you have no papers left?—Nothing at all.
205. And you have no means of telling us precisely what moneys you received?—No, I have not.
206. Did you have to trim up the whole of the work known as Rowe's contract after you took over Corcoran's work?—No, before that. That was the first work I did after my arrival in the colony. A lot of slips and broken rock had come down, and I had to clear it all away.
207. Do you know where you started to do that?—I started at the railway-crossing which is marked 15 chains 80 links from Brunnerton.
208. Did you do any work between Brunnerton and that peg?—No.
209. Never at any time?—No.
210. Do you know whether any one else ever did?—No, I think not.
211. Were the plates laid on that portion between Brunnerton and the 15 chains 80 links peg?—Yes; up to the cattle-stop on the Brunner side of the railway-crossing.
212. Where were the plates laid to when you came to the colony?—Up to the cattle-stop.
213. Who did the platelaying between the cattle-stop and the crossing?—I did that; I put the crossing in.
214. And did you do all the platelaying from the cattle-stop up to Brown's contract?—Yes; and on the Jackson's line, up to Kaimata. I did all the platelaying and ballasting up to Stillwater Station first; then I put in the Stillwater Station yard, and continued to Brown's contract on the Reefton line and to Kaimata on the Jackson's line.
215. *The Chairman.*] You started at 15 chains 80 links to clean up the line on the old formation made by Rowe?—Yes.
216. How far was that old formation made?—To where Corcoran's contract commenced.
217. Where was that?—Up to 0 miles 63 chains from Brunnerton.
218. Was there much work in the trimming?—No. Some of the cuttings were not quite wide enough, and I had to widen them; and a lot of stuff had fallen down on the formation, and I had to clear it away.
219. Can you give us, approximately, any idea of the cost of the work you did in clearing up to 63 chains?—To the best of my knowledge, it cost about £100.
220. That is for clearing the formation up?—Yes.
221. You did the platelaying for that part also?—Yes.
222. Did that £100 make the formation ready for platelaying?—Yes; it included packing up the retaining-wall which was built by Watson.
223. Do you know the two bridges before you come to the road-crossing?—Yes.
224. Were those two bridges rebuilt?—Not at that time. They have been rebuilt since then.
225. What condition were they in?—They were old timber bridges.
226. Did they require any repairs?—Yes.
227. Before you ran the ballast-engine over them?—No; they were not repaired before that.
228. Do you know whether they were repaired before the passenger trains ran over them?—They were repaired after the opening of the line.
229. The repairs of these bridges are not included in this £100?—No.
230. Did you do any work at the Stillwater Bridge?—The Jubilee flood washed a good deal of this bank away, and that was the means of stopping Corcoran's contract, and I finished it.
231. Was that washed away after Corcoran finished his contract or before?—He had not finished. He had not got the bank high enough, and that was how the flood got over it.
232. Was the grading altered after that was done?—I am not sure, but from the plan I think it must have been.
233. Did you refill this cutting?—I brought the stuff from the other side with the engine.
234. Now, in regard to the permanent-way, you laid the permanent-way from this initial point, where the Midland Railway commenced, right to Kaimata?—Yes.
235. Can you tell me what length of railway you laid on the main line from where the company started up to where you finished at Kaimata?—I think it was up to the tunnel-front, a little beyond the eight-mile peg.
236. Which end of the tunnel did you lay the line up to?—To the Greymouth end; and I filled the piece of bank up from the tunnel-front.
237. You made the face of the tunnel?—Yes.
238. Was that work done by contract?—Yes.

239. You had a contract from McKeone, Robinson, and Avigdor?—Yes.
240. Who found the sleepers?—They found them.
241. You just did the linking in, ballasting, and lifting?—Yes.
242. Did you put the road-crossing in?—Yes.
243. You completely finished the line?—Yes.
244. Do you remember how much you got for the ballasting?—I think 1s. per yard for the ballast at the pit; 8d. per yard for linking in; and, I think, 8d. per yard for unloading and lifting and completely finishing.
245. You had 2s. 4d. for ballasting, lifting, and linking in?—Yes.
246. Did that include the adzing of the sleepers?—No; that was an extra, and would amount to about 1½d. more.
247. Did you get anything extra for points and crossings?—Yes.
248. How much for them?—£4 per set.
249. Can you tell us how much you got for the earthwork you did on the line?—I got 1s. 8d. for filling the Arnold bank. Part of it came from a stream diversion, and I got 1s. 3d. for that.
250. What length was the lead?—About half a mile.
251. Did you do the formation at Stillwater Station yard?—Part of it. Corcoran did part of it.
252. How much per yard did you get for that?—1s. 8d. for the excavation.
253. Did you do the platelaying in the station-yard?—Yes.
254. Was that included in the contract up to Kaimata?—It was all at the same price.
255. What platelaying did you do on the Reefton line?—About a mile.
256. You joined the platelaying on Brown's contract?—Yes.
257. Did you do any concrete-work?—Yes.
258. How much per yard did you get for it?—I think £1 17s. or £1 18s.
259. There was some pitching at the Stillwater Bridge?—Yes, a good deal of pitching.
260. Did you do that?—Yes.
261. How much per yard did you get for that?—4s.
262. Was it hand-pitching you got the 4s. per yard for?—Yes, it was hand-pitched, and carefully laid.
263. Did you put up any buildings?—No. I did a lot of pitching on Brown's contract.
264. Did you do the felling and clearing on this line?—Part of it.
265. How much did you get for that?—It ran to £3 and £4, and included felling and clearing.
266. And grubbing?—There was very little grubbing.
267. Was there no grubbing in the Stillwater Station yard?—That went with the cuttings.
268. Did you do any fencing?—No.
269. Did you do the water-service for the Stillwater Station yard?—No; a gentleman named Reece did that.
270. *Dr. Findlay.*] So far as you can recollect, you began work in 1888?—Yes; the early part of 1888.
271. I understand the company had begun work about November or December, 1886?—It would be about that time.
272. They would have done a good deal of work before you arrived?—Not a great deal. Corcoran had commenced work, and the Stillwater Bridge was in course of erection.
273. There was a portion done up to what you call the cattle-stop on the Brunner side?—Yes.
274. You do not know of your own knowledge how much work the company had done on that piece of line?—That was Government work.
275. Some of it; but I understand—perhaps you do not know—that the cattle-stop was put in by the company?—It was already in when I came.
276. You do not know who put it in?—No.
277. You do not know what repairs had been done to the old formation by the company up to that time?—No.
278. Really, you cannot say what work had been done by the company before you arrived?—No.
279. With regard to the £100 you got for trimming-work on this section done by Corcoran?—That was not in connection with Corcoran's work at all; it was Rowe's contract.
280. It has been suggested to me that the work for which you got £100 was on part of Corcoran's contract?—No; it had nothing to do with Corcoran.
281. Do you know whether this cleaning-up on Rowe's contract, which cost £100, was rendered necessary by the flood?—No; it had been lying there for years, and the batters had been rolling down, and it was half blocked up.
282. You do not know whether Corcoran did any work on this section of Rowe's?—No.
283. You told the Chairman you got 1s. a yard for ballast?—Yes, at the pit.
284. Do you know who paid for carrying it from the pit to the place where it was required?—The contractors—Messrs. McKeone, Robinson, and Avigdor—supplied the engine and engine-men.
285. They would be at the expense of the carriage of the ballast?—Yes.
286. Do you remember whether you were in the colony when that flood to which you refer took place?—Yes.
287. Was not that flood in 1887?—I thought it was in 1888, but perhaps I have made a mistake of a year.
288. *Mr. Bell.*] Had Brown commenced his contract when you came out?—Yes.
289. Did the flood you remember interfere with Brown's work?—I do not think so.
290. *Dr. Findlay.*] You are quite sure the flood is what is known as the "Jubilee flood"?—Yes.

291. Was the damage done by the flood before you arrived in the colony?—No; it was after my arrival. It washed a lot of my Arnold River bank away.

292. Then you must be making a mistake about the date of your arrival. It must have been in the early part of 1887?—It must have been. I have made a mistake of a year perhaps.

293. Then, are you pretty clear you really arrived in the colony in 1887?—Yes.

294. In what month?—It would be about January or February. I spent Christmas at sea.

SAMUEL BROWN examined on oath.

295. *The Chairman.*] What is your occupation, Mr. Brown?—Contractor, residing in Wellington.

296. *Mr. Bell.*] You had a contract with McKeone, Robinson, and Avigdor for the construction of a certain portion of their railway-work?—Yes.

297. First of all, you built the Arnold Bridge?—Yes; I put the concrete cylinders down, and either Scott or Anderson put the top work on.

298. Who was Mr. Watson?—A subcontractor.

299. He was in your employ?—Yes.

300. You did put up the Arnold Bridge?—Certainly.

301. Did your work start at the Stillwater side of the Arnold?—I did nothing on the Stillwater side.

302. You think you started at the Arnold Bridge?—Yes; I made the approaches up to it, as far as my memory carries me.

303. You put up the Nelson Creek Bridge also?—Yes.

304. And where did you end?—Nelson Creek.

305. Did you go beyond Nelson Creek at all?—I think there was a little piece of cutting done beyond it—only a limited amount.

306. You began at the Stillwater side of the Arnold Bridge and ended at the Reefton side of Nelson Creek?—Yes.

307. I believe you have not kept your papers, except a few; you have not got your contract papers, but you know exactly what was paid to you?—Yes.

308. That, I think, you get from your ledger?—Yes.

309. Will you tell the Commission exactly what you got for the work?—I was paid £31,525 15s. 2d.

310. And it cost you what?—£31,178 18s.

311. So that you did not do very well out of it—you made about £340?—Yes.

312. Did you charge anything for your own personal attendance and supervision?—No; nothing but cash out of pocket.

313. You have got your pay-sheets of the gangers' accounts from No. 7 to No. 14 to show what you were paid for each kind of work?—Yes.

314. The sleepers, girders, rails, and cylinders were supplied to you?—Yes.

315. You put the concrete in the cylinders?—Yes.

316. *The Chairman.*] Did you lay the permanent-way?—Yes; but we did not put on all the top structures—the top girders; that was a separate contract. I fancy they found some of the iron girders for some of the longer wooden bridges. I have a dim recollection of one bridge with iron girders near Red Jack's.

317. Mr. Anderson informed us that he did all the bridges from Nelson Creek to Stillwater, but whether the company supplied him with the girders I do not recollect?—I cannot help what Mr. Anderson says. To the best of my recollection, I did all the line complete, with the exception, as I say, of these two cylinder bridges. I do know that Mr. Anderson or Mr. Scott put the girders on them. Beyond that I do not think they did anything. But I have an idea that some iron girders were supplied—I think, at Red Jack's. It is rather a long span. I put them in position.

318. Take the No Town Creek Bridge: did you do that?—Yes.

319. There are plate-iron girders on that?—They would be supplied. I supplied no ironwork.

320. *Mr. Bell.*] Who put the iron girders in position?—I did. They were just supplied to me.

321. *The Chairman.*] Were there any public tenders called for the work?—Not for that.

322. For any of it?—No.

323. It was let to you privately?—Yes.

324. So that, without public competition and without knowing what the quantities are, we could form no opinion as to the prices?—No.

325. You put in this voucher, No. 14?—Yes. [Exhibit No. 101.]

326. This is one of the vouchers of your contract?—Yes.

327. And the prices represent your schedule prices for work?—Yes.

328. *Mr. Bell.*] What was the reason you did not make the contract profitable; was there any special reason?—There were several special reasons. It was understood when I started that I would go on towards Reefton. I purchased a pretty large plant, which cost me pretty nearly £2,000, and I do not think I got £100 out of that. That was one reason. Another reason was this: I suppose the Jubilee flood did me five hundred pounds' worth of damage. And then I had some other troubles. I had to change the management, and some fellows I had to pay over again. One man I paid £150 twice over. That was owing to a mistake in measurement on the part of the engineer of McKeone and Avigdor, and I had to pay for that mistake.

329. *Dr. Findlay.*] You mean the mistake was made by McKeone, Robinson, and Avigdor?—Yes. Another reason was that the engineer in charge (Bergan) had no idea of colonial charges and customs. He simply had the men doing certain parts of the work over and over again. In the ordinary course of railway-work you make your banks, but he used to have the banks trimmed

every month. In fact, no amount of money would pay with him. As to Stillwater, they must have had a mint of money if they did not lose money by that contract.

330. *Mr. Bell.*] Did it appear to you that money was being unnecessarily spent?—As far as colonial management was concerned, the man was utterly unfitted for it. He came from Sweden, where men could be got at 1s. a day.

331. Then, men's labour was employed, in your opinion, unnecessarily?—Well, I should say, as a colonial contractor, it was very much, in this way: If you have men who are only costing 1s. a day you can have a lot of men fooling around, but if you have to pay men 8s. or 9s. a day you cannot have that waste.

332. You say you invested £2,000 in a plant, believing that you were going to continue to work right up towards Reefton?—Yes.

333. Was your plant unnecessarily large for the work you had to do?—I could have done with much less plant. Some of my wagons rotted away, and some of my rails were stolen. When I came away some people bought a few, and the miners came and helped themselves.

334. Supposing you had had a plant only sufficient for the work, what addition would that have made to your profit? Certainly a good deal less plant would have done me.

335. What plant would have been sufficient?—I cannot tell that now.

336. A good deal less than two thousand pounds' worth?—Yes.

337. *Dr. Findlay.*] You said that this was not work done by public tender?—It was not.

338. Supposing you had been asked to tender in the usual way in jobs of this kind, what would you have added to the actual cash outlay for your own superintendence, for risks, and so on?—I would not have added anything to it. You make up your schedule as far as you can see that you have got a profit for your money invested and for your own time looking after it; but since the days of the Brogden contracts I do not know that anybody has put in money for their own time.

339. Supposing you had tendered for it, I assume that your total price would not have been much less, if any less, than the amount you got?—It would not have been any less. Some items would have been more. There are several items that I took at an absolute loss, such as the station-buildings; but they assured me that was all they got themselves. I knew there would be a loss.

340. If the English contractors had done the work by public tender they would have had to pay more than they paid you, in all probability?—They might; but they might have got some people who might have taken the contract at less money.

341. If you yourself had been tendering, the price you would have put in would have been, if anything, more than the price you did it for?—Yes.

342. Did you tender for any other sections?—Yes.

343. For more than one?—I think only for one, under Mr. Wilson.

344. What section was that?—It was on the Jackson's line.

345. Was it the Kotuku Section?—Messrs. Jay and McLean got it.

346. Your prices were rather higher than theirs?—I suppose so.

347. You said that the company supplied you with rails, fasteners, sleepers, cylinders, and girders?—Yes.

348. Do you know whether you had to pay for your own engine-service, or whether the English contractors did that?—I paid for everything of that sort in the usual course. There was so much for the platelaying and ballasting.

349. You were at the expense of any carriage that was necessary to move materials on to the ground?—Yes. I did the work in the ordinary way in which contractors do such work. The contractor supplies all carriage.

350. *Mr. Hudson.*] Did that apply to ballast?—Yes.

351. And you hauled it?—Yes.

352. *The Chairman.*] You stated that this contract was not let by public tender?—Yes.

353. Supposing those quantities to be fairly correct, do you think, if you put in a price for any contract about that time, you would have been likely to get it?—I think the prices I put in afterwards were about the same.

354. But you did not get the contract?—No.

355. Supposing there was fair supervision, and you had had no mishaps, what do you think the profit ought to have been?—I think there ought to have been a fairly good profit.

356. 25 or 30 per cent.?—Oh, no.

357. We have had the prices given of all the rest of the line. If the contractors for the rest of the line carried out their work, and if they are 25 per cent. below your prices, do you think their prices were in any way reasonable?—I would not express any opinion on that; but I do know this: that on those cuttings where I had 1s. 6d. per yard I let them for 1s. 3d., and I laid out the work for them. Of course, they might make 25 per cent. by cutting the men down, but I did not do that; or they might not have paid the men their wages at all, and then they would have made more than 30 per cent. That is another way of looking at it.

358. I do not see anything about the permanent-way in this return?—No; the papers I have produced do not come down to that.

359. You only tendered for one other section of this line?—I think that was all.

360. Was that let by public tender?—Yes.

361. Do you recollect if you were asked to tender for it?—Mr. Wilson asked me to tender for it.

362. Was it generally understood amongst New Zealand contractors at that time that it was no use competing, because it was already arranged between two firms at Greymouth?—I never heard that.

363. You do not know whether any competition existed at that time for those contracts?—I do not know.

364. You put up all the buildings on your section?—Yes.

365. And station platforms, stations, and goods-sheds?—Yes. I did all the road-deviations, mile-posts, and cattle-stops.

366. *Mr. McKerrow.*] You were asked what per cent. you might have made on this price had the contract been under colonial engineers, instead of under this Swedish gentleman: can you say approximately what profit you could have made under those conditions?—No; the prices were really as good as I could wish to have had.

367. I should imagine that if I had been a contractor I would have worked out in my mind how much I would make out of it: did you do that?—I may have done so. I ought to have made several thousand pounds. Probably I would have said this thing is worth from £4,000 to £5,000, taking the average work.

368. *Mr. Graham.*] Provided you had good luck—Yes..

369. You had to provide for risks?—Yes. As I have said, the constant trimming of the banks meant a lot of work. Then there was the Jubilee flood. The real damage was a good deal more than the apparent damage, because the banks were all messed up.

FRIDAY, 19TH APRIL, 1901.

JAMES BURNETT examined on oath.

370. *The Chairman.*] What is your occupation?—Inspecting Engineer of New Zealand Railways.

371. Residing where?—At Wellington.

372. Were you in charge of the Canterbury Section when the Government seized the line from Springfield to Patterson's Creek?—Yes.

373. Did you take charge of it then?—Yes.

374. That would be on the 25th May, 1895?—I believe so.

375. How far was the permanent-way laid?—From Springfield to Otarama.

376. What distance would that be?—About four miles and three-quarters.

377. What condition was the line in?—I think I had better explain that from 1892 to 1895 the line was maintained under my supervision for the Midland Railway Company. There was an occasional inspection, and certain repairs were done. When the line was seized by the Government it was in very fair order throughout. It had been improved somewhat since the time we had undertaken the maintenance of it.

378. How long had the permanent-way been laid at the time of the seizure?—Not quite three years.

379. And was the Government running the line on behalf of the company in accordance with the Midland Railway contract?—Yes.

380. What buildings are on that line?—A shelter-shed and platform and a platelayer's cottage at Kowhai Bush, and shelter-shed at Otarama, which is a flag-station. Those are all the buildings.

381. There are no buildings belonging to the company at Springfield?—No.

382. In what condition were the buildings in?—Good condition.

383. Were no repairs or painting of any kind required?—I think all the buildings were painted once during that period, speaking from memory. However, they were in good order.

384. What condition were the sleepers in?—Fair condition; they were birch sleepers from Oxford.

385. What do you consider the life of birch sleepers there?—About ten or eleven years. They had been three years in the line.

386. What kind of rails?—53 lb. steel rails.

387. What do you consider the life of these rails?—It all depends on the amount of traffic. On that line I should say probably fifty or sixty years. In the event of heavy traffic the life is so much less.

388. Suppose there was no traffic, what would be the life, allowing for corrosion?—Probably fifty or sixty years in that climate.

389. Was there any rolling-stock on that line belonging to the company?—No; it was always run by the Government rolling-stock.

390. What do you consider the prospects of that line to be, supposing it was not extended beyond the present terminus?—Infinitesimal; an occasional truck of firewood is about the extent of it.

391. Do you consider that section to have any commercial value if it were to stop at Otarama or Patterson's Creek?—No. It would not pay working-expenses, and you could never expect it to.

392. Suppose it were put up for sale, do you think it would sell for anything?—For the value of the material in it possibly. I should be sorry to give more than the value of the material in the line.

393. What do you estimate the value of the material at?—I can hardly give you an answer offhand. I should say from £4,000 to £5,000—possibly £5,000, because probably there are some girders that could be made use of.

394. *Mr. Hudson.*] That represents the margin between £4,000 and £5,000?—Yes, I should say so.

395. *Mr. McKerrow.*] Do you know the price of the rails at the time they were laid down?—I cannot say; I have no recollection.

396. I suppose they are more valuable now?—Rails are dearer now than they were then. They were put down at a time when iron was cheap.

397. You cannot give us the difference per ton in the price?—I should say perhaps £1 10s. per ton.

398. Suppose it was decided to lift the rails and stack them at Springfield, what would be the cost of that operation per ton?—I think about 5s. per ton probably.

399. Then, the sleepers would not be worth anything?—They would be useless.

400. And you think the only other portion of the material worth shifting or handling would be the iron girders?—Yes, the girders of the Big and Little Kowhai Bridges.

401. I do not suppose they have depreciated in any way?—No.

402. Would the cost of bringing them to the Springfield Station be considerable?—It is difficult to estimate what it would cost.

403. *The Chairman.*] Would it cost more to take them up than to put them down?—No, it would not. The operation would cost about £2 per ton.

404. *Mr. Hudson.*] What value would the girders be when you got them to Springfield Station?—If you had a place to put them into they would be worth £15 per ton, I should say.

405. You have taken these girders to Springfield Station at a cost of £2 per ton?—Yes.

406. Of course, I am assuming that you have no work in which to use them at Springfield, and that you are simply storing them at Springfield: what value would they have for storing at Springfield?—Possibly £10 per ton. There might be a good deal of work to do to them before they could be used anywhere else.

407. *Mr. Fraser.*] You said that the line was maintained under your supervision for the Midland Railway Company: do I understand you to mean that all repairs done by you were paid for by the Midland Railway Company up to May, 1895?—Yes.

408. *Mr. Graham.*] I suppose if there was a use for these girders in any other part of the colony they would be worth very nearly as much as new girders?—Yes; but you might have to take them to pieces a good deal and do a lot of work with them before you could make use of them elsewhere, and that would depreciate their value. That is why I put such a low price on them.

409. Have you any idea of the original value of these girders?—£18 or £20 per ton.

410. Taking £18 as the cost, you say it would cost £2 per ton to shift them to Springfield, and that they would depreciate another £6 after being landed at Springfield?—Yes, owing to the contingencies that might occur.

411. Provided they could be made use of, what do you say?—It all depends on where they have to go to, so that you have to leave a very wide margin.

412. Do you think if you had to pay more than £10 per ton it would pay you better to get them manufactured at the foundry again?—Probably.

413. *The Chairman.*] I believe you inspected the Belgrove-Norris's Gully Railway in April, 1900: in what condition did you find the line on that date?—In very good order, except that it was short of ballast.

414. Did you make a report on it at that time?—Yes; I made a detailed report of inspection, and these are my references to that line: "First two or three miles in fair order; remainder of line in good order, but rather short of ballast. Sleepers beginning to go. Buildings in good order. Rails 53 lb. and 56 lb. steel, in good order."

415. On which portion of the line are the 56 lb. rails laid?—I do not remember the exact length, but I think it is just from the tunnel down towards Motupiko.

416. Did you make any estimate of what it would cost to put the line in order?—It was in good order. It was only short of ballast.

417. *Mr. Hudson.*] From the time the line was built and the sleepers put in how long is likely to elapse before the sleepers require renewal?—From ten to twelve years.

418. *The Chairman.*] What life had the sleepers on the date of your inspection?—Well, a varying length, but an average life of eight to nine years.

419. What condition was the rolling-stock in?—There was no rolling-stock belonging to the company.

420. But the company is charged with the cost of it?—I have no knowledge of it; I do not examine the rolling-stock.

421. What do you consider the possible traffic on the line from Springfield to Otarama in the event of private enterprise completing the line to the Otira?—I am not exactly in a position to give an answer that would be of any use, because I have no data as to the probable traffic, and the value of the line is ruled by the probable traffic.

422. *Mr. Hudson.*] You have nothing to do with the Traffic Department?—No.

423. And never had?—No.

424. *The Chairman.*] Do you think there is any likelihood of that line between Patterson's Creek and Otira being completed by private enterprise within the next twenty or twenty-five years?—I do not think so.

425. If that is your opinion about its completion, can you form any opinion as to what its value is likely to be in the event of private enterprise completing it?—I cannot hazard a guess.

DANIEL THOMAS McINTOSH examined on oath.

426. *The Chairman.*] What is your occupation, Mr. McIntosh?—I am District Engineer of the Government railways, residing at Wanganui.

427. You made a report on the condition of the railway from Stillwater to Jackson's and from Brunner to Reefton in 1895?—Yes.

428. Have you a copy of that report?—I have. [Exhibit No. 12].

429. Do you vouch for the accuracy of the mileage given in this report?—I would not vouch absolutely for it, because it was obtained from the records of the Midland Railway Company. I did not chain the line.

430. You do not know whether the mileage is correct or not?—I should take it to be correct without going to the trouble of chaining it again.

431. Can you tell me what percentage of the sleepers on that line required renewing at that date?—I could only give you my opinion. I should say 10 per cent. would be the outside.

432. What were the sleepers principally?—The greater part of them were birch.

433. You refer in this report to condemned silver-pine sleepers being bought by the company at that time. Were there a lot of them?—That refers to six or eight hundred purchased just prior to the Government seizing the line. I understood that they had purchased some before, but not to any great extent. They were for renewals, not for laying down new track.

434. I see that you condemned the use of them?—Yes.

435. How long were you in charge?—Two years.

436. Did you use any of those condemned sleepers?—Yes; on the sidings.

437. *Mr. Hudson.*] Not on the main line?—No; the instructions were not to use them on the main line. They were only used for siding-work.

438. *The Chairman.*] You say in this report that the banks and cuttings had the common fault of being too narrow, and also that they required a lot of cleaning: have you made any estimate what the cleaning and the widening of the banks would amount to?—No.

439. Did you do any of the work afterwards while you were in charge?—Yes; a ballast train was at work for about four months.

440. At what cost?—We had twenty-four men and a ganger, and, of course, an engine-driver, guard, and fireman. The engine we generally put down at £3 a day for that work.

441. In this report you state what the requirements of the line will be for twelve months after the date you made the report: could you give us an estimate for the twelve months?—I do not think I could do that very readily.

442. Very well; give us an estimate for the four months?—It would cost about £1,500.

443. That is about what you spent during the four months?—Yes, on the banks and cuttings and for a little ballasting.

444. You say, "A good deal of river-protection has been done, especially on the Jackson line, and some of the groin- and fascine-work wants seeing to at once": how much was spent on that work during the first twelve months after the line was seized—or while you were there, if you like?—I could hardly tell you that, because there was a large quantity of stone which we were allowing the company 6s. a yard for. They had quarried some 600 tons of stone, which was lying at Inch-bonnie or near Jackson's. We were taking that out and crediting them with 6s. a yard. We used a lot at the Teremakau Bridge, and we did some scrub-work. There was not much spent doing that, because that stream was diverted by putting in scrub and fascines.

445. Where is that on the line?—That was by the Poerua River.

446. What amount do you think was spent on that work?—At the Flat they spent £100 in wages: that was the very outside.

447. Does that include the willow-planting?—Yes. Of course, that did not make a complete job of it. That was only a temporary arrangement to keep the stream away from the line.

448. But that is what you reckon you spent while you were there?—Yes; but that does not include the amount spent on the Teremakau River at Jackson's. We put in nearly 600 tons round the piers at Teremakau. The £100 was spent in wages at Poerua. The Teremakau was a separate thing.

449. What condition were the bridges in on those two sections?—In very fair condition.

450. Were not some of them of birch piles and stringers?—Yes.

451. In what condition were they?—In very fair condition. The birch had not been long in. The line was not old. Stillwater was the only bridge that might be considered as rather wanting repairs. Some of the birch in that bridge was gone.

452. But would you think they would require 10,000 ft. or 12,000 ft. of timber within twelve months to repair them?—Yes; there was the Stillwater Bridge and a bridge nearer Brunnerton. I refer to the bridge over the road. That was all birch, as far as I remember.

453. Were those the only bridges requiring repairs at that time?—Yes; I think that was done within twelve months.

454. Did you repair any other bridges after that?—We did some work at the Stillwater Bridge, and we painted and tarred other bridges.

455. That is ordinary maintenance?—Yes; but there was a good deal of expense connected with it. Some of the bridges had been rusting, and had to be scraped and tarred afterwards.

456. Were they ever tarred before?—Yes.

457. How long previous to your tarring?—I could not tell you, but I do not think it was very long.

458. Did you tar the Teremakau Bridge, for instance?—No; that was tarred by the company.

459. Did you tar the bridge over the Arnold, on the Jackson's line?—Not while I was there. That was not in bad order at all.

460. You had no heavy renewals on the timber-work of the bridges?—No. There were two or three small bridges north of Stillwater that had some birch in them that wanted renewing.

461. The cattle-stops and fences were all in good order?—Yes, in very fair condition.

462. How were the water-services?—In very fair condition.

463. Are these all the water-services on that line that you give in this list?—I believe so.

464. Now, take the buildings. What expense would the painting and the papering of the buildings you refer to amount to?—It did not amount to very much. That was only ordinary maintenance.

465. Do you know who owns the siding at the Blackball bins at Ngahere?—I was given to understand that the company paid for that.

466. Were you there when the line was seized?—Yes.

467. Did you seize that siding at the time?—We did not particularly seize that siding.

468. Did you have to maintain that siding?—We did some of them.

469. Did the company pay you?—Not to the best of my recollection.

470. Did you look on that siding as a portion of the railway or as a private line?—I always understood that was a private siding paid for by the coal company.

471. And, if you maintained it, did you charge the Blackball company for the maintenance of it?—I do not think there was any maintenance required. I may explain that private sidings on the Government railway-lines are maintained by the department; but, beyond the railway-line, if the people wish it maintained by the department the department does so at their expense.

472. If the maintenance was paid for, would you know if the company paid for it?—The ganger along the line might put in a few sleepers, and I might not know anything about it. I gave no definite instructions about that siding. When we seized the line I had no instructions about it whatever. I did not know how those matters stood, and the company's officers did not come forward with any information.

473. Did you run the rolling-stock on it?—The Midland Railway Company's engines were run on it.

474. Coming to the station-yard at Stillwater, were the buildings you have in this list there then?—Yes; all these were there at that time.

475. Do you know how many sidings, points, and crossings were in the yard?—I have no recollection of that.

476. Was there not a siding at Ikamatua?—Yes; there were two sidings there.

477. You have not mentioned any siding there in your report?—No; I seem to have omitted that siding. There is a goods-shed mentioned, and therefore there must have been a siding. There were two sidings there at that time.

478. When you were there was the traffic on the line increasing or decreasing, or what were the prospects of it increasing?—I did not consider the prospects very good. There was nothing to show that there was going to be any very heavy traffic on the line. It might pay, and that is about all I should say.

479. How long is it since you left?—Four years.

480. And how many years were you there?—Three years on the West Coast altogether.

481. Was there any sign of improvement in the traffic during those two or three years?—Nothing to speak about. There was no steady or gradual improvement. The returns will show you that better than I can tell you.

482. Did you do any of those protective works along the Little Grey, or along the line, say, on the Brunner side of Totara Flat?—I think I did a little stonework on the Big Grey, but not much; only round the banks at either end of the Big Grey. I did some protection work at the Snowy River, at each end of the bridge, to protect the bank.

483. What do you consider to be the life of those wooden buildings?—A wooden building, if kept in repair, will last for fifty years, I should say.

484. Do you know when those buildings were put up?—I could not say.

485. Some of them would have been built eight years, and some much less time. What would you reckon the depreciation to be, taking an average of five years?—I could not say exactly what it would be. It would not be a very large percentage.

486. *Mr. McKerrow.*] If you had to buy the buildings, how much would you have to pay less than they cost, if they were in fair order?—I should say 7 or 8 per cent. less.

487. *The Chairman.*] In what condition were the sleepers?—A lot of them were new. Some of the line was three or four years older than other portions of the line. I put down 10 per cent. as the outside limit of the depreciation.

488. *Mr. Graham.*] That is the outside limit, but possibly it would not be so much as 10 per cent.?—It might not be.

489. *The Chairman.*] Did you make an inventory of the stuff along the line when you took it over?—There was an inventory made.

490. Who made it?—I forget whether it was made by one of my officers or by one of the company's officers.

491. I mean any stores, or anything loose lying about?—There were stores in the sheds at Stillwater.

492. Did you ever see that inventory?—I did.

493. Did you attach any value to the material—I mean in the aggregate?—It had a value.

494. Can you give us any idea of the value of the material which you seized belonging to the company—outside the rolling-stock, the running-line, and the buildings?—I am afraid I could not do that.

495. Were there any trollies or velocipedes connected with the line?—I think so.

496. I do not see them mentioned in this report?—I do not think I took a note of them.

497. Should they not have been included?—I suggested that I should make this report to see what was there.

498. Were there any horses, buggies, or harness?—I never saw any.

499. You cannot give us any idea of what there was, but you know there were trollies, velocipedes, and platelayers' plant?—Yes; and, of course, they had the ordinary appliances—picks, shovels, &c.—belonging to the company. I did not go into those details.

500. Do you think there was three or four thousand pounds' worth of loose material taken over?—I do not think there was as much as that.

501. *Mr. Hudson.*] You are referring to the list of material in the stores at Stillwater?—Yes.

502. *Mr. Fraser.*] But you would not care to put a value upon that?—No; because I do not recollect what was there.

503. *The Chairman.*] Can you say what length of the line had a private telephone?—They had a telephone right through to Reefton, and to Jackson's from Stillwater.

504. *Mr. McKerrow.*] You say in your report, "The Teremakau Bridge has the appearance of being short, only about one-third of shingle-bed of river being bridged." Are we to deduce from that that you think it is too short?—I had that impression at the time; but I did not work out the acreage served by the Teremakau.

505. Were there any very large floods at the time you had charge?—Fairly large floods.

506. Did the water get away all right?—I was never there when a flood was at its height.

507. Supposing you were to buy this line, would you not take into consideration whether it was not possible or probable that in some extraordinary flood the bridge might be injured?—Yes, I would do so.

508. And you consider that in this particular instance it is not quite up to your wishes?—I should have taken some further precautions myself, I think.

509. *Mr. Fraser.*] Dou you mean in lengthening the bridge?—Yes. Of course, I would have gone into the matter more fully than I did.

510. If you were purchasing the line, or advising those who were proposing to purchase it, you would naturally allow something for the possible contingency of the bridge being swept away?—Yes.

511. *Mr. Graham.*] But you would first ascertain the area to be drained, and whether the bed under the bridge was capable of carrying away the whole of the flood-water?—Yes.

512. Before making the deduction you would go into the question whether the bridge did require lengthening?—Yes.

513. *The Chairman.*] What led you to make that remark in your report?—I did not think the bridge long enough or high enough above flood-level.

514. What is the height of it?—I suppose it is 23 ft. or 24 ft.

515. Do you know the volume of water which the Teremakau carries in flood-time or under ordinary circumstances?—I cannot say I do.

516. Do you know whether this bridge will carry as much water as the bridge constructed lower down the river?—No, I did not go into that.

517. So this idea in your report is a mere haphazard guess?—In what way do you mean by a haphazard guess?

518. Because you say you had no special reason for putting it in your report?—Knowing the large timbers that sometimes come down in flood-time, I thought they might strike the bridge.

519. Do you know what the Government allow as a safe water-way above flood-level?—I never heard of any special Government rule for it.

520. The Public Works Department allows, I understand, 6 ft. clear above high-flood mark?—That is about the average.

521. *Mr. Dalston* (through the *Chairman*).] Was not the flood in 1897 the biggest flood on record on the West Coast—I mean the Jubilee flood—and is not the bridge still standing?—That might be so, but you might have a very heavy flood in the Grey River and not in the Teremakau River.

522. *The Chairman.*] As to the amount set down for ballasting, do you know whether the company reimbursed the Government afterwards, or, if it was paid, would it come under your notice?—No; I would not know anything about it.

523. And that answer would apply to the stonework?—Yes.

HENRY WILLIAM YOUNG further examined on oath.

524. *The Chairman.*] You desire to put in further returns?—Yes. I put in a return—"Construction Account: Materials, &c., taken over by the Company from McKeone, Robinson, and Avigdor (Sleepers)" [Exhibit No. 102]; "Materials, &c., taken over by the Company from McKeone, Robinson, and Avigdor (Materials other than Sleepers)" [Exhibit No. 103]; "Construction Account: Sundry Amounts spent on Construction and not included in the Return of Amounts paid to the Contractor" [Exhibit No. 104].

525. You put in these returns as true copies of what you find in the company's books?—Yes.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

526. *The Chairman.*] You wish to put in further returns?—Yes: "Rolling-stock: Summary of Payments" [Exhibit No. 105]; "Permanent-way: Summary of Payments" [Exhibit No. 106]; "Working Railways: Plant and Buildings charged to Capital Account" [Exhibit No. 107]; "Construction Plant charged to Capital Account" [Exhibit No. 108].

527. Can you tell me if this stuff came into the colony duty-free?—Yes. We did not pay Customs duty on any construction material.

528. You put this in as a correct return of what appears in the books of the company?—Yes.

WEDNESDAY, 24TH APRIL, 1901.

THOMAS ALEXANDER examined on oath.

529. *The Chairman.*] What is your occupation?—Mine-manager.

530. Residing where?—At Westport.

531. *Mr. Bell.*] I believe you were a contractor at one time?—Yes.

532. You had one of the contracts on the Midland Railway from McKeone, Robinson, and Avigdor?—Yes.

533. What contract was that?—It was the contract just below the Kokiri Station, up Maori Gully way, to the end of Corcoran's contract.

534. You began at the end of Corcoran's contract?—Yes.

535. And went on to where?—To the end of Maurice O'Connor's section.

536. You lay between Corcoran's and O'Connor's contracts?—Yes.

537. Have you got any of your papers?—No; I have been unable to find any.

538. What was your contract: was it all earthwork?—Yes; clearing, grubbing, and formation.

539. Do you remember what you got for earthwork?—1s. 3d. per yard.

540. Do you know what you got for the concrete-work in culverts?—I think £1 2s. per yard, but I am not quite sure. I think the clearing was £1 10s. per chain.

541. *Dr. Findlay.*] Did the £1 2s. per yard for concrete-work include cement?—Oh, yes; it included everything, but I do not mind exactly what the price was. I would not swear to £1 2s. per yard. There were only a few culverts in the contract.

542. Do you know whether you provided all the material of every kind?—Yes, all the material.

543. Including cement?—Yes.

544. Perhaps you can tell me whether the work paid you at that price?—I had a hard job to get my money out of them. It would have paid me £400 if I had never seen the Midland Railway.

545. Was that because you took the work too low?—No; I had finished the work two months, and I could not get it passed, and the Jubilee flood came and swept the whole formation away, and I had to renew the work at my own expense.

546. I am anxious to learn if your price at which you did the work was a reasonable price?—Yes; I could have finished it well at the price if it had been passed when the work was done.

547. *The Chairman.*] Do you know where the line crosses the Maori Gully Road?—Yes.

548. Did you start on the Stillwater side of that road?—Yes, about three-quarters of a mile from the crossing.

549. You are sure it was not 10 chains?—I cannot exactly say, but it was more than 10 chains.

550. Did you have the big cutting on the Stillwater side of the Maori Gully Road in your contract?—Yes.

551. What length was your section?—Two miles and a half; but I am afraid I cannot remember where I started.

552. In regard to the 1s. 3d. per yard for cutting, you had a large experience in cutting?—Yes; I came out from Home for Mr. Bruce, and I do not think I would have had my passage paid if I had not had some knowledge of the work.

553. What sort of price do you consider 1s. 3d. per yard for that class of earthwork?—It was worth 1s. 6d. per yard.

554. How much did you have for the felling?—I only felled the bush 1 chain wide, and I had £1 10s. per chain.

555. Are you sure you did not clear the bush 1 chain wide and fell it 3 chains wide?—We felled it 3 chains wide at the cutting; but there was very little bush. The stumps in the swamps gave the most trouble.

556. Did you fell the bush 3 chains wide?—I believe it was 3 chains wide—1½ chains on each side of centre.

557. Did you clear it 1 chain wide?—Yes.

558. How much did you grub where the line was to go?—26 chains.

559. Do you think you could tell me how much you got for felling the bush 3 chains wide and clearing it 1 chain wide and grubbing where it was necessary—how much per chain?—Grubbing £1 2s. per chain and clearing £1 10s. per chain.

560. Was the felling included in the clearing?—Yes.

561. When you told Mr. Bell you got £1 2s. per yard for concrete-work, are you quite sure you did not mean £1 12s.?—I must have made a mistake; I could not have done the work for £1 2s., including cement. I have not got any papers, and I do not care to swear to these matters.

562. Do you think that work would have paid you fairly well if the Jubilee flood had not occurred?—Yes; I am quite sure it would have paid me.

PERCY SAWTELL WALDIE further examined on oath.

563. *Mr. Bell.*] Is this return which you desire to put in a copy of a voucher for the payment of £5,000 to the Midland Railway Company, in lieu of land-grant, under clause 33 of the contract, and in terms of the award of the Hon. E. Blake, dated 24th December, 1895?—Yes; it is a payment to the National Bank of the sum of £5,000, which was assigned to the National Bank of New Zealand by deed from the Midland Railway Company, as set out in the voucher; and attached is a copy of receipt given by Mr. Coates for the National Bank [Exhibit No. 109].

564. You have the original voucher and receipt, and you put these in as true copies of the original?—Yes.

HENRY WILLIAM YOUNG, further examined on oath.

565. *The Chairman.*] Have you some further returns to put in?—Yes; this is a return of the Land-purchase and Compensation Accounts for the Brunner-Stillwater, Stillwater-Jackson's, Stillwater-Reefton, Springfield, and Belgrave Sections of the Midland Railway [Exhibit No. 110].

566. And you put it in as a true statement so far as you know from the books of the company?—Yes.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

567. *The Chairman.*] You have some further returns to put in?—Yes. This is a return of the company's working railways revenue accounts annually from the 1st August, 1889, to the 25th May, 1895 [Exhibit No. 111]. This is an abstract of the working railways wages and salaries from the 1st August, 1889, to the 25th May, 1895, and referred to in the foregoing return [Exhibit No. 112].

568. What is the difference between "train-running staff" and "loco. staff"?—I have taken the figures out from the returns prepared by the late traffic manager. I will bring up the original documents for the purpose of examination.

569. Have you any further returns?—This is a return showing the revenue from the Springfield Section for the years 1893–95 [Exhibit No. 113].

570. Did the Government run the line for you?—Yes; and after deducting the cost of running the Government gave us the excess of receipts over expenditure. This is a return showing the number of passengers, parcels, &c., carried on the company's railway from the 1st August, 1889, to the 25th May, 1895 [Exhibit No. 114].

571. And you put these in as true extracts from the books of the company to the best of your knowledge and belief?—Yes.

THURSDAY, 2ND MAY, 1901.

HERCULES DAVIDSON examined on oath.

572. *The Chairman.*] What is your occupation?—I am Chief Clerk in the Railway Accountant's office.

573. Residing where?—Wellington.

574. *Mr. Hudson.*] Will you please tell the Commission the charges paid by the Postal Department for the carriage of mails on the New Zealand railways?—The charge is by the mile, and on main lines is £15 per mile per annum, and on branch lines £10 per mile per annum.

575. And the charge for hauling postal cars is?—3d. per mile run.

576. And these arrangements are reviewed how often?—The last arrangement was for two years, and it fell out on the 31st March last. It is due for renewal now.

577. Will you tell us what charges you will make from the 1st April against the Post Office for the Reefton–Jackson's line and the Belgrove–Motupiko line?—These will be charged at the £10 per mile rate. They will be treated as branch lines—seventy miles on the Reefton–Jackson's, £700, and ten miles on the Belgrove–Motupiko, £100, per annum.

578. And, so far as the Springfield–Patterson's Creek Section is concerned, are you aware whether mails are carried on that line or not?—So far as my knowledge extends, there is no train-service on that section.

579. *The Chairman.*] Do you know whether the Belgrove–Motupiko line is ten or twelve miles?—It is nine miles some odd chains, and we reckon the even mileage at ten miles.

580. Do you think the extension of the Nelson Railway should be treated as a branch line?—The Nelson Section is charged as a branch line. We treat all these small sections as branch lines on account of the limited traffic.

581. Do you know any reason why the Commission should not think that these railways should be charged at £15 per mile instead of £10 for the carriage of mails?—That does not come within my province.

FRIDAY, 3RD MAY, 1901.

HENRY WILLIAM YOUNG examined on oath.

582. *The Chairman.*] You wish to put in some further returns?—Yes; these are returns showing the details of additions and deductions to contract No. 4 [Exhibit No. 115], No. 5 [Exhibit No. 116], No. 6 [Exhibit No. 117], No. 7 [Exhibit No. 118], No. 7A [Exhibit No. 119], No. 11 [Exhibit No. 120], No. 12 [Exhibit No. 121], No. 22 [Exhibit No. 122], No. 26 [Exhibit No. 123], No. 32 [Exhibit No. 124], and No. 33 [Exhibit No. 125]; and these are copies of the final certificates of contract No. 14 [Exhibit No. 126], and contract No. 36 [Exhibit No. 127].

583. And you put these in as true extracts from the books of the New Zealand Midland Railway Company to the best of your knowledge and belief?—Yes.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

584. *The Chairman.*] I understand you wish to put in further returns?—Yes. This is a return showing payments on account of law-costs and charged to Capital Account [Exhibit No. 129]. This is a return showing details of sundry repairs, &c., charged to Capital Account [Exhibit No. 130]. This is a return showing details of freight, &c., on the Springfield Section Account and charged to Capital Account [Exhibit No. 131]. This is apparently freight on some rails and fastenings sent from Greymouth to Springfield. This is a return showing details of working railways reference plans, charged to Capital Account [Exhibit No. 132].

585. This will not come in afterwards in the shape of management or supervision expenses?—No; this is quite outside salaries. This is a return showing details of wagon-covers, ropes, &c., charged to Capital Account [Exhibit No. 133]. This is a return showing details of Office-rent Account, charged to Capital Account [Exhibit No. 134].

586. If you look at the Commission you will see that we have to ascertain the cost of construction independent of supervision, salaries, commissions, and incidental expenses; and should not these details be included in the latter item?—They will very likely be included when our

claim is put in, but these are the details on which the claim is based. This is a memorandum of the apportionment of office expenses, postages, telegrams, stationery, printing, &c., charged to Capital Account [Exhibit No. 135]. This is a memorandum of the amounts charged for the carriage of construction materials from June, 1890, to October, 1894, and is abstracted from the Stillwater Station balance-sheets [Exhibit No. 136]. This is a memorandum of payments on account of the interchangeable siding at Brunerton [Exhibit No. 137]. I am sorry to say that this is all the information I can give about this. These figures appear in the ledger. I cannot produce vouchers. The items are abstracted from Mr. Napier Bell's imprest accounts. This is a return showing the details of Stations and Buildings Account, and charged to Capital Account [Exhibit No. 138].

GEORGE FELTON examined on oath.

587. *The Chairman.*] What is your occupation?—I am Railway Stores Manager, residing at Wellington.

588. You have got a copy of the list of stores and materials taken over with the Midland Railway in May, 1895 [Exhibit No. 20]?—Yes.

589. Have you fixed a price on the articles in that list?—Yes.

590. And you consider you have attached a fair market value to these items?—Yes; I put on them the fair values to the best of my knowledge and belief.

591. And you put that in as a return?—Yes. [Exhibit No. 139.]

592. *Mr. Hudson.*] Will you tell the Commission what you have done with these stores?—They have been held in safe custody, and issued to the Midland line as required, solely for the use of the Midland line.

593. For its up-keep, I presume?—Yes.

594. In the event of these stores having had no existence, would you have had to purchase the materials you have used?—Yes.

595. And charge the cost to the Midland Railway Trust Account?—Yes.

596. Therefore the expenditure on the Midland Railway in respect to the stores that have been used is less than if it had been necessary to purchase the stores?—Yes; it is less than it would have been under those circumstances.

597. And the profit of the line has been thereby increased?—It must be augmented in the same manner.

598. Will you tell us what proportion of these stores was used between the date of the seizure in 1895 and the vesting in the Governor in 1900 in the up-keep of the Midland Railway?—Quite £1,200.

599. And the balance remaining was unused at the date of the Proclamation?—Yes.

600. *Mr. Dalziel.*] Is this the only estimate of these stores that has been made?—It is the only estimate I know of.

601. And when was it made?—It was given to me about a fortnight ago to make. The stores have been examined from year to year by the inspecting officer.

602. Are these prices the present prices?—No; they are based on the prices ruling in 1895.

603. *Mr. McKerrow.*] You have estimated that all the items were in good order and serviceable?—Yes.

SATURDAY, 4TH MAY, 1901.

ALFRED LUTHER BEATTIE examined on oath.

604. *The Chairman.*] What is your occupation?—Locomotive Superintendent of New Zealand Railways, residing at Wellington.

605. *Mr. Hudson.*] Have you got a list of the rolling-stock and locomotives taken over from the Midland Railway Company at the time of the seizure, and of the stock built by the Government for the company since then [Exhibit No. 18]?—Yes.

606. Will you tell us if you have placed the value, originally, to buy the various items of rolling-stock—locomotives, brake-vans, high-side wagons, low-side wagons, covered goods-wagons, cattle-trucks, sheep-trucks, timber-trucks, and carriages? First of all, what do you estimate the value of the locomotives at?—The original value put on the rails in good working-order in New Zealand of the five locomotives imported by the company, being Nos. 1, 2, 3, 4, and 5, I consider to be £1,500 per engine.

607. What would you estimate the value of the "D" engine, imported and put on the rails from Great Britain or America, to be?—The outside value of a "D" engine at the price ruling at that date would not be more than £1,050.

608. *Mr. McKerrow.*] I expect the engine from Scott Brothers would be second-hand?—No. Scott Brothers had a number of parts left over from their contract with the New Zealand Railway Department—in some cases refused by the department as not being strictly in accordance with the terms of the specifications—and these parts were fixed up and added to and made into the engine sold to the Midland Company.

609. *Mr. Hudson.*] Now, in regard to the seven carriages mentioned in your list, what do you estimate the value to be, new?—The value new on the rails, and at the prices ruling at that time, is £3,750 for the seven. That is at the rate of £550 per car.

610. And the value of the three vans?—I estimate the value of the three vans put on the rails in good working-order at that time to be £825 for the three.

611. And the two horse-boxes?—The two horse-boxes, Class G, I value at £320 for the two, or £160 each.

612. The value of the "H" wagons?—£110 each for the cattle-trucks.

613. And the double-floored "J" sheep-trucks?—I value at the same price—£110 each.

614. The value of the covered goods "K" wagons, of which there were six?—£110 each, or £660 for the six.

615. The high-side wagons marked "L," of which there were fifteen?—£90 each, or £1,350 for the fifteen.

616. The value of the low-side wagons marked "M," of which there were forty-five?—£85 each, or £3,825 for the forty-five.

617. The value of the twenty-four short timber-trucks marked "N"?—At £85 each, or £2,040 for the twenty-four.

618. The value of the six double-bogie timber-trucks marked "U"?—£200 each, or £1,200 for the six.

619. Do you put the same value on the rolling-stock—double-bogie timber-trucks and high-side four-wheelers—subsequently built by the Government for the company?—Yes, practically the same price. It is within a very small percentage, due to variations in the cost of materials.

620. Then, I understand that all the prices you have given are for new rolling-stock on the rails at Greymouth on or about the date of the seizure?—That is so.

621. Can you give us the value of the rolling-stock, or the percentage of depreciation, at the time of the Proclamation vesting the railway in the Crown?—I propose to place in the hands of the Commission a complete return showing in parallel columns the value of the rolling-stock new, at the date of the seizure, and the value at the date of the Proclamation. I might also mention, for the information of the Commission, that in taking the values of the rolling-stock at the time the Government took over the line in 1900 I have taken the values as charged by the New Zealand Railway Department to the Midland Railway Company.

622. There is a 5-ton crane shown as new stock built by the Government for the company: what do you value that at?—I will include that value in my return.

623. Can you give us a statement of the workshop plant taken from the Midland Company, and its value at the date of the seizure and at the date of the Proclamation?—I will endeavour to do so.

624. *Mr. McKerrow.*] In giving the value for 1900 I presume you will take into account the increased value of material?—I have taken that into account.

625. So that in the 1900 column of your return this fact will be taken into consideration as well?—Yes; the depreciation is calculated on the basis of the increased value of material.

WEDNESDAY, 8TH MAY, 1901.

ALFRED LUTHER BEATTIE further examined on oath.

626. *The Chairman.*] Have you prepared the return you promised at the last sitting of the Commission?—Yes. In accordance with the instructions of the Commission, I have prepared a statement of the value, at different periods, of the rolling-stock taken over from the Midland Railway Company. [Exhibit No. 140.]

627. Is there anything in this return which you wish to explain?—I would like to state, in regard to the statements in the "Remarks" column of my return, that the whole of the £3,940 18s. 10d. shown in Exhibit No. 14 is included in this total of £17,572 of the return I am now handing in. Therefore the Commission will understand, in considering Exhibit No. 14, that the amount shown there is included in my present estimate of the value of the rolling-stock.

628. *Mr. Fraser.*] Do I understand, then, that the £1,287 8s. mentioned in Exhibit No. 14 has been paid?—This sum of £1,287 has been charged against the Midland Railway Company's authority No. 15, and the company have paid for that rolling-stock for the Nelson District.

629. Now, in regard to the sum of £1,236 19s. 8d. in Exhibit No. 14, has that been repaid in any way by the Midland Railway Company to the Government?—Yes. The rolling-stock was debited to the Midland Railway Company's special authority No. 35, and was paid for out of their funds to the extent of £1,236 19s. 8d., the balance of cost required to complete this rolling-stock being paid by the Government, as it was expended after the date of the Proclamation vesting the line in the Crown.

630. Is it within your knowledge that this money has been paid, either directly or indirectly, by the Midland Railway Company to the Government?—Yes.

631. Then, the Midland Railway Company owe the Government nothing for these charges?—No.

632. *The Chairman.*] How do you know this money has been paid?—I know by the accounts.

633. Have you ever seen the vouchers for it?—I have not seen the vouchers, but I understand from the Accountant that the Midland Railway Company paid the £3,940 18s. 10d. shown in Exhibit No. 14.

634. Do you know of your own actual knowledge whether it has been paid or not?—I do not.

635. *Mr. McKerrow.*] In estimating the value at the latest date, did you take into account the varying price of materials?—I made every allowance in connection with the varying rates of material as ruling at each date, and in making the final deductions I took into account the enhanced price of material at that date.

HENRY WILLIAM YOUNG further examined on oath.

636. *The Chairman.*] Have you further returns to put in?—Yes. I put in this return as a statement showing approximately the total expenditure classed under the head of "Surveys," and allocated to the various sections of railway [Exhibit No. 141].

637. Does this statement include any salaries or wages paid to the company's staff?—Yes; but, in making out the return of salaries, I shall show these amounts as a deduction from the block amount, so that the Commission can then deal with the matter as they wish. I may also mention that we are doing the same in regard to the Land-purchase and Compensation Accounts.

638. This return is a true record of what you find in the books of the company to the best of your knowledge and belief?—Yes, to the best of my knowledge and belief. It is approximately correct.

639. Have you any further returns?—I have three returns showing my revaluation of the English contracts. This one is a return of the estimated value of works as executed, but priced at local contract rates, of No. 1 contract [Exhibit No. 142]; the same in regard to No. 2 contract [Exhibit No. 143] and in regard to No. 3 contract [Exhibit No. 144].

640. Did you take the average contract prices in the other contracts?—I looked these all up, together with the sub-contract prices of contracts 1, 2, and 3, and other contract prices of the time. I did not take the average, because such might not apply.

641. And you did not pay any attention to the question as to whether the quantities shown are right or wrong?—I have no reason to doubt the correctness of the quantities, and they may be accepted as right.

SATURDAY, 11TH MAY, 1901.

HENRY WILLIAM YOUNG further examined on oath.

642. *The Chairman.*] You wish to put in some further returns?—Yes. This is a copy of schedule No. 2 to contract No. 1 [Exhibit No. 146]. This is a return showing the expenditure on salaries, wages, and incidentals of the engineer's department [Exhibit No. 147]. The amounts which happen to be in other returns are deducted from this return, and I have placed a note at the foot to this effect.

643. Do you put these in as a true record of what you find in the books of the company?—Yes, to the best of my knowledge and belief. This is a copy of the abstract showing the details of deductions from contract No. 12 [Exhibit No. 148]. As I said before, the available records show balances only, but I have been able to arrive at the details now put in.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

644. *The Chairman.*] Have you any returns to put in?—I have here a return showing the salaries paid to the Christchurch office staff [Exhibit No. 149].

645. Does this include the amount you showed us the other day for the administration of the timber department?—Yes, this return includes that.

646. Do you put this in as a true record from the books of the company to the best of your knowledge and belief?—Yes.

TUESDAY, 14TH MAY, 1901.

HORATIO JOHN HOOPER BLOW further examined on oath.

647. *Mr. Bell.*] I believe the Public Works Department has carried out large public works in New Zealand—railways and other public works?—Yes.

648. And you are the present Under-Secretary of the department?—Yes.

649. Can you inform the Commission what percentage of the expenditure on public works is incurred by the cost of supervision, of management, and of the Public Works staff?—Well, of course, that varies greatly with circumstances. Some of our works are very small, and on these works the percentage for management and engineering and supervision is necessarily high. Then, there is a great difference between the contract system and the co-operative system. For many years we carried out our works by contract, and the rate for engineering and supervision was lower than it is at present. Under the co-operative system the Government engineer performs all the duties which otherwise would devolve on the contractor. He has to take out the quantities of material in detail, and order these materials in detail, and be responsible for their safe custody. Then, he has to pay the men in detail. So that the expenses for management and supervision have gone up a good deal. But I take it you want to know what my opinion is as to the ratio of expense during the time the contract system prevailed?

650. Yes, for that first, and you can give the other if you like afterwards?—Well, we used to reckon when the contract system was in vogue that 5 per cent. should cover all our expenses.

651. Did it cover all your usual expenses?—Yes, I believe, taking year in and year out, it did.

652. That included the Public Works staff at the Government Buildings?—Yes.

653. And all engineers and overseers?—Yes.

654. And all other supervision; but it did not include surveys?—I believe it did include surveys; but I should be quite safe in saying 5 per cent. was a liberal allowance if you exclude surveys. The reason that makes me think it did include surveys is that for the most part we did not keep an account of officers employed on surveys separately. What I mean to say is that our books do not as a rule distinguish between the time an engineer is engaged on *bona fide* engineering and on survey work. The Government ratio of expenses is sometimes higher than it ought in fairness to be, for this reason: that it not infrequently happens that we do engineering-work in respect of which there is no subsequent expenditure. I mean an agitation may be got up in a certain district to have a survey made of a proposed public work, and the Government orders the

survey to be made; but it may ultimately be decided not to undertake the work, in which case there is the expense of the survey and no further expenditure on which to place the percentage. Consequently, the cost of such surveys unfairly raises the ratio of expenses on the sum-total of the cost of other works.

655. Then, there is also the general departmental staff?—Of course, in connection with a Government department there is a great deal of correspondence and work that would not have any parallel in a work carried out by a private individual or company.

656. Such as your returns to Parliament?—Quite so, to say nothing of Royal Commissions.

657. And you say that when your department carried out works by contract—at all events, if you exclude surveys—5 per cent. would more than cover the cost of the items you have mentioned?—Yes.

658. That does not include the Minister's salary?—No; the department does not pay the Minister's salary. That is paid out of the Civil List. All other salaries are paid by the department, however.

659. Now, you see, a private company would have the expense of a board of directors in addition?—Certainly.

660. But is there anything to set against that in respect to your management?—No, not quite against that; but if these questions are being asked, as I presume they are, in reference to the Midland Railway Company's ratio of expense, then I would point out that our works, being very scattered and extending from the North Cape to Stewart Island, would probably involve a rather increased ratio of expense of supervision, because our superior officers have to travel over so wide an area. The Midland Railway Company's work was much more concentrated, and therefore more easily supervised, I apprehend.

661. Having regard to a contract which your department entered into with the railway company, with which you are quite familiar, and the works which were carried out, would it or would it not, in your opinion, be a fair allowance for all the charges of management and supervision and control to allow 5 per cent.?—Yes, I think it would; at any rate, if you exclude surveys—and I think in regard to the Midland Railway the surveys ought to be excluded, because they were of a particularly expensive character.

662. That is the result of your experience as Under-Secretary for Public Works?—Yes.

663. *Dr. Findlay.*] Do you include in the 5 per cent. which you roughly estimate under the contract system is to pay for supervision and management and staff anything for the expenses of the Public Works Department in Wellington?—The whole of those expenses are included.

664. They are treated as part of the expenses?—Certainly.

665. Then, would not a private company, dealing with but one railway like this, have to pay rather more for one particular work than the Crown would pay with a large staff fully employed and continuously employed from year to year? For instance, you would have the men upon a yearly salary, whereas a company might have to engage a man specially for the work, and therefore would not the fact that you do things in a wholesale fashion enable you to do them at less than a company with but one work?—I do not think so. In regard to length of time, the Midland Railway contract was to extend over a period of ten years, and the majority of our employes have no ten years' certainty of employment before them.

666. What I want to get at is this: Would not the enormous operations of your department enable you to do your work more cheaply than private enterprise?—That is where we join issue. The operations of the Crown are not enormous in comparison with the works that the Midland Railway Company ought to have undertaken. If the Midland Railway Company had carried out their entire contract in the period of six years and a half of the original contract time which was left to them after the contract of 3rd August, 1888, was signed, their expenditure per annum would have been nearly as great as the Government's expenditure on public works.

667. *The Chairman.*] Does this 5 per cent. include the expenses of land-purchase for construction purposes?—It includes the salary of the Land Purchase Officer.

668. And the cost of making land-plans?—It does include that.

669. Would your Wellington office expenses be somewhat similar to the head office expenses of the Midland Railway Company?—I think the company's expenses should be somewhat less, because, being under parliamentary control, and a Government department being a division of the huge governmental machine, there are expenses in our establishment which, I think, have no counterpart in the expenses of the company, or need not necessarily have any counterpart there.

670. Was any portion of the Government surveys used by the company?—Yes. All the Government surveys made for the line were used by the company in a sense; but, of course, some of them were only rough trial surveys, and merely afforded a guide as to where, in the opinion of the surveyor who made them, the line might go. Others, again, were of routes that were afterwards abandoned as being inferior to the adopted route. The whole line had to be surveyed again, and I believe a large part of it was located on other lines than those surveyed by the engineers who made the trial surveys.

671. So that practically the Government surveys were useless to the company?—No; because having those surveys saved the company the expense of making similar trial surveys. But the Government surveys hardly saved them any permanent survey expenses, except on the short piece of line between Brunnerton and Nelson Creek. I believe we saved them the bulk of the survey expenses there, though even a part of that was deviated.

672. We have the plans showing Dobson's, Morrison's, and Gordon's surveys towards Lake Brunner, and the quantities put into No. 1 English contract were taken out of that survey, unless it was altered afterwards?—A large part of that line was wholly abandoned afterwards.

673. *Mr. McKerrow.*] Regarding these trial surveys, did they give the cross-sections of the line?—Yes; but not at every chain.

674. They gave the running sections?—Yes, the longitudinal section throughout.

675. I should say it was a very valuable piece of work, even though it was afterwards abandoned?—I believe so. It cost the Government some thousands of pounds; and if the Government had not made it the company would have had to make it themselves. Before undertaking the construction of a railway in difficult country you must have a trial survey, and perhaps half a dozen such surveys, before starting on the actual work of construction, and the company entered on the work with the plans of all the trial surveys before them.

676. Can you furnish the Commission with an approximate estimate of the amount of money expended by the Government in this work?—Yes; I think I might let you have that to-morrow.

677. *Mr. Hudson.*] I would like to be quite clear as to what the 5 per cent. includes: I understand you to say it includes the whole of the expenses in Wellington, the salaries of the engineers throughout the colony, and of the staff below the engineers?—Every person in the employ of the department. Of course, under the contract system practically no one was in the employ of the department below the overseer.

678. Then, may I infer from what you say that it includes every departmental expense in the office and in the field?—It does. I may say, by way of illustration of the fairness of the rate I have named, that when the Government took over the Rotorua Railway they found a contract existing between the company and Messrs. Stewart and Hunter, civil engineers, of Auckland, to perform all the engineering-work on that railway for 3 per cent., and that was considered to be a remunerative contract.

679. *The Chairman.*] The Midland Railway Company's expenditure originally was estimated to be £2,500,000, and 5 per cent. on that would be £125,000?—Yes.

680. Do you think the sum of £125,000 would be quite sufficient to cover all the reasonable expenses for engineering and management had the line gone right through?—Yes, exclusive of surveys, and possibly also exclusive of the expenses of the London office, because I do not include any portion of the expenses of the Agent-General's office in my 5 per cent. The Government has no counterpart of that expenditure by the company if the Agent-General's office is not included, and that I have not included. Therefore, whatever amount you deem to be reasonable to allow for the London office would be an addition.

681. *Dr. Findlay.*] I want to know whether any trial surveys, or surveys of any kind, made by the Government between Nelson Creek and Reefton were of any use to the company?—All this was before I became Under-Secretary, and I cannot say with absolute certainty. I think they were, however. I know there were surveys between Belgrove and Reefton, and I thought they went right through. I can put the question to the test, however, on my return to my office.

TUESDAY, 14TH MAY, 1901.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

682. *The Chairman.*] Do you wish to put in further returns?—Yes. I have here a statement showing the capital raised by the company in shares and debentures [Exhibit No. 155]. This return was signed by Mr. Coates, the Receiver for the debenture-holders, in my presence, and he asked me to put it in. This is a return, prepared and put in by myself, showing the amount of interest paid to the shareholders and debenture-holders [Exhibit No. 156].

683. Do you find this recorded in the books of the company?—Yes; I have taken the figures from the balance-sheets of the company.

684. And you put this return in as a true record of the interest paid according to the company's balance-sheets?—I do.

WEDNESDAY, 15TH MAY, 1901.

ALFRED LUTHER BEATTIE further examined on oath.

685. *The Chairman.*] I understand you wish to submit a correction to one of the returns put in by your department at Greymouth?—Yes, a correction in connection with Exhibit No. 18—viz., "Return of Rolling-stock and Locomotives taken over from Midland Railway, and Stock built by Government Workshops for the Company." A 5-ton crane was inadvertently shown therein as having been built on the 6th October, 1898, by New Zealand railway workshops, but it should have been included with the rolling-stock taken over in 1895 from the New Zealand Midland Railway, this crane having been imported with other original stock by the company. In the return (Exhibit No. 140) furnished by me this crane was correctly included in the valuation.

686. So that, as a matter of fact, there is only one crane, though from the returns furnished by the Railway Department and the Midland Railway Company's officers there might have been a doubt as to whether there were one or two cranes?—Yes; but in reality there is only one crane, and it is the crane shown in the Midland Company's Exhibit No. 27, page 32.

THURSDAY, 16TH MAY, 1901.

JAMES HUGH BUCHANAN COATES examined on oath.

687. *The Chairman.*] What is your occupation?—I am a banker.

688. Residing where?—Wellington.

689. You are the James Hugh Buchanan Coates referred to in the Commission?—I am. I was appointed Receiver for the debenture-holders in the colony, on a petition of the debenture-holders in London dated the 7th April, 1898, by an order issued by Mr. Justice Edwards dated the

4th July, 1898. In accordance therewith, and by permission of the Chief Justice of the colony, I presented this petition to Parliament [Exhibit No. 158]. I also, by authority received by cable dated the 19th June, 1900, from the Council of Bondholders in London, presented this petition to Parliament on their behalf [Exhibit No. 159].

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

690. *The Chairman.*] You wish to put before the Commission a copy of the petition you presented to Parliament on behalf of the shareholders of the New Zealand Midland Railway Company?—Yes. [Exhibit No. 160.]

691. Do you produce your power of attorney for the information of the Commission?—Yes.

692. And that power of attorney is still in force?—Yes.

MONDAY, 20TH MAY, 1901.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

693. *The Chairman.*] Do you wish to put any further returns before the Commission?—Yes; I wish to put in a return showing the land-grant expenses. [Exhibit No. 163.]

694. You put this in as a true record of what you find in the books of the company?—Yes.

695. *Mr. McKerrow.*] There seems to be nothing here for survey-fees?—There is very little. The practice adopted was as follows: The Government surveyed the block and charged the company with half the cost, which the company in most cases recovered from the purchaser of the land.

HENRY WILLIAM YOUNG further examined on oath.

696. *The Chairman.*] Have you the returns the Commission called for on Saturday?—Yes. These are the returns of the detailed certificates of contract No. 32A [Exhibit No. 164]; contract No. 46 [Exhibit No. 165]; contract No. 24 [Exhibit No. 166]; contract No. 22A [Exhibit No. 167]; and contract No. 28 [Exhibit No. 168].

697. And you put these in as true records of what you find in the books of the company?—Yes.

TUESDAY, 21ST MAY, 1901.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

698. *Mr. Bell.*] I wish to examine you in regard to your return of land-grant expenses [Exhibit No. 163], and, taking the first item, "Office-rent," can you tell me, roughly, what proportion of office-rent was charges for land expenses?—I think, five-tenths. We apportioned all the office, &c., expenses into tenths.

699. Is it not rather excessive to charge one-half of the office-rent against land-management?—No, I think not. The land-grant department formed a very large part of the company's business.

700. Do you know how many clerks were engaged in the office in connection with the land-grants?—Mr. Scott was engaged entirely on this; also Mr. Taylor, surveyor. Mr. Pavitt up to a certain time was engaged entirely on land business. Mr. Kennedy would be occupied partly on land and partly on other business. Mr. Norman Smith would also be occupied partly on land and partly on other business; and my salary would go partly to land and partly to other business.

701. How many engineers had rooms in the building?—Mr. Wilson had a room, and Mr. Musgrave had a room, which was shared, however, by Mr. Taylor.

702. Then, in your opinion, the charge of one-half of the rent to land-grant is not unreasonable?—No.

703. I assume the second item, "Printing and stationery," is correctly charged to land-grant expenses?—Yes; as the accounts came in they were appropriated at the time.

704. Taking the third item, "Wages and salaries," I understand that includes £1,000 per annum to Mr. Scott?—Yes.

705. Why is the charge for wages and salaries in 1892 more than double what it was in 1890?—That would be owing to our two very large land-sales. We had two land-sales of 16,000 acres and 46,000 acres each, and these blocks were cut up into numbers of small lots, and the administration of these particular sales would account for the increase in the salaries.

706. You observe the charge is for wages and salaries?—Quite so. You see, the greater part of the staff would be engaged on the land-work.

707. Then, in that year you simply appropriated the wages and salaries of all the ordinary staff to land, because they were chiefly engaged on land-work?—Quite so.

708. But you would have had to pay their salaries whether they were engaged on land-work or not?—No; because if we had not had the land department to administer we should not have required so big a staff.

709. How much of Mr. Wilson's salary is charged in this £3,162 3s. 7d.?—Not a large part; only a proportion of it. The salaries of the staff were apportioned month by month according to time occupied in the different departments. Mr. Smith's salary, for instance, might be heavier on the land department for one month and heavier on the timber department for another month. It would depend on how he was engaged at the time.

710. But take Mr. Wilson's salary as an example: was it not merely a question for Mr. Wilson or you, as accountant, to say how much should be charged for land expenses?—No; it would be a matter for Mr. Scott. He was the head of the land department.

711. Then, I may take it that this large increase does not represent an increase in the number of officials, but is owing to your method of charging the official salaries to the different departments?—That is so.

712. And so also in regard to the sum of £2,531 12s. 11d. charged for the next year?—Yes.

713. It is a matter of your method in charging up your salaries, and not a matter of the employment of additional hands?—That is so.

714. Was Mr. Scott employed on any other matter than this land-management? Was he not at one time general manager?—Yes; but that was prior to the date of this return.

715. So his employment was entirely on land-grants?—Yes; he was practically wholly engaged on land.

716. And but for the excessive work thrown upon the land department in 1892 and 1893 the amounts charged in 1890 and 1894 would have been the usual and normal expenditure?—That is so. In other words, the staff in these years was practically the same, but their work in the land department was very much increased in the years 1891–92–93. Of course, you will understand that in 1900 our land-grant was nothing like as big as it was in 1891–92–93. Year by year we went on increasing the area of our land very largely.

717. In 1894 the expenses came down because you were spending very little money, and had not much land to select?—That is so.

718. I pass on to the item “Discount on mortgages sold before maturity,” and I do not quite see how you can defend that: You sold mortgages before they became due?—We did.

719. And, in order to get cash, you excused the payment of a certain proportion of the principle?—That is so.

720. Then, in regard to “law-costs,” I do not see why in 1894 the law-costs in connection with land should be £246, and so much in excess of the amounts for the previous years?—I fancy that would be accounted for in this way: Mr. Scott, who was chief of the land department, was a barrister and solicitor, and he did practically the whole of the law-work himself. I think he left the company in 1893, and consequently we had then to go to outside lawyers.

721. His salary was paid in 1894?—I see he left in June, 1894, so it would be subsequent to June, 1894 that the law-costs began.

722. The next item I want to call your attention to is “Rates and taxes”; you began to pay these in 1893, and in that year you claim for £527 8s. 10d., in 1894 for £1,458 13s. 11d., and in 1895 for £864 14s. 11d.: were these rates and taxes paid to the Government or to local authorities?—Partly to one and partly to the other.

723. In respect of land for which you had a Crown grant?—Yes.

724. Which you had selected and which was in your possession?—Yes.

725. And available for sale, and held by you, I presume, for better prices, or for a suitable opportunity to sell?—Yes.

726. Now, if the Government had sold that land to any other person, that other person would have had to pay rates?—That is so; but, on the other hand, if we had sold the land without waiting for better circumstances the position of the Government at the present time would not be so good as it is, because they would not rank as creditors for the larger increase from the sale of the land.

727. You think the surplus over the B1 value might not have appeared if the company had sold at once?—Quite so.

728. But, admitting that, if the Government had sold the land, you see, they would have got the rates and the money: I am trying to ascertain how much the Government lost as a contributor?—Possibly the Government would not have got the B1 value, nor the increased value which they are taking credit for now.

729. Possibly the Government might have got a great deal more than you got?—Possibly.

730. However, that is your reason for putting the amounts in?—That is so.

731. Now, in regard to the item “Payments to committee of advice,” who were this committee?—The Hon. Mr. Bowen, Mr. C. Y. Fell, and Mr. Banks, of Christchurch.

732. You did not want these gentlemen after 1891?—No; so soon as Mr. Wilson had a grip of the internal work of the land department he dispensed with this expense.

733. You paid them £150 in 1890 and £600 in 1891: do you know how that is accounted for?—I cannot say just now, but I know it was paid.

734. Did these gentlemen do anything else but land-grant work?—Nothing else.

735. How often did they attend at the office?—They had at least monthly meetings.

736. It is pretty good pay for twelve meetings?—I will tell you how it may be accounted for. I fancy that the £750 was divided into two years. It is £750 for two years, rather than £150 in the one year and £600 in the other.

737. *The Chairman.*] You have it down here the latter way?—I know, but that is the date of payment. They may have stood as creditors at the end of 1890 for the balance, and paid in 1891.

738. *Mr. Bell.*] These gentlemen had £125 each for twenty-four meetings?—Yes. However, as soon as Mr. Wilson got a grip of the work the services of these three gentlemen were unnecessary; and Mr. Wilson had upon his shoulders the whole of the rest of the work—railway-work, land-work, and everything else.

739. And he was able to do it?—No; he placed the whole of the land-work on Mr. Scott's shoulders.

740. But Mr. Scott was getting his £1,000 a year when these gentlemen were engaged?—That is so, but he had to do more afterwards.

741. Then, if Mr. Scott had done the work he was paid for, at least you could have dispensed with this extra payment of £750?—No; because before Mr. Wilson came out Mr. Scott was also general manager, and had the extra work of general-managership upon his shoulders.

742. *Dr. Findlay.*] Was this apportionment made monthly in the books of the company?—Yes.

743. Made by whom?—Generally by Mr. Scott.

744. On consideration of the work of the then completed month?—Yes.

745. This return represents the apportionment appearing in the books of the company?—Yes. The same system was adopted by Mr. Young in the engineer's department. The allocation of the salaries was done month by month.

746. You had some knowledge of the work done yourself?—Yes.

747. And from your knowledge you told Mr. Bell you thought the apportionment a fair and proper one?—Yes.

748. Now, the whole area of land from which the company could select was 5,000,000 acres?—Yes.

749. Do you know whether much or any work was involved in the examination of the areas with a view to selection?—A very great deal of work was involved, because we selected, as you know, from time to time, and we were limited in our selections to the value of the work we had done. Therefore it required a very great amount of labour and travelling to find out what land was saleable which would coincide with the value of the selections to which we were entitled. We could not select over and above what we were entitled to, and we wanted to select as near as we could what we were entitled to.

750. You began with a limitation in which to select a certain area?—Yes.

751. And you had to find throughout the whole of the 5,000,000 acres what area answering that amount was most saleable?—Yes.

752. And who did that work chiefly?—Mr. Scott; and he would have with him his surveyor, Mr. Taylor.

753. In addition to the mere selection of areas in that way, what were the other main headings of work done by the land-administration department?—Well, a great deal of work was done in 1889-90 with regard to these two large sales by auction. Prior to the sales Mr. Scott and Taylor and Pavitt were engaged in surveying the various blocks to be subsequently put up to auction into suitable lots, and in fixing the upset prices. That entailed a great deal of labour. Then, over and above that, the land came to us from the Government in approximate areas, and it was sold in lots approximately surveyed; and, subsequent to the sale, the block would be surveyed and the lots would be surveyed, and then came a huge mass of correcting entries in the books. We had also some hundreds of applications under clause 33 of the contract, and these involved a great deal of labour in locating the selections on the various maps and reporting upon them for the purpose of fixing the price at which the company was prepared to sell. There were also the monthly reports to the directors. I may say that in this return of £21,000 no charge is made for head-office expenses—there is no charge whatever for directors' fees, or secretary's salary, or other expenses in London.

754. Mr. Scott got £1,000 a year, and you told Mr. Bell he was a barrister and solicitor, and did, I inferred, a large amount of the legal work required?—Yes.

755. In that respect saving legal expenses, which at once arise, it seems, after he ceased to have any connection with the company?—Yes. He did all the incidental legal work.

756. So, at any rate, you know he did a very large amount of legal work connected with the administration of the land?—I know that.

757. With regard to Mr. Wilson, his engineering services were paid on a commission, were they not?—Yes.

758. The salary was paid to him as general manager?—Yes.

759. And a proportion of his time, at least, would be devoted to the supervision of the land department?—Yes.

760. There could be, I take it, no motive for burdening one department more than another at the time these allocations were made, away back in 1891 and 1892?—No motive at all. The allocation was made on a fair and proper basis.

761. Now, with regard to rates and taxes, you say that the company held the land for a time after obtaining it from the Crown for the purpose of getting the best possible price for it?—Yes.

762. In the interval was it commonly productive of anything, or was it merely held until a profitable purchaser could be found?—It was held for a profitable purchaser.

763. And you say that the delay, occasioning and necessitating the payment of these rates and taxes, resulted in a larger price being obtained for the land?—I believe so.

764. And consequently a larger claim against us now by the Crown for the land-grants?—That is so.

765. Was the office in Christchurch or Greymouth?—The head office for the colony was in Christchurch.

766. And what you told Mr. Bell applies to the head office in Christchurch?—Yes.

767. Of course, there were other offices throughout the West Coast, I take it: was there not one in Greymouth, where a certain amount of work was done in connection with the railway?—Yes.

768. And all the work in connection with the management of the opened railway was done at Greymouth and along the line?—Yes.

769. It would be only in Christchurch that the usual head-office work would be done?—Yes.

770. There was no other land office except in Christchurch?—No.

771. *Mr. Bell.*] You say there was no motive for burdening one department more than another; but, without wishing to impute any improper motive, you know, of course, the railway account would look better the more you charged to the land account?—Of course it would; that goes without saying.

772. And in sending Home monthly to London the reports of expenditure upon the railway the more you charged to land-grant the less would appear against the railway charges?—That would appear so from a fraudulent officer's return.

773. I am not suggesting any fraudulent intention, but Mr. Wilson would naturally, would he not, desire that as much as possible of his salary should be allocated to land?—No, certainly not. Mr. Wilson would desire to do that which was honest, the same as we all did.

774. I am not talking about honesty?—Well, I am talking about a fact. Mr. Wilson did so with the best intentions.

775. Dr. Findlay asked you about the Greymouth office, but were there any officials in the Greymouth office?—Oh, yes.

776. How many?—The Greymouth office was practically the engineers' department.

777. And the other, at Christchurch, was the head office?—Yes, and the land office.

778. There is one item I omitted to ask you about—"Interest on advances, £585": I assume you borrowed money on the land-grant for the purposes of the company?—Yes.

779. And, using the land-grants for the purpose of raising money, you debited the land-grant with the expense of interest?—That is quite right.

780. I would like to know whether you, as an accountant, think this is a charge which could properly be made against land-grant expenses?—I think so.

781. *The Chairman.*] Can you tell me what was the annual rent of the Christchurch office?—I think it was £250, but I would not like to say positively. I can find out.

782. And the Greymouth office?—£85 for the first two years; then £75 for some years; and after that it was £125, when the traffic department first had their office there.

783. Did not Mr. Pavitt have an office in the Greymouth office?—Yes.

784. Any one else?—Mr. Young and his staff.

785. I mean any one else connected with the land department?—No.

786. Was not the business of the company in connection with the running railways and construction-works and the land department all carried on between the Christchurch and Greymouth offices?—Yes.

787. And the management of the running railways was carried on there at the same time?—No; the management of the running railways was carried on at Stillwater. The general management was carried on at Christchurch.

788. Did you debit the railway returns with any of the office rentals?—Oh, yes; each department bore its monthly proportion.

789. How much did you charge to the working railways?—I fancy, three-tenths.

790. And five-tenths to the land department?—That is so.

791. That would leave one-fifth to the construction department?—Then there was the timber department and the audit department to bear their share of the expenses, and Mr. Wilson also had to bear his proportion of the office expenses.

792. Would that mean, then, that there would be nothing at all of this rent charged to the construction account?—Nothing in Christchurch.

793. And how much in Greymouth?—Mr. Young would allocate the proportion of office expenses in Greymouth.

794. You have an item for "travelling-expenses," and, lower down, another item for "horse-hire": should the latter not be included in travelling-expenses?—It so happened that a ledger account was opened for horse-hire, and I have given a correct abstract from the books. It should have been included in the travelling-expenses.

795. You have been asked to state in evidence what the first issue of debentures by the company realised?—Yes. The total amount of the issue of debentures in 1889 was £743,800. The commission and expenses incurred in raising these debentures were £54,695 1s. 7d., and the debentures were issued at 92½—a discount of 7½ per cent., which amounted to £55,785—making a total of £110,480 1s. 7d.

796. *Mr. Graham.*] I might just refer you for a moment to the proceedings of the Committee of last year, where reference is made to the commission and expenses, and it gives the amount at £58,420: can you explain why you only make this £54,695, or a difference of nearly £4,000 between this return and last year's return?—I fancy it might possibly be the stamp duty on the debentures.

797. Would that come in, then, as part of the expenses; and, if so, should it not be added to the amount you are handing in now?—I will look that up.

798. You will endeavour to inform the Commission as to whether there is any difference, and what it consists of?—I will.

799. *Mr. Hudson.*] How long were these debentures to run for?—Twenty years from 1889.

800. *The Chairman.*] Referring to Exhibits Nos. 89 and 90, I would like to know whether the amount for freight and other charges in Exhibit No. 90 is for the carriage of the material shown in Exhibit No. 89?—It is.

801. And the rate amounts to about £8 3s. 6d. per ton?—Yes. I do not know whether it is in your mind that this rate is too small or too high, but I would like to say that this morning I saw one of the leading shipping agents in Wellington, and he told me the freight on girder-work is always very high. There are the charges for handling this heavy stuff in London and putting it on the ship; then it has to be taken out of the ship at Wellington; then it has to be put on the steamer for the West Coast, and rehandled at Greymouth. Then you have to add the wharf charges at Wellington and Greymouth. Stevedoring charges, insurance charges, and all other charges in connection with the shipment of this girder-work are included in this sum of £12,817 5s., and, as I said just now, the Wellington agent told me this charge is not excessive.

802. Had you to pay any duty on this material?—No.

803. You had the advantage of a 20-per-cent. *ad valorem* duty?—I do not remember the duty at the time. I know all construction material was landed duty-free in the colony.

804. So that if there is evidence before the Commission that this work could have been manufactured in the colony at £20 per ton, would you consider your price for this material too high or too low?—Well, as I am not an engineer, I would ask you to put that question to Mr. Young.

805. You put the return in?—I put the return in as a record of the books of the company; I did not put it in as an engineer.

806. You put in this statement of the shipping agent in Wellington as evidence, but you do not know the fact of your own knowledge?—That is so. I will arrange that this agent shall attend and give evidence.

807. *Mr. Fraser.*] Do you know what was the rate of freight on rails and other classes of iron-work? Was it higher or lower than the rate shown in this exhibit?—[Question disallowed by Chairman, because freight on rails is shown in other exhibits, and no rails are included in Exhibit No. 90.]

808. *Mr. Graham.*] Are you in a position to say whether £8 3s. 6d. per ton is a high rate to charge for freight, insurance, port, and other charges?—I can only quote the information given me this morning by a shipping agent in Wellington.

809. You do not know of your own knowledge, but you have obtained the information for the benefit of the Commission?—Yes.

810. And, as a result, I think you believe that is a reasonable charge?—I do.

811. *The Chairman.*] Referring to Exhibit No. 91, I would like to ask should not the amount shown in this return be put in as office or incidental expenses?—No; that sum of £232 7s. 5d. should be charged, as it has been charged, to construction.

812. What is the difference between these postages and telegrams and another return you put in of sundry expenses, postages, and telegrams?—These postages and telegrams were allocated by Mr. Young, chief engineer.

813. By the terms of our commission we have to keep salaries, commissions, and other incidental expenses separate from the cost of construction. I do not mean to say this is an unfair charge and should not be put in at all, but you can see no good reason why it should not be charged as an incidental?—It is charged against construction.

814. And you know of no other reason why this should not be put with other ordinary office expenses, postages, and telegrams?—I do not see any reason why it should not be charged to the cost of construction.

815. *Mr. Hudson.*] Why do you make a difference between Exhibit No. 135 and Exhibit No. 91?—The difference is this: Exhibit No. 91 is the total amount of postages and telegrams allocated by Mr Young, and Exhibit No. 135 is the amount of office expenses, postages, printing, and stationery paid for from the Christchurch office.

816. One charge is for Christchurch expenditure and the other for Greymouth expenditure?—That is so.

817. *The Chairman.*] Referring to Exhibit No. 98, can you explain why the areas and B1 value of some of the blocks in this return do not agree with Exhibit No. 1?—The areas and values in Exhibit No. 1 are taken from statements supplied to me by the Public Works Department. They do not agree with the figures in Exhibit No. 98. I have here a schedule of the differences making up the agreements between my return and Mr. Barron's return, and it is as follows:—

						<i>Additions.</i>					
Block						A.	R.	P.	£	s.	d.
41	...	...	...	...	...	0	3	38	0	4	9
46	...	...	...	...	...	0	2	21	...	...	...
61	...	...	...	...	...	0	1	24	0	4	0
63	...	...	...	...	...	0	1	19	0	7	3
65	...	...	...	...	...	0	2	7	0	2	3
44	...	...	...	...	...	...	...	...	0	5	0
50	...	...	...	...	...	0	3	24	0	3	6
62	...	...	...	...	...	0	0	7	0	1	0
69	...	...	...	...	...	...	...	...	0	10	0
45	...	...	...	...	...	356	0	0	231	8	0
46	...	...	...	...	...	19	3	8	14	17	0
50	...	...	...	...	...	573	0	10	280	14	8
62	...	...	...	...	...	40	2	30	40	13	9
64	...	...	...	...	...	143	1	29	143	8	8
67	...	...	...	...	...	292	1	19	292	7	5
53	...	...	...	...	...	0	3	0	...	...	...
64	...	...	...	...	...	0	2	23	...	...	...
67	...	...	...	...	...	0	3	7	...	...	...
71	...	...	...	...	...	67	1	30	33	14	5
42	...	...	...	...	...	0	2	0	0	2	6
43	...	...	...	...	...	...	...	...	0	10	0
70	...	...	...	...	...	0	1	20	0	3	9
71	...	...	...	...	...	0	1	30	0	4	5
48	...	...	...	...	...	166	0	0	124	10	0
26	...	...	...	...	...	0	0	18	0	15	0
28	...	...	...	...	...	0	2	33	...	...	...
127	...	...	...	...	...	0	2	9	...	...	...
131	...	...	...	...	...	0	3	15	...	...	...
220	...	...	...	...	...	0	2	13	...	...	...
Cobden town sections	...	...	...	...	...	0	0	27	0	10	0
Westport town sections	...	...	...	...	...	0	3	0	...	...	...
Ahaura town sections	...	...	...	...	...	0	2	7	...	...	...
Block 77	...	...	...	...	...	0	2	34	...	...	...
Total additions						1,671	0	22	£1,165	17	4

Deductions.

	A.	B.	P.	£	s.	d.
Block 45				0	9	0
" 46				0	0	6
" 53				0	2	6
" 64				0	7	1
" 67				0	4	1
" 54	879	0	0	440	0	0
Westport town sections				509	10	0
Ahaura town sections				50	0	0
Block 77				0	2	11
Total deductions	879	0	0	£1,000	16	1

Agreement.

	A.	B.	P.	£	s.	d.
Totals in company's land return ...	383,756	0	0	260,735	0	0
Additions above	1,671	0	22	1,165	17	4
	385,427	0	22	261,900	17	4
Less deductions above	897	0	0	1,000	16	1
Totals as per Mr. Barron's return ...	384,548	0	22	£260,900	1	3

Both returns were made up by Government departments, so that it is necessary now to find out whether the Public Works return (which is practically my return) is correct, or whether the Land Department return is correct. For instance, in Exhibit No. 98 the area in title of Block 48 is given as 8,550 acres, whereas the voucher sent in by the Survey Department on the 11th August, 1896, to the company gives the survey area as 8,384 acres 1 rood, which is the area of Exhibit No. 1. Take, again, Block 54, Exhibit No. 98: The area there is 29,350 acres, whereas in the voucher sent in by the Survey Department on the 4th November, 1897, the survey area is 30,229 acres, which is the area shown in my return. Again, referring to Exhibit No. 161, the value of the land-grant shown there is £265,150, whereas the value of the land-grant in Exhibit No. 98 is £260,900, the difference being about £5,000.

818. Is not that the sum of £5,000 you received under Mr. Blake's award?—No doubt that is so.

819. Referring to Exhibit No. 105, can you explain the price of £9 for a tail-lamp in list F?—Well, I telegraphed to Messrs. Scott Brothers this morning, asking if they could give any explanation, and it turns out this was a head-lamp, and not a tail-lamp. I got the information from the voucher, but Scott Brothers now say, "The lamp supplied was one head-lamp, with polished copper silver-plate reflector, price very reasonable."

820. Referring to Exhibit No. 106, can you explain the item "McKeone, Robinson, and Avigdor (per Worthington), £384 3s. 5d."?—I can only say I have taken that information from the books of the company. That is all the information I can give. It is an entry in the books received from the head office of the company in London.

821. For instance, you cannot say if anything has been supplied for it, or if any service has been rendered for it, such as we find detailed in the other lists?—No; I can only say that the information was sent out to New Zealand, and that the books in London were audited.

822. Can you explain the item "Sundry expenses, &c., £114 16s. 6d." in the same exhibit?—Well, the entries in the ledger making up this amount are numerous. They are transfers from the imprest accounts of Mr. Steele, who was then traffic manager. I cannot give the particulars of service, because I cannot find Mr. Steele's imprest accounts. But the entries, I am sure, are correct. The books were audited. I may say I was then accountant of the company, and I must have been satisfied that the vouchers for these payments were produced, because the entries appear in my books.

823. *Mr. Graham.*] Are they in the audited accounts?—Yes.

824. *The Chairman.*] Referring to Exhibit No. 107, can you explain the item "Sundries, as per Mr. Steele's account at 16th February, 1891, £82 7s."?—The same answer applies to this as to the previous item.

825. Referring to Exhibit No. 130, can you explain why this amount, which consists mostly of repairs after the line was open for traffic, was charged to capital account?—My explanation of this is that these entries were passed into the books of the construction department upon certificates from the officers in charge.

826. Do you know of your own knowledge whether these repairs were done after the various sections were opened for traffic?—I can only say that this return is made up from the records of the Midland Railway Company.

827. *Mr. Graham.*] You are not able to give the information asked for, but do you know any officer who can?—I believe Mr. Young can explain all these items.

828. And if the Commission ask Mr. Young we will probably get the information from him?—Yes.

829. *The Chairman.*] Referring to Exhibit No. 131, which gives the freight on rails from Greymouth to Lyttelton, you will see in Exhibit No. 120 an item for the carriage of permanent-way materials for the Springfield Section—£853; and I would like to know whether the amount in this return is included in the charge of £853 in the return put in by Mr. Young?—I can produce vouchers from the Union Steamship Company making up the payment of £261 8s. 1d.

830. *Mr. Hudson.*] Were these the rails transferred from Greymouth to Lyttelton to lay the Springfield line to Otarama?—I believe so.

831. How do you account for the fact that only 229 tons are charged for, when about 400 tons were required?—The answer will probably be that the balance were shipped direct from Wellington to Lyttelton.

832. But they must have gone up the line, and you only charge railage on 229 tons: how did the balance to make up the 400 tons get to Springfield, because I can find no trace of them in your accounts?—Possibly they are included in Exhibit No. 120.

833. *The Chairman.*] Do you think this railage refers to the carriage from Stillwater to Greymouth when they were sent back from Stillwater?—Well, the voucher from the Union Steamship Company says “railage.”

834. The Union Steamship Company paid the railage?—Yes.

835. Can you tell me where the contractor for the Springfield Section took delivery of the rails and permanent-way materials for laying the section between Springfield and Otarama?—They were stacked at the Springfield Station for delivery to the contractor.

836. And the cost of sending them to Springfield would be included in Exhibit No. 131?—Part of them.

837. Referring to Exhibit No. 132, do you know whether these reference plans have been handed over to the Government?—They were handed over to the Public Works Department about six months ago.

838. Referring to Exhibit No. 136, can you explain what this construction material consisted of?—It is carriage of girder-work, rails, and fastenings from Greymouth to Stillwater. A great portion of this expenditure would go to the Government.

839. This would not apply to the materials under contracts Nos. 1, 2, and 3?—No; the first entry in this Exhibit No. 136 is on the 21st June, 1900.

840. Can you establish the place where the different contractors took delivery of the bridge materials, rails, and fastenings?—I believe all the contractors took delivery at the Stillwater Station yard.

841. Not at Greymouth?—No.

842. Referring to Exhibit No. 137, can you give us any explanation as to what service was rendered for this money, and to whom the money was paid?—It was paid to the Government through Mr. Bell.

843. *Mr. Hudson.*] Referring to Exhibit No. 129, I want you to explain what these law charges were for?—For the information of the Commission, I will produce the bills of costs making up this total of £1,012 11s. 3d.

844. Referring to Exhibit No. 106, you find there the freights and charges paid on rails from London to Greymouth: I suppose that shows what was actually paid for freight and charges on these rails?—It does.

WEDNESDAY, 22ND MAY, 1901.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

845. *The Chairman.*] Have you looked up the matters referred to by the Commission yesterday?—Yes; and, referring to Mr. Graham's question of yesterday in reference to commissions and expenses *re* the issue of debentures, I find the amount given in the return in the proceedings of 1900 was £58,420 1s. 7d; but the return put in by me yesterday was in answer to a question from the Commission as to what was the net receipt from the issue of the debentures. The difference between my return of yesterday and the return in the proceedings of 1900 is £3,725, which was the amount paid by the company for stamp duty on the debentures, as per the balance-sheet of the company.

846. *Mr. Graham.*] Last year that was included in the item “Commissions and expenses,” and it is not included in the same item you handed in this year?—No.

847. Under what heading has that been put in this year?—It has not hitherto been put in at all. It is not in the cost of construction.

848. It is an expense, and the question is, should it not be included now?—I am prepared to include it, and to give the amount of commission and expenses in connection with the issue of the 5-per-cent. first-mortgage debentures as £58,420 1s. 7d., making, with the item “Discount on debentures, £55,785,” the total expenses £114,205 1s. 7d.

847. *The Chairman.*] Can you give us the details of the commissions and expenses?—No; I can only give the figures in the balance-sheet.

850. And this amount for stamp duty is separate from the other expenses?—Yes, it is separate in the books.

851. *Mr. Hudson.*] Referring to Exhibit No. 129, can you certify to the fact that the whole of the legal expenses charged in this exhibit are properly chargeable against capital account, and not against working-expenses?—I am not competent to tax these bills of costs. I can say this: that these bills of costs were handed over to Mr. Scott to check and apportion to the various departments, and upon his certificate I debited the various departments with their respective amounts, and drew one cheque for the whole amount. I am satisfied, speaking for myself, that this return is correct, because Mr. Scott went through the bills and made this allocation.

852. *The Chairman.*] Is this return a true record of what you find in the books of the company, and charged to construction account?—It is.

HENRY WILLIAM YOUNG further examined on oath.

853. *The Chairman.*] Referring to contract No. 1 (Exhibit No. 27), can you tell me where the contract started and finished, and what was the length of it?—We have not got the plan—probably a Government plan—which they had at Home when framing contracts Nos. 1 and 2. I do not think we ever had it here, so that we have had to reconstruct their chainages from the evidence of the ground and from such fragmentary plans as we have. So far as I can make out, this is the state of things: The starting and finishing points of contract No. 1 are in the signed contract given as “from 0 m. 0 ch., near the Teremakau River, to 12 m. 45·25 ch., near Stillwater,” a length of 25 miles 34·55 chains. This point—12 m. 45·25 ch.—appears to be coincident with 1 m. 30·62 ch. on the original Brunnerton—Nelson Creek Section, or with a point 1 mile 14·82 chains from the present Midland Railway initial at the road-crossing. The work under contract No. 1 was completed by the English contractors only so far as the south end of Kaimata Tunnel, which is at 8 m. 81·62 ch. from present Midland Railway initial—that is, for a length of 7 miles 51 chains, or thereabouts. I have made this tracing showing the information you desired.

854. You locate contract No. 1 from Kaimata Tunnel to Stillwater, a distance of 7 miles 51 chains, or thereabouts?—Yes.

855. Did contract No. 2 join on to contract No. 1?—Yes; in execution it joined on to contract No. 1.

856. Under the contract, I mean?—Yes; the work was covered by these two contracts.

857. What length of siding is provided for under contract No. 1?—I happen to have the paper with the summing-up of the permanent-way and sidings under contract No. 1.

858. The object of the question is to try and ascertain under what contract the sidings in the Stillwater Station yard were laid?—Contract No. 1 applied to 25 miles 35 chains of line, of which only 7 miles 51 chains were executed. The Stillwater Station work was done within this contract, or additional to it.

859. There were 80 chains of sidings provided for under contract No. 1, and I wish to know how many chains of these sidings were laid under the contract?—I cannot give the information from memory, but I can look it up for you.

860. Can you explain why in the same exhibit the amount for spikes—£667 14s.—under the head of “Permanent-way and materials” (page 31) should not read £667 4s., with a consequential alteration in the total and in the final summary certificate, and in the recapitulation of the final certificate?—The totals cannot be altered, because the totals of a tender or of a certificate are the essence of the thing. The details are only the method by which the engineer makes his record and keeps in touch with his work. However, that £667 14s. should read £667 4s. This is evidently a clerical error, which does not affect the total.

861. Can you explain why there are no prices given in the schedule to this contract for bridges and culverts—there is a lump-sum put down for bridges and culverts?—Some of the prices given are from No. 2 schedule, and others were fixed by Mr. Napier Bell or Mr. Wilson early in 1887. They are, I think, based upon the lump-sum set down for bridges and culverts in No. 1 schedule.

862. Can you explain why no prices are given in the schedule for grade-boards, mile-posts, and telegraph-posts, as without them we cannot check the prices on page 31?—There is an item given in the schedule of £1,700 for twenty-five odd miles, and this comes to about £65 per mile, being the rate adopted as the contract price per mile.

863. Can you explain why fencing quality No. 3 on page 31 and quality No. 2 in the schedule to this contract are both at the same price?—I cannot recollect anything about it, nor can I find any notes bearing on it.

864. Now, the Commission would like you to explain the items and amounts scheduled for rolling-stock to this contract?—The answer to that is that the contractor was paid for stock as actually delivered, and at schedule rates. These rates may have been varied in some cases by the engineer-in-chief. The carriages did not happen to come to exactly the same sum as given in contract schedule, and I presume that this was arranged at Home with regard to some difference in quality.

865. Were they paid according to the contract?—They were.

866. Will you look at the item “One crane, at £500,” in the schedule on page 32?—That lower part of the rolling-stock schedule, as marked with the asterisk, did not give fixed rates, but simply estimated rates, subject to final adjustment to show approximately how the total was made up to the £19,270 included in the contract.

867. But this crane is priced in the schedule at £500: can you explain why it was paid for at £544, as shown on page 31?—In the schedule the figures in black only were given for certificate purposes. The figures in red were estimated ones, to which the true values were afterwards to be put. Practically, therefore, the figures in black were determined prices at the time of contract, whereas the figures in red were estimated ones, to be paid for, more or less, when the exact prices were fixed. We had our instructions afterwards as to the amounts at which the items in red were to be certified.

868. *Mr. Graham.*] And the price of the crane was fixed afterwards at £544?—Yes. We got our instructions from the engineer-in-chief after he had fixed the value.

869. *The Chairman.*] Were the carriages at a fixed price?—No; the items in red, and shown on page 32 with an asterisk, were subject to alterations afterwards.

870. Is that the answer you wish to put in in connection with that subject?—Yes. The contractor was paid for stock as actually delivered, and at prices either as per schedule or fixed by the engineer-in-chief.

871. Were these prices fixed in the colony afterwards?—No; I got instructions from Mr. Napier Bell as to the prices at which these were to be returned in the schedule. He would, no

doubt, get his instructions from Mr. Wilson. I might also mention that early in 1887 Mr. Wilson was out in the colony for the first time, as was also one of the principal contractors, Mr. Avigdor, and I know that between them a number of things which had been held over were then settled. Until then we were not sure as to what the contract meant or what it did not mean in respect of a number of these things which you are talking about. It was not drawn up as New Zealand contracts are usually drawn, and it had none of the precision with which New Zealand contracts are usually framed.

872. There is a note here: "It will be seen that articles of the estimated value of £390 were not supplied, but the contractor was paid within £160 of the amount scheduled"—Whoever wrote that is wrong. He has been quite mistaken in it. And my remark that no stock was paid for which was not supplied answers that question. You can see from the return that only the stock supplied was paid for.

873. Suppose this stock was not on the line when the line was seized?—It must have been there. In fact, I have tallied it with Mr. Beattie's return.

874. There is also a statement here which your own return bears out, viz.: "The cost of carriages was estimated at £4,299, but the contractor was paid £4,790"—The remark I have already made applies to this question. The sum of £4,299 was the estimated price as used in the schedule and noted in red, but the actual cost was subsequently fixed as £4,790, as shown in the final certificate.

875. Do you know how the actual fixed cost was arrived at?—It was fixed at Home by the engineer-in-chief.

876. Can you give us any explanation why you did not put in a return of the deductions from contract No. 1?—Because the deduction was in one large sum—that is to say, the deduction was a cancellation of the contract as between Kaimata Tunnel and a point near Teremakau. In dealing with contract No. 1 the items were paid for as actually executed only.

877. And you have not told us the balance that was not paid for. For instance, if you had given us a return of the deductions we could have got the length of sidings laid for ourselves?—There were no deductions.

878. It was a matter of arrangement between the engineer-in-chief and the contractor?—There were no deductions, because the contract was never completed. The whole line from Kaimata northwards was the deduction. All contract work done under contract No. 1 was paid for at schedule rates as measured.

879. Can you explain how it is that charges for maintenance appear in the accounts when the contracts provide for maintenance for three months after the date of the final payment certificate?—The contracts were really finished a considerable time—nearly a year—before the final payments were made, because the final certificates were kept open until we had replies from Home about some of the items. In regard to contract No. 1, for instance, a discrepancy in the original Government survey involved a reference to the engineer-in-chief, and, although the work was passed, the actual settlement of the contract amounts had to await advices from Home instructing us whether to include certain amounts; so that the work was really finished and taken over long before the date of the final settlement.

880. I want to know of your own knowledge why these amounts are charged against construction in your returns when your contracts provide that the contractors were to maintain the line for three months after it was gazetted open for traffic?—The sections were not opened for traffic for some considerable time after the date of the final certificate, and were taken over by the company's engineer when completed according to contract; and, as the contractors had men, plant, and machinery for the work, while the company had then none of its own or in its direct employment, it was evidently cheaper to employ the contractors to carry on maintenance beyond the contract time and pay them for it than to start a department of our own for the particular work.

881. *Mr. Fraser.*] Do you think that a fair charge against construction? It is maintenance after the time the contractor had to maintain the line, and which properly ought to be debited to working-expenses?—Of course, we had no working railways then, and I only gave a copy of the certificate. I think it is quite open to argument, but I take it that this would be a matter for the Commission to decide.

882. *The Chairman.*] Now, referring to additions to contract No. 1 (Exhibit No. 72), can you explain why points and crossings were paid for at £33·7, laying at £7, and sleepers at £8, when in schedule No. 2 (Exhibit No. 146) the prices are £12, £6, and £7 respectively?—You must remember that schedule No. 2 guides the additions to contract No. 1. I cannot recollect the items specially, but the prices used in all cases where they differed from the schedule were according to instructions received from the engineer-in-chief.

883. Will you read the heading to schedule No. 2?—It says, "Schedule of prices for omissions, extras, additions, enlargements, deviations, or alterations, as provided by the conditions of contract." The items appear to have been put at schedule No. 1 prices; but, as I have said, we were always very careful in dealing with prices when they differed from the schedule.

884. Of your own knowledge, can you give any explanation?—No. I believe they were paid under special instructions.

885. Can you explain why Stillwater water-supply comes under additions to contract No. 1, instead of under contract No. 1 itself?—Because contract No. 1 did not apply to it. There is an amount in the contract for water-supplies, but evidently that was not intended to include or deal with such a water-supply as the Stillwater one, because it is not contemplated or referred to in the contract. It has pipes a mile and a half long.

886. That does not matter?—It all depends on what was contemplated when they made that contract up. This particular water-supply was not contemplated, nor mentioned.

887. When it was not contemplated under the contract, can you tell me how the railway was going to run without a water-supply somewhere near the commencement of the railway?—Of

course, water-supplies are necessary equipments of any railway, and there are water-supplies and station requisites of all sorts included in the contract in a lump-sum; but in this general list of works included in contract No. 1 they have "Stillwater: Fencing, gates, goods-shed, loading-ramp, passenger shed and platform," but no water-supply.

888. Was it necessary to have a water-supply near the commencement of contract No. 1 and under contract No. 1?—Of course, it was necessary to have one there, and one was made there.

889. Was it necessary to have one under contract No. 1 or No. 2?—You can see by the location of works that I have just referred to that they evidently contemplated one at the Arnold Station.

890. Whereabouts?—That I do not know. It referred to some proposed station that appears in the Government maps they had at Home.

891. *Mr. McKerrow.*] You said the Stillwater water-supply had to be brought a distance of a mile and a half?—Yes.

892. And it was not seen clearly then where the water was to be got for the supply?—That is so. And also in the contract schedule there is no water-supply at Stillwater.

893. I infer the reason was because you did not see very well where the water was to come from; but undoubtedly they must have contemplated a water-supply, because it was where the engines stopped, and where the lines junctioned?—That is so. Of course, what contractors did not do they were not paid for. It was simply cancelled out of the contract.

894. *The Chairman.*] You made two water-supplies in the contract?—There is one at Kaimata.

895. You did not consider in contract No. 2 there should have been a water-supply provided at Stillwater at all?—Yes; but the Stillwater Station at the time these contracts were entered into was not designed at all.

896. But it was the junction of the lines?—Yes, we know that; but when the contracts were made at Home they had simply Government information, and the contract seems to have been based on the Government information as it stood then in an incomplete form, and with no mention of Stillwater Station.

897. But your schedule provides for making additions to water-supplies: why did you not make an addition of this water-supply?—Because the amount in the contract for water-supply and other matters was not a sufficient one, and it was deducted. It does not make any real difference, because the labour part of the work was let by advertised contracts, and the pipes and materials we got as cheaply as the market could supply them at the time.

898. What we wish to know is, if you did not put an item for water-supply in contract No. 1 at Stillwater at the commencement of the section, why did you not put the water-supply as an addition at the schedule rate itself?—These contracts were difficult to understand. They had been, apparently, made up at Home on rather imperfect Government plans, and without full information. Questions as to the particulars of them or interpretation of them, and how they were to be administered, were fixed up by the engineer-in-chief on supplementary information when he was out in 1887. All these matters were gone into and adjusted by him with Mr. Napier Bell.

899. Can you explain why work paid for under "Additions to Contract No. 1" is priced under "Schedule of extra work sanctioned" in contract No. 2 (Exhibit No. 28)?—This "Schedule of extra work sanctioned" has apparently got into the additions to No. 2 contract by mistake. It is really a supplementary schedule of prices to contract No. 1, and ought to be with contract No. 1 in the exhibits. These prices were fixed by Mr. Napier Bell.

900. Some of the items are charged under contract No. 1?—This was a copy of an arrangement made by Mr. Napier Bell for certain extra works, and the prices at which they were to be paid. It was the authority for paying these prices for these additions and for getting the work done.

901. That implies that this list should not appear in contract No. 2 at all?—That is so.

902. Can you explain why in additions to contract No. 1 felling is charged at £1 18s. per square chain, when the price in the original contract is £1 12s. per lineal chain, and why clearing is charged at £4 10s., and not at the contract rate of £1 17?—Because it is charged according to that schedule of extra work sanctioned.

903. Can you produce the original of this extra work sanctioned?—I have only the copy produced.

904. You allowed these prices because you found them in this paper?—I allowed them under Mr. Bell's instructions.

905. So it does not matter what amount Mr. Napier Bell had fixed you would have put that down?—Certainly; and he had a perfect right to fix these rates. With regard to the rate of £4 10s., I may say I thought at the time it was a big price; but, seeing the work in progress, I know that it was warranted. The place was one mass of stumps and trees.

906. *Mr. Graham.*] At any rate, it was the rate fixed and laid down by Mr. Napier Bell, who was the engineer-in-chief at the time?—Yes.

907. *The Chairman.*] It would amount to £45 per acre?—Yes.

908. And it cost it all?—Yes.

909. *Mr. Hudson.*] I understand your answer amounts to the fact that these variations from the contract price were fixed by Mr. Napier Bell?—Yes.

910. *The Chairman.*] Can you explain the maintenance charges in these additions to contract No. 1?—The same answer that I gave to the previous question about extra maintenance applies to this.

911. Can you explain why freight and other charges amounting to £3 4s. 6d. were paid under these additions on pneumatic plant?—I understand, to the best of my recollection, that for the sake of convenience the company consigned this plant per Messrs. McKeone, Robinson, and Avigdor, as they had facilities which the company did not possess.

912. Are there any records to that effect?—No; but I have a recollection of these matters, and I believe that was the case.

913. Did you deduct it from them afterwards?—They never used the plant.

914. Was it of any use at all?—Yes, it was a very good plant. It was used in the forward contracts. It was not used in contracts Nos. 1, 2, or 3. The contractors used Watson's plant in No. 3 contract.

915. Do you know the plant I mean?—Yes, I know it.

916. It is the cast-iron air-lock you pointed out to the Commission in the Stillwater yard?—That is only a small portion of the plant. The actual plant itself is a very good plant—indeed, the best there was on the works.

917. There were no cylinders in contract No. 1?—No.

918. Why should this £3 4s. 6d. be made a charge against construction under contract No. 1?—It was the most convenient method of paying. We had really no company's account at Grey-mouth.

919. You say there were no cylinders in contract No. 1?—No.

920. This plant could not be used under contract No. 1?—It had really nothing to do with contract No. 1.

921. Why was it put in the additions?—It was put amongst the accounts rendered, and we then had no other convenient machinery for paying construction accounts.

922. The cost price is shown in another exhibit, and why was not the local freight included there?—Because the cost of the machinery was paid at Home, also the freight to the colony.

923. Is this a fair charge against contract No 1 or is it not?—Finally speaking, it had nothing to do with contract No. 1.

924. *Mr. Fraser.*] But it had to do with construction?—Yes; but it had nothing to do with contract No. 1.

925. Consequently you think it is not a proper charge to be put in the additions to contract No. 1?—That is so.

926. *Mr. McKerrow.*] Was this pneumatic plant ever used at all on the railway-line in any form at all?—Oh, yes; it was used on the Nelson Creek—Reefton sections.

927. *Mr. Hudson.*] With regard to this item, I take it your explanation is that this was merely added to contract No. 1 as the most convenient method of settling this amount?—Yes; it was the most convenient way we had at that time to repay these people the money they had disbursed on our account.

928. Referring to contract No. 2 (Exhibit No. 28), can you explain whether this contract No. 2 provided for building the Brunnerton—Stillwater Section complete and fit for traffic?—The second clause of the contract says, "The contractor is to make and execute all the works described in or implied by the specifications, or shown in any plans or drawings, or set forth in any lists or tables attached thereto, and all the materials used are to be the best of their respective kinds, and all works of every description throughout are to be executed conformably to the several drawings and details herein referred to, already prepared or that may hereafter be prepared for that purpose, in the strictest accordance with the provisions of the specifications and conditions, and in the best, most substantial, and workmanlike manner, and to the satisfaction of the engineer-in-chief and of the district engineer; and should any work not be so executed it shall be immediately altered and amended at the cost of the contractor."

929. Now, will you explain how the work in Exhibits Nos. 56 and 57 came to be done some years after the line was taken over from the contractor?—Following up that clause I have read, we come to one of the lists of tables attached thereto, in which no mention is made of these particular bridges. Under the contract the contractor had nothing to do with these bridges. They were taken over as completed by the Government, and there is nothing in the contract that could compel the contractor to repair or rebuild these bridges.

930. If you look up your own return in the same exhibit (No. 28), on page 35 you will see, under "Claims referred to the engineer-in-chief," "Claim for £46, being £40 prime cost *plus* 15 per cent. for contractor's profit, for repairs executed to the bridges at 0 m. 49 ch. and 0 m. 60 ch.": was that claim disallowed by the engineer-in-chief?—I have no information as to whether it was disallowed or not. It was one of those open questions we had to deal with, and in view of the clause at the end of the schedule we did not see fit to allow it in the colony. It was referred Home to the engineer-in-chief, and I have no knowledge as to whether they paid the amount at Home or not. It might have been allowed, and, if so, it was paid at the head office.

931. So far as you know it was not paid?—It was not paid to my knowledge. It is quite possible it was paid at Home.

932. But, if it had been paid, would it not have been known in the colony?—Not necessarily.

933. How does the rest of the expenditure come to be known in the colony?—That was certified to and paid here, or else we got it out in returns of moneys paid at Home.

934. Will you look at the date of the certificate for the final payment for this contract?—The final certificate was in May, 1889.

935. You have on page 35 additions amounting to £555 13s. 6d.—claims referred to the engineer-in-chief: none of these claims were paid and included in this final certificate?—No.

936. Does not that final certificate settle that contract altogether?—It finishes so far as we settled there, but referred items may be considered after the final certificate. It goes into another stage then. It is then that the contractor disagrees with the action of the executive engineers and refers the matter to the engineer-in-chief as arbitrator. There was a case of the same sort in the Teremakau contract.

937. Now, you have not put in any evidence before the Commission to show that these claims were ever paid?—I have no knowledge as to whether they were or were not paid.

938. If the engineer-in-chief had allowed this £46 as a legitimate addition at once, would it not be included in the payment in the colony? Why was it not paid if it was to be allowed by the engineer-in-chief?—Because at the end of the schedule there is a peculiar clause, which says, "These quantities, although given to us by the engineer-in-chief, have been checked by us, and are accepted by us as correct, and are intended to include the work necessary to finish this contract complete in all respects. No claim shall be made by us or by the company in respect of any additions thereto or deductions therefrom unless such addition shall have been ordered in writing and agreed to as an extra by the engineer-in-chief. All such additions will be paid for at the schedule prices of No. 2 of contract No. 1."

939. Is the engineer-in-chief's letter-book available?—No, it is not; during most of the time Mr. Wilson was in London.

940. If this was considered an extra within the contract, why was it not included in the final certificate?—Because we had authority for all these other extras, but we had no authority for this one. I may say personally we regarded it as a fair charge, but it was possibly barred under this clause, and we thus did not feel competent to deal with it without reference to the engineer-in-chief. Under an ordinary contract it would most certainly have been an addition.

941. And you say the work was taken over by English contractors up to 63 chains from Brunner-ton as being finished complete?—It was taken over by the company. What I believe happened at Home was this: They had the Government records of this contract, and assumed that the work was in good condition, and that only a certain amount of extra walling was required.

942. Which walling?—That long retaining-wall between Brunner-ton and Stillwater. Payment for some of this walling is part of the £469 12s. in claims referred to engineer-in-chief.

943. Was that ever paid for as an extra?—That is on all-fours with the item of £46 for bridge repair.

944. If it was considered a fair extra to the contract, why was it not included with the other extras that were paid for?—Because of the clause which required the engineer-in-chief's authority for it. This clause was a very unusual one, and a clause that is not found in usual New Zealand contracts.

945. Can you tell us whether the £555 13s. 6d. was paid or not?—I cannot tell. Some lump-sums were referred back from London by the accountants, but the details were not given. It might be in some of these sums.

946. So that the whole of these items were matters considered to be in dispute, and had to be submitted to the engineer-in-chief because they did not appear fair extras to the contract?—Because in the mind of the resident engineer there was a doubt, and he preferred sending them Home.

947. Do you know whether it is usual to renew bridges on railways two or three years after the railways are finished?—The repairs done by McKeone and Co. were done in 1887.

948. I am referring to the work in Exhibit No. 56?—That was in replacing the bridges. The bridges were quite unsound, and they had to be rebuilt. They were therefore rebuilt with ironbark, with concrete abutments and piers—the retaining-walls were carried forward and turned round to form the abutments.

949. Now, these bridges were renewed two or three years after the line was opened?—They were rebuilt in 1893, so that really the value of these bridges should be written off the value of the work which was handed on to us by the Government.

950. I would like to know whether it is usual, two or three years after a railway is built, to have bridges renewed on it?—If any structure becomes untrustworthy and requires rebuilding it has to be rebuilt. In this case it was rendered necessary by the rotting of a large proportion of the timber. This was twelve or thirteen years after they were built by Government.

951. And in that case do you charge it to maintenance or construction?—That was charged to construction.

952. Where is it usual to charge it to?—In this case I think it was fairly chargeable to construction, because the previous bridge may be considered only temporary. The bridges taken over from the Government were to all intents and purposes temporary bridges.

953. They were permanent when built?—Yes; but, then, the material had rotted.

954. They were rotten when you started, practically?—Well, some of the work was sound. We put in about forty pounds' worth of work.

955. When Mr. Rowe built these bridges he had a contract on the Grey-Hokitika line at the same time?—I think so.

956. Were not the bridges on that line built of birch, just the same as these two were?—Yes.

957. Do you know whether they were all pulled down or rebuilt before the rails were laid?—I think they were; I think there was a good deal of rebuilding there.

958. *Mr. Hudson.*] With regard to Exhibits Nos. 56 and 57, the work for which these items are payment is not included under contract No. 2?—No; there are about six years between.

959. They do not happen to be charged for twice—in contract No. 2 and afterwards in contracts Nos. 56 and 57?—No; they are separate and distinct contracts.

960. And, although you use the word "renewals" in Exhibits Nos. 56 and 57, I understand you to say that these renewals were necessary, owing to the state in which the bridges were handed over to your company by the Government?—They had begun to go when handed over, but they had in 1893 reached a state which made it imperative to rebuild them.

961. So that you only had a life of four or five years out of them?—Yes.

962. And you had such a short life out of them that you considered it a reasonable thing to charge the renewal to capital account?—Certainly; especially as we built much better permanent bridges in their places.

963. *The Chairman.*] Referring to additions to contract No. 2 (same exhibit), we find there are several items for which no prices are attached. Can you give us any explanation of them,

starting with the item "0 m. 53 ch., removing shingle from top of batter, prime cost *plus* 15 per cent., as agreed"—Along that cutting, which was made by the Government and taken over by the company, an extra batter was required to make the line safe, and this work the contractors were instructed to do. The tops had to be lightened and the batter made flatter to insure the safety of the line. The same remark applies to the next item.

964. Going on to bridges and culverts, can you explain the item "0 m. 0 ch., 0 m. 60 ch., 0 m. 72 ch., 1 m. 3 ch., tarring bridges, cost *plus* 15 per cent."—These are the same two bridges I have explained about.

965. Is that the lump-sum paid for them?—Speaking from recollection, the work was let by piecework to somebody, and that was the cost price *plus* the contractor's percentage.

966. What about the item "Protection-work to Stillwater Bridge piers and banks of creek, prime cost *plus* 15 per cent., as per agreement"—The timber bridge over Stillwater Creek, contemplated in the contract, was not executed, an entirely different design being substituted by the engineer. The work was valued by Mr. Wilson and Mr. C. N. Bell, and from the total thus arrived at the contract amount was deducted and the balance became an addition to the contract. After it was partly built a heavy flood in the creek showed that much protection-work was required. This was done under Mr. Bell's or my own personal supervision, and the contractors were paid for it at the cost price *plus* the percentage.

967. Do the answers you gave in regard to maintenance in contract No. 1 apply to the maintenance charges in the additions here also?—Yes.

968. Can you explain whether the earthworks in banks have been paid for twice?—No, we never did that.

969. Are you satisfied there are 32,910 yards in that embankment?—Yes.

970. Now, as to your own revaluation of the contract (Exhibit No. 143), I would like to know if you base your revaluation on the average prices in the New Zealand contracts which were let by public tender on the West Coast?—The average contracts do not apply, as values depend altogether on the nature of the ground, the lengths of lead, and other elements. I based my revaluation on information carefully collated with other contract and sub-contract prices, and whatever information I could get bearing on the work.

971. Can you explain why the items "Claims referred to engineer-in-chief" in contract No. 2, and not included in the final summary certificate on page 33, are included in your revaluation?—I have included it in the revaluation because I know that the work was executed, and that the measurements were correct. There is no doubt about that; and as I was taking the prices on their merits I therefore included the quantities on their merits, because it might be said that the English contractors had higher rates because they were subject to the liability of doing work without payment.

972. *Mr. Hudson.*] I take it the reason you included the item in the revaluation was because you knew the work had been done and ought to have been paid for?—Yes.

973. *The Chairman.*] Referring to contract No. 3 (Exhibit No. 29), can you explain, under the heading of "Bridges and Culverts," the double charge of £5 12s. 6d. per ton for 351.77 tons of wrought-iron in girders erected, and £5 12s. 6d. per ton for 351.77 tons of wrought-iron in girders delivered?—The contract provides that of the total cost of the girders included in the contract one-half should be paid in London, one-quarter on delivery in the colony, and the remaining quarter on completion. Therefore only half the cost, in two instalments, appears in the New Zealand certificate, the rest having been paid at Home. I put an explanatory note on my own copy of Exhibit No. 29, and I intended to have put it before the Commission. The final summary of certificate should read, "Totals per New Zealand certificate, £62,643 8s. 3d." Add to that "Amount certified and paid in London on account of girders, £3,956 11s. 9d.," making the total contract price £66,600.

974. *Mr. Hudson.*] The real answer to the question is that the balance was paid at Home?—Yes.

975. Why is it put here in this way: "Wrought-iron in girders erected," and "Wrought-iron in materials delivered"? It is the same thing, but you have two different items?—These detailed certificates, as I have already pointed out, were made simply for the convenience of the engineer's department as matters of record. When the girders were delivered 25 per cent. of their value would be put in the certificate, and another 25 per cent. when erected. It is the same 351.77 tons of girder-work in two stages of payment.

976. *The Chairman.*] Can you explain, on page 39, the "Claims made by contractors and referred to engineer-in-chief"? Do you know of your own knowledge whether this amount of £371 1s. 11d. was ever paid, or whether it should have been paid?—I do not know. That contract also had peculiarities, and in this contract the contractor certainly had to do things for which he was not paid. It is possible that many of these claims, or such as were allowed by the engineer-in-chief, may have been paid within that £12,500 in the final general settlement between the company and the English contractors.

977. *Mr. Hudson.*] In the same way that the materials were taken over as part of it?—Yes.

978. *The Chairman.*] But the £12,500 cannot refer to this contract, as it only applied to contract No. 1?—The £12,500 was a general settlement of all accounts, so far as I understood. In contract No. 3 there are a number of valuations of the usual general clauses, and by these the contractors become liable to do all sorts of work in a manner quite different from our ordinary New Zealand procedure.

979. Referring to contract No. 4 (Exhibit No. 31) and to the additions to contract No. 4 (Exhibit No. 115), can you explain why, in the item "Cutting to bank, to spoil, and side-cutting," 1,906 cubic yards are paid for at 1s. 3d., whereas the contract price was 1s. 4d. for cutting to bank and 1s. to spoil?—That 1s. 3d. would be its fair value, having regard to the nature of the work and the contract schedule.

980. Can you tell me why 1s. 6d. per cubic yard was paid for the 37,615 yards of "earthwork, with extra lead"?—We always know what the average lead is in the contract, but this particular work, having so many chains more than the contract average lead, was more expensive than that on which the contract price was based, and therefore the contractor was entitled to some allowance, so as to bring the price parallel with the contract price.

981. Can you explain why the item "Felling, 3 chains wide," is charged at £5 per acre, instead of £1 10s. per lineal chain, as fixed in the contract?—These prices were fixed on reference to the engineer-in-chief or acting engineer-in-chief, and, I have no doubt, fixed according to the value of the work. The same remark would apply to the clearing and grubbing, which was on the wide area required for the station-yard, and from which all the logs had to be burned off or conveyed away. I think the item "lineal chains" should be "square chains."

982. Would it not also necessitate taking out all the stumps?—Yes; and the removal of the stuff for some distance out of the station-yard.

983. Is there an embankment in this yard?—Yes, in parts of it.

984. Can you explain why 5,482 lb. of ironwork in bolts are charged at 4d. per pound, while 1,646 lb. are paid for at 3d. per pound?—That was a specially fixed item, and, speaking from recollection, I think the 4d.-per-pound work referred to the ironwork in connection with the road-bridge, which ironwork had more workmanship in it than that used for the railway-works. The value was fixed by reference to the engineer-in-chief.

985. But would not the principal part of the ironwork be pile-shoes in both bridges?—Most likely. I have no doubt there was some reason for the extra amount or it would not be there, because these things were pretty closely contested.

986. Do you think pile-shoes are any dearer in a road-bridge than in a railway-bridge?—No; but there was some reason for the extra rate.

987. In regard to the item "Remedying defective girder manufacture, cost *plus* 15 per cent., £408 14s.," why did you put that in the return at all?—Because the return is a true copy of the document, and I could not alter it, therefore I put an explanatory note in the copy drawing your attention to the item.

988. And in considering this contract we ought to take this £408 14s. off?—Certainly; that was my intention in referring to it.

989. Referring to contract No. 5 (Exhibit No. 32), there is an item in the classified summary of "Contingencies, 6·6 per cent., £2,333 18s. 10d.": can you tell us what work was done for that amount, or whether there was any work done at all?—Yes. The lump-sum is the contract price, which is not affected by the contractor's method of making out his schedule or by any errors in it. Rees and Co., in contracts 5, 6, and 7, happened to put their profit or plant margin, or portion of it, as a lump-sum, under the name of "Contingencies," in each of these contract schedules. At first we demurred, but, finding that the distribution of these amounts throughout all the contract items would involve endless trouble, they were allowed to remain as fixed sums, to be paid as work progressed. They were unaltered, and therefore, in considering the schedule prices of these contracts, you have got to remember that to them you must add the percentages of increase due to them. It was arranged that these contingency amounts should be paid partly as the work proceeded and partly on completion of works, and it was agreed that they did not refer to unforeseen contingencies proper, but meant part of the contractor's profit, cost of administration, or plant.

990. Can you explain the maintenance charge of £17 17s. in the additions?—It was maintenance outside the limits of the actual contract. It was a matter of construction.

991. Explain why, under "Bridges and Culverts," no price is given for the item "Iron in bed-plates, carriage, and fixing"?—The prices are not necessarily put in. Where you have a lump-sum something had been arranged about it. It means carriage from Stillwater and fixing on the bridges. The company supplied the bed-plates.

992. This is a true copy of the contract?—Yes.

993. Referring to additions to contract No. 5 (Exhibit No. 116), can you tell us whether, under the heading of "Stations," the item "Coal-store, £76," is the same as the item "Coal-store, £76," shown in contract No. 5?—It is not the same; there are two coal-stores.

994. Where are they now?—One is at Ikamatua and one at Totara Flat.

995. Can you explain why, when 260 lineal yards of platelaying are shown in the deductions from the contract, 2,577 yards of ballast are charged for in the additions?—I happen to have a statement of the final settlement details of that contract, and find there an item, "2,577 yards of additional earthwork," and it is noted here, "Transferred from Totara Flat Station yard earthwork to ballast, as ordered by Mr. Bell." Considerable spaces were gravelled about the station-yards, and the stuff was drawn by the engine and spread. It was counted in at the ballast rate on reference to Mr. Bell. It is not an error.

996. Referring to contract No. 6 (Exhibit No. 33), we desire details of the item in the classified summary "Contingencies, £1,566 14s. 8d."?—The same remark applies to this as I gave in reference to contract No. 5.

997. Referring to additions to contract No. 6 (Exhibit No. 117), will you explain why the item "Clearing (underscrubbing)" is charged at 15s. per chain, when the contract provides a rate of 10s. per chain?—They are not parallel cases. The work in the additions was worth 50 per cent. more.

998. In regard to the item "Engine-shed at Mawheraiti, £160 12s.," can you tell us where that engine-shed is now, or where it was at the time of the seizure?—That engine-shed was moved up to Reefton Station yard and enlarged.

999. Referring to contract No. 7 (Exhibit No. 34), can you give us the details of "Contingencies, £2,610," in the classified summary?—The same explanation applies as I gave to contracts Nos. 5 and 6.

1000. Referring to additions to contract No. 7 (Exhibit No. 118), can you explain the item "Earthwork," and particularly why an extra 4d. per cubic yard was allowed?—The whole of these matters are consequent on that great earth-slide which occurred at the Reefton Saddle, and the disputed items were finally settled by Mr. Wilson after his return from England. Instead of this sum of £1,360, the contractors really claimed £3,000, but ultimately this extra 4d. was allowed to cover the extra lead of the quantity to which it applied, the lead being in excess of the contract lead.

1001. Was there a slip clause in this contract?—I will read you a note by Mr. Bell which refers to the clause. I may mention that at first we took the usual formal position, that it was within the contract, until we saw the development of the slip. At first it appeared an ordinary slip, but when it went 14 chains back from the line it became an earth-slide, quite beyond anything contemplated in the contract. However, this is Mr. Bell's minute: "Slip in Tunnel Cutting, Reefton—Specification, page 5, (7), specifies the slopes, and says that if engineer alter them contractor may claim excess measurement. Page 6, (7), says that should slips occur contractor shall remedy them and restore the slopes, and remove the slips in the case of cuttings. Nevertheless, as contractor based his contract sum on our quantities, which did not allow for slips, I think, in justice, he should be paid for removing them. Then, General Conditions, page 3, (7), 1, 2, 3, provides that if such extras (as the slip may be defined to be) comprise any description of work not contained in schedule, the value of it shall be fixed by engineer-in-chief. Rees's contention is that the slip is not work such as contemplated in the schedule in respect of its slipping movement and the unavoidable quantity of water in it; also, that the slip has deranged his plans and involved him in costs not otherwise anticipated. This I believe to be true, and, on these grounds, that he is entitled to additional price per cubic yard for the slipped material.—C. NAPIER BELL." The whole matter was thoroughly considered for some time, and in the end this particular item was settled by allowing the extra lead as given in the additions. It was really not sufficient to cover the extra cost.

1002. Taking the whole of these items, amounting to £10,070 5s. 2d., practically all this work was done by day-labour, and you paid the contractor 15 per cent. on the cost?—It was so with some of it, but not all. The larger items were fixed, and some of them were fixed at last by reference to Mr. Wilson when he returned to the colony. Then, the ground turned out to be so insecure that we lifted the level of the tunnel altogether, so that some of the work done at the contract or lower level was not only useless, but special foundations had to be carried down through it.

1003. Will you explain the item "Bushfelling, clearing, &c., on slip, 5 acres, at £48 per acre"? When that work was done the trees looked as if they were staggering about, and it was unsafe to work in the bush. The main thing was to keep the water from getting down between the slippery rock bottom and the moving mass of earth. All the trees were felled and cleared by axe, and it was rather dangerous work.

1004. Turning to the next page, can you explain why "Timber, New Zealand, in drains and breastwork" is charged at £1 12s. when the contract rate is £1 5s.?—Timber at the place where the work was done was much dearer than in the valley; also, much of it was over 30 ft. in length. The rate of £1 5s. would be for work in the Grey Valley. That done at schedule rates is the ordinary sort of timber contemplated in the contract, and the higher price embraces much more expensive work than was provided for in the contract.

1005. Why?—Because most of it is longer timber. The timber in the contract price was nearly all simple walings and braces.

1006. But this timber would consist of the breastwork you built to hold the slip back?—Yes.

1007. What length would the sills be?—I think 14 ft.

1008. What length would the uprights be?—The piles are 30 ft. and 35 ft. squared timber, and the walings, of course, are of different lengths.

1009. Were these piles driven?—Yes; and the work was all done in the most dreadful slush. The difference in rates represented the difference in value of what might be called the contract work and the special work.

1010. Can you explain the item "Driving heading past change of grade"?—The heading from the south side was driven some distance at its contract level, so that when the grade was raised that heading was useless. It was work done by the contractor which was abandoned owing to our alteration of grade, and therefore he had to be paid for it.

1011. Was it bottom or top heading?—It was the bottom heading, and it had to be filled up.

1012. Can you explain why several large items appear in these additions for which no prices appear in the original contract?—They would be special works not previously contemplated.

THURSDAY, 23RD MAY, 1901.

HENRY WILLIAM YOUNG further examined on oath.

1013. *The Chairman.*] Referring to contract No. 11 (Exhibit No. 71) and additions to contract 11 (Exhibit No. 120), can you explain why, under "Bridges and Culverts," the rate for box drains is 10s. 6d. per lineal foot, when the rate in the original contract is 7s.?—Because they are not the same sort of drain. The 12 in. box drains in the contract were not all used; some of them were deducted and another sort of box drain substituted, which from the records appears to have been worth 50 per cent. more.

1014. What sort of box drains were they?—I cannot say from recollection. It is obvious that some 12 in. box drains were deducted and some larger drains were substituted.

1015. You have not put anything in the return to show this?—It was not necessary. The people for whose information this certificate was made up would understand what was meant. In

the contract schedule there are 50 ft. of 12 in. box drains, and in the deductions there are some 35 ft. Some other sort of box drain, therefore, was used.

1016. *Mr. Graham.*] It would appear that 45 ft. of 12 in. drains were deducted because it was not considered suitable, and others of a size which was suitable, and which cost more, were substituted instead?—That is so. It is a thing frequently done.

1017. *The Chairman.*] Can you explain the items in the additions to this contract “Carriage of materials, &c., £872 16s. 2d.,” and “Allowance for extra machinery, £60”?—I have no particulars of these items. They were dealt with in Christchurch, and I can find nothing amongst the papers about their details.

1018. You cannot trace what the money was paid for?—No.

1019. You cannot tell us what service, if any, was rendered for this money?—No.

1020. *Mr. Graham.*] The Chairman said “What service, if any”: you have no doubt that the service was rendered?—I have no doubt whatever about its correctness, or about the service being rendered.

1021. But you have no particulars?—Just so.

1022. *The Chairman.*] Referring to contract No. 22 (Exhibit No. 41) and the additions to the contract (Exhibit No. 122), can you give the details and explain the cost of the items “Flume at tunnel, £2,363 7s. 10d.,” and “Aqueduct at tunnel, £988 7s. 6d.”?—These were works not contemplated in the contract. Some small stream-diversions were included, but during the execution of the works the record flood of Spooner’s Range occurred. Creek-beds which were bush-grown, and had evidently been undisturbed for years, were scoured out. Both ends of the tunnel are in small valleys, and the tunnel-faces were attacked, showing that they might be in danger in the event of another flood. To prevent further damage it was necessary to carry the water, at both ends, clear away from the works. At one end a long flume was required to intercept the drainage above the tunnel and carry it away to a safe distance from the line. A similar work is executed at the northern end, but there it was necessary also to carry the water away by an aqueduct over the line and then flume it clear of the works. This accounts for the fluming and aqueduct. I have not so far been able to find details of the cost of these works. They were done at contract rates, or rates sanctioned by the engineer-in-chief, and there was a statement of the details of which I have not been able to find a copy.

1023. Referring to contract No. 26 (Exhibit No. 44) and the additions to the contract (Exhibit No. 123), can you explain the work done for the difference between “Miscellaneous, incidentals as specified, £1,500,” in the contract, and “Miscellaneous, incidentals as specified, £1,033 7s. 1d.,” in the deductions?—Works to the value of £466 12s. 11d. were executed, and the balance was deducted from the contract. I have here particulars of the work done. There was evidently a great deal of work to be done in training and securing the Poerua River banks. As this was largely experimental, and dependent on the natural changes of the river, it was impossible to formulate details in the contract, and a certain amount had to be provided to cover the work.

1024. So that, therefore, work to the amount of £466 12s. 11d. was done as ordered by the engineer?—Yes.

1025. Referring to contract No. 33 (Exhibit No. 50), I would like you to explain why in this contract a sum of £2,242 14s. 7d. under the head of “Miscellaneous” was deducted, whereas in other contracts no deductions occur under the head of “Contingencies,” which appear to be similar?—Well, the answer is that “contingencies” are in no way the same as “miscellaneous.” Thus, in Rees and Company’s contract “contingencies” were, as I explained before, amounts to account of profit and plant which the contractor had seen fit to put in his schedule in that form, and which amount he was paid as part of the contract price. “Miscellaneous” is a usual heading in our schedules, and applies to unclassified items not contained in any of the headings that precede it.

1026. In the summary of this contract there is a reduction of the item “Miscellaneous, £2,732 11s. 8d.,” by £2,242 14s. 7d., and the details of this are shown on page 68 by an expenditure of £732 11s. 8d. and a deduction of £2,000: I want you to explain this?—At the top of page 66 there is a summary of the final certificate showing, firstly, the summaries of the contract schedule; secondly, the deductions from the contract; thirdly, the additions to the contract; and, fourthly, the total payments to contractors. Following that statement is the contractor’s schedule as put in with his tender, showing how the original contract tender was made up by him. On page 127 there are given the details of deductions from contract and additions to the contract, and showing how these summarised deductions and additions were made up. The work that was not done lapses out of the contract. Under the head of “Miscellaneous” in the contract schedule there is provided a sum of £2,732 11s. 8d., included in the original contract. The details of which this sum are made up are printed on the top of page 68. Of the work contemplated in the contract, only some to the value of £489 17s. 1d. was required by the engineer or executed by the contractor, and therefore an amount of £2,242 14s. 7d. was deducted from the contract. But there were some miscellaneous items which had not been contemplated in the contract, and which were reckoned as extra works. Therefore they are put into the additions and separately shown there as a total of £95 3s. 11d. I may state again that all these certificate details are really for record purposes only and for the information of the engineer, who probably knows all about each detail. They are not written for public information, and it was therefore unnecessary to amplify explanations.

1027. Referring to additions to contract No. 33 (Exhibit No. 125), can you explain why two cattle-stops are charged at a rate of £15 when the rate in the original contract is £17?—Probably some of a cheaper quality than the contract quality were executed.

1028. Referring to contract No. 39 (Exhibit No. 54) and contract No. 48 (Exhibit No. 58), can you explain what the item in the first contract, “Timber by company, £32 14s.,” means?—The timber department of the company sometimes had stocks of timber, and we drew on them for con-

struction purposes, dealing as with a third party. The timber department provided this timber for the purposes of the contract, and the value of it was transferred in the accounts. It was the same as though the timber had been bought from a third party. The same explanation applies to contract No. 48, only in this case the material was corrugated iron from stock in hand.

1029. Referring to contract No. 42 (Exhibit No. 55), can you give us the particulars of the amount £140 8s. 9d?—This refers to the weighbridge office. It was partly made up by a contract with Bignell for building the office and fitting it, partly by purchases of beams and foundations, ironwork, pipes, &c., and partly by the wages of the Stillwater workshops staff, who were engaged fitting up the weighbridge machinery.

1030. Referring to contract No. 8 (Exhibit No. 73), can you give us the details and weights of material in this return?—I think I have already mentioned that very often we have had to scrape up the detailed information of these returns from various sources, the documents having been scattered at various times and places. I cannot find any details of this contract other than those shown. They can be got by working each item back. No doubt a detail of the weights would be once attached, but I cannot find it now.

1031. I want you to explain contract No. 15 (Exhibit No. 77)?—This is the cost of supplying and erecting the main home signals at Stillwater Junction. Part of the gear was purchased from the Government and part of it was supplied from stock, and the wages amounts were from the Stillwater workshops wages sheets.

1032. Will you also explain contract No. 17 (Exhibit No. 78)?—That was to establish telephone communication between Stillwater and Nelson Creek. The line was carried partly on the Government poles and partly on poles erected by the company.

1033. Is that telephone-line provided for in contract No. 3?—No. I looked the matter up, and I remember the circumstances.

1034. Will you also explain contract No. 20 (Exhibit No. 79)?—It was the cost of instruments, insulators, and wire for the same telephone-line.

1035. Referring to Exhibit No. 104 (page 94), can you explain the item "J. and A. Anderson: Payment for extra work required on the Springfield Section preparatory to handing over to the Government, £142 2s."?—As with some other items administered from the Christchurch office, I have been unable to find particulars of this. The Government engineer in going over the work, either for passing it for land-grant purposes or for traffic purposes, may require any further work done which he thinks necessary for the safety of the public or the security of the work. Contract No. 20 evidently refers to some such work.

1036. Can you explain the item "J. R. Rees and Co.: Addition to contract No. 33, Teremakau Section, for extra stone, as per award of engineer-in-chief on final reference, £168 15s."?—This was an allowance made by Mr. Wilson on final reference. The contract had been completed, and what had been certified by me had been paid, but I had held over a number of disputed claims for Mr. Wilson to arbitrate on when he returned to the colony. Consequently, some time after the certificate was completed and paid Mr. Wilson awarded this sum of £168 15s. on account of extra stone put in at the Teremakau.

1037. Referring to Exhibit No. 108, can you explain these items, taking the pneumatic plant first?—It was a plant for sinking cylinders imported direct by the company. It consisted of a direct-acting steam-engine and air-compressor, with vertical boiler, all of good and efficient design and construction; also an air-lock of obsolete design, far inferior to those developed and used in the colony. The value of the plant is given in Exhibit No. 108, but on account of the useless air-lock might have something written off it. The engine and compressor, with the boiler, were used for cylinder-sinking on the Nelson Creek-Reefton Section.

1038. *Mr. McKerrow.*] And, I suppose, lent to the contractor?—Yes; the contractors were to have the use of it—they had the right to use it.

1039. *The Chairman.*] Can you show us that in any of your contracts?—The contracts have been with the Commission, and I have been unable to look them up. I know there was some such provision, because the different contractors went and looked at it. They would not take the air-lock, but they were very glad to take the main plant.

1040. Can you tell me where the plant is now?—No; it was stored at Stillwater, and what happened to it after the seizure I do not know. I have a note here of a plant once belonging to Watson and purchased by Rees for £300.

1041. Was that the plant the Commission saw at Stillwater?—The plant had an engine mounted on the air-receiver, and like that which the Commission saw the other day. Our plant had a horizontal engine, with air-compressor direct-acting.

1042. *Mr. Hudson.*] It may be at Stillwater now for all you know?—It may be.

1043. *The Chairman.*] When you went round with us, did you see the engine for driving it?—No.

1044. Nor the air-receiver?—No; the air-receiver of this plant is made of a spare cylinder.

1045. Was your engine in the cement-store at Stillwater?—I did not see it; the question as to this plant had not arisen then, and I did not pay particular attention to it.

1046. You have an amount of £40 9s. 6d. for freight: is the amount of £3 4s. 6d. shown in the additions to contract No. 1 included in this?—No. The latter amount covers the local charges in the colony that the contractor actually paid; the larger amount is freight from England.

1047. Will you look up the contracts and see if there is any clause which compels the company to supply a pneumatic plant to the contractors?—I will look it up.

1048. Can you give us any information as to the bar-testing machine shown in this return?—I know nothing of it.

1049. Did you ever see it?—No. When I had materials on the West Coast to test I sent them over to Mr. Musgrave, and he conducted the tests and sent me the results.

1050. *Mr. Hudson.*] Did I understand you to say that the Commission should reduce this amount of £469 4s. by £100 on account of the defective air-lock?—I think it would be fair to do so.

1051. *The Chairman.*] Referring to Exhibit No. 110, can you explain the cost of land-purchase and compensation, £2,478 16s. 6d., from Brunnerton to Stillwater?—Although I have written “Stillwater,” the list actually extends to the Arnold River, and it also covers the freehold purchase of the Native reserve so far as it extends up the Jackson’s line.

1052. Who holds the title of the 59 acres I rood purchased from W. G. Curtis?—The title, I understand, pertains to the railway. When the company purchased any freehold land or any leasehold interest in land, it became then a part of the railway reserve, and pertained to the railway. This was provided for under the Midland Railway contract, so that the land did not pass to the company as would ordinary freehold land, with which they could do as they liked.

1053. *Mr. Fraser.*] They had no regular Land Transfer title at all?—No; it all became part of the railway. No matter what the tenure was, the right was to the railway, and not to the individual or company, so that all the land pertaining to the railway went with the line when the Government seized it. There were a few cases of excess land, and, in regard to some of it, the Government did not elect to take it over with the railway.

1054. *The Chairman.*] I would like to know whether the whole of the land included in the amount of £2,478 16s. 6d. is vested in the Crown now?—The whole of it is not.

1055. Can you tell us the portions that did not pass to the Crown?—I would suggest that the Receiver be called, as he can give information as to land that was left in his hands by the Crown.

1056. Why are the law-costs, amounting to £2,026 18s., shown in the return as “approximate amounts of law-costs”?—Because they had all to be collated from the ledger, and sometimes we had to dissect the bills of costs to make sure the amounts were properly allocated. The return did not exist in a perfect form, and we had to go through the accounts item by item and use our judgment to some extent in allocating these.

1057. We want to know if these items are the total payments not included in any other return?—All the items were actually paid, and they are not included in any other return.

1058. Referring to Exhibit No. 130, we find there a number of items put down as “repairs”: should not these be charged against maintenance instead of construction?—I do not know anything about some of these items. They had evidently been done by the working-railways people and sent forward in their return. It looks to me to be a question as to whether these repairs should not have been charged to maintenance. I think the amount of £91 17s. paid to Coghlan and party, which was work done under my supervision, and to Feary Brothers for stop-blocks, &c., £1 15s. 4d., are fair charges against capital.

1059. *Mr. Hudson.*] Do you concur that it is far better to strike out the rest of the items unless they are clearly chargeable to capital?—Yes.

1060. Referring to Exhibit No. 131, there is evidently a shortage in the freight on rails and fastenings from Greymouth to Lyttelton. All that can be traced here is freight on 229 tons, whereas it required about 400 tons to construct the railway: can you tell us how you got the rest of the rails from Greymouth to Lyttelton?—I do not recollect, but I think very likely it has a connection with that other item for carriage of materials in Anderson’s contract, and forms part of it.

EDWARD JAMES TAMLYN PRICE examined on oath.

1061. *The Chairman.*] What is your occupation?—I am a contractor.

1062. Residing where?—At Wellington.

1063. *Dr. Findlay.*] I understand you had a sub-contract under the English contractors for the Midland Railway Company?—Yes.

1064. Under which of the English contracts?—I think it was No. 1, between Kokiri and Kaimata.

1065. In what year did you begin?—I think, about May, 1887.

1066. How long did the work last?—I think we had six months; but I believe it took a little longer—about nine months.

1067. What was the contract to do?—Earthwork, grading, bushfelling, clearing, some little timber-work, and formation.

1068. How did you come to get the contract?—By tender.

1069. Who called for tenders?—The English contractors.

1070. And you tendered successfully?—Yes.

1071. Can you locate by name the two points between which your contract lay?—I cannot remember exactly. It was just at the Twelve-mile, on the Arnold.

1072. Was it between Kokiri and Kaimata?—Yes.

1073. Now, what did you get for the earthwork?—1s. 8d. per cubic yard.

1074. What did you get for the concrete?—It was at different prices, but it averaged about £2 15s. per cubic yard.

1075. You did felling, clearing, and grubbing?—Yes; and I think, so far as I can remember, we got £4 10s. per lineal chain for the lot, and the felling was 3 chains wide.

1076. Was there any work at forming line?—There might be a few chains; I do not remember.

1077. What price had you for New Zealand timber?—We had very little, and I do not remember the price. It would be about £2.

1078. Was the rate of 1s. 8d. per cubic yard for the earthwork a reasonable price for the work?—It was a low price, I think.

1079. You did not make a fortune out of the contract?—No.

1080. Do you know how many tendered for it?—I do not.

1081. You think this was a low price for the work?—Yes, at that time.

1082. Was the concrete at a reasonable price?—Yes, for the work in that section.

1083. Was there not some packing in connection with this concrete?—Yes; we had to pack the cement for some distance.

1084. What rate would the same work have been at if it had been near the road so that cement could have been easily procured?—It might have made a difference; and, of course, you could have got all the materials much easier. I suppose it would make a difference of about 15s. per yard.

1085. Did you tender for any of the other work on the line?—Yes.

1086. What other tenders did you send in?—We tendered for a section of the tunnel.

1087. Anything else?—We tendered for three sections of the Reefton line.

1088. Then, you know something of the whole course of the line?—Yes.

1089. You have seen the work going on under the Nos. 2 and 3 English contracts?—Oh, yes.

1090. How did the country through which these contracts were made compare with the country where your contract lay: for instance, would the same rate for earthwork have paid?—Of course, on the same line it would. I never passed up the Reefton line during construction.

1091. This Exhibit No. 142 is the revaluation put in by Mr. Young of the items appearing in the No. 1 English contract?—Yes.

1092. He gives a rate of 1s. 9d. for cutting to bank and cutting to spoil, and I want you to say whether, taking all the risks, you think that is a fair price?—I should think that was a fair price. We had 1s. 8d., and, of course, we cut our price a little to get the contract.

1093. Was the maintenance of your earthwork done by the English contractors?—I am not sure; I think so.

1094. If you had had to maintain the earthwork, would that not have added something more to your 1s. 8d.?—Certainly.

1095. You cannot say how much it would affect the 1s. 8d.?—No.

1096. However, I take it that your view is that the rate of 1s. 9d. fixed by Mr. Young is a fair price?—Yes.

1097. Do you think his rate of 1s. 9d. for side-cutting is a fair price?—Yes, I think so.

1098. Now, can you speak as to the fairness or otherwise of the following items, taking the revaluation of contract No. 1 throughout: "Sand-reef cutting, 2s. 6d.; forming line, 30s.; trimming, 12s.; pitching, dry stone, 5s.; felling, 3 chains wide, 30s.; clearing, 1 chain wide, 30s.; grubbing, 40s.; level crossing, second class, £8; level crossing, private, £8; and metal, 4s."?—I should think they would be fair average prices.

1099. What do you think of the items, "Timber, New Zealand, C.B.M., 30s.," and "Piling, 7s. per lineal foot"?—That looks high, but if it was for a small quantity it would not be high.

1100. Then, what do you think of the prices for "Ironwork in bolts, 4d.; wrought-iron in girders, fixed complete, £25; concrete, 37s. 6d.; glazed-tile drains, 15 in., 5s. 6d.; glazed-tile drains, 12 in., 4s. 6d.; and pipe-ends, concrete, £5," taking into consideration the quantities fixed in the revaluation?—I think they are fair prices.

1101. Then, as to "Fencing, No. 3 quality, 26s."?—I think that is reasonable.

1102. Then, as to "Cattle-stops, £22," which were the ordinary Government pattern with pits?—I would not like to say anything about that matter.

1103. Have you anything to say about these items: "Ballast, 2s. 3d.; platelaying, 1s. 3d.; points and crossing, laying, £5; sleepers, ordinary, 3s.; sleepers, sawn, for points and crossings, sets, £7 10s.; grade-boards, mile-posts, and telegraph-posts, £65 per mile"?—I think they are reasonable prices. I do not refer to grade-boards, &c., because I know nothing about them.

1104. This is Mr. Young's valuation at what he considers fair prices for the work done in the No. 1 English contract, and you say, with the exception of the items cattle-stops, grade-boards, mile-posts, telegraph-posts, stations, permanent-way materials, and rolling-stock, of which you cannot speak, all the other prices are fair and reasonable?—Yes.

1105. Do you know anything about the work done under the No. 2 English contract between Brunnerton and Stillwater?—I know that work.

1106. This is the revaluation by Mr. Young of the work [Exhibit No. 143]: can you speak as to the fairness of the prices, or any of them, at which Mr. Young has revalued the work?—I think all the prices under the head of "Grading" are fair and reasonable prices.

1107. You know the country?—Yes; in fact, I tendered for the work, and 2s. was the price I put in for earthwork myself.

1108. Then, as to permanent-way, what do you think of these rates: "Ballast, 2s. 3d.; plate-laying, 1s. 3d.; sleepers, ordinary, 3s."?—I think they are fair prices.

1109. Do you know anything of the grade-boards or telegraph?—No.

1110. Then you say, with the exception of these two items, the other items are charged at reasonable prices?—Yes.

1111. Now, as to the revaluation of contract No. 3 (Exhibit No. 143) between Stillwater and Nelson Creek, what do you think of the prices in the revaluation under the head of "Grading," on page 146? Looking down these items, and having in view the nature of the work and the nature of the country, have you any quarrel with any of these rates?—No; I think they are reasonable prices.

1112. I mean to apply this test: Suppose you had been tendering about this time, would these have been the prices at which you would have tendered?—That requires a lot of careful consideration.

1113. Well, looking down the items and prices under the head of "Bridges and Culverts," have you any quarrel with any of these prices as fair and reasonable prices at that time?—With the exception of foundations, which might have been done at a little less. Of course, it all depends upon circumstances.

1114. With the exception of the foundations, you think the prices are fair?—I think so.

1115. Do you know if these were wet foundations?—I do not.

1116. If they were would it make a difference?—Yes, if you have water to contend with.

1117. If the foundations were wet do you think the rate put by Mr. Young is a fair price?—Yes.

1118. *The Chairman.*] If you went over the ground before tendering would it make any difference whether the foundations were wet or dry?—Of course, you would average them. You might have to make a tail-race for the wet ones.

1119. *Dr. Findlay.*] What do you think of the items "Fencing, No. 3 quality, 27s.," and "Cattle-stops, £22"?—I think they are fair prices.

1120. And, looking down the prices and items under the head of "Permanent-way," have you any quarrel with any of these prices as fair and reasonable prices?—No; I think they are reasonable.

1121. I believe you tendered for the Totara Flat and other sections on the Stillwater-Reefton line?—Yes.

1122. Were the prices for the main items in these sections less than the contract prices of the work you actually did?—I do not remember; I think they were, because the ground was easier.

1123. How many sections did you tender for between Stillwater and Reefton?—I am not sure; I think three.

1124. Well, then, comparing the work done beyond Stillwater towards Reefton with the work you did, would it be fair to test the work done under Nos. 1, 2, and 3 English contracts by comparing it with work done nearer Reefton: was there, as a matter of fact, any difference in the ground?—Portions of it were different. I would not like to form an opinion without going over the ground again.

1125. *Mr. Bell.*] When did you first see the prices which have just been shown to you?—In this room.

1126. You have not had an opportunity of considering them before?—No.

1127. Referring to page 144, you see a general charge of 2s. per cubic yard for everything under the head of "Grading," and you have said that is a fair price?—Yes.

1128. Now, referring back to page 142, you will see under "Grading" the rate for cutting to bank and to spoil is 1s. 9d.?—Yes.

1129. Why do you say one price should be 2s. and the other 1s. 9d.?—Because I examined that work at one time, and I put the price at 2s. then. I fancy it is harder country.

1130. That is your reason for the difference between the 2s. and 1s. 9d.?—Yes.

1131. However, you did not see this revaluation before you came into the room?—No.

1132. *The Chairman.*] Have you got any papers in connection with the contract between Kokiri and Kaimata?—No.

1133. Can you tell me what year you were doing that work in?—I think 1887.

1134. Can you tell me what length of work you did?—About two miles and a half.

1135. Can you remember any quantities in the contract?—No.

1136. You do remember the prices?—Yes.

1137. How do you remember the prices?—I do not know, I am sure. I remember the prices well enough.

1138. You told us you had £2 15s. a yard for concrete. Are you sure it was not £1 15s.?—I said, so far as I could remember, that was what it averaged.

1139. Are you sure?—I am only speaking from memory.

1140. Have you and Mr. Young been a good deal together in your time?—Yes.

1141. You travelled pretty well all over the colony?—We went from Westport to Auckland and Wanganui.

1142. Did you go to Foxton?—I do not think so.

1143. And Napier?—No; we went to Auckland.

1144. Did you get any contracts when you were travelling together?—No.

1145. Did you go to Queensland?—I went there.

1146. Mr. Young too?—No.

1147. How long were you on this cruise from the time you left Greymouth till you got back again?—I do not remember.

1148. A year or two?—Oh, no; only about two months.

1149. Your opinion and Mr. Young's about the value of work are likely to coincide?—When we examined places I tested the ground while Mr. Young took out the quantities.

1150. Do you think bushfelling between Kokiri and Kaimata was any worse than bushfelling between Ahaura and Nelson Creek?—It might vary a little in places.

1151. Do you think it would make any appreciable difference in the price at which a contractor would tender for it?—I do not think so.

1152. Do you think it would cost any more to lay the rails on the section between Stillwater and Kaimata than it would on the section between Nelson Creek and Reefton?—I do not think so.

1153. Do you think ballasting was likely to cost any more?—I think ballasting might be a little different.

1154. You know where the Midland Railway Company's ballast-pits were at Stillwater?—I was not up there much.

1155. If you were tendering for that work, do you think now, from your recollection of it, you would put more in for it than you would for the Nelson Creek-Ahaura Section?—It is so long ago that I cannot remember to give a definite answer.

1156. I suppose your own tenders would be more reliable than anything you can recollect about this work?—Yes.

1157. Is that your signature at the bottom of this contract for the Totara Flat Section?—Yes.

1158. In this contract you have 120,000 yards of side-cutting at 1s. 4d.?—Yes.

1159. Was that your opinion of the value of the work at that time?—I suppose it was; I do not remember.

1160. The quantity in the accepted contract would reduce your price to 1s. 2d. if it was worked out, and we find 1s. 2d. was the price at which the work was done?—It may have paid, but I should not have liked to put in 1s. 2d. I know at that time we were cutting the price as low as possible.

1161. You remember there was some bushfelling on the Totara Flat Section?—Yes; but I cannot remember the country. I only went over it once.

1162. Your own price for felling 3 chains wide was £1 10s. per lineal chain: do you think that is a fair price?—It must have been so at the time.

1163. And you were too high to get the contract?—We were lowest for one contract, but it was not accepted.

1164. Do you think fencing between Stillwater and Nelson Creek or between Stillwater and Kaimata would cost any more than on the Ahaura Section?—I should think so.

1165. Why?—Because there would be more cartage.

1166. Was not the timber growing on the ground in the case of the former sections, whereas the Totara Flat Section was cleared country and the posts would have to be carted?—I do not remember the timber used.

1167. You do not think it would make any appreciable difference in the cost?—I do not think it would be a great deal.

1168. Do you think it would be more expensive to sink cylinders in Nelson Creek than in the Ahaura or Big Grey?—I should not think so.

1169. Nor in the Arnold?—I do not know about the Arnold; it would depend on what part of the Arnold you refer to.

1170. Have you seen where the railway-bridge crosses the river?—No.

1171. Do you think it would be more expensive to put concrete into cylinders with compressed air than to put it into bridge abutments or culverts?—I should think it would be a little more expensive.

1172. Your own price was £2 per yard for concrete in cylinders in the Big Grey Bridge: do you consider that a fair price at which to put concrete in under pressure at that time?—It was low enough; sometimes you make a mistake.

1173. Are you ever in the habit of reducing quantities to keep the rates up when putting in tenders?—Not any particular habit of doing so.

1174. Have you, say, divided your quantities by two and doubled the prices?—Oh, no; I might knock a few yards off.

1175. Suppose you made up your mind not to go above a certain price for a work, did you arrange matters by reducing quantities and keeping up the price?—I generally put in a fair schedule.

1176. What do you consider a fair price for points and crossings?—I generally put in about £5 for laying points and crossings.

1177. In this schedule I find you put in £2 10s. for laying points and crossings: do you consider that a sufficient price for the work?—No; I think it is too low.

1178. Evidently you thought it sufficient at that time?—There were not many of them, I suppose.

JAMES HENRY NAPIER ANDERSON BURNES examined on oath.

1179. *The Chairman.*] What is your occupation?—I am manager of the New Zealand Shipping Company, residing at Wellington.

1180. *Dr. Findlay.*] What we want you here for is to tell us something of the comparative rates of freight on railway-girders and other bridge ironwork. Is there any reason why freight on girders should be exceptional?—It would depend on the weight entirely.

1181. Then, if a girder weighs—I am taking the figures at random—5 tons and another weighs 100 tons, would the freight on the 100-ton girder be merely twenty times higher than the freight on the other?—It would be very much more.

1182. Why?—Because of the extra expense of handling it, and the extra risk.

1183. How long have you been associated with the shipping company?—About twenty-five years.

1184. Have you had any experience of the rates of freight prevailing during these years for iron girders and other bridge-work?—Yes.

1185. Can you answer a question of this kind: What do you think freight, insurance, port dues, and wharfage on bridge ironwork for a railway should work out at per ton from London to New Zealand?—It all depends on the weight and packages so far as the freight is concerned.

1186. Can you give me any illustration?—Yes; I can give you an idea this way: For machinery and agricultural packages the present rate is £2 per ton for ordinary packages, but if they go over 2 tons and not exceeding 3 tons it is £2 5s.; over 4 and not exceeding 5 it is £3 5s.; and for every additional ton 10s. extra. The Harbour Board charges for the use of the cranes for heavy lifting are: Ten-ton crane, at No. 1 berth—lifts under 3 tons weight, 10s. each lift; lifts over 3 tons weight, £1 5s. each lift. Forty-ton crane, at No. 14 berth—lifts under 5 tons weight, £2 10s. per lift; lifts between 5 and 10 tons weight, £4 per lift; lifts between 10 and 20 tons weight, £7 per lift; lifts over 20 tons weight, £13 per lift.

1187. So that for anything over 7 tons you pay at an increased rate in proportion to the weight?—Yes.

1188. Then, do you know if the other charges follow the some course?—I do not think they do, with the exception that if the material was for Greymouth, as I understand it was, the coastal rates go up very much for the heavier weights.

1189. Then, I understand you to say that it would be no guide to take a light iron girder, and, finding it charged at, say, £2, to then say at how much the heavier girder would be charged?—None at all, because some ironwork is as low as £1.

1190. And some of the very heavy ironwork runs into pounds?—Yes.

1191. Is there any special rate for heavy weights in the transshipment charges from Wellington to Greymouth?—Yes; they are very large rates: For each package 2 tons and under 3, £3; 3 tons and under 4, £5; 4 tons and under 5, £7 10s.; 5 tons and under 6, £10; and so on.

1192. So that a package of 7 tons is £15?—It is £20.

1193. Whereas the rate for a package of under 3 tons is only £3?—Yes.

1194. That works out at £1 per ton up to 3 tons, whereas when you raise the weight to 7 tons it increases to £2 per ton?—Yes; more. These are the rates the coastal boats charge from Wellington to Greymouth.

1195. And these are the current rates prevailing now?—Yes.

1196. Are they less or more than the rates eight years ago?—I have not got what they were then, but the tendency has been to come down all the time.

1197. *Mr. Bell.*] Had your company any contract with the Midland Railway Company to bring out ironwork?—Not that I know of.

1198. *The Chairman.*] If these girders from London to Greymouth were about 14 ft. long and a ton weight, what would be the freight on them?—About £2 17s. 6d.

1199. If the girders were 33 ft. long and weighed about 15 tons each, what would the rate be from London to Greymouth?—I cannot tell you exactly; but I can tell you that the freight from London to Wellington would be £8 5s. per ton, and it would cost £60 to take them on to Greymouth, with 2s. 6d. per ton transshipment charges at Wellington.

1200. Is that at per ton?—Yes.

1201. If any one wanted to send out 1,500 tons of bridge ironwork, consisting of various weights and lengths and sizes from half a ton up to probably 10 or 15 tons, would your company be likely to make any arrangement with them to ship the goods from London to Greymouth direct at a certain rate?—Yes; but I cannot give you any idea of the rate.

1202. A great deal of this material would be under half a ton weight?—That would be at a low rate.

1203. *Dr. Findlay.*] Do your charges include insurance?—No.

1204. Are the insurance charges considerable on girder-work?—I do not think so.

1205. Does it include port dues?—It does not include wharfage if cargo is booked to Wellington, but it does if booked to, say, Greymouth.

1206. Can you give us any idea of what it would amount to?—I think wharfage is about 2s. per ton to Wellington—2s. 6d. if transhipped; and insurance probably about £1 per ton at present.

MAURICE O'CONNOR examined on oath.

1207. *The Chairman.*] What is your occupation?—A contractor.

1208. Residing where?—At Wellington.

1209. *Dr. Findlay.*] You were a partner with Mr. Price, a previous witness?—Yes.

1210. And we may take it that you entered into a contract with the English contractors for the Midland Railway to do some work on what is known as the No. 1 contract?—Yes.

1211. Do you remember what year it was?—I think about 1887; I do not remember exactly.

1212. How long were you on the contract, do you think?—I think the contract time was six months; but I believe it took about nine months to complete it.

1213. In addition to the work you did on the No. 1 contract, did you see anything of the railway-line towards Reefton?—I saw it sometimes, but I do not remember it.

1214. I have shown you the prices fixed by Mr. Young in his revaluation of the English contracts: what do you think of them?—I think they are generally reasonable. Some of the items I am not well acquainted with.

1215. You think 1s. 9d. for earthwork is reasonable?—Yes. I do not think it is excessive, although possibly it might be done for a few pence less.

1216. Turning to the revaluation of No. 2 contract, you see there are 36,262 cubic yards of earthwork at 2s.: what do you think of that price?—I think it is a fair price.

1217. You know the place between Brunnerton and Stillwater?—Yes.

1218. Did you tender with Mr. Price for the other three sections on the Reefton line?—Yes.

1219. But you think this rate of 2s. for earthwork on the extension of Rowe's contract is a fair price?—Yes.

1220. And you think the other items that you know of are priced at a fair rate?—Yes.

1221. Do you think £1 17s. 6d. for concrete is reasonable?—Yes.

1222. Referring to Mr. Young's revaluation of No. 3 contract (Exhibit No. 144), do you know the country between Stillwater and Nelson Creek?—Yes.

1223. What do you think of the rate of 1s. 9d. that Mr. Young has fixed for cutting to bank?—I think it is fair; it is not excessive.

1224. And 1s. 4d. for cutting to spoil?—That seems to be fair.

1225. And 1s. 6d. for side-cutting?—Yes; very reasonable.

1226. Do you think £2 for felling 3 chains wide is reasonable?—That is what I put in for the job I did.

1227. And £1 15s. for clearing 1 chain wide?—I had £2 for that too.

1228. And £2 for grubbing?—I think I had £1 10s. a chain for what required to be grubbed in my contract.

1229. Was the piece you did easy or difficult?—It was pretty difficult. I think the £1 10s. for grubbing was about the cheapest part of it.

1230. What do you think of the rate of £22 10s. for wrought-iron in girders erected complete?—I think that is low.

1231. What do you think of the rate of £6 per lineal foot for cast-iron in cylinders complete?—I do not remember the weight of them.

1232. Well, what do you think is a fair rate for sinking cylinders in that part of the country?—I suppose about £4 or £5 per foot.

1233. What do you think is a fair price for concrete on that section?—I cannot exactly say now unless I knew where the gravel was to be had.

1234. You cannot fix a uniform price because it depends on where the gravel comes from?—That is so; but £2 is a fair average price.

1235. What do you consider a fair price for ordinary sleepers?—2s. 6d. to 3s. if they were silver-pine and birch.

1236. You think the main items, having in view the nature of the ground, have been fairly fixed by Mr. Young?—Yes.

1237. *Mr. Bell.*] When did you see these figures first?—Just now.

1238. You did not see them before you came into this room?—No.

1239. You have just run through them and given us your opinion?—Yes.

1240. With regard to the work you did for the English contractors, did you make a fair profit on it?—A very small profit; I would not like to do the same work at the same price again.

1241. Did the flood interfere with you?—No; I do not think it disturbed us much.

1242. *The Chairman.*] You have been all over the line from Stillwater to Reefton?—Yes.

1243. Do you think it would be any more expensive to fell bush between Stillwater and Kaimata than between Nelson Creek and Ahaura?—Well, I do not know. I believe there was not much difference. There was some pretty heavy bush between Nelson Creek and Ahaura, but I hardly think it was as heavy as at Kaimata.

1244. If you were tendering for the work between Kokiri and Kaimata, would you put a higher price in for that bushfelling than for the bushfelling between Nelson Creek and Ahaura?—I think I would. It is generally heavier bush up Kaimata way.

1245. Do you think the side-cuttings between Stillwater and Kaimata and between Stillwater and Nelson Creek were worth more than the side-cuttings between Reefton and the saddle?—I believe there was more fine-gravel country down between Stillwater and Nelson Creek than there was higher up between the Little Grey and Reefton. It was different formation there, and went into "old-man reef," and was, I think, a bit harder.

1246. You think it was more expensive work up Reefton way than lower down?—I think it was harder.

1247. You have been over the Springfield Section: do you think you would tender at a higher price for the work there than for the work between Stillwater and Kaimata or between Stillwater and Nelson Creek?—I do not think I would tender for the Springfield job at a higher price, because there is a lot of fine soft cutting, and a good place to deliver it.

1248. Have you been along the Midland Railway between Stillwater and Nelson Creek since it has been open?—Yes, to Reefton and Jackson's.

1249. Do you know the cuttings between Stillwater and the Arnold, or the cutting about the Twelve-mile?—Yes, I know them.

1250. Would you tender for them at a higher price than you would, say, for the cuttings anywhere about Ahaura?—I think I would. I think it is harder stuff.

1251. Would platelaying be any more expensive on the section between Stillwater and Nelson Creek than on the Totara Flat Section?—No; I do not think it would be any more.

1252. Or at any other part of the line?—No; I do not think there would be much difference.

1253. And ballasting?—It depends a great deal on where you get the ballast.

1254. What price had you for concrete in your Totara Flat tender?—£1 15s.

1255. Would that concrete cost as much to put in position as concrete between Nelson Creek and Stillwater or between Stillwater and Kaimata?—I think it would be cheaper concrete than that between Stillwater and Kaimata, because it would be easier to get the cement there, and there is also better gravel, I think, up that way. That was a very cheap contract.

1256. *Mr. Fraser.*] What price did you get for the earthwork in your sub-contract?—1s. 8d. per yard.

1257. *The Chairman.*] Do you know where all the cylinders used in that portion of the Midland Railway were made?—I know a lot were made at Greymouth, but I do not know the price.

FRIDAY, 24TH MAY, 1901.

HENRY WILLIAM YOUNG further examined on oath.

1258. *The Chairman.*] Referring to the English contracts (Exhibits Nos. 27, 28, and 29), can you explain why the prices for earthwork in the colonial contracts are one-third less than in the English contracts?—I do not know that they are one-third less. There is a difference; and, as I mentioned in my first examination, the English prices were, in my opinion, too high. When you speak of colonial prices it depends on how they are compared, because if you take the prices of what is known as "Rowe's contract," which was a few years prior to No. 2 English contract, it is in some items higher.

1259. I may explain to you that the colonial prices referred to are in these contracts let by the Midland Railway Company between Nelson Creek and Reefton and Kaimata and Jackson's?—They may not be parallel cases, and they are not so in many instances. There is a difference of quality and a difference of lead.

1260. *Mr. McKerrow.*] Would you turn, please, to Exhibit No. 142, which is your revaluation of contract No. 1?—Yes.

1261. Your revaluation of grading is a total sum of £14,761 10s. 9d.?—Yes.

1262. In the original contract the amount is £16,597 0s. 9d.?—Yes.

1263. Then, your revaluation of bridges and culverts is £2,297 8s. 8d., and in the contract the amount is £2,835 18s. 1d.?—Yes.

1264. Then, your revaluation of fencing is £368 12s., and in the original contract the amount is £459 8s.?—Yes.

1265. Then, your revaluation of permanent-way is £6,454 19s. 6d., and in the contract the amount is £8,094 12s. 6d.?—Yes.

1266. The amounts for stations and rolling-stock are exactly the same in the revaluation and contract?—Yes.

1267. Then, your revaluation of permanent-way materials is £23,671 8s. 6d., and in the original contract the amount is £31,562 8s.?—Yes.

1268. I do not take account of the rolling-stock in what I am now about to say, but, adding up all the columns, your revaluation comes to £48,568, and the contract amount is £60,563?—Yes.

1269. Well, treating the revaluation of contracts Nos. 2 and 3 in the same manner, we have for contract No. 2 your revaluation at £8,333 12s., and the contract amount at £9,784 12s. 8d.; and for contract No. 3 your revaluation at £53,972 2s. 7d., and the contract amount at £62,643 8s. 3d.?—Yes.

1270. Well, if you add these sets of figures together, your revaluation for the three contracts is £110,874 and the original contract amount is £132,991, and if you work out these sums you find a difference of £22,177, and, dividing that by the £110,874, you bring it out exactly—almost to a minute decimal fraction—that the English contracts were dearer than your revaluation by exactly 20 per cent.?—Yes. I may mention that I made the revaluation quite without bias, and without knowing, until I had summed it up, what amount I had come to. I simply entered on the work as I would do if I were dealing with it as an arbitrator, endeavoring to get as near the truth as I could. I may explain that I believe when these contracts were made at Home they had the information of the Government estimates for these portions of the line. I had the Government estimates once, and I think it was one of the English contractors who told me about their forming the basis of the contracts. To the Government estimates they had added some percentage, the exact amount of which I am not sure. I have an idea it was something like 15 per cent., but I am not certain. I think that was the way the contract prices were arrived at.

1271. My object in reading these figures is simply to bring to your attention what they work out at?—I had not done that. I thought the percentage was lower.

1272. I think you said before 15 per cent.?—Yes.

1273. *Mr. Graham.*] You did not know what the percentage might be?—No.

1274. In making your revaluation you based it upon your knowledge of the particular work that you were estimating, and you were not influenced in any way by the comparative values of the New Zealand prices?—No; I compared it with them and I compared it with the sub-contract prices, and I also had my knowledge of the work. I may say that I had arrived at these prices before I knew what the prices in some of the sub-contracts were.

1275. Your revaluation was based entirely on your expert knowledge of the nature of the work to be done?—Yes. In these English contracts there were a number of long leads, considerably in excess of those in most of the colonial contracts.

1276. *The Chairman.*] Was the whole length from Brunnerton to Kaimata and from Stillwater to Nelson Creek—fifteen miles or thereabouts—included in the three English contracts?—Yes.

1277. What length did Price and O'Connor do?—I do not exactly remember, but, roughly speaking, from Kokiri to Kaimata.

1278. About two miles and a half?—Yes.

1279. Can you explain why the prices for New Zealand timber in the colonial contracts are one-third less than in the English contracts?—I can only repeat my previous explanation, that probably the prices were arrived at by taking the Government valuation and putting a percentage on it. That was how they arrived at it.

1280. Have you ever gone through these colonial contracts from Nelson Creek to Reefton and from Kaimata to Jackson's to see whether the prices are 33 per cent. lower than the English prices?—I have them all tabled here.

1281. What do you find?—They run from £1 3s. to £1 15s. in the colonial contracts.

1282. What were the English prices?—£2. I have reckoned £1 10s. in my revaluation all round. There was not much of it in any contract, and a few shillings more or less can easily be put on timber by local circumstances, as you are aware.

1283. Can you explain why the prices for concrete in the colonial contracts are a quarter less than in the English contracts?—Only as I said before; I can only assume it was owing to the method by which they arrived at their prices—a margin on the Government valuation.

1284. Can you explain why the rate for sinking cylinders is £8 per lineal foot in the English contracts when the colonial contract prices for the same work averaged £3 1s. 3d.?—Of course, the previous explanation partly holds good, that these contracts were made at Home, and, as I believe, on Government prices with a percentage. I might say, though, in regard to sinking cylinders, that by the development of plant and of skill in the men there was a considerable reduction about this

time in the cost of sinking cylinders. Now, Mr. W. N. Blair, the Government Engineer-in-Chief, in a printed schedule of prices published in 1883, gives the price of sinking cylinders, 6 ft. cutting-rings—the same class of cylinders as we had to deal with in No. 3 contract at the Arnold and Nelson Creek—at £5 10s. per lineal foot in Christchurch, to which should be added the difference in the cost of labour between Christchurch and the West Coast. That difference would really be about 25 per cent. at that time; and, in addition, there are greater charges for carriage of the materials, insurance, and so forth. The Commission will therefore see that the English contractors at Home, taking the figures as given by the Government engineer, would be warranted in asking something approaching this £8 rate. I have valued the work at £4. For some years there had been going on in New Zealand a development in pneumatic sinking, which placed the engineers and contractors of New Zealand amongst the best in the world. The fact that some of these cylinders were afterwards sunk for £2 per foot was largely due to the improvement of the air-lock.

1285. Are you aware whether the rate of wages paid at the time Mr. Blair made this report was the same as the rate paid for cylinder-sinking in these contracts?—I think the men were getting 2s. 6d. an hour, under pressure, for some years. I do not know what was the rate of wages in Christchurch. Workmen not under pressure get ordinary rates.

1286. But I think the prices were the same in Christchurch for this work?—In 1883, and even in 1887, cylinder-sinking actually cost more than it did afterwards. Subsequently the air-lock was improved.

1287. Was it not the same air-lock as was used in the English contracts?—Yes; but we are speaking of the time when these contracts were made up and let.

1288. Do you think the prices the colonial contractors put in their contracts were sufficient for sinking cylinders?—At that time it was not enough to cover the risk.

1289. But would not the risk be spread all over the bridge?—Well, fortunately, they escaped without accident, but I do not think in these contracts they had enough margin for risk.

1290. Not in any of them?—More or less, that applied to them all.

1291. But they managed to build the bridges?—Yes. I have put my own revaluation at £4. I think that is a fair moderate price for the work at that time and for 6 ft. rings.

1292. Can you explain why the prices for ballast in colonial contracts are a quarter less than in the English contracts?—I can only do it by the same explanation that I gave to previous questions.

1293. *Mr. Fraser.*] You are referring to prices paid by the Government two years prior to these contracts, on Rowe's contract?—Yes.

1294. What were the prices paid under Rowe's contract?—In a paper put in by Mr. Blow, and of which Dr. Findlay has a copy, the price given for labour, which includes the contractor's percentage and tools really, is 11s. per day. Well, that would indicate that the contractor paid somewhere between 9s. and 10s. a day to his men. He might have paid 10s., but that would not leave him sufficient margin for profit and plant. I presume the average rate of wage was 9s. 6d.

1295. *The Chairman.*] But navvies' wages in those days were 12s.?—Pardon me, they were not.

1296. Was not that the time of the Kumara rush?—That was in 1879 and 1880, and that rush had died away at the time of this contract. The Brunner Railway and the Westport Incline were the last works I know on which men got 11s. and 12s. a day.

1297. *Mr. Fraser.*] Did you use the prices in Rowe's contract as a factor in your revaluation?—Yes, I kept them in view.

1298. *The Chairman.*] How long was Rowe's contract done before the English contract?—It was completed about five or six years before the English contract commenced.

1299. *Mr. Graham.*] You know the cuttings in Rowe's contract?—Yes.

1300. Were they soft-rock cuttings?—Some of them were.

1301. And some very hard-rock cuttings?—Yes; but there were special prices for hard-rock cutting.

1302. *The Chairman.*] Can you explain why the prices for platelaying in the colonial contracts are one-half less than in the English contracts?—The same explanation applies as I gave to the other questions.

1303. Can you explain why the prices for sleepers in colonial contracts are one-third less than in the English contracts?—The same explanation would apply.

1304. *Dr. Findlay.*] Referring to Exhibit No. 110, have you any statement to make in regard to some amounts which may be deducted from this land-compensation return?—Yes; it is as follows: "Memo. *re* lands at Stillwater, acquired under land-purchase and compensation, the value of which, in whole or part, may be deducted from sum-total of Compensations Account, because such lands did not strictly pertain to the actual construction as per land-plans, although at the time of purchase they were considered necessary, in view of future requirements: F. McParland, Section 696, Block 10, Arnold, £40; R. Nancarrow, Sections 703, 709, 797, and 710, Block 10, Arnold, £50; T. Alexander, Sections 701, 702, Block 11, Arnold, £25—£115. These sections were purchased to provide for future extensions of the Stillwater Station yard, the junction of the east and west and north and south lines, for workmen's dwellings, and to prevent possible claims for compensation on account of road-obstruction. Not being included in the railway land-plans, the titles have lapsed. They have no reference to surplus railway lands which the Government has not seized (being those left in the hands of the Receiver), as mentioned in my previous evidence. In several cases it was cheaper to buy whole properties rather than incur costs of litigation, compensation for severance, &c."

1305. What do you say in reference to the method by which the compensation was fixed?—Speaking generally of the company's expenditure on land-purchase and compensation, it was

administered with the greatest care and economy. In no case was more given than a Court of Arbitration would reasonably give, and in many cases the Courts would have given higher awards. By patient friendly negotiation with property-owners, extending over many years, these settlements were effected with only three cases of litigation. This absence of litigation was to the great advantage of both parties. The property-owners admit fair treatment, while the cost to the company compares very favourably indeed with that of any other railway in the colony. I had information about Government and Manawatu Company's purchases at the time, and I compared them with our expenditure, and, as I sent these notes on to Mr. Wilson, I therefore have no copy of them now.

FRIDAY, 31ST MAY, 1901.

MURDOCH MCLEAN examined on oath.

1306. *The Chairman.*] What is your occupation?—I am a contractor.

1307. Residing where?—At Auckland.

1308. You built the railway-bridge over the Buller River at Westport?—Yes, for the Harbour Board.

1309. Did you import the girders?—Yes.

1310. What was the length of the spans?—80 ft.

1311. Did you have to pay any duty on them?—No.

1312. Were they manufactured before you imported them?—Yes, ready to be riveted.

1313. How much do you think they cost you to put in position?—Our schedule rates were £19 per ton.

1314. That included supplying girders and all plant and labour used in erecting them?—Yes, everything.

1315. What date was that?—In 1887.

1316. *Dr. Findlay.*] How were the girders got into position?—They were imported ready to put together. We riveted them at the crane at Westport, and floated them up on punts to the site.

1317. The expense of punting them up would not amount to much?—Very little. The cost landed to us before erection was £13 per ton.

1318. Do you know where the bridges are situated upon which the English contractors for the Midland Railway were engaged?—Some of them I do.

1319. Do you know the bridge over the Arnold River?—Yes.

1320. Would there be much more expense in getting girders into position there than at the Buller Bridge?—Yes, considerably more, because we were perhaps in the most convenient place possible to build a bridge. We were within half a mile of the Westport Wharf, and the cost of carriage was, compared to most other places, very little.

1321. *The Chairman.*] Would the cost of carriage from Greymouth to the site of the Arnold River and Nelson Creek Bridges be the only difference?—The cost landed at Greymouth would be practically the same as at Westport.

1322. *Mr. Hudson.*] You say that you imported these girders in pieces?—Yes.

1323. Can you tell us what freight you paid on them from England?—The cost in England was £10 per ton, so that the other £3 per ton covered expense of freight to Wellington and Westport and landing.

1324. Was your object in importing the girders in pieces to save freight?—Yes.

1325. Have you any idea what you would have had to pay if you had imported them complete?—I cannot say now from memory, but it would have meant a considerable amount more.

1326. Would it have cost two, three, or four times more for freight?—I should say it would have cost more than twice as much.

1327. No doubt you inquired at the time?—Yes.

1328. *Mr. Graham.*] You have told us that these girders cost £19 per ton in position at the Westport Bridge, which is practically close to where you landed the girders from the ship?—Just so.

1329. You have also stated it would have cost considerably more if you had had to erect the bridge at Arnold River or Nelson Creek?—Yes.

1330. Have you any idea what percentage more?—I do not know the distance. It would be simply the amount of the carriage; but it would cost more than the Buller Bridge, because it was particularly easy to place the girders of the latter bridge in position. They were placed on punts and floated up and put straight into position with very little expense. Of course, building a bridge on land costs more, because there is the expense of erecting staging and launching girders into position, but exactly how much more than at the Buller Bridge I cannot say.

1331. But you are satisfied it would have cost considerably more if you had had to take them there?—Yes.

1332. *The Chairman.*] You tendered for some of the Midland Railway contracts between Ahaura and Reefton?—Yes.

1333. Can you give us any idea what your prices were for these bridges?—Not from memory.

1334. These bridges had 66 ft., 44 ft., and 22 ft. spans?—Yes.

1335. Suppose the 66 ft. girders were imported in two halves and carried to near the site, what do you think would be the extra cost of putting them into position above the cost of the girders on the Buller Bridge?—I cannot quite say the amount, but I think a considerable amount more.

1336. Do you think £1 per ton more?—Yes.

1337. Do you think £2 per ton more?—I suppose £2 per ton more would about cover it.

MONDAY, 3RD JUNE, 1901.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

1338. *The Chairman.*] You wish to put in a further return?—Yes. This is a return [Exhibit No. 170] showing the details of land sold or agreed to be sold by the Receiver, and included in the land-purchase and compensation return [Exhibit No. 110].

1339. These are lands included in Exhibit No. 110 which you consider ought to be deducted?—Yes.

1340. Referring to Exhibit No. 111, there is an item in the revenue account from 30th June, 1893, to 30th June, 1894, of “Rents, £391 2s. 6d.,” which includes £240 15s., Blackball dead-rent: we want to know whether this money was not rent received for land which now comprises the Blackball coal lease before your company sold it?—That is so.

1341. And therefore you put in this note to call our attention to the fact that this is not part of the railway earnings at all?—That is so.

1342. You are of opinion that it ought to be deducted from the total?—That is the opinion of the auditors.

1343. In the revenue account from 30th June, 1894, to 25th May, 1895, there is an item of £253 5s. 10d. for rebate on each side of the ledger: what does that mean?—The explanation is this: The gazetted rate from Ngahere to Greymouth was 2s 8d. per ton, of which the Government received 1s. 8d. and the company 1s. But later on, to assist the Blackball Company in competition, the Midland Railway Company agreed to reduce the rate to 2s. 6d. per ton. The gazetted rate still remained 2s. 8d. Of the reduced rate of 2s. 6d. the Government still retained 1s. 8d., leaving the company only 10d. This was the rebate of 2d. per ton from Ngahere to Greymouth.

1344. This amount appears on both sides of the account: should it appear here at all?—If it did not appear it would make no difference to the totals, but I put it in because it is in the books of the company. You see, Stillwater would have to receive clearance for this 2d. per ton, and the debit would be made in the books of the company in Christchurch.

1345. In estimating the gross earning-power of this line for that year and the gross expenditure, should both be less by this sum of £253 5s. 10d.?—No, I think not, because we were entitled to charge the 2s. 8d., the gazetted rate.

1346. But if you gave it away again it is really of no use to you?—I think the company should receive credit for this £253 5s. 10d.

1347. *Mr. Hudson.*] Because they had power to raise it and collect the money if they liked?—Yes.

1348. *Mr. Fraser.*] We are asked to state what the gross earnings of the line were for that year: do I understand from you that the total amount of £13,820 5s. 11d. for the year 1894–95, which includes this sum of £253 5s. 10d., is a fair statement of the actual gross earnings?—I do.

1349. And yet you did not earn it?—We did earn it, and we gave back a rebate of £253 5s. 10d.

1350. *Mr. Hudson.*] There is an item in the receipts for the year 1894–95 of “Rent, £405 12s. 11d.”: are these items properly brought to revenue account?—They are.

1351. And they are genuine revenue?—Yes, excluding £43 for Blackball rents.

1352. *The Chairman.*] Referring to Exhibit No. 113, I understand this revenue you got from the Springfield Section was net revenue?—Yes.

1353. Do you know anything about the expenditure on that section during the period before the seizure?—No.

1354. Do you know what it cost the Government to run the line?—No; they simply credited us with this amount.

1355. Referring to Exhibit No. 169, prepared by Mr. Young and yourself, do I understand that all your previous returns are included in that return with the exception of the land-grant expenses [Exhibit No. 163]?—Yes.

HENRY WILLIAM YOUNG further examined on oath.

1356. *The Chairman.*] I understand you have a further return to put in?—Yes. This is a summary showing the details of the cost of construction with 5 per cent. added for engineering and administration, together with 5 per cent. interest on the same [Exhibit No. 169]. This return has been prepared by Mr. Dalston and myself, and is as closely correct as we can make it. It was to have formed part of Dr. Findlay’s address, and has been handed in now to expedite printing. I may say that after looking through it I think 5 per cent. is scanty for engineering and administration.

1357. This is a summary of the exhibits you have already put in?—Yes. Referring to Exhibit No. 171, which shows the schedule of quantities for the Pohangina Bridge, I would like to say, in regard to the rates for sinking cylinders, that a great deal of the cylinder placing and sinking was done on dry shingle-bed without scaffolding, and the conditions were therefore much better than in the case of the Grey Valley Bridge, where they were piled and staged the whole distance across. I know this because I went over the Pohangina Bridge works while they were in progress.

1358. If you look at the schedule you will see that there are two hundred and some odd tons for plate-iron for girders at £23 per ton, and 951 ft. of cylinder-sinking at £1 10s. per foot?—Yes; also 15s. per ton for erecting them.

1359. Now, do you not think if you took about £2 off the price for girders and added it on to the rate for sinking the cylinders you would have a fair average tender, instead of the way the schedule is fixed?—Of course, one item may help the other. If this price for girder-work will bear reduction and still leave a margin of profit, such margin may compensate for the cheaper item of cylinder-sinking. You have to consider the whole schedule. The girder-work may have been purposely stated at a high price in view of possible extras, and a corresponding reduction made in

cylinder-sinking, without disturbing the lump-sum tender. The course you suggest, together with the smaller amount of temporary bridge-work and staging at Pohangina, and considering all the local conditions of each case, would bring the Pohangina prices for girder- and cylinder-work—that is, for bridge-work taken as a whole—fairly equivalent to the prices adopted in my revaluation of Midland Railway Contract No. 3. A comparison of schedule rates only without these explanations might lead to erroneous conclusions, hence my reference to the matter.

FRIDAY, 7TH JUNE, 1901.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

1360. *The Chairman.*] Have you any further returns to put in?—Yes. This is an approximate return showing the details of the apportionment of salaries included in Exhibit No. 149 to various departments [Exhibit No. 173].

1361. You put this in as a true record of what you find in the books of the company?—Yes.

1362. Will you explain what portion, if any, of the first item of £4,790 is due to construction?—Before I came to the colony the administrative expenses of the office in Christchurch were not apportioned. I did not come out until October, 1889, and this amount simply shows the salaries paid. How they should be apportioned I cannot say definitely.

1363. Does this amount of £4,790 refer to one department, or has it to be divided amongst all the departments?—It has to be divided amongst all the departments.

1364. Can you divide it in any way?—I would not care to do so. Mr. Scott and his staff would be employed on construction-work and negotiations with the Government in connection with the new contract. There would be no working-railways expenditure and little land work. It would be mainly due to construction.

1365. Can you give us an approximate idea as to how this £4,790 ought to be allocated?—I think a fair allocation would be to put half to construction and half to land and timber.

1366. The next item for working railways department, £2,619, is already included in a return before the Commission?—Yes, in Exhibit No. 111, pages 107 to 109.

1367. And the next item, "Land department, £10,831," is already included in Exhibit No. 163?—Yes.

1368. What does the next item, "Construction department, salaries *re* arbitration, from 2nd February, 1895, to 29th February, 1896, £4,546," refer to?—It speaks for itself. It refers to salaries apportioned to the work in connection with our arbitration.

1369. Was not the arbitration subsequent to the Government taking possession of the line?—No; the arbitration commenced before the date of the seizure.

1370. What was the date of the arbitration?—Somewhere in January or February, 1895, and the seizure was in May, 1895.

1371. Do you consider that a fair charge against the construction of the line?—Yes, I do.

1372. Was the next item, "Salaries *re* parliamentary petitions, from 17th September, 1892, to 8th February, 1895, £2,318," due to construction?—It is a fair charge against construction.

1373. What was the nature of the petitions?—In 1892 we petitioned for alterations in the contract to construct the railway generally, and in regard to mining reserves, and the question of the extension of the time for the completion of the contract, and the relinquishing of the entire land-grant in exchange for colonial debentures. We petitioned again in 1893 on the same lines, and again in 1894 on the same lines.

1374. Do you think these petitions enhanced the value of the railway in any way?—I cannot say they enhanced the value of the railway, but I will say that the expenditure under this head is fairly chargeable to the cost of construction.

1375. Who got the salaries under these two items?—The salaries were apportioned amongst the gentlemen named in Exhibit No. 149.

1376. Amongst the permanent officers of the company?—Yes.

1377. And they got this extra salary?—No; it is an apportionment of their salaries to this special work.

1378. And are these two items, or either of them, included in any of the other returns already put in?—With the exception of Exhibit No. 149, No.

1379. And the next item, "Salaries on construction accounts, from the 28th October, 1889, to 30th June, 1895, £3,850," is also included in Exhibit No. 149?—Yes.

1380. Will you please explain the item "Audit department, £1,805," and tell us what the audit was for?—It was for checking the whole of the accounts in connection with the business of the company. For instance, if an account came in for, say, stationery and printing, it was the duty of myself and my assistants to find out what portion of that account was to be charged to the various departments; and the same was done with all accounts that came in for payment. We checked the extensions and the casting, and generally audited the accounts before a cheque was drawn for payment.

1381. No portion of this is included in any other exhibit except Exhibit No. 149?—No.

1382. Has the next item, "Timber department, £3,126," anything to do with construction?—No.

1383. *Mr. McKerrow.*] Does the item for "Salaries on construction account, £3,850," appear anywhere else except in Exhibit No. 149?—No.

1384. *The Chairman.*] Have you any further returns?—This is a return showing the details of engineer's fees, omitting shillings and pence [Exhibit No. 174].

1385. Do you put this in as a true record of what you find in the books of the company?—Yes.

1386. This is the amount of the fees paid to Mr. Wilson from October, 1889, to June, 1895, by way of commission over and above his annual salary?—Yes.

1387. *Mr. McKerrow.*] Do I understand that Mr. Wilson got 10 per cent. on the general outlay?—He got $7\frac{1}{2}$ per cent. as engineer and $2\frac{1}{2}$ per cent. as general manager.

1388. *Mr. Fraser.*] Had Mr. Wilson any salaries to pay out of this amount, or was it money for his own profit?—He had to maintain the entire engineering staff out of that.

1389. It was not wholly commission to himself?—No.

1390. What amount, approximately of this £43,192 was paid by Mr. Wilson to engineers for services rendered to the company?—About £16,500.

1391. Now, does a portion of that £16,500 appear anywhere else in any other exhibit you have put in?—It is included in Exhibit No. 147.

1392. Is any portion of the £16,500, or the whole of it, included in the 5 per cent. which in another return you have put in as engineers' fees for construction?—Yes. I understand the 5 per cent. charged in Exhibit No. 169 is to take the place of everything for engineers' salaries, &c.

1393. Then, the balance between £16,500 and £43,192, amounting to about £27,000, does not appear in any other exhibit you have put in other than No. 174?—No. I might add also that Mr. Wilson not only had to maintain the engineering staff in the colony, but he had also to maintain an engineering staff in London for the inspection of all the plant and material which was sent out to the colony.

1394. What would that cost?—I do not know. That would be accounted for in his London books, which I never saw.

1395. Is that a part of the £16,500?—No. It came out of the balance of £27,000.

1396. *The Chairman.*] Can you tell me when Mr. Wilson finally came to the colony?—He arrived in August, 1889.

1397. Then, the first of his salary paid in the colony appears in Exhibit No. 149 as for the year ending the 30th June, 1890—£2,016?—That would be about it.

1398. And prior to that he received by way of commission in London £9,713?—Yes.

1399. Do you know whether he received any salary beside that commission?—I cannot say.

1400. And, during the period he was at Home and received this commission in London, was not a large amount of your bridge materials and rails being manufactured and sent out to the colony?—A small proportion only. The bridge-work would take the most inspection, and the first lot of girders did not leave London until November, 1889. Mr. Wilson had been in the colony then two or three months; 1,530 tons of bridge-work and 5,256 tons of rails, &c., were manufactured and inspected by Mr. Wilson's London staff at the time when Mr. Wilson was out here.

1401. You find the railway opened to Ngahere in 1889?—Yes; 1st August, 1889.

1402. Was not the most of your bridge-work out then?—No.

1403. All the material used in the three English contracts was out then?—Yes.

1404. Can you tell me the salaries of what officers mentioned in Exhibit No. 147 were paid out of this £16,500?—Mr. Wilson would pay the salaries of all the gentlemen named on page 153 of the exhibits.

1405. *Mr. Graham.*] Did he pay the whole of the amount for salaries on page 153, because it amounts to more than £16,500?—A portion of the salaries would be debited to other departments.

1406. *The Chairman.*] Besides this commission, Mr. Wilson had a salary of £17,043?—Hardly; £15,934, from October, 1889, to February, 1896.

1407. You say that out of the £43,192 he paid the most of the salaries of the officers on page 153?—Yes; besides an unknown quantity in London for inspection of bridge-work, rails, &c.

1408. Do you think that the 5 per cent. you mention in your claim ought fairly to include the cost of inspection and supervision of material bought in London?—I am not an engineer, and I can give no opinion on the matter.

SATURDAY, 8TH JUNE, 1901.

NORMAN HOWARD MAXWELL DALSTON further examined on oath.

1409. *The Chairman.*] Have you any further returns to put in?—Yes. This is a return showing the amount of commission, stamp duty, expenses, and discount in connection with the issue in 1889 of 5-per-cent. first mortgage debentures [Exhibit No. 175].

1410. Do you put this in as a true record of what you find in the books of the company?—Yes.

ADDRESSES BY COUNSEL.

MR. BELL'S ADDRESS.

Mr. Bell: Mr. Chairman and Gentlemen,—I have to present the Government case as follows:—

It is submitted that the scope of the Commission may be thus summarised:—

1. Ascertain, firstly, what the railway constructed by the company has actually cost; and, secondly, what it ought with due economy to have cost. This is under clauses 1 and 2 of the Commission. I call the latter of the two amounts so ascertained "A."

2. Ascertain the annual gross earnings of the railway for the period while under control of the company, and deduct therefrom earnings caused by construction-works. Ascertain, also, the annual gross cost of working and maintaining the railway by the company. This under clauses 5, 6, and 7.

3. Ascertain, similarly, the annual gross earnings and cost of working and maintenance while under control of the Government until the 21st day of July, 1900.

4. Ascertain the selling-value of the lines of railway in the manner prescribed by clauses 8 and 9. I call the total amount ascertained under this heading "B."

5. Ascertain the sum realised by the company by sale of endowment lands, the value of the endowments unsold, and the value of the Crown lands given for construction purposes. I call the total amount under this heading "C."

6. Ascertain the difference between the B1 values of endowments and the actual result of sales. This is a simple matter for computation, but your report on it will prove that the company have not been disappointed by the results of the endowment provisions.

7. Ascertain—(a) The value of work done by the Government and handed over to the company; (b) the value of work done by the Government to complete and put in order the lines of railway; (c) the liabilities of the company in respect of the lines undertaken by the Government; (d) the amount of money actually handed over in cash by the Government to the company. I call the total under this head "D."

8. Add C and D together. I call the result of this addition "E."

9. Assume that the Government, the debenture-holders, and the shareholders are entitled to claim upon the estate in the liquidation of the company, the debenture-holders' and the shareholders' proof being a joint one, and limited to the amount A.

10. Then the asset is the sum B. There are two claims, the joint proof for the sum A and the Crown claim for the sum E.

11. Unless Parliament determines to waive the rights of the Crown under "The Railways Construction and Land Act, 1881," and the contract with the company, and also its priority in the liquidation of a company, then the true and only answer to paragraph 12 of the Commission is that the whole of the money-value B as ascertained by the Commission belongs to the Crown, and no part of it remains for apportionment among the other two contributors.

12. The question whether Parliament should or should not decide to waive the prior rights of the Crown is, it is respectfully submitted, a question for Parliament to determine, and one not referred to this Commission.

13. But the Commission may think it right to estimate the proportions in view of the contingency and possibility of Parliament deciding to waive the rights of the Crown. If the Commission determines to take this course, then it is submitted that it should be made plain in the report of the Commission that the computation under which anything is found to be divisible among the shareholders and debenture-holders depends entirely upon the contingency of Parliament so deciding to waive the Crown's rights.

14. The computation upon this contingency would be as follows: The asset being the sum B, and there being a joint proof for the sum A and the Crown proof for the sum E, the Crown's part would be $\frac{B \times E}{A + E}$, which I call "X"; and the amount which the joint proof would receive would be $\frac{B \times A}{A + E}$, which I call "Y."

15. The amount Y has then to be divided between the shareholders and the debenture-holders. The shareholders contributed £250,000. The debenture-holders contributed the sum of £ . . . Y is to be divided between shareholders as a class and debenture-holders as a class in proportion to the sums as provided by them respectively.

16. As to the matters referred to in clauses 3 and 4 of the original Commission, I leave them to the Commission's report without comment; except that, if the Commission find that the line was not duly maintained by the company, I ask them to remember that the net gross earnings during the company's period ought to be reduced by the further annual sum which ought to have been expended in maintenance. And I suggest that the increase in earnings during the last year but one of the company's period may possibly be partly accounted for by the financial exigencies of the company, which demanded extreme economy of even necessary expenditure. (See, for example, Exhibits Nos. 13 (page 19) and 19 (page 24).)

17. With regard to the supplementary Commission, dated the 1st June, 1901, the questions there asked are in addition to, and not in substitution for, any of the questions in the original Commission.

18. Inasmuch as the petitioners have protested against the limitation to one method of computation of value prescribed by the original Commission, the Commissioners are directed by the first paragraph of the supplementary Commission to adopt any method they think fit for ascertaining what was the selling-value of the railway in open market at the period named, and then to deduct from the selling-value so ascertained the amount in land and money supplied by the Crown, and to say whether any balance would remain for division among the shareholders and debenture-holders. The distinction between sub-paragraphs (a) and (b) of the first paragraph is that in sub-paragraph (a) the B1 values are taken as the value of the land granted, and in sub-paragraph (b) the amounts received by the company from the sale of the lands granted are taken.

19. Paragraph 2 of the supplementary Commission simply directs the Commission to make the same computation, adopting the basis for ascertainment of value prescribed by the original Commission.

The above, except the comment in paragraph 16, relates only to the scope and construction of the terms of the original and supplementary Commissions, and I have excluded questions of fact and methods of computation from it. I now propose to submit, in separate schedules and by reference to the numbers of the paragraphs and letters used above, what I contend is the result of the evidence taken before the Commission.

SCHEDULE I.

(Paragraph 1 of Government case; paragraphs 1 and 2 of the Commission.)

The Commission is directed to ascertain, first, the amounts actually expended by the company as defined in paragraph 1 of the Commission, and then whether the sums so actually expended exceed the amount which, with proper economy and supervision, would have been necessary for the construction and equipment of the line. This, it is submitted, necessarily involves the ascertainment of the sum which, with proper economy and supervision, the construction and equipment should have cost.

1. I agreed before the Commission to accept the sums actually paid to colonial contractors, where the contracts were let to the lowest tenderer after public competition, as determining the fair value of the work constructed by such contractors. This applies equally to such small extra works as were done by arrangement with such contractors. The Commission has gone carefully into all the details of each such contract and the sums paid to the contractors, and I do not think any computation of mine could assist the Commission.

2. The English contracts, Nos. 1, 2, and 3, were let without public tender and at prices which were admittedly excessive, one proof of which is the fact that the company paid the English contractors the sum of £12,500 to induce them to forego their rights after very large sums had been paid them under the said contracts (see I.-7, 1896, page 53). The Commission has undertaken the duty of assessing the fair value of the work done under the English contracts. Mr. Young, on behalf of the company, has submitted a reassessment of that value which I do not accept. An obvious method is to compare the schedule rates under the English contracts with those under similar contracts let for similar work at the same place and about the same time. The Commission has the material for that comparison in the New Zealand contracts for other parts of the same railway let by public tender, and I submit that the Commission can properly arrive at an estimate of the value of the work constructed by the English contractors on that basis, which would appear to be just and equitable.

3. The sums paid for railway material, bridges, permanent-way, and rolling-stock imported or supplied by the company itself have been ascertained by the evidence adduced before the Commission. The freight and other incidental charges of delivery are conceded to be fairly chargeable as part of such cost.

4. The cost of land purchased by the company for the construction of the railway and taken possession of by the Crown as part of the railway is also to be added.

5. The payments made by the company for surveys have not been disputed by the Crown. Though the survey charges seem high, it has been thought fair to remember that the line roughly surveyed by the Government was only partially adopted by the company, and that the land is largely forest requiring expenditure on trial surveys to determine the best route. It is improbable that on this item any extravagant outlay was permitted by the company.

6. Some allowance must be added for cost of supervision, engineering, and office expenses. The company's payments under this head cannot be accepted by the Government as a basis for computation. The payments to Mr. Wilson, the company's engineer-in-chief (see I.-7, 1896, pages 53 and 54), are alone sufficient to illustrate the Government argument on this point. Mr. Wilson received in less than six years for salary and allowances £14,048 14s. 11d., and for commission £43,748 16s. 3d. It is true that out of the latter sum Mr. Wilson paid a large part of the salaries of the engineering staff, but the Commission has it in evidence that part of those gentlemen's salaries were charged to land account, as was also a considerable part of the office expenses of the company. It has been proved before the Commission that the whole cost of supervision of Government public works in New Zealand, including the salaries of engineers and the whole staff of officials of the Public Works Department in Wellington and elsewhere, was less than 5 per cent. upon the total expenditure when the contract system was adopted, and only slightly exceeds 5 per cent. under the co-operative system. It is submitted, therefore, that if 5 per cent. be added by the Commission to the total capital expenditure (excluding, of course, for this purpose interest during construction) a full and liberal allowance will be made for what should have been the cost of supervision, office, and engineering.

7. The next item of the company's claim under this heading is interest during construction. In returns before the Commission, lodged by the company, interest as part of the cost of construction has been computed, beginning from a time shortly before the commencement of the works and terminating as to each section when that section is open for traffic. On behalf of the Government I do not admit the equity of this particular item of the company's claim, and I contend that it is not within the express terms of paragraph 2 of the Commission, which appears to limit the computation to one of actual expenditure. If, however, the Commission decides otherwise, I submit that the amount to be allowed for interest during construction must be limited by the terms of paragraph 44 of the contract between the company and the Crown dated the 3rd August, 1888. That paragraph prescribes that, in the event of a purchase by the Crown of the railway, there shall be included in the price a sum for interest during construction at the rate of 4 per cent. per annum, except in the case of the first capital raised, which shall be allowed at 5 per cent. Then it is provided that the total amount of such interest shall not exceed £400,000. The estimated cost of the line which the company contracted to construct from Springfield to Belgrove was £2,830,000. The estimated cost of the portions actually constructed by the company was £598,500, which is a little more than a fifth of the total estimated cost. It is submitted, therefore, that under no circumstances can interest during construction be allowed at a greater sum than that proportion of £400,000—say, £85,000. This statement of the estimated cost, it will be found, was formally agreed to in accordance with clause 24 of the contract, and signed by the Governor of New Zealand and by Mr. Allan Scott, the general manager of the company.

8. The aggregate of the sums to be ascertained by the Commission under the above heads will be the amount which in the Government case I have called "A."

SCHEDULE II.

(Paragraphs 2 and 3 of Government case; paragraphs 5, 6, and 7 of Commission.)

The annual gross earnings of the railway while under the control of the company are ascertained by Exhibit No. 111 (page 107). There is, however, a deduction to be made for rents collected by the traffic department, but not forming part of moneys in any sense earned by the traffic. Mr. Wallace's return (see Exhibit No. 93) shows that the gross rents received were £1,471, but of this £362 8s. (see Exhibit No. 97) is, I understand, considered by the Commissioners to belong to the traffic department, being rent of cottages occupied by employes of the working railways.

The rents for 1889-90 are (see Exhibit No. 111) £5 12s. 6d., for 1890-91 £54 11s., and for 1891-92 £42 15s. Deducting the sum of these three amounts (£102 18s. 6d.) from the £362 8s., there remains £259 9s. 6d. to be averaged over the last three years as rents allowable. This gives, say, £86 10s. per annum.

The return (No. 111) for the last three years shows rents as follows:—

Year.	—	Deduction as above.	Result.
	£ s. d.	£ s. d.	£ s. d.
1892-93	347 17 0	86 10 0	261 7 0
1893-94	391 2 6	86 10 0	314 12 0
1894-95	405 12 11	86 10 0	318 12 0

The gross earnings under the company appear to be, therefore, as follows:—

Year.	Exhibit No. 111.	Deduct Rents.	True Gross Earnings.
	£ s. d.	£ s. d.	£ s. d.
1889-90	4,069 10 0	...	4,069 10 0
1890-91	9,144 2 1	...	9,144 2 1
1891-92	12,948 18 1	...	12,948 18 1
1892-93	12,765 1 4	261 7 0	12,503 14 4
1893-94	15,376 1 9	314 12 0	15,061 9 9
1894-95 (eleven months)	13,820 5 11	318 12 0	13,501 13 11

I have treated as immaterial the inclusion in the last three years of the small receipts from the Springfield Section. The gross cost of working and maintenance during the same period are ascertained from Return No. 111.

The net balances during the company's period, being excess of gross earnings over gross expenditure, are also shown in Exhibit No. 111, but require correction by deduction of rents as shown above. The balances, being net profits thus corrected, are as follow:—

Year.	Net Balance as shown in Return No. 111.	Deduct for Rents.	True Balances.
	£ s. d.	£ s. d.	£ s. d.
1889-90	1,608 13 11	...	1,608 13 11
1890-91	4,000 16 1	...	4,000 16 1
1891-92	4,288 18 7	...	4,288 18 7
1892-93	4,408 16 0	261 7 0	4,147 9 0
1893-94	6,572 2 11	314 12 0	6,257 10 11
1894-95 (eleven months)	3,257 7 3	318 12 0	2,938 15 3

During the Government period the annual gross earnings and expenditure are ascertained by Exhibit No. 2, page 5.

It now remains to ascertain the receipts during both periods due to construction traffic—that is to say, to traffic not normal or recurrent, but attributable entirely to the fact that works were going on beyond the open lines occasioning exceptional goods and passenger traffic. Beginning with the company's period, I turn to Exhibit No. 96, and add together for each year the amounts for the two sections thus separated. The result is as follows:—

Traffic due to construction-works—				£	s.	d.
1889-90	...	...	...	807	8	1
1890-91	...	...	...	2,527	6	2
1891-92	...	...	...	1,204	16	8
1892-93	...	...	...	1,153	17	6
1893-94	...	...	...	1,121	3	0
1894-95	...	...	...	...	...	...

The accuracy of this is verified by seeing that the total of the second column agrees with Mr. Wallace's grand total in Exhibit No. 96—viz., £6,814 11s. 5d.

During the Government period we have for proof Exhibit No. 8. That shows the annual construction passenger traffic at £223, the annual Public Works goods traffic at £576, and the total receipts from carriage of stores for co-operative workmen at £1,944 3s. 8d. Averaging the third item like the first two over the five years, we have annually £388 16s. 9d. The annual total of the three items is £1,187.

SCHEDULE III.

Part I.

(Paragraph 4 of Government case; paragraph 8 of Commission.)

It appears necessary first to collate the results appearing from the considerations set forth in Schedule II. :—

Years.	Balance of Receipts over Expenditure, including Construction Traffic, but corrected as in Schedule II.	Deduct Traffic due to Construction (see Schedule II.).	Result, being actual Net Profit.
Company's period—	£ s. d.	£ s. d.	£ s. d.
1889-90	1,608 13 11	807 8 1	801 5 10
1890-91	4,000 16 1	2,527 6 2	1,473 9 11
1891-92	4,228 18 7	1,204 16 8	3,024 1 11
1892-93	4,147 9 0	1,153 17 6	2,993 11 6
1893-94	6,257 10 11	1,121 3 0	5,136 7 11
1894-95	2,938 15 3	...	2,938 15 3
Government period*—			
1895-96	4,758 1 8	1,187 0 0	3,571 1 8
1896-97	3,548 0 1	1,187 0 0	2,361 0 1
1897-98	5,482 0 10	1,187 0 0	4,295 0 10
	Deficiency—		Deficiency—
1898-99	1,840 14 1	1,187 0 0	3,027 14 1
1899-1900	4,072 6 0	1,187 0 0	2,885 6 0

* See Return No. 2, page 5, and deduct expenditure from receipts.

The year 1893-94 alone needs comment, as the Government do not desire that the exceptional year 1898-99 should be taken into special consideration.

It will be found on reference to the Exhibit No. 111, at page 109, that the goods traffic had been £6,107 in 1891-92, £6,011 in 1892-93, rose suddenly to £7,501 in 1893-94, and fell again to £6,837 (which includes a sum for rebate, £253) in 1894-95. There is also in the account for 1893-94 a special item of receipts, £828, for special labour, &c., which in no other year of the period reaches £100. These two items—the sudden leap of £1,500 in goods traffic and the £750 excess in special labour—more than account for this year being above the average, and it is therefore submitted that it may be almost ignored as an element of assessment for the purposes of clause 8 of the Commission. The £828 is plainly abnormal on the face of the accounts, and the goods traffic fell the next year to only £500 above the normal of the two preceding years. And in both 1893-94 and 1894-95 the maintenance must have been greatly neglected, as is plain from the repairs required when the line was seized—especially the repairs to bridges. The result is that the net normal earnings of the railway average over a period of eleven years considerably less than £3,000 per annum (omitting the year 1898-99, when there was a deficit), while from 1895 to 1900 they average about £3,250 per annum.

The Commission has then to take into consideration the probable future earnings. It is conceded for the Crown that the growing demand for timber will create an increase of traffic on the railway which must be taken into consideration. The Commission will, however, not forget that the Hokitika line will compete for many years in this particular traffic to Greymouth. The increase in traffic due to probable developments of gold- and coal-mining is, it is submitted, scarcely worth consideration. The mines and minerals have been in existence side-by-side with the railway for ten years, yet there has been no such development. The dredging industry, which is novel, may make some difference, but it is difficult to see that it can do so to any appreciable extent.

As to increase of traffic to result from land-settlement, I must leave it to the Commission, who have seen the land which has been available (outside the reserved area) for forty years, to consider whether any such settlement is probable to an extent which would materially increase the net profits of the railway.

It is no part of my business as counsel for the Crown to point out the defects of that part of the colony or to deny its prospect of eventual prosperity. The Commission are asked to regard it from the point of view of an investor who is asked to purchase the railway on the basis of its present revenues and prospective future earnings. Such an investor would scarcely regard the distant future for his profit, but the prospect in the near future would induce him to speculate to a certain extent.

On the basis of past and present revenue alone £100,000 is an extreme value, allowing interest at, say, $3\frac{1}{2}$ per cent. Is it possible that an investor, with the facts and evidence which this Commission have before it, would double that sum, and give £200,000, and accept interest at $1\frac{1}{2}$ per cent. for the present, on the chance of a much greater revenue in the future?

The question is so entirely one for the determination of the Commission that I shall offer no other argument. The value seems to lie somewhere between £100,000 and £200,000. I should,

however, point out that the evidence given at Christchurch is based on the assumption that the East and West Coast line will be completed in the future—an assumption excluded (and, I submit, most properly excluded) from the considerations of the Commission. Even with that assumption, it appears to me that the evidence of the Christchurch witnesses does not indicate that it would be easy to find an investor able and willing to purchase at £200,000.

Part 2.

(Paragraph 4 of Government case; paragraph 9 of the Commission.)

The railways from Belgrove to Norris's Gully and from Springfield to Patterson's Creek are obviously worthless now, estimated on the basis of revenue, for the working-expenses largely exceed the receipts. It is possible that the Commission may consider that the Belgrove-Motupiko line may pay something in the future above working-expenses, but no one would buy it on that chance. It is not contended by the Government that the fact that these two lines are worse than valueless can be used to diminish the value of the Reefton-Jackson's line; the lines are separated for valuation by paragraphs 8 and 9, and I do not see that any answer is required to paragraph 9, except that the lines are of no value whatever.

It is less clear, however, whether the moneys expended by the company and the Government respectively upon those lines come into the computations under paragraph 12. That may be left to the Commission. It must, I admit, be remembered that the company was required by the contract to expend these moneys at both ends of the contemplated entire line.

The result is that the sum which I have called "B" in paragraph 4 of the Government case would appear to be the sum to be computed by the Commission under paragraph 8, without addition or deduction for the computation, if any, it may make under paragraph 9.

SCHEDULE IV.

(Paragraph 5 of the Government case; paragraph 10 of the Commission.)

Taking, first, lands actually sold by the company and the Receiver, Exhibit No. 2 gives the gross sum realised from sales at £312,505. To this is to be added, first, the value of the unsold land-grants. Taking Exhibits Nos. 64 and 65 (page 74) together, I find Mr. Clure's valuation amounts to £6,485 2s. 9d. and Mr. Ward's to £789 16s., the sum of which is £7,274 18s. 9d.

Next in order are the Westport town sections, valued by Mr. Snodgrass (evidence, page 16) at £640 10s.; the Cobden town sections, valued by Mr. Montgomerie (evidence, page 68) at £684 5s.; and the Ahaura sections, valued by Mr. Montgomerie (evidence, page 70) at £734 7s. 6d.

The value which the company has in land-grant is therefore £312,505 realised by sales; £7,274 18s. 9d., value of unsold Canterbury lands; £640 10s., value of unsold Westport lands; £684 5s., value of unsold Cobden lands; £734 7s. 6d., value of unsold Ahaura lands: total, £321,839 1s. 3d. There remains to be added the value of the Crown lands given to the company for the use of the railway. These have been valued by the various Commissioners of Crown Lands. The Commission, no doubt, had these values before them. Their sum, added to the £321,839 1s. 3d., constitute, subject to what immediately follows, the amount which I have called "C" in paragraph 5.

But it is admitted that from the gross receipts it would be fair to make some deduction for expenses of land-management. I cannot, however, accept the return of such expenses put in by Mr. Dalston. Some of the items are obviously not properly chargeable, and the salary of Mr. Scott is higher than that paid to most Government officials.

The item for rates and taxes in the account I have challenged among others, and it is submitted that the Commission should exclude it. The whole value of the land might so disappear if it were held sufficiently long.

SCHEDULE V.

(Paragraphs 7 and 8 of Government case.)

The items of this, with the references, are as follows:—

Reference.	Value of Work done.	Money Claims.	Total.
Exhibits Nos. 5 and 128	Brunner to Stillwater Section	...	£ 15,359 0 0
Exhibit No. 4 ...	Belgrove to Norris's Gully	...	13,552 2 7
Exhibit No. 67 ...	Springfield to Patterson's Creek	...	2,196 7 9
Exhibit No. 109	...	Cash paid in lieu of land-grant out of moneys in hands of Receiver of Land Revenue	5,000 0 0
		Claims by land-owners and land-purchasers still unpaid by company, say	750 0 0
Grand total	...	...	36,857 10 4

The Commission is aware that the terms of the memorandum handed in by me as to the point of the inclusion of the amount expended on the Belgrove-Norris's Gully line after the seizure by the Government in claims subsequently paid by the company have been assented to by counsel for the Receiver.

It is open to question whether I ought not to have included the £5,000 in the computation in Schedule IV., which I have called "C"; but it is immaterial, since the result of the computation in the present Schedule V., which I have called "D," has to be added to C. The result of the addition of C and D I have called "E."

E would thus appear to be £358,696 11s. 7d., less such an amount as the Commission may allow for the fair expenses of land-management, and adding the value of the Crown lands occupied by the railway.

SCHEDULE VI.

(Paragraphs 9 to 15 inclusive of the Government case; paragraph 12 of Commission.)

Paragraph 12 of the Commission is as follows: "The said lines of railway having been constructed by means of moneys provided partly by the shareholders in the said company, partly by moneys raised upon debentures, and partly by moneys provided by us by our said grants of land and out of our colonial Treasury, in what proportion should the money-value of the said lines of railway, estimated by you as aforesaid, be apportioned among the three said several contributors to the cost of construction." As pointed out in the Government case, this paragraph does not direct the Commission to ignore the Crown's claim to priority in respect of the funds and land contributed by it. It is only in the event of the value of the asset as ascertained by you exceeding the amount contributed by the Crown that any sum would remain for distribution between the shareholders and debenture-holders.

The rights conferred upon the Crown by "The Railways Construction and Land Act, 1881," remain. The rights of the Crown to priority in liquidation of a company are not waived, nor is the Commission directed to ignore such priority. It is established that the provisions of section 148 of "The Bankruptcy Act, 1892," do not apply in the liquidation of a company. See *In re* the Oriental Bank Corporation (28, Chancery Division, 643).

It is true that Parliament may, if it think fit, waive the priorities of the Crown and permit the claim of the colony to rank as a simple unsecured debt against the claims of the defaulting contractor and its mortgagees. But that, it is submitted, is a question for Parliament, and not for this Commission. The Crown had no control over the lands and moneys contributed by it. The moneys and the proceeds of the lands were expended by the company, and the result is that the colony has never received that which it stipulated for in return for its contribution; and, as it has not received the stipulated benefit, it is legally entitled to the return of its contribution first.

It is submitted that the answer to paragraph 12 should be in the following form: (a.) Unless the security afforded by "The Railways Construction and Land Act, 1881," and the ordinary right of priority which the Crown has in the liquidation of a company be waived, then, inasmuch as the value ascertained of the asset is less than the amount contributed by the Crown, nothing remains for allotment between the shareholders and debenture-holders. (b.) The Commission is not directed to express any opinion whether such security and priority should or should not be waived. That question is for Parliament, and not for the Commission to determine. (c.) If Parliament should resolve to waive the rights of the colony and its priority and security, and decide to treat the matter as if it were an ordinary liquidation between ordinary creditors, then the apportionment of the money-values ascertained would be as follows: [Then proceed to state the apportionment thus contingently computed].

I now proceed to state the Government case on this contingent computation, assuming that the Commission will find it proper and convenient to make it, in order to have the matter fully before Parliament.

It will be seen that in the Government case I have contended that the total asset B is first to be divided into two parts proportionate to the sum A and the sum E, and that afterwards the larger part of the asset B so divided is to be subdivided between the shareholders and the debenture-holders. I submit that in no other way can a fair and just apportionment be made. And it seems plain that this is the object of the direction in paragraph 2 of the Commission. The Government's share in the asset depends partly upon the magnitude of the claims of the rival creditor or creditors. It cannot be just that a wasteful and extravagant expenditure by the other creditors should be allowed to swell their claims and thereby diminish the Government proportion of the asset. If, however, joint proof of the shareholders and debenture-holders is for the purpose of ascertaining the Government proportion first ascertained and allowed as A, then the asset B will be fairly divided, if the course proposed by paragraph 14 of the Government case be followed.

The next division is that of the amount I have called "Y." Here the actual sums contributed by shareholders and debenture-holders respectively are the factors in the division between them respectively. In that division the Government is not directly concerned.

DR. FINDLAY'S ADDRESS.

Dr. Findlay : Mr. Chairman and Gentlemen,—

Before proceeding to an examination of the evidence which has been given before you, and before submitting what, in my opinion, is the effect of such evidence, I desire to impress upon this Commission the general rules which guide and control every tribunal in dealing with evidence of an uncertain, doubtful, or necessarily speculative character. A Court of law looks at the circumstances in which a plaintiff or a defendant comes before it, and from the nature of these circumstances it determines first in a general way upon what party the onus of proof lies, and whether in viewing the evidence of either party a benevolent or a strict consideration or interpretation should be given to it. In some cases the law directs that presumptions should be made in favour of one or other of the parties—in other words, that all doubtful inferences should be decided in his favour; and a fair illustration of the method of a legal tribunal in such a case may be seen where land or other real property has been taken from a private individual compulsorily by the State. In these cases it has been decided in England, and in New Zealand by our own Court of Appeal, that where land is taken from a private individual by the State there must be added to the full amount of the loss he proves he has sustained a margin or an additional sum, vaguely called “compensation,” for the compulsory taking, but which is in fact a liberal allowance for any possible loss he may have suffered and been unable definitely to prove. In England this sum has amounted in certain cases to an addition of 50 per cent., and the average is between 10 and 20 per cent. (See “Lloyd on Compensation.”)

Now, although we do not appear before this Commission with any legal rights, it seems plain that the rules of equity and justice which guide a Court in giving a benevolent or strict consideration to a case before it should and must guide this Commission in considering the evidence it has heard. I desire, therefore, to submit shortly the grounds upon which I urge you to give these debenture-holders the benefit of a benevolent consideration of the evidence that has been led, to give us the advantage and benefit of any reasonable doubt where the inferences seem equal or uncertain, and in particular, in determining the future prospects of this railway, to make every fair assumption that can be made in our favour, so that as far as is consistent with substantial justice you should, in viewing our case, be generous rather than exceptionous. For this purpose I desire to point out that the Midland Railway Company, in the year 1886, began the construction of this railway in good faith and with an honest intention to complete it; that over £1,000,000 of the money of English capitalists has been spent wisely or otherwise in pushing on the work of construction and in the payment of interest and other expenses; that the causes which prevented the fulfilment of the contract were plainly beyond the help or control of the company itself. It is not within my province to deal with the difficulties and disasters which eventuated in the confiscation of this railway by the Crown, but I am entitled to say that these difficulties and disasters were not due to any misconduct, avoidable neglect, or obstructiveness on the part of the company, but were at least, in the circumstances, undeserved misfortune, while they certainly were not due in any sense to the fault of the debenture-holders.

We have, then, to begin with these broad facts : (1.) That the Crown is now possessed of property which has somehow cost the company about £1,000,000, including interest. (2.) That this state of things is not due to any avoidable default of the company, and beyond all question not due to the misconduct of the debenture-holders. These facts themselves call for a benevolent consideration of the evidence that has been led. But I desire to impress a further and a stronger reason for such a consideration. That reason is found in the terms of the Commission which controls your judgment in this case. I do not now refer to the amazing terms of the enlarged Commission, but merely to the original one. It is obvious that the method of valuation prescribed by that Commission must result in the debenture-holders getting but a fraction of the money actually spent upon this line. Whether you as a Commission think the method just or unjust, you are bound under clause 8 of that Commission by such an artificial and inadequate kind of selling-value of these lines of railway that if we are to be compensated for the loss sustained at all it must be equivalent to but a fraction of our loss. It requires no elaborate discussion to show that pieces of railway—some not even running—upon which such enormous sums have been spent cannot be fairly valued upon such a basis. We all know they are but parts of the intended line, and yet you are forbidden by the terms of the Commission from inquiring what would be their selling-value when the Government has made them integral parts of the proposed line. Still, that is the method prescribed, and we must submit to it; but I desire, in view of the hardship this method imposes upon the debenture-holders, to urge this Commission to look at this hardship as a further reason for giving the debenture-holders the benefit of all fairly doubtful inferences, of all presumptions which may reasonably be made in their favour, and of a benevolent consideration of such evidence as has been led as to future earnings and prospective value.

I do not wish to overburden these introductory remarks, and I put my submission shortly thus : That in view first of the history of this railway, of the manner in which the company was induced to start operations, the manner in which it carried out these operations, and of the series of difficulties and disasters (for many of which the company itself was not responsible at all, and for none of which the debenture-holders are responsible) which beset us up to the time of confiscation, our case calls for a favourable and benevolent consideration at your hands, and that this is strengthened by a reference to the hardship which is imposed upon us by the terms even of the original Commission itself.

Having, then, bespoken your beneficent consideration of the evidence, I proceed to shortly consider the main questions with which you are concerned.

THE TRUE COST OF CONSTRUCTING THE MIDLAND RAILWAY.

The 1st clause of the Commission requires you to find the sums actually expended by the company in constructing the sections of the railway from Stillwater to Reefton and from Brunner-ton to Jackson's, and, separately, the sums actually expended by the company in constructing the section of railway from Belgrove to Norris's Gully and the section from Springfield to Patterson's Creek. It further requires the sums expended for supervision and in commissions and salaries to be ascertained separately, and the sums expended for actual construction of railway, material, and labour.

You have already been furnished with a statement providing this information, and showing the sums expended in supervision, commissions and salaries, and other incidental matters separately. I do not propose to examine analytically the figures in this statement, because they have been considered and scrutinised by yourselves with the utmost care and minuteness, but I submit that the statements put in by Mr. Young show that the fair proper cost of construction, including material and labour, engineering, administration, and surveys, is not less than £666,768. Hence we say that the true reduced cost of construction is not less than £666,768, and that to this sum must be added the sum of £106,214 for interest, computed on the basis suggested by the Commission—namely, for the period in each case extending from three months before the commencement of the contract to the time when the section in respect of which the contract was let is open for traffic. Thus, then, the total amount which we say the statements put in prove the net cost of construction, including interest, to be is £772,982.

It will be observed that in arriving at this total a large deduction has been made from the amount actually paid by the company. Among the deductions from the actual amount paid is that in respect of the English contracts. Only such expenditure has been included as would have been incurred had the whole line, including the English sections, been let in desirable portions by public tender. In this connection it is submitted that the revaluation of the English contracts made by Mr. Young should be accepted by this Commission without qualification. He has sworn that this revaluation was made impartially, was made from a careful consideration of all the circumstances, and that his figures represent the lowest sum for which the work could have been done by, say, the Government itself at the time in question. I confidently urge the acceptance of this revaluation, because Mr. Young's knowledge of the whole circumstances, of the ground itself, and of the work done is unique. He had all the information before him that you have, while no one, I feel sure, would question his *bona fides* or the sincere impartiality with which he compiled his revaluation. It will be borne in mind, too, that this revaluation was not made at our suggestion, but was made at the request of the Commission, and, that being so, Mr. Young felt himself under a special obligation to claim for nothing that was not, and to claim at no higher price than was fully justified by the circumstances.

THE ENGLISH CONTRACTS.

A good deal has been made out of the high price paid to the English contractors for this work, and I shrewdly suspect that there was at one time a disposition to assume that all the other work had been done upon the same high scale. I desire, then, to point out the real reason why these English contractors were so highly paid. You will remember that £150,000 had to be spent within a year after signing the contract, that the company was an English company knowing little of the facilities for railway-construction in New Zealand, and that, as it was imperative they should comply with this condition at the risk of forfeiture of their contract (since the Government of the day would have no power to waive a breach), they let the contract in England, making it a condition that work should be done to the value of £150,000 within the time fixed. To save time (Mr. Young has explained) the New Zealand Government estimates and rates were taken in England, and such a percentage added as would induce the English contractors to undertake the work. This is the whole explanation, and surely it discloses no ground for suspicion, and nothing discreditable. It must be remembered, too, that the company was at the time spending its own money, contributed largely by the directors themselves. It is surely unlikely that they would wilfully waste their means, or had any other reason save an honest desire to keep to the terms of their contract and do the work of the value of £150,000 within the year. With the exception of the prices paid to the English contractors, no other work, I submit, has been shown to have been overpaid. It is also plain that material was purchased at the lowest prices, and that no objection can be taken to any freight or other charges for bringing the material to New Zealand.

It is also to be observed that in the present statements only such materials and labour have been included as could be directly proved to have been purchased and done. A comparison between the statements now before the Commission and those put in previously before the parliamentary committees would show differences, and this is partly accounted for by the fact that there are sums that appear to construction account in the books of the company part of which have not been included in the statements we have put in here because we had no sufficient proof of the amounts expended. Sums were spent by the general manager before 1889. Vouchers for these sums were sent to England and charged in the books there, and when the books in this colony were opened the manager in New Zealand was directed to charge against construction account specific sums the details of which were in England. In the absence of detail and of proof these sums have been omitted from the statements before you. I desire, in this connection, to ask you to treat as part of my address a statement which shows, or attempts to show, the reason for the difference in the totals of the returns furnished you and the sums stated in the Receiver's petition to the House last year.

STATEMENT SHOWING THE RECONCILIATION OF RETURNS HANDED IN BY THE COMPANY TO THE ROYAL COMMISSION IN 1901, WITH THE AMOUNT MENTIONED IN MR. COATES'S PETITION, CLAUSE 6 (EXHIBIT No. 158).

Reference to Exhibits.		No. of Contract.	Description.	Parliamentary Paper, 1900 (pp. 122-24).	Returns, 1901.	Additions.	Reductions.	Remarks.	
Exhibit	Page								
142	142	1	Stillwater-Kaimata ..	£ 119,360	£ 69,523	..	..	Total per Exhibit No. 142, £72,974; less revaluation of rolling-stock, £3,451 = £69,523. Permanent-way materials, £23,739, and rolling-stock, £19,321, included in £69,523 in 1901, but shown separately in 1900 as £33,808 and £20,846 respectively.
143	143	2	Brunnerton-Stillwater ..						
144	145	3	Stillwater-Nelson Creek ..						
102/3	94	..	Permanent-way materials, contract No. 1	33,808	1,854	..	..
			Rolling-stock, contract No. 1 ..	20,846	..	..	..
				174,014	139,051	..	34,963		Reduction of £34,963 due to the revaluation of prices of contracts Nos. 1, 2, and 3 in returns, 1901.
31	42	4	Ahaura Section ..	26,985	27,004	19	..		See summary.
89	88	..	Ahaura girders	7,330		See summary.
32	44	5	Totara Flat Section ..	36,299	36,299		See summary.
89	88	..	" girders	8,390		See summary.
104	94	..	" cast-iron pipes ..	..	33	33	..	See summary.
33	46	6	Mawheraiti Section ..	36,738	36,738	..	..	See summary.
89	88	..	" girders ..	..	10,098	..	..	See summary.
34	48	7	" Squaretown Section ..	..	41,394	..	33	See summary.
35	50	7A	" " ..	51,606	10,179	..	..	See summary.
89	88	..	" girders ..	..	420	..	..	See summary.
73	82	8	Cross-girders ..	2,046	2,047	1	..	See summary.	
74	82	9	Ten low-side wagons ..	800	800	..	..	See summary.
75	83	10	One locomotive ..	955	955	..	..	See summary.
71	78	11	Springfield Section ..	46,654	46,457	..	197	See summary.	
104	94	..	" guard-rails ..	..	197	197	..	See summary.
36	51	12	Stony Creek Section ..	9,790	9,732	..	8	See summary.	
		13	Belgrove survey ..	580	..	..	580	Included in surveys, Exhibit No. 141, page 138.
37	53	14	Ahaura temporary station ..	1,071	1,071	..	..	See summary.
77	83	15	Stillwater signals ..	144	183	39	..	See summary.	
78/9	83/4	17	Telegraph-poles ..	42	42	..	..	See summary.
38	53	18	Stillwater Station additions ..	280	280	..	..	See summary.
39	53	19	" fencing ..	115	115	..	..	See summary.
78/9	83/4	20	Telegraph materials ..	39	40	1	..	See summary.	
80	84	21	999 sleepers ..	112	112	..	..	See summary.
41	56	22	Belgrove Section ..	51,211	51,223	12	..	See summary.	
42	57	22A	Norris's Gully Extension ..	3,007	3,001	..	6	See summary.	
		23	Totara Flat Hotel ..	1,139	..	..	1,139	This property has been sold by the Receiver, hence amount, £1,139, not included in returns, 1901.
40	54	24	Reefton Station ..	6,809	6,809	..	..	See summary.
43	57	25	Totara Flat Post-office ..	165	165	..	..	See summary.
44	58	26	Kotuku Section ..	24,277	24,267	..	10	See summary.	
104	94	..	" girders ..	..	10	10	..	See summary.
81	84	30	" Section girders ..	2,062	2,062	..	..	See summary.
45	60	27	Stillwater carriage-shed ..	576	576	..	..	See summary.
46	61	28	Patterson's Creek Bridge foundations ..	6,740	6,740	..	..	See summary.
47	62	29	Totara Flat sheep-pens ..	37	37	..	..	See summary.
48	63	31	Stillwater Station additions ..	130	130	..	..	See summary.
49	63	32	Lake Brunner Section ..	28,582	28,582	..	..	See summary.
89	88	..	" girders ..	..	2,930	..	..	See summary.
82	84	32A	" supplementary works ..	674	674	..	..	See summary.
50	66	33	Teremakau Section ..	25,758	25,566	..	192	See summary.	
89	88	..	" girders ..	..	2,051	..	..	See summary.
104	94	..	Protective-works ..	..	192	192	..	See summary.
51	68	34	Stillwater triangle ..	110	110	..	..	See summary.
83	85	35	Kowai Bridge pitching ..	350	350	..	..	See summary.
52	69	36	Plate-girders ..	4,469	4,469	..	..	See summary.
53	69	37	Stillwater triangle, ballasting ..	202	202	..	..	See summary.
84	86	38	" bushwork ..	146	146	..	..	See summary.
54	70	39	Kaimata Tunnel shelter-shed ..	147	147	..	..	See summary.
85	86	40	Reefton Station yard, bushwork ..	12	12	..	..	See summary.
86	86	41	Kowai Bridge girder additions ..	20	20	..	..	See summary.
55	70	42	Stillwater weighbridge foundations ..	140	140	..	..	See summary.
56	70	43	Ironbark for bridges ..	144	144	..	..	See summary.
87	87	44	Raupo Station, loading-ramp ..	43	43	..	..	See summary.
57	71	46	Stillwater Bridge additions ..	607	607	..	..	See summary.
88	87	47	Removing cottage to Reefton ..	34	34	..	..	See summary.
58	71	48	Ngahere stationmaster's house, additions ..	85	85	..	..	See summary.
59	71	49	Inchbonnie quarry-works ..	281	281	..	..	See summary.
89	88	..	Braithwaite and Kirk, girders ..	18,729	..	..	..	See summary.
89	89	..	Miles and Co., freight on same ..	12,490	..	..	..	See summary.
91	89	..	Sundry expenses ..	232	232	..	..	See summary.
95	90	..	Ibbotson Brothers, pile-shoes, &c. ..	293	293	..	..	See summary.

STATEMENT SHOWING THE RECONCILIATION OF RETURNS, ETC.—*continued.*

Reference to Exhibits.		No. of Contract.	Description.	Parliamentary Paper, 1900 (pp. 192-24).	turn 1901.	Additions.	Reductions.	Remarks.
Exhibit	Page							
105	95	..	Rolling-stock £27,977, less £20,846 in contract No. 1 above	£ 7,131	£ 8,970	£ 1,839		
106	97	..	Permanent-way £73,108, less £33,808 in contract No. 1 above	39,300	40,088	788		
110	102	..	Compensation Account	22,515	24,340	1,825		
			Payment to English contractors to forego completion of contract No. 1	12,500	..	..	12,500	
141	138	..	Surveys	18,386	{ 5,547 } { 6,646 }	..	6,193	
			Engineers' fees	43,193	..	..	43,193	Percentage now charged in lieu of Exhibit No. 174.
108	101	..	Construction plant	2,367	576	..	1,791	
107	100	..	Working railway plant and fittings ..	962	625	..	337	
			reference plans	255	..	..	255	
			Wages and salaries (construction) ..	23,639	..	..	23,639	Percentage now charged in lieu.
136	133	..	Carriage of construction material ..	3,587	3,587	..	..
			Land-plans	1,993	..	..	1,993	Included in surveys, Exhibit No. 141, page 138.
			Belgrove Section	199	..	..	199	Included in surveys, Exhibit No. 141, page 138.
104	94	..	Sundry expenses (construction) ..	2,067	..	..	2,067	See additions, £33, £192, and £197, equals £432.
131	132	..	Freight Account (construction) ..	327	261	..	66	
			Travelling-expenses (construction) ..	322	..	..	322	
134	133	..	Office-rent (construction)	239	207	..	32	
130	131	..	Sundry repairs (construction) ..	219	94	..	125	
			Insurance (construction)	6	..	..	6	
			Advertising (construction)	76	..	..	76	
			Postages and telegrams (construction)	247	..	..	..
135	133	..	Stationery and printing (construction)	131	460	..	12	
			Office-expenses (construction) ..	94	..	..	..
129	131	..	Law-costs (construction)	1,102	1,013	..	89	
			Bank charges, &c. (construction) ..	302	..	..	302	
138	134	..	Stations and buildings	388	123	..	265	
			Locomotive certificates	13	..	..	13	
133	132	..	Wagon-covers, &c.	153	149	..	4	
			Telegraph materials	186	..	..	186	
137	134	..	Brunnerton Siding	180	180	..	..
			Purchase of horses	191	..	..	191	
			Stores issued	404	..	..	404	
			Leasehold land rents	21	..	..	21	
			Materials for use in carriages, &c. ..	61	..	..	61	
			Signals	3	..	..	3	
			Purchase of rights under the contract dated 17th January, 1885 ..	6,000	..	..	6,000	
			Commission, law charges, and advertising, 1887	21,144	..	..	21,144	
			Commission and expenses <i>re</i> issue of £745,000 debentures	58,420	..	..	58,420	See Exhibit 175.
			Discount on debentures issued at 92½	55,785	..	..	55,785	See Exhibit 175.
			Trustees' fees (debenture-holders) ..	2,195	..	..	2,195	
			Committee fees	4,750	..	..	4,750	
			Directors' fees, England, to September, 1894	25,195	..	..	25,195	Percentage now charged in lieu.
			Law-costs, England	2,728	..	..	2,728	
			Salaries, rent, and other current expenses	40,766	..	..	40,766	
163	165	..	Land-grant department expenses ..	21,103	..	..	21,103	To be deducted from Exhibit No. 1, page 3.
			Timber department expenses	6,995	..	..	6,995	
			Rates and taxes	14,039	..	..	14,039	
			Shareholders' interest to 30th September, 1893	77,163	..	..	77,163	Percentage now charged in lieu of Exhibit No. 156, page 160.
			Debenture-holders' interest to 1894 ..	198,900	..	..	198,900	Percentage now charged in lieu of Exhibit No. 156, page 160.
			Ditto to be funded	26,343	..	..	26,343	Percentage now charged in lieu of Exhibit No. 156, page 160.
			Arbitration and petition expenses ..	13,058	..	..	13,058	
			Odd shillings and pence	8	..	..	8	
				1,335,322	634,213	4,956	706,065	
Add entries at 30th June, 1895, in the company's books in London, of which no details are in the colony				2,992	..	..	2,992	
				1,338,314	634,213	4,956	709,057	

Summary re Girders.		Agreement.	
	£		£
Exhibit No. 89 (pages 88-89)—		Returns, 1901	634,213
Braithwaite and Kirk	18,729	Deduct additions, being amounts in 1901 not in 1900	4,956
Miles and Co.	12,490		
		Add reductions, being amounts in 1900 not in 1901	629,257
	£31,219*		709,057
		Total, Parliamentary Paper I.—11, of 1900, page 122	£1,338,314

* Included above—£7,330, £8,300, £10,098, £420, £2,930, £2,051=£31,219.

All the other construction-work besides the English contracts were let either by public tender in this colony or at prices based upon contracts taken under public tender. In every case, in fact, the work was let by public tender, and it was only where work was required in extension of existing contracts that it was let at the prices fixed by the main contract.

I am entitled, I think, to say that the closest scrutiny of the Crown should result in its being compelled to accept all the construction charges for material, labour, and plant save the three English contracts.

THE CLAIM FOR SURVEYS MADE BY THE COMPANY.

I now deal shortly with the claim for surveys. The returns put in show that no superfluous survey-work was done by the company. The survey branch of the company's work was carefully supervised and economically administered. For our purpose the surveys are divided into four classes: (1.) Surveys done by the company upon which the company itself constructed railway-line. (2.) Surveys upon which the Government (since the date of seizure) has constructed and is constructing its railway-line. (3.) Surveys from Patterson's Creek to the Bealey, on which it is submitted the line will and must be constructed by the Government, and which, consequently, the Government will have the full advantage of. (4.) Surveys between the Bealey and the Otira.

It is admitted that the Government is not likely to construct their railway on these Bealey-Otira lines; but we submit that we should be paid for these surveys, on the ground that if they had not been made by the company they would have been made by the Crown, in order to enable it to fully investigate and exhaust alternative routes and finally determine the line to be taken. It is well recognised that surveys for the purpose of comparison of different routes must be made in such country as this; and it is further recognised that money so spent is oftentimes most properly and prudently spent, since an improved route ascertained purely by comparative surveys may save thousands of pounds, or, in other words, repay the trial surveys many times over. We submit that the Government, if it paid us for these surveys, has in this way received full value for the expense. It has enabled the Government to finally decide on the best possible route; and, as I have said, this decision could only have been arrived at by making the survey for which we now ask compensation. With regard to payment for all these surveys, we submit that they may be fairly treated as part of the railway seized and confiscated. They were work done, the Crown now has the plans, and it is quite plain that if the Crown had seized as part of the construction plant appliances which were necessary to build bridges or do other work between Jackson's and the Bealey, or between the Otira and Springfield, the Crown would pay us under the terms of the Commission for these appliances and machines. Surely, then, if the Government have got possession of these plans, they are in a sense part of the plant or appliances for the construction of the railway, such as other plant and appliances for actual engineering-work would be.

THE LAND-PURCHASE AND COMPENSATION ACCOUNT.

I desire now to deal with the land-purchase and compensation account. It must be admitted that the land was bought as cheaply as possible, and the lowest amount paid for compensation in each case. The method was described to you by Mr. Young, and there is no gainsaying the fact that this department of the company's work was well done and well managed; but a very small amount appears to have been charged for legal expenses. (This is not an insignificant fact, for any lawyer knows what a fruitful field this land-purchase and compensation work is for his profession.) It is not suggested that more land was bought by the company than in the circumstances should have been bought. Where additional land had to be bought for the sake of getting the piece required at a low rate, or for the purposes of temporary occupation, these surplus lands have been debited to us; so that what the Crown has to pay for is only what is really required for the railway.

It will be seen that in the amount charged for compensation a sum of £2,700 appears. Mr. Young has explained that this was for a payment required by Act of Parliament as a condition of the authorisation by the Government of the Lake Brunner deviation, and it was expended in making a certain route or road between the Greenstone and Lake Brunner to give access to the railway. The road now exists, and, it is to be assumed, will be of value to the railway in bringing traffic to it. It may be that this sum should have been more properly charged to construction account, but it is assumed that if the Commission is satisfied that it should be charged to construction account they will include it in the amount of that account. It was merely charged in this way because the company's auditors put it in the compensation account.

CLAIM FOR COST OF ADMINISTRATION AND INTEREST.

Now I desire to deal with the contested question of the cost of administration. I understood Mr. Blow to admit that he considers 5 per cent. on the total cost a proper charge to be allowed for administration. This I infer from the evidence given by Mr. Blow before you. It is plain that this sum does not include directors' fees paid in England or the expenses of headquarters administration. Mr. Blow admitted that the 5 per cent. did not include Ministerial supervision, and the directors' fees and London office expenses would in some respects be equivalent to the cost of Ministerial charges in Government work. In this connection it may be pointed out that Mr. Blow's estimate would not include the expenses of the Government in raising loans which would be requisite to carry on railway-construction here, although in arriving at the cost to the colony of the construction of a railway it seems to me that the expenditure upon raising the requisite capital would be a fair charge. We submit that, in addition to the 5 per cent. mentioned by Mr. Blow, a percentage of, say, 2½ per cent. should be allowed to cover directors' fees, the inspection of bridges, of rails and fastenings, rolling-stock, &c., and for the general control of the company in England. But we will abandon this 2½ per cent. Of course, Mr. Blow admits that this 5 per cent. does not include the cost of surveys.

Now I will deal with the item of interest. It must be conceded that we are entitled to interest during the time spent in construction, and the only question is as to the basis on which it should be charged. It is plain that a reference to clause 44 of the contract (if the contract is to guide us) shows that if the Government purchased the line before completion they had to pay interest, and this was limited to £400,000. That provision is no help here, for the amount to be paid the company was to be the full cost of construction *plus* that interest. No deduction, however, was to be made for the land-grants which the company had received, and it would be unfair to invoke clause 44 of the contract against us while departing from where it is in our favour. If, as under clause 44, no deductions were to be made for land-grants, we would not insist upon payment of any interest at all. The Commission suggested—I do not say they decided—that it should be taken over a period beginning three months before the commencement of a contract until the line in respect of which the contract was let had been opened for traffic, and on these lines a statement has been prepared and handed in to you, showing a total claim for interest of £106,214.

In connection with the timber industry it is submitted that a sum of £7,000 was spent by the company in developing the timber business. The circumstances were these: When the company's lines were getting ready for traffic it was recognised that there was practically no timber trade between the West Coast and other parts of New Zealand or Australia, and that to establish such a trade would involve a heavy initial loss. The company endeavoured to induce the mill-owners to combine for the purposes of developing the trade, but it failed in this attempt. They said they were not in a position to risk any personal loss. The company thereupon sent Mr. Pavitt, their timber expert, to Australia and round the mills of the colony, and got full particulars of the state of the trade. In order to promote the development of the traffic, the company ordered some millions of feet of timber from the local sawmillers. The company paid for this timber, and had itself to dispose of it. In this development of the West Coast timber trade the company expended £7,000 over and above the returns from the sales. This was not a commercial undertaking at all. The company had no desire to become exploiters of the timber business. It was solely for the purpose of giving the trade a start, so that the line might have the advantage of further traffic. This no doubt would further enhance the value of the bush over which the company had the right of selection. But, while it was expected to have and did have that result, it must be borne in mind that the advantages accruing from the developing of the timber trade were far greater in the case of the Government than in the case of the company. The whole of the forests, or a greater part of them, now belonging to the Government were increased in value by this development, so that the Government has now been able to double the rate of royalty. The traffic on the Hokitika line and on the Brunner line was enormously increased, and large profits to the Government consequently resulted. We submit, therefore, that a greater advantage has accrued to the Government from this expenditure than merely an increase of traffic on the Midland Railway lines. It has raised the value of all the forests in the districts, and given the Government twice the royalties. It has increased the traffic on the Government lines, and, in short, has benefited the Government to a far greater extent than mere increase in traffic on the Midland lines. For these reasons we say that the Commission should consider the item in arriving at its decision, and remember the advantage which the Crown has derived and will derive from this loss to us of £7,000.

EXPENSES OF LAND-GRANT ADMINISTRATION.

Now we come to the lands administration. See Exhibit No. 163, page 165, where expenses amounting to £21,103 1s. 4d. appear. First, it seems that the only items the Crown can really object to are taxes and one or two minor items. With regard to taxes, it seems quite plain that the land was held for the purposes of obtaining a better price, and the taxes had to be paid in the meantime. If the land had been sold at the time of the grant by the company, it is probable that it would have obtained no more than the B1 value for it. An energetic canvass of the property during the time the rates were accruing resulted in the enhanced value obtained. But the Government have the full advantage of this enhanced value, and it seems unfair, therefore, that the Crown should charge us with these taxes while claiming the enhanced value for which alone the taxes were paid. It is said by Mr. Bell that if the Government had sold the lands the buyer would have had to pay taxes. This is very true; but if the Government had sold the land at the time it was granted to the company it would have obtained probably no more than the B1 value, and the enhanced value by a very large sum exceeds the whole of the taxes paid. I submit, therefore, that the Government in this matter would really be claiming twice over if the payment of these taxes is to be disallowed.

As regards the general cost of land-administration, it must be borne in mind that the company had the right of selection of an area something like 5,000,000 acres. This involved a more or less intimate knowledge of the whole area, and such knowledge could only be obtained by good expert officers and at considerable expense. It was not like the case of an estate being placed in the hands of a land agent for sale at a price. Before selection, blocks had to be inspected, their suitability for the market determined, and information about them sufficient for the purpose of promoting their sale gathered. All this required a staff and involved expense. The staff, however, it will be seen, was a very slender one, and it is submitted that the work of the land-administration was carried on most economically and effectually. The prices obtained for the land show that an energetic canvass of the properties in the market was made; possible purchasers were sought out and the properties brought under their notice.

Again, legal expenses were kept down to a very low sum by the employment of a solicitor who did legal work in connection with his other duties, and in this item alone, if ordinary solicitors'

costs had been paid for everything, a very large additional sum would be found in the statement. It is to be borne in mind that the increased prices obtained over and above the B1 value were not due to the energy of the company's officers alone, but also due to the freedom with which the company could deal with their lands. The test is constantly put, "What could the Crown have done in the same position?" and it is well to point out that if the Crown had tried to sell these lands they would have been restricted by the Land Acts and by all the regulations of the Land Office. The absence of these restrictions and of this control enabled the company to get a better price than the Crown could possibly have done, and, as the Crown is now getting the benefit of that, we should not be disallowed the cost of the means by which these prices were obtained. We therefore, say that from the amount the land-grant has realised there must be deducted the cost of selling and administering the land-grant department—viz., £21,103 1s. 4d.

Before proceeding to consider the selling-value of the lines it may be pointed out, with regard to the money expended by the Government on Rowe's contract, which, you remember, was part of the work of construction between Brunner and Stillwater, that this work was done by the Government prior to the date of the Midland Railway contract, and was handed over to the company as one of the inducements of the contract. It was purely a gift to us. Owing to the decay of the timber bridge-work included in this section, and of other depreciations in the work, the value was reduced, and therefore, if this work is to rank as part of the Government's claim, it should be at a value of, say, £500 less than its original cost.

As regards the condition of the line at the time of seizure and confiscation, it will be borne in mind that, at the date of the seizure in 1895, the oldest part of the work on the line was that done seven years before, while the greater part of it had been done between 1890 and 1895. Much of it was, in fact, at the time of the seizure absolutely new work. The Government has had continuous possession since May, 1895, and are responsible for any disrepair into which the line has been allowed to fall.

WHAT IS THE SELLING-VALUE OF THE RAILWAY.

Now I come to selling-value. The method prescribed by the 8th clause of the Commission of arriving at the selling-value is presumably, *inter alia*—(a) To have regard to the net revenue derived from working the railway; (b) to have regard to the prospective increase in net revenue to be derived from increase of population in the neighbourhood and increase of traffic on the line, but excluding prospective increase from further construction by the Crown. This method cannot be applied to the Belgrove-Norris's Gully Section, because there have been no net earnings of that piece of line. I submit that clause 9 of the Commission asks you to value this section on a prospective basis alone—that is, under subclause (b) of clause 8. It is said that there are not only no profits in the working of this section, but a deficit, and therefore I suppose the section is worth less than nothing. I submit, however, that a sum of over £60,000 was spent by the company on this section in terms of the contract; that a long valuable tunnel through Spooner's Range was made, and the country beyond that range brought into easy communication with Nelson. Looking at the future, at the nature of the country in the Motueka Valley and its tributary valleys, the possibilities of increased settlement there, and consequent increase of traffic from the pastoral, agricultural, mining, and other resources, this section will be a profitable section of railway within the near future. The Commission is entitled to assume that, if an extension of the present line or extension by tramways or light lines would pay, their private enterprise would find the capital for their construction, and that with extension, light lines, or tramways tapping different parts of the country opened up, with all the consequent increase of population, this line would pay some interest at least upon the cost of construction. I therefore submit that it requires but time and the normal growth of settlement and population to make the section between Belgrove and Norris's Gully a profit-earning section. It is impossible, I admit, to predicate how long it will take or what the rate of interest on construction would be, but relying upon the Commission's favourable consideration of the fact that over £60,000 of our money was well spent on the line in good faith, resulting, among other things, in the great work of piercing Spooner's Range with a tunnel and opening up all the country beyond, the Commission may well assume that, for the purposes of fixing the selling-value, the increase of traffic from the sources I have mentioned will in ten or fifteen years enable the section to earn an average rate of interest. At least the Commission will bear in mind that by means of the work done by the company the settlers beyond Belgrove have been enabled to get their produce to the Port of Nelson conveniently and cheaply, and certainly from the point of view of the Crown the line is well worth what it cost the company.

Turning now to the Springfield-Patterson's Creek Section: On this section you will see that over £60,000 of the company's money was spent in terms of the contract. The line was laid and completed to Otarama, but we are told that for this the company should get nothing, as it has no selling-value. It is submitted, however, that the Commission must not determine the selling-value to-day or within a year or two, but ask itself whether in, say, ten or twenty years there is not every reason for expecting that the line would return a fair interest upon the cost of its construction. Here, again, no one can state any precise figures. It is admitted that the matter is largely in the region of conjecture, but I feel sure that the Commission will not, if it can reasonably avoid it, treat the whole of this expenditure of the company's money as practically wasted, and as worth nothing in point of selling-value in the hands of the Government that has confiscated it.

We come now to the Jackson's-Reefton Section. And now I desire to look at the earnings of this section in the hands both of the company and the Crown. I do not forget the fact that a part of the income was due to the conveyance of construction material, and that some small sums must be deducted for rents collected; but you have the detail of all these sums, and will yourselves decide what deductions should be made. First let us look at the earnings of the railway in the company's hands (see page 107):—

	£
1st August, 1889, to 30th June, 1890—eleven months (when line not open to Reefton or Jackson's); only a fragment made	1,608
30th June, 1890, to 30th June, 1891 (neither Reefton nor Jackson's were opened)	4,000
30th June, 1891, to 30th June, 1892 (only opened to Reefton 29th February, 1892)	4,288
30th June, 1892, to 30th June, 1893 (opened only to Reefton)	4,408
30th June, 1883, to 30th June, 1894 (opened to Jackson's 13th March, 1894)	6,572
This is the last complete year the company ran the line, and their net profits, after deducting everything paid for conveyance of construction materials and rents, was	5,136
30th June, 1894, to 25th May, 1895—eleven months (opened Jackson's and Reefton)	3,257

Now I turn to the earnings of the railway in the hands of the Government, and I say that the return (Exhibit No. 2, page 5) put in is wholly misleading as a statement of the net earnings of the railway—at least, for the last three years. Take, for example, the year ending the 31st March, 1899: £2,974 10s. 4d. is debited for rates, that being the accumulated rates for three years. Again, £1,281 19s. 11d. is debited for protection-works, plainly not maintenance, but permanent improvement, and as little chargeable to annual expenditure as the construction of additional miles of the railway. Again, that year £1,416 11s. 2d. is debited to expenditure which was paid for new rolling-stock and signals. That should be plainly charged to capital account; and at least £2,000 is debited to maintenance for river-protection works which should be capital account. (See Mr. Christopher's evidence and the average for maintenance.) Thus, allowing proper charge for rates, we find this year £6,938 wrongly charged to expenditure, and the net profit, which should stand at £5,088, by this means converted into a deficit of £1,840.

Taking this Exhibit No. 2 (page 5) and correcting it as is required to find the net profits, we discover that from—

26th May, 1895, to 31st March, 1896—ten months, £4,014, made up as follows:—	£
Revenue	13,157
Expenditure	8,399
	<hr/>
Less rates	4,758
	<hr/>
	744
	<hr/>
Net balance	4,014
1st April, 1896, to 31st March, 1897, £2,804, made up as follows:—	
Revenue	17,716
Expenditure... ..	14,168
	<hr/>
	3,548
	<hr/>
Less rates	744
	<hr/>
Net balance	2,804
1st April, 1897, to 31st March, 1898, £4,738, made up as follows:—	
Revenue	19,351
Expenditure... ..	13,869
	<hr/>
	5,482
	<hr/>
Less rates	744
	<hr/>
Net balance	4,738
1st April, 1898, to 31st March, 1899, £5,088, made up as follows:—	
Expenditure	21,844
Revenue	20,004
	<hr/>
Debit balance	£1,840

But we say £2,000 is wrongly charged, maintenance should be improvement (capital account): see Mr. Christopher's evidence and the normal charge for maintenance (pages 61, 62); £2,974, charged for four years' rates, should be a quarter = £744, charged against this year's revenue; £1,282, charged protective-works, should be improvement (capital account); £1,416, charged for new rolling-stock and signals, should be capital account. Thus, overcharged to expenditure, £6,928; deduct debit, £1,840; true profit balance, £5,088.

1st April, 1899, to March, 1900, £5,112, made up as follows:—	£
Revenue	21,161
Expenditure	17,088
	<hr/>
	4,073
Add rolling-stock	34
Add protective-works	1,005
	<hr/>
	£5,112

The year 1st April, 1899, to 31st March, 1900, is the last reliable return of net income for any year. The three months and twenty-one days—1st April to 21st July, 1900—of which we have a return, is useless as a guide. These are the winter months, and it is impossible to use their results as any basis of calculating the probable year's income. It is noticeable, too, that in these three months and twenty-one days rolling-stock to the value of £1,263 was purchased and debited to expenditure. The last two years of which a record is available is the two years ending March, 1900, and the average on my figures for these years is £5,098 per annum; and if you deduct the whole traffic claimed by the Government as due to construction during these years you still have an average of £3,911—say, £4,000. But you cannot deduct the whole gross sum for traffic due to construction material, as the Crown seeks to do. You must first deduct from such gross sum the whole of the expenses of carrying that construction material, and, if you do that, the balance is insignificant. This, moreover, is allowing the Government a very high rate of expenditure, which in some years seems to amount to over 80 per cent. of the whole gross earnings, and in the year ending March, 1900, was 81 per cent. of total expenditure; but, if the rate of expenditure is phenomenally large, it is perhaps due to temporary and abnormal conditions which will not obtain in future. These two were not phenomenal years, or even very good years. The year 1893-94, for example, was over £1,100 better, being (net) £5,136 7s. 11d. Sufficient time had not been allowed since the opening of the Jackson's line to run off competing means of carriage and communication and secure that complete monopoly of the traffic which in time is inevitable in this case. A railway may either precede settlement or follow it. In the one case it is a cause in the other an effect of settlement. Here plainly the railway must precede settlement—must, in other words, to a large degree create the traffic by which it can subsist. No time has yet been allowed for this. The railway so far has been mainly paving the way for settlement and for the traffic which will follow. Hence, to take the earnings of the last few years is not a reliable or adequate method of computing the future earnings.

You will bear in mind that I have been dealing with the Reefton-Jackson's line only, and the figures I have stated are confined to that line. It may be that a consideration of the other small branches—Belgrove and Motupiko line and Springfield-Otarama line—shows that these lines have been run at a loss; but, as the income and value of each line have to be dealt with separately, it is surely plain that no deductions must be made from the income of the Reefton-Jackson's line on account of these other two fragments of line. It seems quite plain that no justification could be urged for the Government's persisting in running these branches at a loss and seeking to charge the loss against us. That would be first running them to make a loss and then claiming that that loss showed the lines were worth some thousands of pounds less than nothing, and deducting the deficiency so created. And it must be borne in mind that these two portions were constructed in accordance with and as required by our contract. I infer, however, that the Crown feels this, and it is not claimed that there should be a deduction made for any deficit for these two fragments of line to which I have alluded. What I have said with regard to the Reefton-Jackson's line as a pioneer of settlement strongly applies to the Belgrove-Motupiko line through Spooner's Range, which was an inseparable barrier for many years to much traffic between the Motupiko Valley and Nelson and the back country beyond Spooner's Range generally. Time must plainly be allowed for the extensive settlement which will take place there in future, when, no doubt, the deficit of the last year will be converted into a profit balance.

Dealing now with the probable increase of the earnings of the Reefton-Jackson's line, I repeat that the results of the two years ending March, 1900, are not a fair basis for computation. They were not really good years, and, as I have said, altogether too short a time has elapsed to permit of settlement and consequent increase of traffic. It is a proof of this that it is everywhere admitted that a return of the net earnings of the Reefton-Jackson's line for the year ending 31st March, 1901, would show a very large increase upon the earnings of the previous years. We did our best, and this Commission has done its best, to get a return showing these earnings, but the Railway Department, (for a perfectly good reason) are unable to furnish them. What, therefore, the earnings of the last year have been we cannot say; but all the evidence led points to the conclusion that these earnings are a substantial increase upon the two years ending March, 1900.

I therefore invite the Commission, in view of the reasons I have stated in opening my address, to give us the benefit of a general inference as to the extent of this increase. We have, for no fault of our own, no figures, and I cannot, therefore, be met by the objection that I am not proving my estimate. The only figures are in possession of the Government, and, for the reasons they have stated, they are not available. In this position, therefore, I submit, looking at the increase of sawmills on the West Coast since March, 1900, looking at the increase given to traffic by gold-dredging, looking at the increase of coal traffic, and looking at the increase of mining generally—particularly at Reefton—and all the consequent traffic which results from prosperity in these different industries, and looking, finally, at the fact that in 1893-94 the net earnings were £6,572, or, after deducting construction traffic, £5,136, I am entitled to say that if we had the figures for the year ending March, 1901, before us we would probably find that the net earnings of this line, fairly estimated, would be not less than £7,500. I submit, therefore, from a friendly consideration of all the facts, that we should begin with the assumption that the railway last year netted £7,500; and the next question is, What increase on this sum is to be expected within, say, the next fifteen years? Allowing a 10-per-cent. increase each year upon the previous year's net earnings, we find that in seven years the net income would be doubled, while in a further eight years—that is, in fifteen years from now—the present income would be more than quadrupled. That is, on the assumption of a 10-per-cent. increase on each preceding year. There is nothing unreasonable in assuming, in view of all the circumstances, that the Reefton-Jackson's line will have this 10-per-cent. increase annually, and that in fifteen years from now it will be earning a net

income of between £25,000 and £30,000; for it is to be borne in mind that as the gross income of this line increases the expenditure will not increase in the same proportion. The whole of the administration at present employed upon these lines would probably be able to carry on a much larger traffic without any material increase in staff, while the past Government administration and maintenance has been unusually, but unavoidably, most expensive. It is well recognised, I understand, that the progress of young railways is always marked by a larger proportional increase of revenue than expenditure. I submit, therefore, that there is nothing wild or unreasonable about the assumption that this line may be earning £25,000 or £30,000 under favourable conditions in, say, fifteen years. I begin, therefore, by submitting that fifteen years is a fair period to expect an increase of traffic on this railway. It is quite obvious, in view of the nature of the country, the totally unsettled condition in which most of it is, its undeveloped wealth of natural resources, the capital which will be required for their development, and the potentialities of the West Coast generally, that it is fair to assume the railway will not have reached its maximum normal earning-capacity for, say, fifteen years to come. And if a fair rate of interest is 10 per cent. on each preceding year up to that time, we should, as I have stated, quadruple our present income, and reach figures somewhere between £25,000 and £30,000 as net income per annum. Assuming this estimate is reasonably correct, what, then, is a fair method of determining the present value of the line upon the basis of capitalisation? It is plain that the present value of an income which is to extend over fifteen years must be determined by an appeal to actuarial tables, but this complicated calculation might be avoided by the following simple method: Capitalise the estimated earnings of last year at $3\frac{1}{4}$ per cent. or $3\frac{1}{2}$ per cent., which is about the rate the Government could borrow at for the purpose. Hence if we capitalise £7,500 at $3\frac{1}{2}$ per cent. we have £214,286. Now, I suggest that the income would be doubled in seven years and quadrupled in fifteen. We propose to abandon our claim for the increase which will go on after the expiration of seven years from date, and set that off against the actuarial deductions which would be made for paying now the capital amount of an income which would continue for seven years from date. In other words, we ask you to treat the present value of the railway at twice the capitalised sum of its present earnings. This would give us £428,572. I do not propose to make any analytical examination of the great mass of evidence which was called at Greymouth and elsewhere to prove the reasonable prospects which exist of a vast development of the timber, coal, and gold industries on the West Coast. You have heard from many witnesses—Mr. Pavitt, and many sawmillers who were called in Greymouth—of what an inexhaustible region of timber there is captured by this railway. You have heard that the dredging industry is still in its infancy, and that with the achievement of such success as the industry now promises there would be an enormous increase in population and consequent traffic over this line. The returns and evidence before you show what has happened at Reefton. Surely it is not over-sanguine to believe that a great gold-mining development is going to take place there and elsewhere on the coast. What may reasonably be expected from the further and more successful application of the cyanide process to the ores of the West Coast? All this finds ample support in the fact that during the last ten years, it seems, the assessed value of mining property in the Inangahua County has quadrupled. I claim that the present and recent development of the mining industry at Reefton is one of the direct results of the railway, and what it has done for Reefton it may well, within the next five or ten years, do for other parts of the West Coast. However, the evidence is all before you, and nothing I can say will assist you in dealing with that evidence. My inference from it is that the West Coast has a great future before it, and, with the realisation of that future, the earnings of that railway will reach the figures I have mentioned. If you think so, I beg you to give us the full advantage of your belief, for unless you do that we must, I fear, under this drastic Commission, go away empty.

Now I desire to look at the matter another way, and discuss the probable selling-value of these lines of railway. It is clause 8 of the Commission, it must be remembered, that directs the Commission to find the selling-value of each of the lines of railway from Stillwater to Reefton and from Brunner-ton to Jackson's, treated as a railway equipped and constructed and owned by persons having the running-powers provided by law. In arriving at this selling-value the Commission are to look at the net income and the prospective increase of net income, but the Commission is precluded from considering what might accrue from the construction of railways continuing or connecting with such line of railway by the Crown. Now, it will be observed that you are to find the selling-value—that is your first duty; and in arriving at that you are directed to consider two factors—you are not precluded—on the contrary, you are required to ascertain what would be paid for this line if it had been offered for sale at the time of confiscation. Now, I ask you to consider what would have been the result if in the month of July of last year this railway was being run by the Midland Railway Company, and that the company had decided to sell it—that is the way you must look at the question of probable purchase. If, then, the company had had the railway, and were trying to sell it, they would naturally look around for the most profitable and likely purchaser. Who would have been the most likely purchaser? Obviously the Crown. There is nothing in the Commission (I ignore the enlargement of it just now) to prevent your therefore inquiring, What would the Crown have given for the railway if it had been offered to it by the company in July of last year? The sum the Government could have given by law under the contract (see clause 44) is the actual cost of construction, together with interest—*i.e.*, £779,982—as I have shown. This is the price presented by the contract itself. Of course, the Crown need not pay that sum, and may bargain for a lower price. Let us ask them, What was its real selling-value to the Crown as a purchaser if, instead of buying under the terms of the contract, the Government had bargained in the usual way—assuming always (as I admit) that the company could not obtain a higher price for it from an English or colonial syndicate. Now, obviously, whatever profit a syndicate might make out of this line, the Govern-

ment must in final result make much more. Last year Mr. Bell showed what an enormous boon to the whole colony the construction of this line would be, and we were treated to the advantage of hearing expert witnesses from all parts of the Middle Island, who showed beyond a shadow of doubt that the construction of the whole line would result in the gain of millions to the colony as a whole. You are precluded from considering the value on the assumption of the completion of the line, and it is not necessary to my present contention that the assumption should be made. I ask you simply to say what would the Government of this colony have given for this line if it had been offered to it in July of last year, assuming the Government did not intend to complete the line. It would plainly have paid the Government, from the figures which are before you, to have given us the actual cost of construction, because, in addition to the traffic earnings from these lines, the Crown would derive numerous other direct and indirect advantages from the Midland Railway. Among these I may mention—(a) the traffic upon the existing lines, the Brunner and Hokitika lines. Here the Government obtain a very large sum from the traffic over these lines, a large part of which traffic has been created by the Midland Railway itself. In the admirable way shown by Mr. Bell last year, the Government also obtains numerous other advantages.

The existence and possession of the railway would mean much more to the Crown than mere traffic earnings. It meant, we were shown by Mr. Bell, increase of rateable value on lands. It meant increase of population. It meant increased royalty on timber. It meant increased Customs duties, and all the other duties which accrue to the Crown from the development of coal, gold-mining, and tourist traffic. All these advantages have in a measure accrued from the constructed portions of the line, and the increase of these advantages to the Crown will move *pari passu* with the progress and advancement of the line itself; so that it is quite plain, if the Government had been approached as a purchaser in July of last year, it could well have afforded to give a better price for this line than any other buyer, and I put it as a test for the consideration of this Commission what, if the railway had been in the possession of the company, and was being run in the ordinary way, the Crown would have given for its absolute purchase, the purchase of the Jackson's line, and of the portions of line between Belgrove and Motupiko and Springfield and Otarama. You must look at this question for this purpose as if no power of confiscation existed, because it will be remembered that we are not here relying on legal rights. By the indulgence of the Crown we are permitted to claim as if the power of confiscation had not existed, and as if the company, having the railway in its possession, was trying to find the best purchaser it could. I say that in such a case the Crown would have been the purchaser, and would have given either the sum presented by the contract—*i.e.*, actual cost—or something approaching the proper estimated cost of construction. In other words, it would have given, I submit, a very large part of what it cost—*viz.*, of £772,982—for the whole rights of the company. But it is absurd to say that this line would not have found a private purchaser if the company had had the line in its own hands and were running it (as we must assume for this purpose it had and was).

The Commission precludes your considering what additional value would be given to the line if the Crown had continued and completed it, but you are not precluded from considering what additional value the line would have if the purchaser extended it by tramways, by light railway-lines, or by carrying out the contract which existed until the date of confiscation. We saw that if a few thousands were spent on extending the Reefton terminus, or connecting the Reefton terminus with the coalfields and timber lands beyond Reefton, a very large additional traffic would be at once enjoyed by the line, and that it would pay private enterprise to make this extension or connection. The same observations apply to the line in the direction of Reefton, and for the purpose of connecting the line with the reefs and timber land referred to by Mr. Bruce in his evidence given at Greymouth. It is submitted, therefore, that, even if the Government were not a purchaser, and the company had been free to dispose of this railway as it now stands, a syndicate could have been formed to purchase it for a substantial figure, and that, economically run and properly conducted, it would in a few years have yielded the average rate of interest on construction derived from such investments. In other words, had we really been in possession of the line as a going concern, and had time to prudently canvass it, we could have got a buyer at a price surely in excess of half the cost of construction—at a price, I submit, at least equal to the value I have mentioned on a capitalisation basis—*viz.*, £428,572.

HOW SHOULD THE SELLING-VALUE OF THE RAILWAY BE DIVIDED.

Turning now to clause 12 of the Commission, we find that, these lines of railway having been constructed by moneys provided partly by the shareholders in the company, partly by moneys raised upon debentures, and partly by moneys provided by the Crown through grants of land, the Commission has to say in what proportions should the money-value of the lines of railway be apportioned among the three several contributors to the cost of construction. Now, it is to be observed, in the first place, that it is for you to fix and determine the proportion each should take. If it was intended that the three several contributors should rank in proportion to their contributions, or that the Crown claim was first to be deducted in full, there was no need of asking you to fix the proportion. That was a mere arithmetical sum of simple division or subtraction; but you are to fix the proportion, and it is in your discretion to say to the Crown, "It was never intended that these land-grants were to make you part-owners in this railway." These grants were given merely as a premium or bonus to encourage an undertaking which would yield enormous advantages to the whole colony. It is in your discretion to say that, as the line was by the Act and contract divided into sections, and that as grants of land were given on the completion of specified sections, a plain inference is that each section of railway itself was to the colony such an advantage as justified the gift of a grant of land. It is in your discretion to say that, if under clause 43 of the contract the Crown had exercised its right to purchase the extent of line constructed by the company, the Crown would have had to pay the cost of its con-

struction, and no deduction could have been made for the land-grants already made, and that that truly showed the real nature of these grants. I say, therefore, that it is in your discretion to fix what proportion of the value of the line the Crown should now have. It plainly need not be the proportion of its contribution. The proportion is wholly left to you, and I submit that, in view of the fact that these grants were never intended to be part-payment, but were merely as a bonus for what has already been constructed, a much smaller proportion than the proportion of the contribution ought to be allowed. I submit that, if the Crown is to be allowed for its contribution, it should be fixed at, say, half the amount it would have received on a proportion equivalent to its share of contribution. I submit, then, that it is plain you are the only and absolute judges under this Commission of how this money is to be divided. You may give the Crown nothing, on the ground that as between man and man a gift is not usually afterwards treated as a debt, and, that as the already constructed line must have benefited this colony to the extent of at least a portion of the millions of pounds Mr. Bell has proved the whole line would have added to the colony's wealth, these grants of land may fairly (as was intended under the contract) be set off against that benefit. Or you may give the Crown a share, and fix the share as you please. But the Crown, it seems, wants to put rather a novel construction upon this clause 12. It does not deny that this is a partnership in which several parties have embarked a certain amount of money. But the capital of the partnership, the Crown says, has not been prudently spent, and the work done with that capital might have been done for less. The Crown says that the saving which might have been effected must fall in the form of loss upon the other partners in the undertaking—namely, upon the debenture-holders and shareholders; so that, first, the selling-value of the work done with the capital of the partnership must be determined, and then we (the Crown) must be allowed to rank for dividend in that value to the full extent of our contribution, while the other two partners must be deemed to have contributed to the capital of the partnership no more than a sum equal to the balance of the cost of the work over and above our (the Crown's) contribution. Or, putting this in a simpler way, A and B have found, we will say, a million pounds' worth of capital; C (the Crown) has found £300,000. The whole of this capital was spent without distinction as to its source upon the enterprise—some of it, we will admit for the present, imprudently. One of the partners (C) says, "In dividing a dividend you must assume that all the money I have contributed was spent prudently, and all the money lost by imprudent expenditure must fall upon the share of my partners A and B." Surely such a claim would not be entertained for a moment in a Court of justice. Surely C will be told that his contribution had passed into the general funds of the partnership, and that he must bear his share of whatever loss arose from accident or imprudent disbursement. I submit, therefore, that it would be wholly unfair to take the course which is suggested by the Crown, and allow the Crown to rank for the full amount of its contribution upon the selling-value of the line, while at the same time forcing the other two partners—the debenture-holders and the shareholders—to rank merely for the balance of the estimated proper cost of construction over and above the Crown's contribution.

It has been suggested during the course of this inquiry that the Crown has inherent prior legal rights which have not been expressly waived in the Commission, and which must therefore be strictly observed by you. Sir, if this were an investigation of legal rights we would not be here. We have no legal rights. The Crown has all the legal rights, and with them our railway. If legal rights are to be imported into this inquiry, why stop at the Crown's prior legal rights as a creditor? Why not also go on to say that the Crown alone has legal rights to the railway—a right to keep it and pay nothing for it—a legal right not to a share alone of its value, but a right to the lot. Surely, then, if the Crown is going to stand upon its legal rights, it should be consistent and claim the whole of this selling-value. That, of course, reduces such a suggestion to an absurdity. It is not your knowledge of law this Commission appeals to, but to your sense of common fairness and justice—to your good judgment of what is right and equitable, untrammelled by technical rules and legal priorities. The fair method of division, if the Crown is to be permitted to rank at all, is a division on some basis of contribution. Ask what was the total amount spent by the company and debenture-holders, and allow the debenture-holders and shareholders to rank for that, while allowing the Crown to rank for a part of the net value of the land-grants, irrespective altogether of what is the estimate of the proper cost of construction. Any other basis, I repeat, would be most unfair both to the debenture-holders and shareholders. If it is said that the Crown had no voice in spending its contribution, the reply is, neither had the debenture-holders. They lent their money as ordinary lenders, and had no control whatever over its expenditure. If any one of the three must be penalised for mistakes and losses in expenditure, it must be the company; it certainly cannot be the debenture-holders, who were more powerless to control the work and the outlay than the Crown, for the Crown had great powers under the contract over this work.

And now what about that sum of over £50,000 of debenture-holders' money which was admittedly employed in construction-work since the Crown's seizure? You will remember the memorandum put in by Mr. Bell, to which he refers in the speech you have just heard. What did that memorandum mean and say? Surely this: that you were to exclude altogether from your consideration of our claim the £50,000 odd we have given the Government since the date they seized our line—*i.e.*, since May, 1895—on the ground that the Crown would repay to us that sum. Well, you have excluded this £50,000; but what does the Crown now say? I wrote Mr. Bell asking him to get us an assurance that this money would be repaid, and he tells me the Crown will not undertake to repay that money. I ask you what were you as a Commission led to believe in this matter? Surely that that money would be repaid; and I beg you in your report to say so, so that we may not be told hereafter that you had no such impression, and did not prepare your report on the assumption that such repayment would be made.

Now let me state the general result at which I have arrived (the figures are taken roughly, and mainly to illustrate the basis of division):—

Cost of Construction.

The line constructed could not have been constructed for less than £666,768, including in that sum 5 per cent. for engineering fees and cost of administration (I omit here the further 2½ per cent., which I submit we might well claim)	£ 666,768
To this add interest, computed at £5 per cent. on the contract price for a period taken from a date three months before the commencement of each contract until the section in respect of which that contract was let was open for traffic	106,214
Total cost of construction	<u>£772,982</u>

Selling-value.

The Reefton-Jackson's line (including all rolling-stock, plant, and appliances) would be worth on the best sale	£ 428,572
The Springfield Section cost £60,000, and the Belgrove Section cost £60,000. These two sections, therefore, cost £120,000. I value them at something more than half their cost, say	71,428
Total	<u>£500,000</u>

The assets for division are therefore £500,000.

The debenture-holders advanced—First, £764,000; second, £93,000: total, £857,000. (This sum does not include £207,000 due to the debenture-holders for interest.)

Take the debenture-holders' contribution at	£ 850,000
The company's capital (now all spent) was	250,000
Total contribution of debenture-holders and company	<u>£1,100,000</u>
The Crown has contributed, say	300,000
Total	<u>£1,400,000</u>

Now, the Crown, for reasons stated, should not rank in the proportion of its contribution, but at half that proportion. The proportion of its contribution would be three-fourteenths; half that, three twenty-eighths. The Crown therefore takes £53,571.

Debenture-holders and company rank in proportion to their respective contribution—*i.e.*, debenture-holders take seventeen twenty-seconds; company, five twenty-seconds. Or, in other words, debenture-holders, £344,929; company, £101,500.

This result would give debenture-holders really less than 6s. 8d. in the pound on the amount of their claim, including interest. In other words, they would lose on this basis no less than £700,000.

I am not concerned with the claims of the company. The company occupied a very different position from that of the debenture-holders. It ventured its capital and lost it, as promoters of this undertaking. The debenture-holders were but lenders. They had no prospect but the payment of their interest and their loan. They could not have reaped any part of the large profits some anticipated the company would make, and it may well be that you alone have to fix the proportions in which the available money should be divided, that you will not allow the company to rank in the same proportion as the debenture-holders.

I have so far throughout my address carefully avoided any consideration of the supplementary Commission. It is, perhaps, putting my view of that supplementary Commission as plainly and as shortly as possible if I say that on its receipt by me my desire and my advice to the Receiver was to withdraw at once from any further participation in this inquiry. My client, Mr. Coates, in his good judgment, however, earnestly urged me against this course, and I consented to deliver this address and ignore this supplementary Commission altogether. This I should have done, but Mr. Bell has thought fit to explain or justify it, and I cannot let his statements in this connection go unchallenged. He has started this topic, and I must reply to him. He has told us in his address that, inasmuch as the petitioners protested against the limitation to one method of value presented by the original Commission, the Commissioners are directed by the first paragraph of the new Commission to adopt any method they think fit for ascertaining what was the selling-value of the railway in open market at the period named. Now, that contains in effect two distinct statements: (a) That the issue of the supplementary Commission was due to our protest; (b) that the supplementary Commission permits you to adopt any method you think fit for ascertaining the selling-value. I do not quarrel with Mr. Bell for making these statements. He is here as an advocate putting the best complexion he can upon this unique proceeding; but I say with confidence that neither of these statements is accurate, but are both the reverse of the fact. When was our protest lodged? At the very beginning of your inquiry. When was this supplementary Commission issued? Over four months later, at the eleventh hour. After all the evidence was taken, and just when counsel were on the point of addressing. If our protest was the cause, why was this violent change in the terms of your Commission not made earlier—not made before all the witnesses were examined? Was it kept back purposely? If not, and our protest was the real cause, why was it not issued immediately? No excuse at all is said to be better than a really bad one, and to try and convert our four-months-old protest into a cause, and, I suppose, a justification, for this last Commission does not, I make bold to say, do justice to Mr. Bell's commonly unflinching candour and common-sense. Nor is the second statement made by

him more easily reconcilable with fact. It is stated that in the new Commission you were empowered to adopt any method of selling-value you thought fit, and you were so empowered because we objected to the method of valuation prescribed by the original Commission. Now, to begin with, it is obvious that the new method, which is said to be left to your discretion, is much more limited and worse for us than the old. So that this latter method, if it really was in consequence of our protest, is a punishment rather than a privilege. But what is this method so generously left to your discretion? You are to find the selling-value, but in doing this you are forbidden—(a) to include any increase of traffic which might accrue from railways connecting or continuing the existing lines, whether constructed or connected by (1) private enterprise, (2) Government money; (b) you are forbidden to consider what the Government as an ordinary purchaser would have given for the line if the company had been running it; (c) you are carefully to determine this peculiar selling-value immediately after the Government took possession—*i.e.*, in whatever imperfect state some of the pieces of line might be. Contrast that with the method of estimating selling-value presented by the original Commission, and you will find it is more harsh, more restrictive, and much more unfair to us than the previous one, and yet this is the new method so generously left to your free discretion.

Mr. Bell has ventured to say what in his view was the reason for this new Commission. I am entitled to state my view of the same matter. We had shown that the company has spent prudently or imprudently in connection with the Midland Railway over a million of money, that the lowest sum for which the lines could possibly be constructed was over £770,000, and that the net value of the land-grants we received—not as a loan, but as a bonus—scarcely exceeds £300,000. We had shown that the contributions of each of the three partners mentioned was roughly as follows: The debenture-holders, £850,000; the company, £250,000; the Crown, £300,000. Among these three claimants, or partners, the selling-value of the lines was, under clause 12 of the original Commission, to be divided, certainly not more favourably to the Crown than in proportion to the sums contributed, and hence, although we must even then have got much less than our due, we should still have obtained a substantial sum. On this view of the terms and meaning of the Commission we for four months co-operated with you; and, all the evidence having been taken, all the returns and statements furnished you which our money, skilled engineers, and accountants could supply, I appeared before you fourteen days ago to address you. Mr. Bell then asked for an adjournment. He told us frankly that he had submitted to the Government a copy of the address he proposed to deliver here, and that the Government had not had time to peruse and consider it. A week's adjournment was therefore granted to enable Mr. Bell to get, as I understood, the Government's approval of his address. The case had been heard, all evidence taken, the issues for you as a jury prepared and submitted; the addresses of counsel alone remained to conclude the proceedings before judgment. What then happens? The essential character and basis of the inquiry, in my opinion, is suddenly altered by the Crown's intervention. Mr. Bell's statement of the case—it is the only inference—had shown the Government that, on the terms of the original Commission, the debenture-holders were bound to get at least something, and thirty-six hours before the four months' proceedings were to finally close we got this new Commission. It is easy to say that this new Commission is but an enlargement of the original one, and that the questions in the original must still be answered. What do we find? No longer are you in estimating the selling-value to allow any increase accruing from private enterprise extending, connecting, or completing these lines. No longer can the value of the pieces formed be estimated on the basis of their being finished, for they must be treated and valued as in the incomplete condition in which they were immediately after the Government took possession. No longer can you ask what would the Government as a purchaser have given for the lines: that is expressly forbidden. And, worse than that, no longer is each of the partners—the debenture-holders, the company, and the Crown—to divide this estimated selling-value in the proportion of their contributions; but from this novel selling-value—which could, under the restrictions imposed, scarcely exceed a fourth of the real value—is to be deducted the full net proceeds of all the land-grants, and only the balance, if any, is to be divided between the debenture-holders and the company. If this new Commission contains the real inquiry the Government wanted answered, then Mr. Blow or any junior clerk in his department could have answered the question in five minutes. Let me save any doubt and trouble and say here and now that we admit that, if the test is to be that you are to estimate the selling-value of these lines in the new way presented, and then deduct the full proceeds of the land-grants, the balance will be nil—nay, it will be many thousands of pounds less than nothing. The marvellous machinery of this new Commission will thus enable the Crown to say hereafter that, although we as company and debenture-holders have spent above a million of money on a railway which the Crown has absolutely confiscated, yet we, somehow, should get nothing for it—nay, owe the Crown for a large deficiency.

I have to thank you for the attention you have given, and to say, on behalf of Mr. Coates and the debenture-holders, that, whatever objection we may have had to the form of the Commission, we have received at your hands every indulgence and consideration. Perhaps I may be permitted to add, in view of what may hereafter be said of these proceedings, that we feel it due to Mr. Bell, as counsel for the Crown, to say that he has throughout acted with a fairness and courtesy which has our gratitude.

COMMENT BY MR. BELL.

Mr. Bell: I desire permission of the Commission to make two observations upon Dr. Findlay's address. I have no right to reply to him generally. Firstly, Dr. Findlay has used and reiterated throughout his address such expressions as "confiscated by Government," "railway confiscated," "property confiscated." No such expression can, as shown before the Committee of last session, be fairly or justly applied to the course which the Government of the colony has adopted in exercise of the duty imposed upon it by statute, and of the powers conferred upon it by the provisions of the contract between the company and the Crown. Were an inquiry into the justice of the accusation conveyed by such expressions within the scope of this Commission I should have been enabled to meet and confute it. Secondly, Dr. Findlay has asked the Commission to report that its members have understood throughout that the £50,242 19s. 3d. provided after the seizure otherwise than from the Colonial Treasury would be paid in full. The understanding is set out in my memorandum, Exhibit No. 153, approved by Dr. Findlay, the 5th paragraph of which is as follows: "The Commission would probably think it proper to note in their report that this sum formed part of moneys which had been actually paid by the company to the Government pursuant to demands, but the Government prefer that the sum should remain part of the £50,242 19s. 3d., which, as I have said, they desire to deal with separately and distinctly."

MR. DALSTON'S ADDRESS.

Mr. Dalston: Mr. Chairman and Gentlemen,—Dr. Findlay's address sums up the position of the company so completely that there is nothing for me to add. I leave the case of the shareholders in your hands, in the full belief that they will receive generous treatment. There is no desire, I am sure, on the part of the colony to do an act of injustice to those whose only fault is that they have been unfortunate. I desire to express my thanks for the courteous and painstaking hearing which the Commission have accorded to me throughout these proceedings.

THE HISTORY OF THE

The first part of the history of the world is the history of the human race. It is a story of struggle and progress, of triumph and defeat. It is a story of the human mind and the human heart, of the human spirit and the human soul. It is a story of the human race, of the human race, of the human race.

THE HISTORY OF THE

The second part of the history of the world is the history of the human race. It is a story of struggle and progress, of triumph and defeat. It is a story of the human mind and the human heart, of the human spirit and the human soul. It is a story of the human race, of the human race, of the human race.

EXHIBITS.

EXHIBIT No. 1.

RETURN OF THE TOTAL SUMS REALISED BY THE RECEIVER FROM THE SALES OF LAND GRANTED BY THE CROWN TO THE COMPANY. (See also Company's Return.)

No. of Block.	Area of Block.	Areas of Lands sold.	Amount realised.
	A. R. P.	A. R. P.	£ s. d.
Westport Town Section 751 ...	0 1 0	0 1 0	10 0 0
" 436, 437 ...	0 2 0	0 2 0	20 0 0
" 614, 615 ...	0 2 0	0 2 0	20 0 0
" 612 ...	0 1 0	0 1 0	12 0 0
" 622 ...	0 1 0	0 1 0	10 0 0
" 623 ...	0 1 0	0 1 0	10 0 0
" 627, 648-650 ...	1 0 0	1 0 0	50 0 0
" 653, 654 ...	0 2 0	0 2 0	25 0 0
" 628 ...	0 1 0	0 1 0	10 0 0
" 378, 379, 430, 431 ...	1 0 0	1 0 0	32 0 0
" 631, 632, 636, 655-58 ...	1 3 0	1 3 0	57 0 0
" 621 ...	0 1 0	0 1 0	10 0 0
" 406 ...	0 1 0	0 1 0	15 0 0
" 652 ...	0 1 0	0 1 0	10 0 0
" 651 ...	0 1 0	0 1 0	10 0 0
" 731 ...	0 1 0	0 1 0	15 0 0
" 638-40, 659, 444 ...	1 1 0	1 1 0	47 10 0
" 607, 608 ...	0 2 0	0 2 0	30 0 0
" 456-58 ...	0 3 0	0 3 0	32 10 0
" 404 ...	0 1 0	0 1 0	10 0 0
B1, Block 26 ...	10,698 0 0	10,698 0 0	10,762 0 0
" 69 ...	13,540 0 0	13,540 0 0	13,943 0 0
" 68 ...	3,200 0 0	3,200 0 0	3,600 0 0
" 45* ...	8,384 0 0	8,384 0 0	5,557 5 8
" 44,* Lots 45, 47, 48 ...	9,085 0 0	9,085 0 0	6,716 10 0
" 63,* Lots 3, 3A ...	818 0 0	818 0 0	818 1 9
Totals ...	45,735 2 0	45,735 2 0	41,832 17 5

* See also company's return.

The New Zealand Midland Railway Company (Limited)

JAMES COATES,

Wellington, 8th February, 1901.

Receiver in the Colony.

RETURN OF THE TOTAL SUMS REALISED BY THE COMPANY FROM THE SALES OF LAND GRANTED BY THE CROWN. (See also Receiver's Return.)

NOTE.—Roods and perches and shillings and pence omitted.

No. of Block.	Area of Block.	Area of Lands sold.	Amount realised.	Area of Lands unsold.		
				A.	R.	P.
	Acres.	Acres.	£			
28	10,172	10,172	10,172	...		
41	7,346	7,346	6,612	...		
44*	4,544	4,544	11,320	...		
45	32,427	32,427	21,074	...		
46	8,586	8,586	11,968	...		
50	6,738	6,738	6,740	...		
61	33,126	33,126	14,500	...		
62	1,070	739	1,088	331	1	27
63*	6,269	5,650	7,021	619	1	0
65	3,004	3,004	3,420	...		
42	25,669	25,669	26,000	...		
43	26,642	26,642	28,107	...		
53	35,751	35,751	15,555	...		
77	8,123	6,883	8,105	1,240	3	31
64	5,999	173	681	5,826	0	23
67	8,940	8,940	13,325	...		
70	4,864	4,864	6,577	...		
71	8,500	8,500	11,047	...		
127	43,122	43,122	27,168	...		
130	17,646	17,646	11,469	...		
220 (part)	1,914	1,914	5,000	...		
131	7,292	7,292	3,646	...		
48*	...	...	2,827	...		
54 (part)	5,269	5,269	3,016	...		
54 (part)	24,960	24,960	14,235	...		
Cobden town sections	14½	...	...	14	2	7
Ahaura town sections	14½	...	...	14	2	23
Westport town sections*	18½	...	...	18	2	0
Totals	338,020½	329,957	270,673	8,065	2	11½

* See also Receiver's Return.

† For details, see separate lists.

The New Zealand Midland Railway Company (Limited),

NORMAN H. M. DALSTON,

E. and O.E.—Wellington, 8th February, 1901.

General Manager.

SUMMARY OF RETURNS SHOWING AMOUNTS REALISED BY THE RECEIVER AND THE COMPANY FROM THE SALES OF LAND GRANTED BY THE CROWN.

NOTE.—Roods and perches and shillings and pence omitted.

No. of Block.	Total Area of Block.	B1 Value of Block.	Total Area of Lands sold.	Total Amount realised.	Area of Lands unsold.		
					A.	R.	P.
	Acres.	£	Acres.	£			
28	10,172	10,172	10,172	10,172	...		
26	10,698	10,698	10,698	10,762	...		
69	13,540	11,847	13,540	13,943	...		
68	3,200	3,200	3,200	3,600	...		
48	8,384	6,288	8,384	8,384	...		
44	13,629	17,036	13,629	18,036	...		
63	7,087	7,087	6,468	7,839	619	1	0
41	7,346	5,510	7,346	6,612	...		
45	32,427	21,078	32,427	21,074	...		
46	8,586	6,440	8,586	11,968	...		
50	6,738	5,054	6,738	6,740	...		
61	33,126	16,563	33,126	14,500	...		
62	1,070	1,070	739	1,088	331	0	0
65	3,004	3,380	3,004	3,420	...		
42	25,669	19,252	25,669	26,000	...		
43	26,642	19,981	26,642	28,107	...		
53	35,751	17,876	35,751	15,555	...		
77	8,123	4,062	6,883	8,105	1,240	3	31
64	5,999	6,000	173	681	5,826	0	23

SUMMARY OF RETURNS SHOWING AMOUNTS REALISED BY THE RECEIVER AND THE COMPANY FROM THE SALES OF LAND GRANTED BY THE CROWN—*continued.*

No. of Block.	Total Area of Block.	B1 Value of Block.	Total Area of Lands sold.	Total Amount realised.	Area of Lands unsold.		
	Acres.	£	Acres.	£	A.	R.	P.
67	8,940	8,941	8,940	13,325			
70	4,864	2,432	4,864	6,577			
71	8,500	4,250	8,500	11,047			
127	43,122	21,561	43,122	27,168			
130	17,646	8,823	17,646	11,469			
220 (part)	1,914	957	1,914	5,000			
131 (part)	7,292	3,646	7,292	3,646			
54 (part)	5,269	2,635	5,269	3,016			
54 (part)	24,960	12,480	24,960	14,235			
Cobden town sections	14½	527	...	...	14	2	27
Ahaura town sections	14½	462	...	...	14	2	23
Westport town sections	29	1,427	10½	436	18	2	0
Totals	383,756	260,735	375,692½	312,505	8,065	2	11

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,

E. and O. E.—Wellington, 8th February, 1901.

General Manager.

LANDS UNSOLD.
Canterbury District.

No. of B1 Block.	No. of Section.	Area of Section.		
		A.	R.	P.
62	Rural Section 35,753, Rolleston Survey District	170	0	0
62	" 35,753, " "	6	0	0
62	" 37,061, " "	155	1	27
64	" 37,064, 37,065, Selwyn Survey District	5,763	2	23
64	" 35,838, 35,839, Hawkins "	62	2	0
77	Part Rural Section 37,084, Kowai "	1,240	3	31
63	Rural Section 37,005, Rakaia Survey District	189	1	0
63	" 37,014, " "	430	0	0
	Total	8,017	3	1

Cobden Town Sections.

No. of Section.	Area of Section.	No. of Section.	Area of Section.
	A. R. P.		A. R. P.
70	0 1 17	231	0 1 0
73	0 1 0	233	0 1 0
137	0 1 0	235	0 1 0
139	0 1 0	241	0 1 0
141	0 1 0	243	0 1 0
144-149	1 2 0	245	0 1 0
151	0 1 0	261	0 1 0
195	0 0 32	263	0 1 0
203	0 0 32	265	0 1 0
205	0 0 32	267	0 1 0
207	0 0 32	269	0 1 0
209	0 0 32	271-278	2 0 0
211, 212	0 1 24	281	0 1 0
215-217	0 2 26	283-298	4 0 0
221	0 1 0		
225	0 1 0	Total	14 2 27

LANDS UNSOLD—*continued.*
Ahaura Town Sections.

No. of Section.	Area of Section.	No. of Section.	Area of Section.
	A. R. P.		A. R. P.
11	0 0 12	225	0 0 12
57	0 0 12	227	0 0 12
87	0 0 12	229-235	0 2 4
90-93	0 1 8	237-255	1 1 6
103-106	0 1 8	257, 258	0 0 24
108	0 0 12	264-303	3 1 33
113-121	0 2 28	Also two blocks, equal to thirty-two sections	2 1 24
128-144	1 4 4		
168-179	0 3 24	Total	14 2 23
182-220	2 3 28	...	

Westport Town Sections.

	A. R. P.		A. R. P.
352	0 1 0	691	0 1 0
443	0 1 0	693	0 1 0
607	0 1 0	694	0 1 0
709	0 1 0	695	0 1 0
610	0 1 0	697	0 1 0
611	0 1 0	698	0 1 0
616	0 1 0	699	0 1 0
624	0 1 0	700	0 1 0
626	0 1 0	701	0 1 0
643	0 1 0	702	0 1 0
645	0 1 0	703	0 1 0
646	0 1 0	704	0 1 0
647	0 1 0	705	0 1 0
664	0 1 0	706	0 1 0
665	0 1 0	707	0 1 0
666	0 1 0	708	0 1 0
667	0 1 0	709	0 1 0
668	0 1 0	712	0 1 0
669	0 1 0	713	0 1 0
670	0 1 0	714	0 1 0
671	0 1 0	716	0 1 0
673	0 1 0	717	0 1 0
674	0 1 0	718	0 1 0
675	0 1 0	719	0 1 0
676	0 1 0	720	0 1 0
677	0 1 0	722	0 1 0
678	0 1 0	725	0 1 0
679	0 1 0	726	0 1 0
680	0 1 0	727	0 1 0
681	0 1 0	728	0 1 0
683	0 1 0	733	0 1 0
684	0 1 0	734	0 1 0
685	0 1 0	737	0 1 0
686	0 1 0	746	0 1 0
687	0 1 0	747	0 1 0
688	0 1 0	748	0 1 0
689	0 1 0		
690	0 1 0	Total	18 2 0
		...	

The New Zealand Midland Railway Company (Limited),
 NORMAN H. M. DALSTON,
 General Manager.

Wellington, 8th February, 1901.

EXHIBIT No. 2.

NEW ZEALAND MIDLAND RAILWAY.—REVENUE AND EXPENDITURE.

REVENUE.

Period.		Passengers.	Parcels and Luggage.	Mails.	Goods.	Rents.	Miscellaneous.	Percentage.	Total.
From	To								
<i>Reefton-Jackson Line.</i>									
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
26th May, 1895	31st Mar., 1896	4,701 9 1	304 14 0	477 4 1	6,403 16 0	158 4 4	2 10 0	1,109 6 0	13,157 3 6
1st April, 1896	" 1897	6,408 13 5	432 19 6	550 0 0	8,580 12 0	186 8 6	189 16 11	1,367 12 9	17,716 3 1
" 1897	" 1898	6,516 13 1	535 12 5	550 0 0	9,884 6 5	193 3 6	144 12 0	1,527 7 8	19,351 15 1
" 1898	" 1899	6,344 5 1	585 18 11	550 0 0	10,455 14 6	186 16 0	249 4 8	1,632 11 7	20,004 10 9
" 1899	" 1900	6,465 19 1	623 19 4	550 0 0	11,455 0 6	203 8 0	110 2 3	1,752 12 1	21,161 1 3
" 1900	21st July, 1900	2,007 7 8	185 16 9	137 10 0	3,769 6 7	74 2 2	41 13 4	540 16 0	6,756 12 6
		32,444 7 5	2,669 0 11	2,814 14 1	50,548 16 0	1,002 2 6	737 19 2	7,930 6 1	98,147 6 2
<i>Belgrove-Motupiko Line.</i>									
1st Mar., 1899	31st Mar., 1899	21 13 7	3 2 8	..	40 16 8	..	..	..	65 12 11
1st April, 1899	" 1900	378 19 5	41 14 0	..	446 7 2	16 13 9	11 13 4	..	895 7 8
" 1900	21st July, 1900	98 8 8	11 11 11	..	128 12 9	8 0 0	8 6 8	..	255 0 0
		499 1 8	56 8 7	..	615 16 7	24 13 9	20 0 0	..	1,216 0 7
<i>Springfield-Otarama Line.</i>									
26th May, 1895	31st Mar., 1896	47 18 3	..	..	..	..	..	..	47 18 3
1st April, 1896	" 1897	37 15 0	..	..	14 10 7	..	..	..	52 5 7
" 1897	" 1898	13 9 2	..	..	16 7 5	..	..	..	29 16 7
" 1898	" 1899	25 17 6	..	..	72 1 7	6 8 0	29 10 8	..	133 18 0
" 1899	" 1900	17 14 0	..	..	162 7 10	11 16 0	..	..	191 17 7
" 1900	21st July, 1900	3 4 5	..	..	77 2 3	4 0 0	..	..	84 6 8
		145 18 4	..	..	342 9 8	22 4 0	29 10 8	..	540 2 8
Grand total	..	33,089 7 5	2,725 9 6	2,814 14 1	51,507 2 3	1,049 0 3	787 9 10	7,930 6 1	99,903 9 5

EXPENDITURE.

Period.		Maintenance.	Locomotive and Car and Wagon.	Traffic.	General Charges.	Rates.	Protective Works, &c.	Rolling-stock and Signals.	Total.
From	To								
<i>Reefton-Jackson Line.</i>									
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
26th May, 1895	31st Mar., 1896	3,973 4 10	2,289 14 11	1,834 16 5	301 5 8	..	..	..	8,399 1 10
1st April, 1896	" 1897	8,431 3 0	3,313 4 3	2,423 15 9	..	..	..	..	14,163 3 0
" 1897	" 1898	8,247 15 9	2,804 10 0	2,105 15 7	711 12 11	..	..	..	13,869 14 3
" 1898	" 1899	10,446 10 4	3,399 16 6	2,073 13 1	251 13 6	2,974 10 4	1,281 19 11	1,416 11 2	21,844 14 10
" 1899	" 1900	8,541 13 8	4,053 17 2	2,236 11 6	250 0 0	967 4 5	1,005 6 1	34 2 5	17,088 15 3
" 1900	21st July, 1900	2,844 12 7	1,303 8 4	679 14 0	76 14 4	..	..	1,263 1 9	6,167 11 0
		42,485 0 2	17,164 11 2	11,354 6 4	1,591 6 5	3,941 14 9	2,287 6 0	2,713 15 4	81,538 0 2
<i>Belgrove-Motupiko Line.</i>									
1st Mar., 1899	31st Mar., 1899	42 15 8	13 19 3	47 14 0	..	..	..	1,287 8 0	1,391 16 11
1st April, 1899	" 1900	818 0 3	219 12 10	232 13 6	..	250 0 4	..	..	1,520 6 11
" 1900	21st July, 1900	173 17 7	67 18 5	61 1 1	..	..	..	..	302 17 1
		1,034 13 6	301 10 6	341 8 7	..	250 0 4	..	1,287 8 0	3,215 0 11
<i>Springfield-Otarama Line.</i>									
26th May, 1895	31st Mar., 1896	432 2 7	..	..	..	..	..	..	432 2 7
1st April, 1896	" 1897	717 1 6	..	..	..	..	..	..	717 1 6
" 1897	" 1898	318 2 2	..	..	..	..	..	..	318 2 2
" 1898	" 1899	749 14 7	..	..	..	..	62 4 6	..	811 19 1
" 1899	" 1900	336 15 4	..	..	..	..	65 6 10	..	402 2 2
" 1900	21st July, 1900	102 16 8	..	..	..	..	..	..	102 16 8
		2,656 12 10	..	..	..	..	127 11 4	..	2,784 4 2
Grand total	..	46,176 6 6	17,466 1 8	11,695 14 11	1,591 6 5	4,191 15 1	2,414 17 4	4,001 3 4	87,537 5 3
Balance to Public Works Department									£12,366 4 2

A. C. FIFE,
Railway Accountant.

EXHIBIT No. 3.
NEW ZEALAND MIDLAND RAILWAY.—TRAFFIC.

Period.	Passengers.				Parcels, &c.										Goods, &c.								
	Single.		Return.		Total Season Tickets.	Parcels.	Horses.	Carriages.	Dogs.	Drays, &c.	Trucks, Churn, &c.	Cattle.	Calves.	Sheep.	Pigs.	Bales Wool.	Trucks Fire-wood, &c.	Timber.	Grain.	Merchandise.	Minerals.		
	First.	Second.	First.	Second.																			
<i>Reefton-Jackson Section.</i>																							
May 26, 1895, to Mar. 31, 1896	1,043	1,578	19,164	30,490	40	4,971	109	2	378	7	54	240	4	3,680	183	316	255	5,497,900	1,541	13	2,607	6	
April 1, 1896,	1,987	2,359	24,220	40,996	36	6,431	139	12	402	29	104	254	6	3,818	223	274	282½	5,608,500	2,206	6	3,642	0	
" 1897,	1,171	2,241	19,848	43,726	79	7,719	206	21	344	48	141	297	24	3,165	402	240	622½	6,450,500	2,332	11	4,231	2	
" 1898,	1,112	2,100	19,360	46,084	133	9,236	182	9	330	25	130	384	7	3,815	345	223	730½	7,377,400	2,442	5	3,878	19	
" 1899,	1,222	2,491	18,986	45,228	130	9,965	205	9	401	14	134	290	3	4,074	468	191	753	9,286,700	2,746	12	4,177	18	
" 1900, to July 21, 1900	360	954	6,532	18,394	63	3,053	53	2	199	12	56	44	3	973	113	4	70	3,028,600	849	4	1,312	6	
	6,295	11,723	108,110	219,918	481	41,365	894	55	2,054	135	619	1,509	47	19,525	1,734	1,248	2,036½	37,244,600	12,118	11	19,849	11	
<i>Belgrave-Motupiko Section.</i>																							
Mar. 1, 1899, to Mar. 31, 1899	80	30	72	204	..	840	..	..	4	..	3	..	1	210	2	40	..	2,300	24	7	53	10
April 1, 1899,	911	488	840	5,636	..	228	..	..	86	13	..	..	2	819	65	885	37	24,900	306	14	550	5
" 1900, to July 21, 1900	232	48	1,066	1,394	..	..	..	..	37	..	..	..	..	174	..	7	14	1,400	111	6	212	4
	312	1,223	1,140	6,896	..	1,140	4	2	127	13	3	2	3	1,203	67	882	51	28,600	442	7	815	19	
<i>Springfield-Otarama Section.</i>																							
May 26, 1895, to Mar. 31, 1896	..	..	..	7,052	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
April 1, 1896,	..	..	..	5,828	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
" 1897,	31	384	164	2,176	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
" 1898,	10	164	290	3,474	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
" 1899,	..	..	120	2,240	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
" 1899, to July 21, 1900	..	..	52	296	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	..	41	1,424	20,406	12	225,700	57	1	1,039	10
Grand total	6,607	12,987	110,100	247,220	481	42,505	898	57	2,181	148	634	1,511	50	20,728	1,801	2,130	2,417½	37,498,900	12,617	19	21,705	0	

A. C. FIFE, Railway Accountant.

EXHIBIT No. 4.

STATEMENT showing EXPENDITURE by GENERAL GOVERNMENT on Portion of MIDLAND RAILWAY beyond BELGROVE, commenced by Company, to make same available for Traffic.

Particulars of Service.	Amount expended.		
	£	s.	d.
Resetting out constructed line to enable plate-laying, &c., to proceed	268	19	0
Preliminary works to put section in order	479	10	6
Ballasting, plate-laying, fencing, &c., not including rails, sleepers, &c.	4,263	12	3
Service rails for ballast-pit	50	3	4
River-bank protection at Wai-iti, new road to ballast-pit	50	0	0
Freight, &c., on wagons used for ballasting	80	0	0
Shifting station-buildings at Belgrove	419	7	6
Clearing water-tables, 21/30 to 25/50	24	0	0
Retarring flume at tunnel	52	2	11
Protective-works in connection with fluming of tunnel	91	0	0
Constructing relief-sidings at ends of tunnel	268	14	3
Supply of rails and fastenings	4,198	9	0
Supply of sleepers	1,231	7	0
Freight on rails, &c., and sleepers	632	7	8
Maintenance of section	316	19	10
Equipment, &c., of section	60	0	0
Salaries of officers	726	2	2
Contingencies, travelling-expenses, &c.	69	13	2
Erection of platelayer's cottage at Belgrove	234	14	0
Taking up road in Spooner's Range yard, constructing cattle-stops, &c.	35	0	0
Total	£13,552	2	7

P. S. WALDIE, Book-keeper.

Public Works Department, Wellington, 9th February, 1901.

EXHIBIT No. 5.

STATEMENT showing EXPENDITURE by GENERAL GOVERNMENT on PORTION of RAILWAY-LINE between BRUNNER and STILLWATER.

Particulars of Service.	Amount expended.		
	£	s.	d.
Formation-works, &c.	13,337	0	0
Engineers and others' salaries, &c.	1,822	0	0
Contingencies, &c.	200	0	0
Total	£15,359	0	0

P. S. WALDIE, Book-keeper.

Public Works Department, Wellington, 9th February, 1901.

EXHIBIT No. 6.

STATEMENT showing EXPENDITURE by GENERAL GOVERNMENT on PORTION of MIDLAND RAILWAY between SPRINGFIELD and PATTERSON'S CREEK.

Particulars of Service.	Amount expended.		
	£	s.	d.
Erection of cottage	279	6	2
Material, labour, &c., for platelaying from 4/59 to 5/47	1,565	15	11
Telephone connection to Springfield	120	0	0
Temporary siding at 5/42	66	11	6
Salaries of officers	162	18	4
Contingencies, travelling-expenses, &c.	85	2	2
Total	2,279	14	1

P. S. WALDIE, Book-keeper.

Public Works Department, Wellington, 9th February, 1901.

EXHIBIT No. 7.

RETURN showing the AMOUNTS EXPENDED by the GOVERNMENT ON CONSTRUCTION-WORK on the BELGROVE-MOTUPIKO SECTION of the NEW ZEALAND MIDLAND RAILWAY between the 25th May, 1895, and the 31st August, 1897, and which Amounts were either recouped out of Traffic Receipts on other Sections of the Midland Railway or paid by the Company.

	£	s.	d.
From 25th May, 1895, to 29th February, 1896	4,060	0	1
From 1st March, 1896, to 31st August, 1896	6,558	15	8
From 1st September, 1896, to 28th February, 1897	2,971	7	7
From 1st March, 1897, to 31st August, 1897	5,168	9	5
Total	£18,758	12	9

H. J. H. BLOW,
Under-Secretary for Public Works.

Public Works Office, Nelson, 20th February, 1901.

EXHIBIT No. 8.

APPROXIMATE ESTIMATE of REVENUE DERIVED from TRAFFIC caused by EXTENSION-WORKS, JACKSON to OTIRA, from the 1st May, 1895, to the 20th July, 1900.

	£	s.	d.
Passenger traffic from Jackson, after deducting coach and local passengers (annual, £223)	1,116	0	0
Public-works material and stores forwarded to Jackson (annual, £576)	2,880	0	0
Goods and stores for co-operative workmen, Otira extension	1,944	3	8
Total	£5,940	3	8

New Zealand Railways, Greymouth, 9th March, 1901.

EXHIBIT No. 9.

STATEMENT OF RAILAGES PAID BY UNDER-MENTIONED SAWMILLS.

	Grey-Brunner Proportion.	Midland Proportion.	Total.
<i>Twelve Months ending 24th May, 1898.</i>			
	£ s. d.	£ s. d.	£ s. d.
Waller and England, Craig's Siding ... ..	...	...	...
O. Peterson, Craig's Siding—			
Grey-Brunner rate, 7d.; Midland rate, 7d.:	333 4 7	333 4 7	
total, 1s. 2d.			
Miscellaneous traffic	21 14 4	21 14 4	
R. Stratford, Te Kinga—			709 17 10
Grey-Brunner rate, 7d.; Midland rate, 8d.:	306 2 1	349 16 8	
total, 1s. 3d.			
Miscellaneous traffic ... ..	...	20 15 0	
Lake Brunner Company, Lake Brunner Siding—			676 13 9
Grey-Brunner rate, 7d.; Midland rate, 8d.:	476 12 10	544 14 8	
total, 1s. 3d.			
Miscellaneous traffic ... ..	...	7 1 3	
Baxter Brothers, Baxter's Siding—			1,028 8 9
Grey-Brunner rate, 7d.; Midland rate, 6d.:	86 19 6	74 11 0	
total, 1s. 1d.			
Miscellaneous traffic	155 8 0	155 8 0	
Butler Brothers, Butler's Siding—			472 6 6
Grey-Brunner rate, 7d.; Midland rate, 6d.:	149 0 3	127 14 6	
total, 1s. 1d.			
Miscellaneous traffic	54 5 0	61 7 10	
J. Jay, Kaimata—			392 7 7
Grey-Brunner rate, 7d.; Midland rate, 6d.:	182 15 9	156 13 6	
total, 1s. 1d.			
Miscellaneous traffic	10 3 0	23 10 9	
			373 3 0

STATEMENT OF RAILLAGES PAID BY UNDER-MENTIONED SAWMILLS—*continued.*

	Grey-Brunner Proportion.	Midland Proportion.	Total.
<i>Twelve Months ending 24th May, 1899.</i>			
Waller and England, Craig's Siding— Grey-Brunner rate, 7d.; Midland rate, 7d.: total, 1s. 2d.	£ s. d. 179 18 0	£ s. d. 179 18 0	£ s. d. 359 16 0
O. Peterson, Craig's Siding— Grey-Brunner rate, 7d.; Midland rate, 7d.: total, 1s. 2d.	31 4 3	31 4 3	62 8 6
Stratford and Son, Moana— Grey-Brunner rate, 7d.; Midland rate, 8d.: total, 1s. 3d.	484 9 2	553 13 4	1,036 2 6
Lake Brunner Company, Lake Brunner— Grey-Brunner rate, 7d.; Midland rate, 8d.: total, 1s. 3d.	635 8 6	726 4 0	1,361 12 6
Baxter Brothers, Baxter's Siding— Grey-Brunner rate, 7d.; Midland rate, 6d.: total, 1s. 1d.	266 11 1	228 9 6	495 0 7
Butler Brothers, Butler's Siding— Grey-Brunner rate, 7d.; Midland rate, 6d.: total, 1s. 1d.	218 7 5	187 3 6	405 10 11
Jay, Kaimata— Grey-Brunner rate, 7d.; Midland rate, 6d.: total, 1s. 1d.	271 19 0	233 2 0	505 1 0
<i>Twelve Months ending 2nd March, 1901.</i>			
Waller and England, Craig's Siding— Grey-Brunner rate, 7d.; Midland rate, 7d.: total, 1s. 2d.	361 2 1	361 2 1	722 4 2
J. Goss, Moana— Grey-Brunner rate, 7d.; Midland rate, 8d.: total, 1s. 3d.	414 8 0	473 12 0	888 0 0
Lake Brunner Company, Lake Brunner Siding— Grey-Brunner rate, 7d.; Midland rate, 8d.: total, 1s. 3d.	564 13 4	645 6 8	1,210 0 0
Baxter Brothers, Baxter's Siding— Rate previous to 27th August, 1900— Grey-Brunner, 7d.; Midland, 6d.: total, 1s. 1d.	37 11 4	32 4 0	
Rate since 27th August, 1900— Grey-Brunner, 7d.; Midland, 5d.: total, 1s. Miscellaneous traffic	50 7 5 49 1 3	35 19 7 ...	205 3 7
Butler Brothers, Butler's Siding— Rate previous to 27th August, 1900— Grey-Brunner, 7d.; Midland, 6d.: total, 1s. 1d.	143 16 5	123 5 6	
Rate since 27th August, 1900— Grey-Brunner, 7d.; Midland, 6d.: total, 1s. Miscellaneous traffic	143 11 9 9 18 10	102 11 3 ...	
J. Jay, Kaimata— Rate previous to 27th August, 1900— Grey-Brunner, 7d.; Midland, 6d.: total, 1s. 1d.	155 1 0	132 18 0	523 3 9
Rate since 27th August, 1900— Grey-Brunner, 7d.; Midland, 6d.: total, 1s. 1d.	134 0 10	115 5 0	537 4 10

NOTE.—The rate to Waller and England's, Goss's, and Lake Brunner Company's sidings not altered by tariff in force since 27th August, 1900.

New Zealand Railways, Greymouth, 14th March, 1901.

H. BAXTER.

EXHIBIT No. 10.

Greymouth, 8th July, 1895.

Memorandum for the General Manager, Wellington.

Report on Midland Railway Company.

HEREWITH please find report furnished at your request.

D. T. McINTOSH, District Manager.

MIDLAND RAILWAY ROLLING-STOCK.

LOCOMOTIVES.

No. 1 (tractive-power, 5,587 lb.; total heating-surface, 580 ft.; area of fire-grate, 9 square feet; capacity of tanks, 600 gallons; fuel-space, 40 cubic feet; weight in working-trim, 26 tons). Builders, Nasmyth, Wilson, and Co., Manchester; date, 1887; makers' number, 311. Four-wheeled coupled, one pair driving, one pair trailing, with 4-wheeled bogie in front; rigid wheel-base, 6 ft. 10 in.; total wheel-base, 16 ft. 9½ in.; bogie, 4 ft. 9 in.; total length outside framing, 23 ft. 9¾ in.; width, 7 ft. 4 in.; inside, 3 ft. 4½ in.; diameter cylinder, 12 in.; diameter of wheels (Eng.), 3 ft. 9 in.; bogie, 2 ft. 2½ in.; stroke of cylinder, 18 in.; length from C. of cylinder to C. of driving-axle, 7 ft. 4½ in.; width between centre of cylinders, 5 ft. 1¼ in.; the boiler-plates are $\frac{7}{16}$ in., telescoped, and fastened with butt-strips double riveted; longitudinal stays between smoke-box tobe-plate and face-plate of fire-box shell; tubes, 1½ in. outside diameter; fire-box is copper; fire-bars, wrought iron; steam- and hand-brake power fitted; cast-iron eccentric straps; direct-acting ordinary valve motion, single guide-bars; the coupling- and connection-rods are of the old type, with solid ends and collars; brasses have caps on outside; Gresham's patent injectors are used; boiler-mountings made by Dewrance; spring-gear is not compensated.

Present Condition of Engine.—Engine in use about seven years; tires in good order, so are coupling-rods, &c.; engine axle-boxes a lot of side-play, nearly $\frac{3}{4}$ in. full; bogie, $\frac{3}{8}$ in., motion-gear in good order and boiler clean; fire-box shows slight bulging between stays about level of fire; there also appears to be slight pitting in the bulged parts, caused by the action of the fire; some of the stay-heads are small; most of the heads require renewing; boiler carries 130 lb. of steam.

No. 2. Builders, Nasmyth, Wilson, and Co., Manchester; date, 1887; makers' number, 315. The general description given to No. 1 is identical for this engine.

Present Condition of Engine.—Engine about seven years in use, and is now in shop for light overhaul. Tubes will not be taken out; boiler is to be relagged with slag wool; axle-box wedge-blocks to be lined up; piston-rods turned up and rings renewed, &c.; the cylinders and all bearings appear in good condition; boiler clean; fire-box in fair order, one rivet-head off seam-joint of c. fire-box; a few ferrules require renewal; boiler carries 140 lb. of steam.

No. 3. Builders, Nasmyth, Wilson, and Co., Manchester; date, 1887; makers' number, 322. The general description given to No. 1 is identical with this engine.

Present Condition of Engine.—Engine in use about six years; tires in good order; framing in good order; a good deal of side-play about axle-brasses—engine $\frac{1}{2}$ in., bogie $\frac{3}{8}$ in.; motion-gear in fair order; die-blocks, $\frac{1}{16}$ in. slack; some of bogie-links are worn about $\frac{1}{8}$ in. in the hole; draw-gear, &c., in good order; boiler clean; fire-box in fair order; a few stay-heads about fire-level small; a few of the tube-ends are eaten away by the fire; a new set of ferrules will be required early; boiler carries 140 lb. of steam.

No. 4. Builders, Nasmyth, Wilson, and Co., Manchester; date, 1887; makers' number, 323. The general description given to No. 1 is identical for this engine.

Present Condition of Engine.—Engine in use about four years; tires in good order; the same applies to draw-gear and other parts; boiler is clean; fire-box in good order; a few ferrules required; boiler carries 140 lb. steam.

No. 5. Builders, Nasmyth, Wilson, and Co., Manchester; date, 1887; makers' number, 312; The general description given to No. 1 is identical for this engine.

Present Condition of Engine.—Engine in use about two years; tires in good order; framing, &c., all in good order; axle-brasses of engine about $\frac{3}{8}$ in. side-play, bogie about $\frac{3}{16}$ in.; draw- and motion-gear all in good order; boiler clean; the renewal of fifteen ferrules would put fire-box in first-class order; boiler carries 140 lb. of steam.

No. 6. Builders, Scott Brothers, Christchurch; date, 1890; makers' number 40. This engine is precisely the same as those built by this firm for Government, and classed as "D."

Present Condition of Engine.—Engine in use about four years; tires in good order; framing, motion, gear, and other parts all in good order; L.H. injector does not work very well; boiler lagged with slag wool; fire-box in first-class order throughout; boiler carries 140 lb. of steam.

Summary.

The loco. power consists of six engines, five of which were built by Nasmyth, Wilson, and Co., and are in appearance very similar to Government engines, class "M"; the other engine is by Scott Brothers, and is known as class "D" in Government service. The engines have been in use from four to seven years, and have not had the tubes out or any heavy repairs, but they have not been worked very heavily. All the boilers were examined as far as could be done with tubes in and lagging on, and appear to be in very fair order, all water-spaces being clean and free from scale. The mud-plugs round fire-box are placed in rather awkward places for washing out and examination. The copper fire-boxes are in fair order; one engine shows slight bulging about level of fire, and another appears to have suffered a good deal from action of fire or the inferior nature of copper used in construction. Some of the tube-ends are burnt off level with the plates, but the majority are in good order; most of the ferrules require renewing; some stay-heads are small. The fire-bars are wrought iron, and are not by any means satisfactory, but there is a large stock on hand that came with engines. Brick arches are used, but not baffle-plates.

The motion parts seem in fair order; movable wedge-blocks are fitted for adjusting the wear of axle-box, &c., but, being of soft steel, appear to cut very much. Quadrant links and die-blocks are of same material, and wear very quickly.

The axles have a very shallow collar on the inside, causing axle-brasses to make a good deal of side-play. The spring-gear is not compensated, and the springs appear rather weak to work independently.

There are a large number of duplicate parts (of the five imported engines) in stock. A complete list is being made, and could be forwarded if required.

CARS AND WAGONS.

Cars.

Class "B," numbered from 1 to 3 (inclusive): These are 44 ft. 4-compt. bogie-cars. No. 1 wants painting outside and floor repairing; Nos. 2 and 3 are in good order.

Class "C," numbered from 1 to 4 (inclusive): These are 44 ft. second-class bogie-cars. Nos. 1 and 3 are in good order; No. 2 requires painting outside; No. 4 has one window in door cracked, otherwise it is in good order.

Brake-vans.

Class "D," numbered from 1 to 3 (inclusive): These are 22 ft. 8 in. long on bogies. Nos. 1 and 2 are in good order; No. 3 is being painted and varnished. These vans are not suitable for the work they are frequently called on to do; there is too much movement, due principally to the vehicle being too short for bogies. The brake-gear is the chain-ratchet-and-pawl style. Vans have no ballast.

General Remarks.—Cars and Vans.

Draw-gear in carriage and vans is in good order, and is to Government standard. The "B" class cars were converted from 3 to 4 compt., which is an improvement to the stability of car, the roof-staying previously not being good. Flanges and tires of wheels are all in good order.

Wagons.

Class "E" (highside), numbered from 1 to 15 (inclusive); length, 15 ft. 2 in. (similar wagons to N.Z.R. Class "L"): These wagons all in fair running-order, and require nothing but some of girders painted.

Class "F" (lowside), numbered from 1 to 45 (inclusive); length, 15 ft. 2 in. (similar wagons to N.Z.R. Class "M"): Fifteen of these wagons are fitted for ballasting, one is fitted up as a travelling-van for men, and six are fitted with chains for carrying timber (logs). No. 3 has a bad floor; Nos. 19, 20, and 22 are under repairs; No. 26 wants a new draw-pin. The rest of this class of wagon are in good order, the most of them being recently overhauled; the principal repairs were bad floors.

Goods-vans (Class "G"), numbered from 1 to 6 (inclusive); length, 15 ft. 2 in. (similar wagon to N.Z.R. Class "K"): These are all in fair order, and call for no special remarks.

Bolster-wagons (Class "H"), numbered from 1 to 24 (inclusive); length, 11 ft. 2 in. (similar to N.Z.R. Class "N"): Wagons not otherwise noted are in good order. No. 5 wants brake-gear fitted; No. 7, collar wanted in king-pin; Nos. 8, 13, 17, 24, bolsters require packing in centre, to prevent them bearing at ends when loaded; No. 22 wants brake-gear fitted.

Cattle-wagons (Class "J"), numbered from 1 to 3 (inclusive); length, 15 ft. 2 in. (similar to N.Z.R. Class "H"): These wagons are fitted up and used like Class "G" for goods; all are in good order.

Sheep-wagons (Class "K"), numbered from 1 to 3 (inclusive); length, 15 ft. 2 in. (similar wagon to N.Z.R. Class "J"): Double deck with batten roof; all are in good order.

Horse-boxes (Class "L"), numbered 1 and 2; length, 15 ft. 2 in. (similar to N.Z.R. Class "G"): No. 1 has two windows broken, otherwise it is in good order; No. 2 is in good order.

Class "R," numbered from 1 to 6 (inclusive); double-bogie timber-wagons; length, 30 ft. 2 in. (similar to N.Z.R. Class "N"): Except the stanchions; instead of folding down alongside wagon, fit into places cut out of the flooring for them, they are attached by a small chain to body of wagon, and are always carried in an upright position. The wagons are all in fair running-order.

General Remarks on Wagons.

The stock throughout is fitted with N.Z.R. std. draw-gear, and is all in good order. Some of the ironwork, such as girders and axles, wants painting, as the rust is beginning to show. Ballast-trucks which were in worst condition have been under repairs, and are now getting into good order.

EXHIBIT No. 11.

New Zealand Midland Railway Company (Limited),
Christchurch, 27th June, 1895.

DEAR SIR,—

I am instructed by the Engineer-in-Chief and General Manager to apply to you for a complete list of the company's rolling-stock, &c., at 25th May, 1895, together with a certificate signed by you as to the condition of the rolling-stock, &c., and permanent-way at that date. I should like to receive this from you before the 30th instant.

Yours, &c.,

NORMAN H. M. DALSTON,
For General Manager.

J. Musgrave, Esq., Resident Engineer,
New Zealand Midland Railway Company (Limited), Greymouth.

New Zealand Midland Railway Company (Limited),

DEAR SIR,—

Engineer's Department, Greymouth, 29th June, 1895.

In accordance with your instructions, which I received through Mr. Dalston by letter of the 27th June, 1895, I have the honour to submit a general report as to the condition of the locos., rolling-stock, permanent-way, and bridges, &c., of the New Zealand Midland Railway Company (Limited). Also appended is a complete list of the company's rolling-stock up to the time of the Government seizure of the company's line on the 25th May, 1893.

GENERAL CONDITION OF THE LOCOS. AND ROLLING-STOCK.

During the period from the 30th June, 1894, to the 25th May, 1895, each of the Locos. Nos. 1, 2, 3, 4, and 5 have been thoroughly overhauled, when found necessary, and have respectively been running about equal mileage. There has not been any very extensive repairs executed since my last report, minor repairs only having been done, chiefly owing through ordinary wear-and-tear.

Inside the fire-box of No. 2 loco. on each side, right and left, showed signs of weakness, the copper plates bulging slightly inside. The cause of this was owing to the fracture of a few copper stays. These repairs were attended to and efficiently carried out during the month of July, 1894.

During this last period—viz., from the 30th June, 1894, to the 25th May, 1895—the boilers of each loco. have been examined and tested by the Government Boiler Inspector. Certificates for the year ending the 31st December, 1895, have been received by me to the following:—

	Maker's No.	Shop No.	Working-pressure per Square Inch.
Certificate No. 1376, loco. boiler	312	5	140 lb.
" 1377 "	312	2	140 "
" 1378 "	311	1	130 "
" 1379 "	322	3	140 "
" 1380 "	323	4	140 "

No. 6 loco. (ballast-engine), Class D, has been used chiefly on construction-works and ballast-ing. On completion of the Teremakau Section contract this engine has been stripped and thoroughly overhauled; several working-parts have been renewed, and engine painted throughout.

All locos., Nos. 1, 2, 3, 4, 5, and 6, are now in first-class working-order.

Sufficient duplicate parts or spares are in stock for present use. The chief parts that have been renewed for locos. have been bearing-springs, slippers for the crossheads, and brake-blocks, and other parts of only minor importance.

Fire-brick arches have been fixed in fire-boxes of each loco., thereby protecting lower portion of fire-box tube-plate, and for a better distribution of heat.

The fuel now being used since May, 1895, being, in proportion, two-thirds Brunner and one-third Blackball coal.

Passenger-cars.

There are seven cars, of which four are Class C, Nos. 1, 2, 3, and 4 (second class), and three are Class B, Nos. 1, 2, and 3 (composite, first and second class). All the cars have been thoroughly overhauled, repainted, and varnished, with the exception of one composite car, Class B, and one second-class car, Class C. All the cars are in first-class running-order.

Rolling-stock.

The portion of rolling-stock, consisting of brake-vans, goods-vans, high- and low-side wagons, bolster timber-wagons, bogie timber-trucks, sheep-trucks, and horse-boxes, are all in good running-order, with the exception of the three brake-vans and of two disabled ballast-wagons. During the last period six low-side wagons were converted into log-wagons, and are in first-class order. These wagons were coated with tar throughout. Also during the last period eight ballast-wagons were redecked throughout; in most cases the sides, ends, and hoppers were renewed. Most of the high- and low-side wagons that are in use for ordinary traffic, also all ballast-wagons, have not been repainted or tarred since erection. Work has been commenced on brake-vans, as they now require thorough overhauling and repainting throughout. The work done in running-shed, and the repairs, &c., to locos. and rolling-stock, have been well carried out by the Loco. Foreman, Mr. D. Macgregor, and staff, and to my entire satisfaction.

Permanent-way.

The main line, station-yards, and all sidings on both the Christchurch and Reefton branches have been kept in excellent order throughout. Special attention has been directed in all curves, which have been supplied respectively with extra bed-plates, and the ballast has been well boxed up with heavy ballast for perfect security. Additional sleepers have also been placed on most of the bridges. There are about seven hundred mixed sleepers in stock, and two contracts have been entered into for the supply of 850 silver-pine sleepers. These are also for stock.

The approach to Stillwater Station yard from the Brunner end, being generally under water during wet weather, an additional boulder drain has been laid across the yard.

All the gangers are supplied with tricycles and trollies, except gangers on Nos. 2 and 5 sections on the Christchurch line; these have trollies only.

The permanent-way on the Springfield Section of the company's line is in excellent order, and is at present under maintenance by the Government staff. During the last period the Government, have run several excursions to Otarama Station.

An efficient staff of men have been working on this section during the months of November and December, 1894, under my supervision, cleaning out all water-tables and trimming up all banks, &c.

All the bridges are at present in thorough good repair. There are only two bridges where extensive repairs have had to be executed—one is the Stillwater Creek Bridge, the other is the Teremakau Bridge. At Stillwater Creek the stringers of the second land-spans from each approach were showing signs of weakness on the surface of the timber; and additional trestle-support has been fixed under the centre of each of above spans. This bridge I now consider quite safe for ordinary traffic. At the Teremakau Bridge the river-bed is being scoured round and about the base of the piles of No. 13 pier. A few large boulders have already been fixed where the scour is taking place. A staff of men is at present engaged in picking up all available boulders along the line and placing them round the cut-water piles of No. 13 pier. A contract is now under way to supply stone from Inch-bonnie Quarry for different classes of stone; portions of this will at once be utilised for protective work at the above pier.

The Inspector of Permanent-way has carried out his duties in a very efficient manner and to my entire satisfaction.

Station-buildings are all in good repair, no repairs having been required of any consequence during this last period. The telephone-wire was broken in several places between Moana and Tekinga, owing to several large trees having been blown across the line during a very severe gale on the 13th April, 1895. All repairs were completed in two days afterwards. The telephone is now in good working-order.

I have, &c.,

JOHN MUSGRAVE,

Assistant Engineer in Charge, Working Railways.

Robert Wilson, Esq., F.R.S.E., Engineer-in-Chief and General Manager.

LIST OF ROLLING-STOCK.

Passenger-cars: 3, Class B, composite, first and second; 4, Class C, second.

Brake-vans: 3, Class D.

H.S. wagons: 15, Class E.

L.S. wagons: 45, Class F, in use as undernoted:—

1 converted into a residence-van; 6 converted into log-wagons; 8 converted into ballast-wagons; 2 disabled, waiting repairs; 18 fitted with ballast-hoppers, which have been temporarily covered and used for ordinary traffic; 10 in ordinary traffic.

Goods-vans: 6, Class G.

Bolster timber-wagons: 24, Class H.

Goods-wagons, originally cattle-wagons: 3, Class J.

Sheep-trucks: 3, Class K.

Horse-boxes: 2, Class L.

Bogie timber-trucks: 6, Class R.

Total, 114.

There are 36 tarpaulins, many of which require repairing; 1 portable station-yard jib-crane; 1 air-compressing engine, with air-lock; 1 6-h.p. vertical boiler; 1 7½ in. screw-cutting gap-lathe, 14 ft. bed.

The weighbridge at Stillwater Station yard is in first-class working-order.

J. MUSGRAVE,

Assistant Engineer, Working Railways.

EXHIBIT No. 12.

Railway Department, Greymouth, 29th June, 1895.

REPORT ON TRACK AND STOCK OF THE NEW ZEALAND MIDLAND RAILWAY COMPANY.

Extent.

The total mileage of track open for traffic and being worked by the company (connected with the Greymouth Section of Government Railways) is about 69 miles 8 chains made, up as follows:—

	M. ch.
Stillwater to Reefton (part of Nelson line)	37 9
Stillwater to Jackson (part of Christchurch line)	30 56
Om. peg to Stillwater (common to both)	1 23
Total	69 8

Opened for Traffic.

The dates of opening the different sections of above are as follows:—

From Brunner to Ngahere	1st August, 1889.
From Ngahere to Ahaura	14th February, 1890.
From Ahaura to Totara Flat	9th February, 1891.
From Totara Flat to Mawheraiti	27th July, 1891.
From Mawheraiti to Tawhai	28th September, 1891.
From Tawhai to Reefton	29th February, 1892.
From Stillwater to Jackson	13th March, 1894.

From the 1st August, 1889, to the 13th March, 1894, the various sections between Stillwater and Jackson Station were worked by specials for conveyance of construction material made use of by Traffic Department.

The Line.

The line generally runs through easy country, and there are no very heavy banks or great extent of high cuttings. There are three tunnels, the longest of which is 19 chains, the next 6 chains, and the other $4\frac{1}{2}$ chains.

The bridges are numerous, but none of them are any great length, the Teremakau (978 ft.) being the longest. A list attached gives outline particulars of all openings over 20 ft. long.

The Stillwater to Reefton line runs through a good deal of open country; but from Stillwater to Jackson is all dense bush.

The Track.

The track throughout is laid with 53 lb. steel rails (of the same section as those in Government lines), with silver-pine and birch sleepers, principally the latter, spaced nine to the 24 ft. rail. The curves throughout are easy, and grades are not very heavy; the worst on the Reefton line are those approaching the tunnel from either side; on the Jackson line the rise is fairly regular all the way.

Stations.

There are twenty-three stations in all, three of which are in charge of Stationmasters, three have cadets in charge, and the rest are flag-stations. The list attached gives an outline of the accommodation provided at each.

Buildings.

The buildings are, with few exceptions, precisely the same as those on Government lines, and are all constructed of wood and iron. The paint-shop and engine-shed at Stillwater are the largest buildings. The cottages for Stationmasters and platelayers are square, roomy buildings.

Rolling-stock.

There are 115 vehicles in traffic on the lines, and they are all very similar to those in Government service. The detailed list and report will give further particulars.

Staff.

There are sixty-four officers, men, and lads, all told, employed on and about the works. A complete list of those in each department has already been forwarded you.

Train Service.

There is a daily service five days a week and a double service one day a week on the Reefton line, and a bi-weekly service, with the addition of a return train one day, on the Jackson line.

Communication by Wire.

The company has telephone-wires of their own from Stillwater to Reefton and Jackson, and instruments fitted in stations. This is a great convenience in case of any breakdown or washaway.

Maintenance.

Surfacing, A1.—Taken as a whole, the track is in very fair running-order, although some of the lengths have not had the attention they should. A lot of the fastenings want tightening, and the track lifted. The bending of rails in Reefton line appears to have been indifferently done, and the curves look irregular in consequence. The gauging of line is good, and the cant and slack regular, with few exceptions.

Renewals, A2.—A good deal of sleeper-renewing is necessary in the Stillwater end of both the Reefton and Jackson Sections. The company have been buying a lot of condemned silver-pine sleepers for this work, but it would be false economy to use them in the main lines. To comply with Government regulations some extra stop-blocks are required at most stations. At present there are only two blocks where double loops are provided, and they are not placed at proper clearance distance from the main line. All points are kept locked, but the levers are not non-reversible.

Ballasting, A3.—The track throughout is well ballasted, and should not require any for the next twelve months. The ballast is of good quality and easily obtained.

Banks and Cuttings, A4.—The banks and cuttings have the very common fault of being too narrow, and a lot of work is required to make them what they should be. On the Reefton line, between O m. and Ahaura, the banks between the bridges and culverts have gone down very much, consequently there is an ugly bump at each opening. The cuttings have not been kept clean, and it may be necessary to put a ballast-train on for a few weeks to bring the work forward. Some of them are through a sort of blue pug, which gets into a regular quagmire in wet weather, and will give trouble for some time to come.

The tunnels appear to be in good order. They are all lined with concrete bricks and walls throughout. They are built to the Government standard section.

Retaining-walls are built of good stone and stand well.

A good deal of river-protection has been done, especially on the Jackson line, and some of the groin and fascine work wants seeing to at once. A lot of work will be necessary from time to time under this head, as a great many of the streams adjacent to and passing through the line have very shallow beds, and the banks confining them are composed of soft material. This, coupled with the fact that large quantities of tailings and timber are constantly coming down, the streams are liable to alter their courses at any time.

Tree- (willow) planting could be done to advantage in several places.

Bridges, &c., A5.—The bridges and culverts are all good substantial structures. The list attached gives an outline of their construction and the materials used. There are not likely to be any renewals required during the next twelve months. Most of the girders would be the better for being painted with either paint or tar. The approaches of bridges are fairly well protected, but extra stone may be required from time to time. The Teremakau Bridge has the appearance of being short, only about one-third of shingle-bed of river being bridged, but the company's engineers have no doubt gone carefully into this matter.

The culverts are nearly all constructed with either masonry or concrete work.

Two or three velocipedes and trollies are required for gangs on the Jackson line. A lot of time is wasted walking the lengths.

Fences, &c., A6.—About twenty-five miles of the line is fenced with posts and 6-wire fence, and enclosed with cattle-stops. There is not a great deal of trouble with cattle trespass. Private level crossings are provided with 12 ft. angle-iron gates. A number of them want painting.

Cattle-stops all have pits. No repairs should be necessary for some time.

Roads, &c., A7.—There should be nothing more than light ordinary repairs under this heading. There is no heavy traffic to contend with.

Water-services, &c., A8.—Water-services, signals, &c., are all well found, and should require very little attention for some time to come. There are 5 gravitation, 1 ram, and 1 force-pump water-services. The quality of water appears good, and plenty of it.

Wharves, &c., A9.—No works.

Buildings, A10.—The buildings all appear to be in very good order; some of them require painting and papering; some of the rooms and the exterior of a few might be improved by painting next season.

The sheep-yards and loading-banks should not require any attention to speak of for the next twelve months.

Platforms are all in fair order.

Latrine services are all in fair order.

The accommodation at stations: List attached gives approximate dimensions of buildings, &c.

General Manager, Wellington.

D. T. McINTOSH, District Manager.

ACCOMMODATION AT STATIONS.

Stillwater (Cadet in charge).

Third-class station-building, with addition of two large rooms for manager's offices, luggage-room, guard's room, and coal-store and lamp-room. The office acts as central for telephones from all stations. Manager's house and Brunner Station also connected. Platform, 150 ft. long (wood and earth). Urinals and w.c. Goods-shed, 50 ft. by 30 ft. Permanent-way store, 100 ft. by 25 ft. Stable, 60 ft. by 15 ft. Carriage- and paint-shop, 180 ft. by 33 ft., with two lines of rails through. Carpenter's shed, 30 ft. by 15 ft. Open shed, 72 ft. by 20 ft. Blacksmith shop, 30 ft. by 21 ft., fitted with one portable and one fixed forge. Coal-store, 24 ft. by 20 ft. Engine-shed, 60 ft. by 36 ft., with two lines of rails and pits. Store-room, 24 ft. by 12 ft. Office, 12 ft. by 10 ft. 2,000-gallon elevated tank and 2,000-gallon ordinary water-supply tank. Inspector of Permanent-way's house, Loco. Foreman's house, Manager's house, guard's house, Inspector of Permanent-way's office, weighbridge office, 12 ft. by 9 ft., and 30 ft. Pooley's weighbridge, and two huts. There is a good gravitation water-supply laid right through yard. The pipes go to two creeks near Brunner Tunnel, 60 chains from station. There are three home-signal posts (one on Christchurch line, one on Reefton line, and one towards Brunner). The wires are carried on overhead posts. Station-yard is well designed. Sidings to extent of 125 chains are laid, all in 53 lb. steel. This includes the triangle for turning engines.

No Town.

Station-building, 15 ft. by 10 ft., not floored; dummy siding, 4½ chains; platform, 60 ft. (wood and earth). No telephone station.

Ngahere (Stationmaster in charge).

Third-class station-building (Government standard). Platform, 100 ft. (wood and earth). Urinals and w.c. Goods-shed, 40 ft. by 30 ft., with verandah (not siding through shed). Loop siding, 13 chains; also Blackball Company's siding, 49 chains. 2,000-gallon tank and 35 chains of pipes. Gravitation water-supply. Telephone-station connected with Reefton and Stillwater. Stationmaster's and platelayer's house.

Ahaura (Cadet in charge).

Third-class station-building (Government standard). Goods-shed, 40 ft. by 30 ft. Platform, 100 ft. (wood and earth). Urinals and w.c. Loading-bank, 50 ft., with sheep-loading yard. Two loop sidings (29 chains). Telephone-station. Stationmaster's and one platelayer's house.

Rarupo.

Shelter-shed, 18 ft. by 10 ft. Platform, 100 ft. (wood and earth). Three chains of siding (dummy).

Totara Flat (Stationmaster in charge).

Third-class station-building (Government standard), with small rooms for post-office and refreshment-room added. Goods-shed, 50 ft. by 30 ft. Platform, 100 ft. (wood and earth). Urinals and w.c. Engine-coal store, 24 ft. by 15 ft. Loading-bank (50 ft.) and sheep-yards. Two 400-gallon tanks, with force-pump. Two loop sidings (21 chains). Stationmaster's and one platelayer's house. Telephone-station.

Ikamatua.

Shelter-shed, 18 ft. by 10 ft.; small room partitioned off for telephone-room. Platform, 60 ft. (wood and earth). Goods-shed, 50 ft. by 30 ft. Engine-coal store, 24 ft. by 15 ft. Sheep-loading yard. Loading-bank, 50 ft. by 15 ft. Two 2,000-gallon tanks, one at each end of yard. Gravitation water-supply pipes, about 30 chains. Telephone-station. One platelayer's cottage.

Waimaunga.

Shelter-shed, 18 ft. by 10 ft.; room partitioned off, but no telephone. Platform, 60 ft. (wood and earth). Dummy siding, temporary, 5 chains long. One platelayer's cottage.

Mawheraiti.

Third-class station-building (Government standard). Platform, 100 ft. (wood and earth). Goods-shed, 40 ft. by 30 ft. Loading-bank, 50 ft. Twenty-seven chains of sidings (two loops). Telephone station.

Hinau.

Shelter-shed, 18 ft. by 10 ft.; room partitioned off for telephone, but no instrument fixed. 50 ft. platform.

Maimai.

Shelter-shed, 18 ft. by 10 ft.; room partitioned off for telephone, but no instrument fixed. Platform, 50 ft.

Tawhai.

Shelter-shed, 18 ft. by 10 ft.; room partitioned off for telephone. Platform, 60 ft. long (wood and earth). Eleven chains of loop siding. Telephone-station.

Reefton (Stationmaster in charge).

Special building, 80 ft. by 18 ft., with verandah full length on platform side and porch on street. Building has booking-office, luggage-room, public lobby, ladies' waiting-room, coal-store, guards' room, and lamp-room. (The building was made in sections, for removal if necessary.) Platform, 200 ft. (wood and earth). Urinals and w.c. Goods-shed, 80 ft. by 30 ft., with overhead traveller. Loading-bank, 50 ft. by 15 ft. (wood and earth). Engine-shed, 80 ft. by 18 ft., with pit and smoke-trough. Oil-store. Office, 24 ft. by 10 ft. Coal-store, 24 ft. by 15 ft. 3,000-gallon wooden tank, supplied by gravitation water-supply. Pipes also go to the engine-shed and passenger-platform. Pipes about 40 chains along. Stationmaster's house and two platelayers houses, with outhouses, &c. Two portable huts. There are about 75 chains of sidings, including triangle to turn engines. Telephone-station, connected with Stillwater. There is also platelayer's cottage at 36m. 70ch., near tunnel, and hut at the Greymouth end of the tunnel, that can be connected to telephone circuit.

ACCOMMODATION AWAY FROM STATIONS ON REEFTON LINE.

Ballast siding at 10m., Matai Station; siding 11 chains long. Trains stop for passengers.
 Ahaura South, 14m., old temporary station; 7 chains of siding.
 Ballast siding at 22m., 15 chains long.
 Snowy Sawmill siding at 25m.; dummy siding, 8 chains long.
 Stratford and Blair's mill: Telephone-station in one of mill huts.

STILLWATER TO JACKSON LINE.

Kokiri.

Station-building, 40 ft. by 12 ft. (arranged like third class). Platform, 100 ft. (wood and earth). Loading-bank, 50 ft. by 12 ft. Loop siding, 12 chains long. One platelayer's cottage. Stratford and Blair's sawmill at station. Telephone-station (in small room in station-building). Butler Brothers' sawmill siding: Short wood platform; dummy siding, 7 chains long; telephone-station in mill.

Kaimata.

Shelter-shed, 21 ft. by 10 ft., with small room partitioned off for telephone. 60 ft. platform (wood and earth). Loop siding, 12 chains long. 2,000-gallon water-tank supplied by gravitation service. Stratford and Blair's sawmill at this station. Telephone-station.

Kotuku.

Shelter-shed, 21 ft. by 10 ft., with small room partitioned off for telephone, but instrument removed. Platform, 100 ft. (wood and earth). No sidings.

Moana.

Shelter-shed, 28 ft. by 12 ft., with room suitable for booking-office and telephone-station. Platform, 200 ft. (half masonry front and half wood). Urinals and w.c. Loop siding, 12 chains long. One platelayer's cottage. Sawmill at this station. Telephone-station. Lake Brunner Sawmill Company's siding at Siding (dummy), 7 chains long.

Tekinga.

Shelter-shed, 21 ft. by 8 ft.; small room partitioned off for telephone. Platform, 100 ft. (wood and earth). Urinals and w.c. Loop siding, 15 chains long. Sawmill at this station. Telephone-station.

Poerua.

Shelter-shed, 21 ft. by 8 ft., with small room partitioned off for telephone. Platform, 100 ft. (wood and earth). Urinals and w.c. Loop siding, 12 chains long. Sheep-yards. One platelayer's cottage and one hut. Telephone-station.

Inchbonnie.

Shelter-shed, 21 ft. by 8 ft., with small room partitioned off for telephone. Platform, 100 ft. (wood and earth). Siding 8 chains long (dummy). Telephone-station.

Jackson.

Third-class station-building, 70 ft. by 15 ft. (Government standard), with addition of rooms for post-office and coal-store. Platform, 200 ft. long. Urinals and w.c. Sheep-yards. Loop siding, 12 chains long. Temporary engine-shed, 45 ft. by 18 ft. Temporary pit, 22 ft. long. Rain-water service, 2,000-gallon tank. Coal-store, 24 ft. by 15 ft. Two huts. One platelayer's or Stationmaster's cottage.

ACCOMMODATION AWAY FROM STATIONS, JACKSON LINE.

Two ballast-sidings at Tekinga; about 17 chains of siding.

LIST OF PRINCIPAL BRIDGES, ETC., ON LINE.

BRUNNER TO REEFTON.

Brunner to Stillwater.

Tunnel near Brunner $4\frac{1}{2}$ chains long, Government standard section, lined throughout with concrete. This tunnel was constructed by Government.

Bridge of two 20 ft. spans. Ironbark trestles on concrete. All timber ironbark, and concrete abutments.

Bridge: Three 20 ft. spans, all ironbark; trestles on concrete and concrete abutments.

Bridge over main road: Four 11 ft. and one 20 ft. spans. Piles and timber all birch.

Stillwater Creek Bridge: Eight 15 ft. and three 44 ft. spans. Birch beams and piers in 15 ft. spans; 44 ft. spans, plate-iron girders; track on top. Piers—trestles on concrete, set on top of piles.

Stillwater to No Town.

Arnold River Bridge: Six 66 ft. spans. Lattice-iron girders; (track between girders), iron-cylinder piers, and concrete abutments.

Bridge at 2m.: One 44 ft., plate-iron girder (track on top) and concrete abutments.

Wickes's Creek: One 44 ft., plate-iron girder (track on top) and concrete abutments.

Spring Creek: Four 22 ft. and one 44 ft., plate-iron girders (track on top), on birch piles.

No Town to Ngahere.

No Town Creek: Two 22 ft. and two 44 ft., plate-iron girders (track on top), on birch piles, &c.

No Town Creek overflow: Four 22 ft., plate-iron girders (track on top), on birch piles, &c.

Deadman's Creek overflow: Four 22 ft., plate-iron girders (track on top), on birch piles, &c.

Deadman's Creek: Three 22 ft., plate-iron girders (track on top), on birch piles, &c.

McLoughlin's Creek: Four 22 ft., plate-iron girders (track on top), on birch piles, &c.

Red Jack's Creek: Four 22 ft. and one 44 ft., plate-iron girders (track on top), on birch piles, &c.

Red Jack's Creek overflow: Five 22 ft., plate-iron girders (track on top), on birch piles, &c.

Ngahere to Matai.

Nelson Creek: Five 11 ft. and five 66 ft. The 11 ft. spans are all birch—piles, stringers, &c. The 66 ft. spans are lattice-iron girder (track between girders), iron-cylinder piers.

Nelson Creek overflow: Two 22 ft., plate-iron girders (track on top), concrete abutments.

German Gully: Three 22 ft., plate-iron girders (track on top), ironbark piles, and concrete abutments.

Matai to Totara Flat.

Creek: One 22 ft., plate-iron girders (track on top), concrete abutments.

Callaghan's Creek: Two 44 ft. spans, plate-iron girders (track on top), ironbark piles, and concrete abutments.

Creek at 12 m. 40 ch.: One 22 ft., plate-iron girders (track on top), concrete abutments.

Bridge over road at South Ahaura: Three 12 ft., all birch.

Ahaura River: Ten 66 ft., lattice girders (track between girders), cylinder piers, and concrete abutments.

Orwell Creek Bridge: Four 22 ft., plate-iron girders (track on top), ironbark piles, and concrete abutments.

Orwell Creek Road Bridge: All birch.

Creek at 15 m.: Seven 22 ft., plate-iron girders (track on top), ironbark piles, and concrete abutments.

Grey River flood-opening: Four 22 ft., plate-iron girders (track on top), concrete piers and abutments.

Grey River flood-opening: Four 22 ft. plate-iron girders (track on top), concrete piers and abutments.

Duffers' Creek : Two 22 ft., plate-iron girders (track on top), ironbark piles, and concrete abutments.

Brandy Jack's Creek : Two 22 ft., plate-iron girders (track on top), ironbark piles, and concrete abutments.

Totara Flat to Ikamatua.

Bridge near Big Grey River : Three 22 ft., plate-iron girders (track on top), ironbark piles.

Grey River : Two 22 ft. and eleven 66 ft. spans; plate-iron girders (track on top), cylinder piers for 66 ft. and piles at ends for 22 ft. spans.

Grey River overflow : Three 22 ft., plate-iron girders (track on top), ironbark piles.

Grey River overflow : Four 22 ft., plate-iron girders (track on top), ironbark piles.

Grey River overflow : Four 22 ft., plate-iron girders (track on top), ironbark piles.

Grey River overflow : Four 22 ft., plate-iron girders (track on top), ironbark piles.

Ikamatua Creek : One 22 ft., plate-iron girders (track on top), concrete abutments.

Ikamatua to Waimaunga.

Snowy Creek : Two 22 ft., and one 44 ft. plate-iron girders (track on top), ironbark piles, and concrete abutments.

Blackwater Creek : Eight 22 ft. and three 44 ft., plate-iron girders (track on top), ironbark piles.

Waimaunga to Mawheraiti.

Creek : Two 22 ft., plate-iron girders (track on top), concrete piers and abutments. (Adamstown overflow.)

Adamstown Creek : Two 44 ft., plate-iron girders (track on top), ironbark piles, pier and concrete abutments.

Flood opening : Three 15 ft., all birch. Government standard.

Little Grey River : two 22 ft. and ten 66 ft., plate-iron girders (track on top), iron-cylinder piers.

Mawheraiti to Maimai.

Stony Creek : Six 44 ft., plate-iron girders (track on top), ironbark piles.

Bridge at 31 m. 4 ch. : Two 22 ft., plate-iron girders (track on top), ironbark piles.

Bridge at 31 m. 12 ch. : Two 22 ft., plate-iron girders (track on top), ironbark piles, and concrete abutments.

Casolas Creek : Four 40 ft., plate-iron girders (track on top), ironbark piles, and concrete abutments.

Maimai Creek : One 22 ft., plate-iron girders (track on top), concrete abutments.

Maimai to Tawhai.

Little Grey River flood-opening : Four 22 ft., plate-iron girders (track on top), ironbark piles.

Little Grey River : Four 66 ft., iron-plate girders (track on top), iron-cylinder piers.

Tawhai to Reefton.

Tunnel through saddle at Reefton 19 chains long; lined throughout with concrete, bricks in top and concrete walls below. Section of tunnel like Government standard. At the Reefton end of tunnel is about 5 chains of timber-work to hold up slip.

Taipo Creek : One 44 ft., plate-iron girders (track on top), concrete abutments.

STILLWATER TO JACKSON'S LINE.

Stillwater to Kotuku.

Kokiri Creek : Two 22 ft., plate-iron girders (track on top), birch piles.

Kaimata Tunnel : 6 chains long; lined throughout, with concrete blocks in top and concrete walls in sides.

Stony Creek : Four 22 ft., iron-plate girders (track on top), ironbark piles with trestles on top.

Creek : Two 11 ft., all ironbark.

Creek : Two 11 ft., all ironbark.

Arnold River : Six 44 ft., iron-plate girders (track on top), ironbark piles, and concrete abutments.

Deep Creek : Five 22 ft., plate-iron girders (track on top), ironbark piles, and concrete abutments.

Kotuku to Moana.

Molloy's Creek : Two 15 ft. and four 22 ft.; the 22 ft. spans are plate-iron girders, the 15 ft. are all ironbark; ironbark piles.

Moana to Tekinga.

Alex Creek : Two 22 ft., plate-iron girders (track on top), ironbark piles.

Crooked River : Three 22 ft. and four 66 ft., plate-iron girders (track on top), ironbark piles.

Tekinga to Inchbonnie.

Swamp : Three 12 ft., all ironbark.

Poerua River : Four 22 ft., iron-plate girders (track on top), ironbark piles.

Poerua overflow : Three 22 ft., iron-plate girders (track on top), ironbark piles.

Deep Creek: Three 22 ft., iron-plate girders (track on top), ironbark piles
 Flood-opening: One 22 ft. and two 12 ft., iron-plate girders and ironbark beams, piles, &c.
 The 12 ft. spans are spring spans. Sill on bank.
 Flood-opening: One 22 ft., iron-plate girder and ironbark piles.
 Evans Creek: Two 12 ft. and two 22 ft., iron-plate girders and ironbark piles. The 12 ft. spans
 are spring spans. Sill on bank.
 Evans Creek overflow: Three 22 ft., iron-plate girders (track on top), timber piles.

Inchbonnie to Jackson.

Orangapuka Creek: Three 22 ft., plate-iron girders (track on top), ironbark piles, masonry
 abutments.

Teremakau River: Two 22 ft. and fourteen 66 ft., plate-iron girders (track on top), ironbark
 piles. Eight piles in pier.

EXHIBIT No. 13.

Memorandum for the District Manager, Grey.

FOR your information the attached lists is for ironbark timber required for Midland lines. There
 are three bridges which I have not included yet—Spring Creek Bridge, Stillwater Bridge, and the
 overhead bridge at Stillwater—as I will require a stage to get at some of the timber. The over-
 head bridge, which you know will almost want rebuilding, and the beams at each end of Stillwater
 Bridge wants to be removed. The caps on Spring Creek, some of them, are very bad. I shall get
 hrough them as soon as I can and let you have a full report on them.

J. F. NELSON,
 Foreman of Works.

New Zealand Railways (Maintenance Department),
 20th May, 1896.

LIST OF IRONBARK TIMBER REQUIRED FOR JACKSON LINE.

Water-opening at Kokiri ...	Two 15 ft. 16 in. by 12 in. rail-beams.
Bridge at Kokiri ...	Four 13 ft. 12 in. by 12 in. caps.
" ...	Four 2 ft. 6 in. 18 in. by 12 in. corbels.
Cattle-pits ...	Four 9 ft. 6 in. 12 in. by 12 in. rail-beams.
Water-opening at 4m. 75ch. ...	Two 17 ft. 16 in. by 12 in. "
Water-opening at 4m. 5ch. ...	Two 16 ft. 16 in. by 12 in. "
Cattle-pit at 2m. 70ch. ...	Two 9 ft. 6 in. 12 in. by 12 in. "
Total, 2,994 ft.	

LIST OF IRONBARK TIMBER REQUIRED FOR REEFTON LINE.

Water-opening this side of tunnel ...	Two 18 ft. 16 in. by 12 in. rail-beams.
" at 35m. 20ch. ...	Two 11 ft. 12 in. by 12 in. "
" at 34m. 40ch. ...	Two 11 ft. 12 in. by 12 in. "
Cattle-pits, north end of Tawhai Station ...	Two 9 ft. 6 in. 12 in. by 12 in. "
" south ...	Two 9 ft. 6 in. 12 in. by 12 in. "
Cattle-pit, north end of Maimai Station ...	Two 9 ft. 6 in. 12 in. by 12 in. "
Bridge this side of Little Grey Bridge ...	Two 18 ft. 14 in. by 12 in. "
Water-opening, 28m. 20ch. ...	Two 8 ft. 10 in. by 10 in. "
Cattle-pits at Ikamatua ...	Two 9 ft. 6 in. 12 in. by 12 in. "
" 22m. 40ch. ...	Two 9 ft. 6 in. 12 in. by 12 in. "
" 20m. 5ch. ...	Two 9 ft. 6 in. 12 in. by 12 in. "
" Totara Flat ...	Two 9 ft. 6 in. 12 in. by 12 in. "
" Raupo ...	Two 9 ft. 6 in. 12 in. by 12 in. "
Water-opening at Ngahere ...	Two 16 ft. 16 in. by 12 in. "
Cattle-pit this side of Red Jack's ...	Two 9 ft. 6 in. 12 in. by 12 in. "
Water-opening at 6m. 4ch. ...	Two 16 ft. 16 in. by 12 in. "
" 5m. 70ch. ...	Two 9 ft. 12 in. by 12 in. "
" 5m. 60ch. ...	Two 9 ft. 12 in. by 12 in. "
" 4m. 75ch. ...	Two 16 ft. 16 in. by 12 in. "
" 4m. 60ch. ...	Two 10 ft. 12 in. by 12 in. "
" 4m. 40ch. ...	Two 16 ft. 16 in. by 12 in. "
Cattle-pit at 2m. 70ch. ...	Two 9 ft. 6 in. 12 in. by 12 in. "
" Arnold Bridge ...	Two 9 ft. 6 in. 12 in. by 12 in. "
Total, 6,945 ft.	

In re Spring Creek Bridge, Midland Line.

Memorandum for District Manager, Grey.

FOR your information, timber that wants to be removed or supported in above bridge:—
 No. 2 pier: 1 cap and 1 pile.

No. 3 pier : 2 caps and 2 piles.
 No. 4 " : 2 "
 No. 5 " : 1 "
 No. 6 " : 1 "

Also No Town Bridge.

No. 1 pier : 1 cap.
 No. 2 " : 2 caps and 1 corbel.
 No. 3 " : 1 cap.
 No. 4 " : 1 cap, 1 corbel, and 1 pile.

Also Small Bridge other Side of No Town Bridge.

No. 2 pier : 1 corbel.
 No. 3 " : 1 pile.

J. F. NELSON, Leading Carpenter.

New Zealand Railways (Maintenance Department), 30th July, 1896.

In re Stillwater Bridge, Midland Line.

Memorandum for District Manager, Greymouth.

FOR your information, timber that wants to be removed or supported in above bridge :—

No. 1 pier : 1 cap.
 No. 2 span : 2 rail-beams.
 No. 3 pier : 1 cap.
 No. 4 " : 1 "
 No. 5 " : 2 caps.
 No. 6 " : 2 caps, 2 corbels, and 1 upright.
 No. 7 " : 1 cap, 2 corbels, and 1 "
 No. 8 " : 1 rail-beam and 1 upright. "
 No. 9 " : 1 cap.

J. F. NELSON, Leading Carpenter.

New Zealand Railways (Maintenance Department), 30th July, 1896.

EXHIBIT No. 14.

PARTICULARS OF ROLLING-STOCK SUPPLIED AND CHARGED TO MIDLAND RAILWAY SINCE SEIZURE BY GOVERNMENT IN 1895.

Greymouth District.

Six bogie platform wagons, class "U" (charged to Midland Railway authority 14)	£	s.	d.
Not complete when line formally taken over by Government, August, 1900: Five bogie platform wagons, class "U"; ten high-side wagons, class "L"; ten tarpaulins (charged to Midland Railway authority 35, balance charged to A.O.L. authority), part cost	1,416	11	2
	1,236	19	8

Nelson District.

Ten high-side wagons, class "L"; two covered goods-vans, class "K" (charged to Midland Railway authority 15) ...	1,287	8	0
--	-------	---	---

£3,940 18 10

A. L. BEATTIE, Locomotive Superintendent.

EXHIBIT No. 15.

BRUNNER RAILWAY EXTENSION.—STILLWATER CONTRACT.

Summary.

Grading	£	s.	d.
Bridges and culverts	11,055	11	4
Fencing	788	6	0
Maintenance for one month	360	2	6
	30	0	0
	<u>£12,234</u>	<u>0</u>	<u>0</u>

BRUNNER RAILWAY EXTENSION.—STILLWATER CONTRACT—continued.

Grading, &c.

Description.	Item.	Quantity.	Price.			Amount.		
			£	s.	d.	£	s.	d.
Loose rock and other materials ...	Cub. yds.	10,000	0	2	5	1,208	6	8
Solid rock	"	15,000	0	3	6	2,625	0	0
Rubble masonry in coal-drives ...	"	60	2	10	0	150	0	0
Trimming line	Ch.	63	0	19	6	61	8	6
Retaining-walls in cement	Cub. yds.	909	2	10	0	2,272	10	0
Felling	Acres	18	4	0	0	72	0	0
Clearing	"	6	30	0	0	180	0	0
Grubbing	Ch.	20	1	0	0	20	0	0
Level crossing, first class	No.	1	10	0	0	10	0	0
Stream diversions (including catchwater-drains and water-tables)—								
Excavation	Cub. yds.	665	0	2	6	83	2	6
Stone-pitching	Sq. yds.	12	0	5	0	3	0	0
Tunnel-driving	Lin. ft.	70	0	15	0	52	10	0
Tunnel-timbering	"	70	0	5	0	17	10	0
Railway tunnel—								
Excavating	Lin. yds.	105 $\frac{2}{3}$	17	0	0	1,796	6	8
Lining with brick	Cub. yds.	542	3	12	6	1,964	15	0
Ashlar masonry	"	30	5	0	0	150	0	0
Coping	"	16	6	0	0	96	0	0
Drain-pipes	Lin. yds.	264	0	15	0	198	0	0
Road diversions—								
Earthwork	Cub. yds.	600	0	2	6	75	0	0
Metal	"	134	0	3	0	20	2	0
						11,055	11	4

Bridges and Culverts.

		Quantity.	Price.			Amount.		
			£	s.	d.	£	s.	d.
Excavating of foundations, including inlets and outfalls	Cub. yds.	671	0	4	0	134	4	0
Timber (black maire, black-birch, or other specified timber)	Cub. ft.	40,000	1	10	0	600	0	0
Ironwork in bolts, &c.	Lb.	2,164	0	0	6	54	2	0
						788	6	0

Fencing.

		Quantity.	Price.			Amount.		
			£	s.	d.	£	s.	d.
Special fencing	Ch.	20	15	0	0	300	0	0
Cattle-stops	No.	2	30	1	4	60	2	8
						360	2	8

Maintenance.

Maintenance for one month £ 30 0 0

Total, £12,234.

Greymouth, 13th March, 1901.

H. J. H. Blow.

EXHIBIT No. 16.

SCHEDULE OF AREA OCCUPIED BY THE NEW ZEALAND MIDLAND RAILWAY COMPANY.

	A.	R.	P.
Section 857, 8,231 acres 2 roods 7 perches; Section 858, 1,941 acres and 26 perches. Block 28, B1	10,172	2	33
Section 856, 5,840 acres 3 roods 5 perches; Section 868, 3,816 acres 1 rood 11 perches; Section 869, 932 acres 3 roods 36 perches; Section 870, 53 acres 3 roods 32 perches, Block 26, B1	10,644	0	4
	20,816	2	37

This area is granted to company, being Blocks 26, B1, and 28, B1.

SCHEDULE OF AREA OCCUPIED BY THE NEW ZEALAND MIDLAND RAILWAY COMPANY—*continued*.

	A.	R.	P.
From Brunnerton to Stillwater Creek	16	0	12
Stillwater Creek to Coal Reserve No. 274	70	0	34
Area taken from Coal Reserve 274	38	2	36
" Section 858	97	0	0
" mining block	46	1	8
" Grey Borough Endowment Reserve 193	45	1	12
" Education Endowment Reserve 131	8	3	14
	<u>321</u>	<u>3</u>	<u>36</u>
This brings you to Arnold River.			
From boundary Section 856 to Poerua River, Crown land (3 chains)	23	3	0
" Section 868 to Jackson (at 3 chains wide)	51	0	0
	<u>74</u>	<u>3</u>	<u>0</u>
Occupied by railway-line (including 97 acres through Midland Railway Company Section 858, but excluding area where passing through freehold sections	396	2	36
Blocks 28, B1, and 26, B1	20,816	2	37
Occupied by railway-line	396	2	36
Grand total	<u>21,213</u>	<u>1</u>	<u>33</u>

Greymouth, 13th March, 1901.

W. G. MURRAY,
Commissioner of Crown Lands.

EXHIBIT No. 17.

STATEMENT of COMPARATIVE COST of CARRIAGE of GOODS from GREYMOUTH to REEFTON at Different Periods.

	1878.			1888.			1901.		
	£	s.	d.	£	s.	d.	£	s.	d.
Flour, per 100 lb.	0	17	0	1	0	0	0	9	6
Sugar, per lb.	0	0	6	0	0	4	0	0	3
Butter, per lb.	0	1	9	0	1	3	0	1	0
Potatoes, per cwt.	1	0	0	0	14	0	0	7	6
Bacon	0	1	0	0	0	10	0	0	7
Oats, per bushel	0	8	6	0	4	6	0	3	0
Tea	0	3	6	0	3	0	0	2	0
Bread	0	1	6	0	1	0	0	0	8
Rice	0	0	6	0	0	6	0	0	4
Wheat				0	7	0	0	4	0
Kerosene, per case				1	2	0	0	12	0

Greymouth, 13th March, 1901.

W. IRVING.

EXHIBIT No. 18.

RETURN of ROLLING-STOCK and LOCOMOTIVES TAKEN OVER from MIDLAND RAILWAY and STOCK BUILT by GOVERNMENT WORKSHOPS for the COMPANY.

Locos.	Old Number.	New Number.	Condition.	Locos.	Old Number.	New Number.	Condition.
LA	1 (1887)	310 (in use 12 years)	Requires new tubes, new tires, and thorough overhaul; to cost £350 to complete.	LA	5 (1887)	In use 7 years	About four years before laying up and thorough overhaul.
LA	2 (1887)	311 (in use 12 years)	£100 to, complete thorough overhaul, including new tubes, tires, &c.	D	6 (1890)	In use 9 years	Three years before thorough overhaul, new tubes, &c.
LA	3 (1887)	312 (in use 11 years)	To be laid up within eighteen months for thorough overhaul; to cost £300.	Class A	1	660	Good.
LA	4 (1887)	313 (in use 9 years)	Three years before thorough overhaul required.		2	661	"
					3	662	"
					*4	663	Wheels require turning.
					5	664	Good.
					6	665	"
					7	666	"

* Converted into smoking part.

RETURN of ROLLING-STOCK and LOCOMOTIVES, ETC.—*continued.*

Locos.	Old Number.	New Number.	Condition.	Locos.	Old Number.	New Number.	Condition.
Vans	1	236	Good.	M	22	234	Good.
	2	237	Requires overhaul.		23	236	Fair.
	3	238	Good.		24	243	"
G	1	134	"	25	245	Good.	
	2	135	"	26	246	"	
H	1	226	"	27	249	"	
	2	228	"	28	251	Fair; new floor.	
	3	229	"	29	255	"	
J	1	581	Requires overhaul.	30	256	Good.	
	2	582	"	31	261	Fair.	
	3	583	"	32	264	Fair; tires returning.	
K	1	303	Wheels turning.	33	267	Fair.	
	2	304	Light repairs.	34	268	Good.	
	3	305	Good.	35	271	"	
	4	306	"	36	278	Fair.	
	5	307	"	37	279	Good.	
	6	308	"	38	284	Thorough overhaul.	
L	1	5,672	"	39	286	"	
	2	5,673	"	40	290	Fair; new beams.	
	3	5,674	"	41	291	"	
	4	5,675	"	42	296	"	
	5	5,676	Light repairs, chiefly under frame.	43	300	"	
	6	5,677	Good.	44	301	"	
	7	5,678	"	45	K 312	"	
	8	5,679	"	N 1	14	"	
	9	5,680	"	2	196	No brake.	
	10	5,681	Fair.	3	202	"	
	11	5,682	Good.	4	211	"	
	12	5,683	"	5	215	Fair; no brake.	
	13	5,684	"	6	216	Fair.	
	14	5,685	"	7	219	"	
	15	5,686	"	8	221	Good.	
M	1	13	"	9	222	Fair; no brake.	
	2	62	"	10	226	Good.	
	3	65	"	11	227	Fair.	
	4	175	"	12	229	Fair; no brake.	
	5	176	"	13	230	Good.	
	6	183	"	14	232	Fair; no brake.	
	7	186	Fair.	15	234	"	
	8	187	Good.	16	237	Fair.	
	9	194	"	17	240	"	
	10	195	"	18	242	"	
	11	196	"	19	243	Fair; no brake.	
	12	203	"	20	244	Fair.	
	13	205	"	21	246	"	
	14	208	"	22	248	Fair; no brake.	
	15	212	"	23	249	Fair.	
	16	218	Fair.	24	250	Good.	
	17	221	"	U 1	222	Fair.	
	18	223	Good.	2	223	"	
	19	231	"	3	224	Good.	
	20	232	"	4	225	"	
	21	233	Fair.	5	226	Fair.	
				6	227	"	

New Stock: Built by the New Zealand Railway Workshops.

Date.			Condition.	Date.			Condition.
15/10/98	7	228	Good.	15/11/98	11	232	Good.
"	8	229	"	5/11/98	12	233	"
15/11/98	9	230	"	6/10/98	Five-ton crane.		Good.
15/10/98	10	231	"				

RETURN of ROLLING-STOCK and LOCOMOTIVES, ETC.—*continued.**New Stock added since Seizure.*

Class L :	5,662	...	...	...	...	Built, August, 1900.
	5,663	...	...	...	...	" " "
	5,664	...	...	...	...	" " "
	5,665	...	...	...	...	" " "
	5,666	...	...	...	...	" " "
	5,667	...	...	...	...	" " "
	5,668	...	...	...	...	" Sept., "
	5,669	...	...	...	...	" " "
	5,670	...	...	...	...	" " "
	5,671	...	...	...	...	" " "
Class U :	217	...	...	...	...	" " "
	218	...	...	...	...	" " "
	219	...	...	...	...	" Oct., "
	220	...	...	...	...	" " "
	221	...	...	...	...	" Nov., "

NOTE.—“Good order” signifies that the article is in a proper state of repair, and in such condition as could be expected when proper allowance for depreciation through age, use, wear-and-tear has been taken into consideration.—H. ST. J. CHRISTOPHERS, D.E.

EXHIBIT No. 19.

ESTIMATE FOR RESLEEPERING AND BALLASTING.

Estimate for resleepering from Initial Peg to Reefton, 38½ miles, 500 sleepers per mile, at 4s. each, in position	£	3,850
Ballasting from Initial Peg to Totara Flat, 19 miles, at one-third yard per yard (11,147 yards), at 2s.		1,115
Resleepering from Stillwater to Jackson, 30½ miles, 500 sleepers per mile, at 4s. each, in position		3,075
Ballasting from Stillwater to Jackson, 30½ miles, at one-third yard per yard (18,040 yards), at 2s.		1,804
		<u>£9,844</u>
Deduct for silver-pine sleepers already in road, in excess of sidings and station-yards, not included in main line measurements, 5 miles of sleepers, at 4s., say		500
Total		<u>£9,344</u>

14th March, 1901.

H. ST. J. CHRISTOPHERS, D.E.

EXHIBIT No. 20.

STATEMENT OF STORES AND MATERIAL TAKEN OVER WITH MIDLAND RAILWAY ON 25TH MAY, 1895.

Soap, soft	... 1 qr. 2 lb.	Tallow-kettles	... 3
Vandyke brown	... 11 lb.	Oil-feeders	... 1
White-lead, dry	... 15 lb.	Pannikins	... 2
Chinese red	... 2 lb.	Padlocks	... 1
Drop black	... 1 lb.	Stovepiping	... 12 ft.
Orange chrome	... 1 lb.	Stovepipe-cap	... 1
Turkey umber	... 2 lb.	Paint-brushes	... 2
Prepared paint	... 1 lb.	Sash-tools, No. 10	... 3
Indian red	... 12 lb.	" No. 8	... 2
Ultramarine blue	... 5 lb.	" No. 3	... 2
Patent dryers	... 22 lb.	" No. 2	... 2
Raw sienna	... 10 lb.	Broom, bass	... 1
White-lead in oil	... 84 lb.	Brush, car-washing	... 1
Patent filling	... 1 qr.	" tarpaulin	... 1
Lamp-black	... 18 lb.	" scrubbing	... 3
Whiting	... 6 lb.	Broom, hair	... 1
Pumice, lump	... 4 lb.	" American	... 3
Varnish, oak	... 1 gal.	Brushes, banister	... 3
Terebine dryers	... ½ gal.	Putty	... 22 lb.
Japan black	... ½ gal.	Oakum	... 5 lb.
Neatsfoot oil	... 1 gal.	Buckets, galvanised	... 2
Bolts	... 14 lb.	Window-sash	... 1
Clout tacks	... 4 lb.	Shovels, locomotive fire	... 2

STATEMENT OF STORES, ETC.—continued.

Fireclay, lumps	6	Turpentine	10 $\frac{3}{4}$ gal.
Antifriction grease	1 qr. 12 lb.	Castor-oil	33 $\frac{1}{2}$ "
Spanner, shifting	1	Raw oil	12 $\frac{1}{2}$ "
Brass, sheet	1 qr. 12 lb.	Boiled oil	12 "
Glass, 32 in. by 15 in.	1	Colza-oil	8 $\frac{1}{2}$ "
" van-lights	2	Axle-oil	20 $\frac{1}{2}$ "
Twine	2 lb.	Valvoline	26 "
Candle-cotton	9 balls.	Kerosene	45 "
Lamp-wick, $\frac{3}{4}$ in.	90 ft.	Bradawl	1
Tacks, tinned	15 pkts.	Babbitts and metal	26 lb.
Sewing-twine	5 hnks.	Wire and nails	C. q. lb.
Glasses, locomotive head-lamp	26	Staples, fencing	3 3 12
Emery-paper	22 shts.	Spikes, Ewebank	0 2 1
Glass-paper	64 "	Iron, bar	1 1 13
Burner, lamp, "Comet"	1	" sheet	16 3 20
Hooks, cupboard	12	Zinc rods, telephone	1 1 15
Hinges, 4 in. butt	4	Porous pots	18
" 12 in. T... ..	1 pair.	Padlocks, points	5
" 6 in. box	1 "	" keys	24
Brackets, blind	2	Hammer and handle	57
Screws	18 gross	Handles	1
" round-head, japanned	1 "	Rivets, steel	5
Locks, rim	4	" copper	C. qr. lb.
Stays, rim	4	Bolts, iron	4 0 12
Lamp-chimneys, "Comet"	32	Hand-lamps	0 3 25
" " "Lip"	8	Axle-swabs	3 2 24
Candles	5 lb.	Rope, asbestos	5
Bath-bricks	2	Handles, file	234
Soap, hard	25 lb.	Telegraph-wire	5 lb.
Disinfecting-powder	1 lb.	Pipe copper	2
Tin ($\frac{1}{2}$ gallon)	1	Padlock	1 cwt.
Varnish, gold-size	1 $\frac{1}{2}$ gal.	Basin	12 $\frac{1}{4}$ lb.
" car	1 "	Lead pipe	1
Files, $\frac{1}{4}$ in., round	4	Steel spring	1
" $\frac{1}{4}$ in., square	5	Wheels, brass	3 ft.
" round, smooth	2	Insulators, telephone	4
" half-round, bastard	5	Nails, roofing	52
" square, rough	5	Binding-wire	19 lb.
" 12 in., flat, smooth	1	Signal-flags	1 qr.
" 14 in., round, second cut	4	Brunner coal	10 sets.
" 14 in., rough, flat	6	Blackball coal	T. c. qr.
" 16 in., second cut, flat	6	Engine tires	11 0 0
" $\frac{3}{4}$ in., round, rough	4	" bogie tires	19 16 3
" 16 in., half-round, rough	2	" bearing-springs	4
" 16 in., flat, rough	6	" bogie	4
Glue	10 lb.	" piston rods and heads	3
Solder	5 $\frac{1}{2}$ lb.	" " heads	2
Tomahawks	2	Piston and head for steam-brake	1
Methylated spirits	1 $\frac{1}{8}$ gal.	Crank-pin, driving	1
Adzes	5	" trailing	2
Locks, drawer	3	Cross-rods, engine brake-gear	6
" cupboard	1	Brake-rods, engine brake-screw	4
Keys, blank	3	Brake-screws	5
Cotton waste	2 qr. 27 lb.	" hangers	3
Sponges	4	" blocks (old pattern)	4
Leathers, chamois	3	Axle-boxes, engine	4
Scythe and stone	1	" " bogie	4
Slasher	1	Cylinder-cover, front	2
Reap-hooks	3	" back	2
Saws, hand	2	Coupling-pins, cross-heads	4
Glasses, gauge	12	Lifting-links, valve-gear	4
Bits, $\frac{7}{8}$ in. auger	2	Quadrant-links and die-blocks	2
" $\frac{9}{16}$ in. "	3	Eccentric-straps	2
Mops	1	Valve-buckles	2
Packing-tucks	13	Mend-hole door	1
Handles, sledge-hammer	12	Steam-chest cover	2
" broom	3	Packing-rings (piston)	42
" adze	6	" (No. 6 engine)	4
" beater	32	Valve, water, 2 $\frac{1}{2}$ in.	1
" axe	8		
Shovels, long-handled	4		
Beaters, platelayers'	1		

JOHN CASSERLY and JOHN LAUGHTON, in account with McKEONE, ROBINSON, and AVIGDOR.

Dr.			1887.			Contract No. 201.			Cr.				
1887.			£	s.	d.	1887.			£	s.	d.		
Mar. 26.	To Cash sub.	.. ..	200	0	0	Mar. 24.	130 lin. ch. felling and clearing,	£5	650	0	0		
	Cash, 32 casks cement, 17s. 6d.	.. ..	28	0	0		On account of ditto	.. ..	172	10	0		
	Cash	.. ..	509	0	0		145 sleepers, 1s. 6d.	.. ..	10	17	6		
							14 ch. grubbing, 30s.	.. ..	21	0	0		
							1,953 cub. yds. excavation, 1s. 9d.	.. ..	170	17	9		
											1,025	5	3
							Retained—	£	s.	d.			
							5 per cent. on con-						
							tract	250	0	0			
							5 per cent. on £755	38	5	3			
											288	5	3
	Total		£737	0	0		Total		£737	0	0		

Pay No. 4, JOHN CASSERLY and JOHN LAUGHTON, in account with McKEONE, ROBINSON, and AVIGDOR.

Dr.			1887.			Contract No. 105, Stillwater Bridge.			Cr.				
1887.			£	s.	d.	1887.			£	s.	d.		
Mar. 26.	To Cash brought forward	.. ..	40	0	0	Mar. 24.	251 ft. 6 in. of 11 in. by 10 in. piles		62	17	6	
	" 160 casks cement, 17s. 6d.	.. ..	140	0	0		driven, 5s.	.. ..	33	16	5
	" carriage of same	.. ..	2	3	4		16-91 B.M. sheet piling, £2	.. ..	10	1	6
	" 3 cwt. 2 qr. iron in pile-	.. ..	5	5	0		26 pile-shoes, at 28 lb., 7s. 9d.	.. ..	11	14	2
	shoes..	.. ..	0	4	0		802-9 lb. of ironwork in bolts, 3½d.	.. ..	3	12	0
	" carriage of same	.. ..	337	7	8		18 cub. yds. boulders, 4s.	.. ..	13	5	0
							132½ " excavation, 2s.	.. ..	11	12	0	
							58 " " 4s.	.. ..	5	0	0	
							Allowed for scoop	.. ..	377	0	6	
							228½ cub. yds. concrete, £1 13s.	.. ..	3	15	0	
							50 " excavation for apron,	.. ..	19	16	0	
							1s. 6d.	.. ..				
							99 cub. yds. pitching for apron, 4s.	.. ..				
											552	10	1
							5 per cent. retained	27	10	1		
	Total		£525	0	0		Total		£525	0	0		

Greymouth, 15th March, 1901.

P. CORCORAN.

EXHIBIT No. 23.

TOTARA FLAT.

The New Zealand Midland Railway Company (Limited),
9th July, 1890.

DEAR SIRS,—

As agreed between the company and yourselves, I herewith submit the following list of crossings which have been done away with at your request, and for which you are entitled to the estimated half-cost, as under:—

Crossing at 15 m.—		£	s.	d.
Guard-banks	.. ..	1	0	0
22 cubic yards earthwork, at 1s. 2d.	.. ..	1	5	8
13 cubic yards metal, at 2s.	.. ..	1	6	0
One gate, complete	.. ..	8	0	0
		11	11	8
Crossing at 15 m. 30 ch.—				
Guard-banks	.. ..	1	0	0
90 cubic yards earthwork, at 1s. 2d.	.. ..	5	5	0
13 cubic yards metal, at 2s.	.. ..	1	6	0
One gate, complete	.. ..	8	0	0
		15	11	0
Crossing at 16 m. 9ch.—				
Guard-banks	.. ..	1	0	0
30 cubic yards earthwork, at 1s. 2d.	.. ..	1	15	0
13 cubic yards metal, at 2s.	.. ..	1	6	0
One gate, complete	.. ..	8	0	0
		12	1	0
Totals—				
Crossing at 15 m.	.. ..	11	11	8
" 15 m. 30 ch.	.. ..	15	11	0
" 16 m. 9 ch.	.. ..	12	1	0
		£39	3	8

Please write me your acceptance of above totals.
Messrs. Casserly and Taylor.

P. CORCORAN.—Greymouth, 15th March, 1901.

I am, &c.,

W. CLEEVE EDWARDS.

EXHIBIT No. 24.

In the Warden's Court of the Westland Mining District, holden at Ahaura.
 RETURN for the YEARS 1895 to 1900 inclusive, showing the TOTAL NUMBER of APPLICATIONS made to the WARDEN for—(a) MINING PRIVILEGES, (b) SPECIAL CLAIMS and LICENSED HOLDINGS of 20 Acres and upwards, (c) EXTENDED CLAIMS of a Lesser Area than 20 Acres; also a RETURN for each of the said Years showing the TOTAL NUMBER of these RIGHTS which were granted.

	Applications.			Grants.		
	(a.)	(b.)	(c.)	(a.)	(b.)	(c.)
1895.						
(a.) Mining privileges	456	...	...	394	...	...
(b.) Special claims and licensed holdings (over 20 acres)	...	6	...	...	4	...
(c.) Extended claims (under 20 acres)	...	...	148	...	...	130
1896.						
(a.) Mining privileges	696	...	...	598	...	...
(b.) Special claims and licensed holdings (over 20 acres)	...	59	...	...	51	...
(c.) Extended claims (under 20 acres)	...	...	203	...	...	175
1897.						
(a.) Mining privileges	352	...	...	277	...	...
(b.) Special claims and licensed holdings (over 20 acres)	...	36	...	...	11	...
(c.) Extended claims (under 20 acres)	...	...	82	...	...	69
1898.						
(a.) Mining privileges	363	...	...	284	...	...
(b.) Special claims and licensed holdings (over 20 acres)	...	15	...	...	10	...
(c.) Extended claims (under 20 acres)	...	...	80	...	...	74
1899.						
(a.) Mining privileges	579	...	...	454	...	...
(b.) Special claims and licensed holdings (over 20 acres)	...	47	...	...	19	...
(c.) Extended claims (under 20 acres)	...	...	91	...	...	61
1900.						
(a.) Mining privileges	871	...	...	615	...	...
(b.) Special claims and licensed holdings (over 20 acres)	...	96	...	...	59	...
(c.) Extended claims (under 20 acres)	...	...	63	...	...	51
Totals for six years ending 31st December, 1900	3,317	259	667	2,622	154	560

NOTE.—(a) in each instance includes (b) and (c), which are also shown separately.

Ahaura, 15th March, 1901.

A. ASKENBECK, Mining Registrar.

EXHIBIT No. 25.

MINING PRIVILEGES APPLIED FOR, ETC., AT REEFTON.

Year.	Mining Privileges.		Special Claims over 20 Acres.		Extended Claims.	
	Applied for.	Granted.	Applied for.	Granted.	Applied for.	Granted.
1895	268	202	78	32	35	24
1896	340	286	142	117	35	39
1897	209	179	82	60	29	22
1898	317	258	32	22	32	34
1899	253	241	38	44	16	14
1900	333	252	20	12	19	17

Reefton, 15th March, 1901.

HENRY LUCAS, Mining Registrar, &c.

EXHIBIT No. 26.

New Zealand Railways, Greymouth, 15th March, 1901.

APPROXIMATE ESTIMATE of NUMBER of COACH and LOCAL PASSENGERS and of REVENUE derived therefrom for Period from 1st May, 1895, to 20th July, 1900.

Coach and local passengers from Jackson: First class, 1,607; revenue, £974 11s. 9d. Second class, 936*; revenue, £372. Total: First class, 1,607; second class, 936; revenue, £1,346 11s. 9d.

E. R. NICHOLSON, Traffic Clerk.

* The second-class revenue on this return represents the amount of deduction allowed for coach and local passengers on return of 9th March.

EXHIBIT No. 27.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—FINAL CERTIFICATE No. 25.

CONTRACT No. 1.—STILLWATER JUNCTION, TEREMAKAU SECTION.

Final Summary Certificate, May, 1889.—Total Amount.

Classification.	Contract.			Additions.			Plant and Materials.		
	£	s.	d.	£	s.	d.	£	s.	d.
Grading	16,597	0	9	2,579	11	6	...	...	...
Bridges and culverts	2,835	18	1	151	19	4	...	...	...
Plant (pneumatic) ... ..	...	...	...	3	4	6	...	...	...
Fencing	459	8	0	41	6	6	...	...	...
Permanent-way	8,094	12	6	169	15	8	31,562	8	0
Rolling-stock ... ..	...	...	...	210	13	10	19,110	0	0
Stations	1,017	14	0	2,317	14	4	...	...	...
Maintenance ... ..	...	...	...	206	9	3	...	...	...
Totals	29,004	13	4	5,680	14	11	50,672	8	0

Recapitulation of Final Certificate.

Contract	£79,667	1	4
Additions	5,680	14	11
Totals	£85,357	16	3

The above certificate is correct.
Greymouth, 4th June, 1889.

H. W. YOUNG, Assistant Engineer.

Grading.

Description.	Item.	Quantity.	Price.	Amount.		
				£	s.	d.
Cutting to bank	} Cub. yd.	107,014	1-9/	10,166	6	7
" to spoil		26,635	2-6/	3,462	11	0
Side-cutting	"	800	2-84/	113	12	0
Sand reef	Lin. ch.	63	1-4/	88	4	0
Forming line	"	600	14-4/	432	0	0
Trimming line	Sq. yd.	143	5-65/	40	8	0
Pitching, dry stone	Lin. ch.	609	£1 6/	974	8	0
Felling, 3 ch. wide	"	609	£1 17/	712	10	7
Clearing, 1 ch. wide	"	198	£1-81	358	7	7
Grubbing	No.	4	£8	32	0	0
Level crossing, second class	"	1	£8	8	0	0
private	Cub. yd.	1,070	3-9/	208	13	0
Metal " ... ..	...	...	...	16,597	0	9
Total ... ..	...	...	...	...	...	...

Bridges and Culverts.

Timber, B.M., New Zealand	C.	5,244	40/	104	17	7
Piling	Lin. ft.	202	7/	70	14	0
Ironwork in bolts, &c.	Lbs.	1,200	/4	20	0	0
Wrought-iron in girders	Tons	4-15	£20	95	0	0
Concrete	Cub. yds.	1,000	48/	2,400	0	0
Glazed-tile drains, 15 in.	Lin. ft.	43	5/6	11	16	6
12 in.	"	300	4/6	67	10	0
Pipe-ends, concrete	Each	11	6/	66	0	0
Total ... ..	...	...	...	2,835	18	1

Fencing.

Description.	Item.	Quantity.	Price.	Amount.
Quality No. 3	Chs.	182	£1·7	£ 309 8 0
Cattle-stops	No.	6	£25	150 0 0
Total ... ..	...	...	...	459 8 0

Permanent-way.

Ballast	Cub. yds.	15,547	2·74/	2,129 18 8
Platelaying	Lin. yds.	16,015	2·26/	1,809 13 10
Points and crossings, laying	Sets	20	£7	140 0 0
Sleepers, ordinary	No.	20,000	3·4/	3,400 0 0
Sleepers, sawn, for points and crossings	Sets	20	£8	160 0 0
Grade-boards, mile-posts, and telegraph-posts	Mile	7	£65	455 0 0
Total ... ..	...	...	...	8,094 12 6

Permanent-way and Materials.

Steel rails	Tons	2201	£12	26,412 0 0
Fish-plates	Tons cwt.	123 10	£12	1,482 0 0
Bed-plates ... ..	...	34 12	£12	415 4 0
Fish-bolts and nuts ... ..	...	23 15	£34	807 10 0
Spikes ... ..	...	41 14	£16	667 14 0
Fang-bolts ... ..	...	48 0	£23	1,104 0 0
Points and crossings	Sets	20	£33 7/	674 0 0
Total ... ..	...	...	...	31,562 8 0

Stations.

Platelayers' cottage	Each	1	£171	171 0 0
Passenger-shed	"	2	£152	304 0 0
"	"	1	£51	51 0 0
Passenger-platform	Lin. ft.	313	3/	46 19 0
Goods-shed	"	40	£3 12/	144 0 0
Loading-ramp	"	125	15/	93 15 0
Water-supply, Kaimata ... ..	...	1	£207	207 0 0
Total ... ..	...	...	...	1,017 14 0

Rolling-stock.

Locomotives ... ..	...	4	£1,903 15/	7,615 0 0
Duplicate sets ... ..	...	£200	£200	200 0 0
Carriages, second-class	...	4	£4,790	4,790 0 0
" composite	...	3		
Five-ton crane ... ..	...	1	£544	544 0 0
Brake-vans ... ..	...	3	£305	915 0 0
Covered goods-vans ... ..	...	3	128/6/8	385 0 0
Timber-trucks ... ..	...	12	£86	1,032 0 0
Wagons, low-sided ... ..	...	15	94/14/8	1,421 0 0
" high-sided ... ..	...	15	96/18/8	1,454 0 0
" sheep ... ..	...	3	128/6/8	385 0 0
" cattle ... ..	...	3	£123	369 0 0
Total ... ..	...	...	...	19,110 0 0

SCHEDULE No. 1.

From 0 m. 0 ch., Teremakau, to 12 m. 45·25 ch., Stillwater = 25 m. 34·55 ch.

Description.	Quantity.	Item.	Rate.	Amount.
Fencing, No. 2	1,338½	Lin. ch.	£1·7	£ 2,275 0 0
Cattle-stops	25	Each	£25	625 0 0
Felling trees	1519·12	Lin. ch.	£1·6	2,430 0 0
" scrub	88·8	"	11·3/	50 0 0
Clearing trees	1622·56	"	£1·17	1,897 0 0
" scrub	99·8	"	5/	25 0 0
Grubbing	419·1	"	£1·81	758 0 0

SCHEDULE No. 1—continued.

Description.	Quantity.	Item.	Rate.	Amount.		
				£	s.	d.
Tunnel lined	130	Lin. yd.	£39·8	5,174	0	0
Loose rock	14,604	Cub. yd.	5·68/	4,148	0	0
Sand reef	12,159	"	2·84/	1,726	0	0
Shingle or clay	251,315	"	1·9/	23,874	0	0
Borrow pits	161,099	"	2·6/	20,942	0	0
Formation	17,645	Lin. ch.	£1·4	247	0	0
Metalling	1,640	Cub. yd.	3·9/	320	0	0
Guard-rails, &c.	3	Each.	£7	21	0	0
Retaining-walls, dry	88	Cub. yd.	14/	62	0	0
Log cribbing	792	Lin. ft.	...	682	0	0
Pitching, 12 in. thick	509	Sq. yd.	5·65/	144	0	0
" 15 in. "	272	"	7·43/	101	0	0
" 4 ft. "	7,510	"	7·57/	2,842	0	0
Trimming line	2034·55	Lin. ch.	14·4/	1,465	0	0
Culverts ... ..	...	...	...	6,821	0	0
Bridges ... ..	...	...	...	7,379	0	0
Rails	2,201	Tons	£12	26,412	0	0
Fish-plates	123	"	£12	1,476	0	0
Fish-bolts	29	"	£34	986	0	0
Spikes	42	"	£16	672	0	0
Bed-plates	36	"	£12	432	0	0
Fang-bolts	43	"	£23	989	0	0
Points and crossings	20	Sets	£33·7	674	0	0
Ballast	59,904	Cub. yd.	2·74/	8,207	0	0
Sleepers... ..	52,860	Each	3·4/	8,986	0	0
Distance-signals	4	"	£34	136	0	0
Grade-boards	98	"	...	1,700	0	0
Mile-posts	25	"	...	...	...	...
Telegraph	26	Miles	...	...	...	...
Platelayers' cottages	5	Each	£171	855	0	0
Gates	4	"	...	...	...	...
Goods-shed	4	"	...	...	...	...
Loading-ramps	4	"	...	...	...	...
Pass.-sheds, 5th class	4	"	...	2,535	0	0
" 7th class	1	"	...	...	...	...
Platforms, 100 ft. by 10 ft.	5	"	...	...	...	...
Water-services	3	"	...	...	...	...
Laying permanent-way	46,519	Lin. yd.	2·26/	5,256	0	0
" points and crossings	20	Sets	£7	140	0	0
Sleepers for points and crossings	20	"	£8	160	0	0
Rolling-stock ... ..	...	...	...	19,270	0	0
Protecting back of bank ... ..	...	...	...	606	0	0
Total ... ..	...	...	...	163,500	0	0

Amount scheduled for Rolling-stock.

	£	s.	d.	£	s.	d.
4 locomotives, at £1,903 15s. each	7,615	0	0			
4 brake-vans, at £305 each	1,220	0	0			
15 high-side wagons, at £96 18s. 6d. each	1,454	0	0			
15 low-side wagons, at £94 14s. 8d. each	1,421	0	0			
3 covered goods-wagons, at £128 6s. 8d. each	385	0	0			
3 cattle-trucks, at £123 each	369	0	0			
3 sheep-trucks at £128 6s. 8d. each	385	0	0			
12 timber-trucks, at £86 each	1,032	0	0			
				13,881	0	0
*1 crane, at £500	500	0	0			
*Low duplicates	150	0	0			
*40 carriage wagon ditto	150	0	0			
*40 tarpaulins... ..	140	0	0			
*3 sets of drawings complete... ..	150	0	0			
*3 first-class carriages, at £650 each	1,950	0	0			
*4 composite carriages, at £587 5s. each	2,349	0	0			
				5,389	0	0
Total rolling-stock in schedule				£19,270	0	0

N.B.—The figures in black are prices as given us for certificate purposes. The figures in red are estimated to bring the balance out to the contract amount for rolling-stock—namely, £19,270.

* The items marked with a * are written in red ink in the original manuscript copy, as referred to in above note.

EXHIBIT No. 28.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—FINAL CERTIFICATE No. 21.

CONTRACT No. 2.—BRUNNER—STILLWATER SECTION.

Final Summary Certificate, May, 1889.—Total Amount.

Classification.	Contract.	Additions.
	£ s. d.	£ s. d.
Grading	6,491 18 8	935 3 4
Bridges and culverts	1,194 0 0	2,080 7 0
Fencing ... ..	...	4 0 0
Permanent-way	1,023 14 0	...
Stations	1,075 0 0	...
Maintenance ... ..	...	140 13 6
Totals	9,784 12 8	3,160 3 10

Recapitulation of Final Certificate.

Contract	£ 9,784 12 8
Additions	3,160 3 10
Total	<u>£12,944 16 6</u>

Grading.

Description.	Item.	Quantity.	Price.	Amount.
				£ s. d.
Cutting to bank	Cub. yds.	32,910	2/8	4,834 18 8
" from slips	"	1,500		
Foundations, retaining-walls	"	127		
Stream diversions to bank	"	1,725		
Trimming line	Lin. chs.	63	£2	126 0 0
Retaining-walls, concrete	Cub. yds.	706	£2	1,412 0 0
Felling, 3 chains wide; clearing, 1 chain wide	Lin. yds.	33	£3	99 0 0
Level crossing, first class	No.	1	£20	20 0 0
Total ... ..	...	...	...	6,491 18 8

Bridges and Culverts.

Bridge over road, 0 m. 78 ch.	Lin. ft.	...	£303 0 0	303 0 0
Bridge-piers, Stillwater, as included in contract price	...	...	569 10 0	569 10 0
Stillwater Bridge, superstructure ... ..	...	...	261 10 0	261 10 0
Concrete culvert	2 ft.	...	50 0 0	50 0 0
Pipe culvert, 15 in.	Lin. ft.	...	10 0 0	10 0 0
Total ... ..	...	...	...	1,194 0 0

Permanent-way.

Ballast	Cub. yds.	2,720	2/6	340 0 0
Pipe-laying	Lin. yds.	2,112	2/1	211 4 0
Sleepers, ordinary	No.	2,451	3/4	408 10 0
Grade-boards	Each	8	10/	4 0 0
Telegraph ... ..	...	£60	...	60 0 0
Total ... ..	...	...	...	1,023 14 0

Stations.

Four-stalled engine-shed ... ..	...	£960	...	960 0 0
Coal-store ... ..	...	£115	...	115 0 0
Total ... ..	...	...	...	1,075 0 0

ADDITIONS TO CONTRACT.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				
Road-metal at 1 m.	Cub. yds.	251	4/	£ 50 4 0
Widening road-formation	Chs.	13	6/	3 18 0
Wagon-stand	Cub. yds.	129	3/	19 7 0
Filling over culvert at 1 m. 5 ch.	"	181	2/8	24 2 8
Road under Stillwater Bridge	Chs.	2	£5	10 0 0
Stone apron and pitching at 1 m.	Cub. yds.	94	6/	28 4 0
1 m. 15 ch. to 1 m. 31 ch., refilling cutting to altered grade	"	2,145	1/9	187 13 9
1 m. 9 ch. to 1 m. 15 ch., making up bank to new grade	"	1,650	2/6	206 5 0
0 m. 53 ch., removing shingle from top of batter, prime cost <i>plus</i> 15 per cent., as agreed	...	...	...	390 2 7
0 m. 63 ch., removing rock, timber, &c., from slopes, prime cost <i>plus</i> 15 per cent., as agreed	...	...	...
0 m. 45 ch., clearing slips, from 29th June to 24th August, 1888, cost <i>plus</i> 15 per cent.	...	...	...
Total ... ..	...	...	...	935 3 4

Bridges and Culverts.

1 m. 5 ch., culverts in creek diversion	C.B.M.	4,622	38/	88 15 4
1 m. 2 ch., Stillwater Bridge, extra in piers, completed as agreed, as per statement below	...	...	...	924 4 9
Apron excavation	Cub. yds.	114	1-725/	9 16 8
Apron pitching	"	303	6-325/	95 16 6
0 m. 74 ch., 12 in. pipe, Dick's	Lin. ft.	74	4/6	16 13 0
0 m. 52 ch. to 0-65 ch., box drains	B.M.	200	40/	4 0 0
0 m. 50 ch., 0 m. 60 ch., 0 m. 72 ch., 1 m. 3 ch., tarring bridges, cost <i>plus</i> 15 per cent.	...	...	...	40 15 4
Protection-work to Stillwater Bridge piers and banks of creek, prime cost <i>plus</i> 15 per cent., as per agreement	...	...	...	874 2 1
1 m. 5 ch., lining 4 ft. culvert, Crawford's approach, prime cost <i>plus</i> 15 per cent.	...	...	...	10 13 10
1 m. 2 ch., battens for Stillwater Bridge, cost <i>plus</i> 15 per cent.	...	...	...	1 16 0
Shelter-brackets, &c., for Stillwater Bridge, cost <i>plus</i> 15 per cent.	...	...	...	9 15 6
0 m. 50 ch., box drain, 150 ft. timber, at 40/ £3 } Iron grating and nails 18/ }	...	...	...	3 18 0
Total ... ..	...	...	...	2,080 7 0

Statement referred to above—Stillwater Bridge Piers.

Excavation	Cub. yds.	130	3/	19 10 0
"	"	98	6/	29 8 0
Concrete	"	260	45/	585 0 0
Boulders	"	19	5/	4 15 0
Sheet piling	C.B.M.	30	50/	75 0 0
Piles driven	Lin. ft.	613	7/3	222 4 3
Timber fixed	C.B.M.	203	40/	406 0 0
Pile-shoes, 28 lb. each	Each	43	12/6	26 17 6
Ironwork in bolts	Lb.	6,000	/5	125 0 0
				1,493 14 9
Less amount included in contract price ... ..	...	...	...	569 10 0
				924 4 9

SCHEDULE No. 1—continued.

Description.	Quantity.	Item.	Rate.	Amount.
<i>Permanent-way and Ballast.</i>				£ s. d.
Rails	100	Tons		
Fish-plates	5.54	"		
Fish-bolts (Ibbotson's patent)	1	"		1,395 10 0
Spikes	1.9	"		
Bed-plates	1.6	"		
Fang-bolts	1.96	"		
Sleepers	2,451	Each	3/4	408 10 0
Laying permanent-way	2,112	L. yds	2/	211 4 0
Ballast	2,720	C. yds.	2/6	340 0 0
<i>Telegraphs.</i>				
Telegraph, fixed, including instruments	1 m. 16 chs.	...	£2 10s.	60 0 0
Grade-boards	8	Each	10/	4 0 0
Mile-posts	2	"	10/	1 0 0
<i>Buildings.</i>				
Four-stall engine-shed				960 0 0
Coal-store				115 0 0
Platelayer's cottage				125 0 0
Total				11,306 2 0

EXTRA WORK SANCTIONED.

Description.	Quantity.	Item.	Rate.	Amount.
Close fence to passenger-platform	132	L. ft.	3/	£ s. d. 18 16 0
Wicket-gate	1	...	...	1 10 0
Fourth-class passenger-station in lieu of fifth class, difference as per Schedule 2 ... ..	...	...	...	50 0 0
Difference in value between goods-shed 20 ft. wide and ditto 30 ft. wide	40	L. ft.	£1 11s.	62 0 0
Stationmaster's house, with three bedrooms, parlour, kitchen, and scullery, as per plan, but only 9 ft. high to eaves, with privy, &c. ... ..	...	...	...	275 0 0
Difference in length fencing	18½	Chs.	£1 12s.	29 6 0
Road-metalling, 12 in.	1,167	C. yds.	...	233 8 0
Rail crossing, to be made in colony and charged 15 per cent. in addition to cost laid.	1	...	...	23 0 0
Lean-to store to engine-shed, 22 ft. by 11 ft.	10	Chs.	£4 10s.	45 0 0
Additional clearing and removing trees	23½	"	£1 18s.	42 15 0
" felling	7¼	"	£6	43 10 0
" grubbing ... ..	...	...	...	...
Total ... ..	...	...	...	824 5 0

The following items are considered as extra, but the supply and construction will be postponed for the present :—

- Cattle-yard.
- Fencing ditto.
- Tank to ditto.
- High-level water-service.
- Extra coal-store.
- Drain-pipes, elbows, manholes.
- Trenching and laying.

The following items are included in existing contracts :—

- One coal-store, 22 ft. by 14 ft., and not 30 ft. by 16 ft.
- Extra earthwork to be added to or subtracted from Contract No. 1 as per schedule.

The four-stall engine-shed to be narrowed as per Mr. Bell's design.

Existing cottage to be taken over by company, if considered satisfactory by Resident Engineer, at £75.

These items are subject to measurement.

The above certificate is correct.

Greymouth, 18th March, 1901.

H. W. YOUNG, Assistant Engineer.

EXHIBIT No. 29.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—FINAL CERTIFICATE No. 23.

CONTRACT No. 3.—NELSON CREEK SECTION.

Final Summary Certificate, May, 1889.—Total Amount.

Classification.	Contract.			Additions.		
	£	s.	d.	£	s.	d.
Grading	31,641	18	8	172	5	1
Bridges and culverts	21,958	15	5	1,131	14	8
Fencing	675	0	0	852	14	0
Permanent-way	6,980	14	2	...	...	...
Rolling-stock ... ..	...	...	...	...	...	...
Stations	1,387	0	0	86	13	3
Maintenance ... ..	...	...	...	191	1	5
Totals	62,643	8	3	2,434	8	5

Recapitulation of Final Certificate.

	£	s.	d.
Contract	66,600	0	0
Additions	2,434	8	5
Total	£69,034	8	5

The above certificate is correct.
Greymouth, 4th June, 1889.

H. W. YOUNG, Assistant Engineer.

Grading.

Description.	Item.	Quantity.	Price.	Amount.		
				£	s.	d.
Cutting to bank	Cub. yds.	95,000	2/6	11,875	0	0
" spoil	"	57,000	1/6	4,275	0	0
Side-cutting	"	102,000	1/9½	9,137	10	0
Stream diversions to bank spoil	"	2,500	2/6	312	10	0
Ditching to bank	"	3,000	2/6	375	0	0
" spoil ... ..	"	...	...	...	...	...
Catchwater drain	Lin. chs.	290	6/	87	0	0
Forming line	"	60	£1 10s.	90	0	0
Trimming line	"	607	6/	182	2	0
Pitching, dry stone, hand laid	Sq. yds.	4,000	6/	1,200	0	0
" random	"	1,000	4/	200	0	0
Felling, 3 chains wide	Lin. chs.	595	£2 8s.	1,428	0	0
Clearing, 1 chain wide	"	628	£1 16s.	1,130	8	0
Grubbing	"	60	£2 8s.	144	0	0
Metal for road	Cub. yds.	5,000	3/7	895	16	8
Level crossing, first class... ..	No.	3	£24	72	0	0
" second class	"	4	14/8	57	12	0
" private, with iron gate	"	10	£18	180	0	0
Total ... ..	...	...	...	31,641	18	8

Bridges and Culverts.

Excavation of foundations	Cub. yds.	1,800	3/	270	0	0
Inlets and outfalls	"	718	2/6	89	15	0
Timber, B.M., New Zealand	C.	403	£2	806	0	0
" " ironbark	"	...	£38 11s. 3d.	38	11	3
Piling	Lin. ft.	5,000	4/	1,000	0	0
Pile-drawing	"	3,200	4/9	760	0	0
Logs in road culverts	"	1,000	3/	150	0	0
Ironwork in bolts, &c.	Lbs.	13,500	/5	281	5	0
Wrought-iron in girders erected	Tons	351.77	£5 12s. 6d.	1,978	14	1
" materials delivered	"	351.77	£5 12s. 6d.	1,978	14	1
Cast-iron in cylinders complete	Lin. ft.	610	£8	4,880	0	0
" plates	Tons	10	£16	160	0	0
Sinking cylinders	Lin. ft.	440	£8	3,520	0	0
Concrete	Cub. yds.	2,400	£2 8s.	5,760	0	0
Puddle... ..	"	23	12/	13	16	0
Glazed-tile drains, 15 in.	Lin. ft.	57	8/	200	0	0
" 12 in.	"	443	8/	200	0	0
Pipe inlets and outlets	"	12	£6	72	0	0
Total ... ..	...	...	...	21,958	15	5

Fencing.

Description.	Item.	Quantity.	Price.	Amount.
Fencing, quality No. 3	Chs.	300	31/	£ 465 0 0
Cattle-stops	No.	7	£30	210 0 0
Total ... ..	...	...	...	675 0 0

Permanent-way.

Ballast	Cub. yds.	12,000	3/	1,800 0 0
Platelaying	Lin. yds.	13,340	2/2	1,445 3 4
Points and crossings, laying	Sets	12	£30	360 0 0
Sleepers, ordinary	No.	14,800	3/6	2,590 0 0
" on bridges and culverts	"	800	4/	160 0 0
" sawn, for points and crossings	Sets	12	£8 8/	100 16 0
Carriage of material	Tons	1,400	7/2	501 13 4
Grade-boards	Each	30	12/	18 0 0
Mile-posts	"	7	14/6	5 1 6
Total ... ..	...	...	...	6,980 14 2

Stations.

Passenger shed, seventh class	No.	2	£50	100 0 0
" " fourth class	"	1	£242	242 0 0
" platform, 60 ft.	"	2	£20	40 0 0
" " 100 ft.	"	1	£30	30 0 0
Platelayer's cottage	"	2	£142	284 0 0
Stationmaster's house	"	1	£216	216 0 0
Water-service complete	"	1	£120 10/	120 10 0
Goods-sheds	"	1	£289 10/	289 10 0
Ash-pits, 20 ft. long	"	2	£32 10/	65 0 0
Total ... ..	...	...	...	1,387 0 0

ADDITIONS TO CONTRACT.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
No Town Road crossing, cost + 15 per cent. ... ..	...	...	...	46 19 6
Earthwork, Delaney's house	Cub. yds.	1,077	1/9½	96 9 7
Second-class crossings	No.	2	£14 8/	28 16 0
Total ... ..	...	...	...	172 5 1

Bridges and Culverts.

Nelson Creek, cylinder, complete	Lin. ft.	30	£8	240 0 0
" sinking	"	30	£8	240 0 0
" timber, New Zealand	C.B.M.	54·61	40/	109 4 5
Red Jack's and McLaughlin's, extra spans and piers—				
Piling	Lin. ft.	684	4/	136 16 0
Pile-driving	"	531	4/9	126 2 3
Iron in bolts, &c.	Lbs.	2,661	/5	55 8 9
Iron in 22 ft. girder	Tons	5	£22 10/	112 10 0
Iron in braces and sole-plates of skewed bridges	Lbs.	2,247	/7½	70 4 4
Extra bracing of skew 22 ft. spans, cost + 15 per cent. ... ..	...	...	...	41 8 11
Total ... ..	...	...	...	1,131 14 8

Fencing.

Quality No. 3	Chs.	440	31/	682 0 0
Ngahere picket-fence, cost + 15 per cent. ... ..	...	...	...	20 14 0
Cattle-stops	No.	5	£30	150 0 0
Total ... ..	...	...	...	852 14 0

Stations.

	£	s.	d.
Water-supply, Ngahere: Compensation and relaying pipes, &c. ...	11	0	0
Payment to Messrs. Algie and Priest for water-right, as requested by Mr. Bell in letter of 4th January, 1889	60	0	0
Interest and sundry expenses	2	0	0
Bank's commission, London	1	1	0
Kelly's water-supply at the XII.-mile Station, cost + 15 per cent....	12	12	3
	<u>£86</u>	<u>13</u>	<u>3</u>

Maintenance.

	£	s.	d.
From 1st February to 11th April, 1889—			
Prime cost	35	0	9
+ 15 per cent.	5	5	1
	<u>40</u>	<u>5</u>	<u>10</u>
Tarring bridges—			
Prime cost, 2,963 sq. yds., at 4d.	49	7	8
+ 15 per cent.	7	8	1
	<u>56</u>	<u>15</u>	<u>9</u>
3½ casks of cement, at 19/			3 6 6
Insurance paid after expiration of term of mainten- ance	9	10	10
+ 15 per cent.	1	8	7
	<u>10</u>	<u>19</u>	<u>5</u>
Maintenance from 12th April to 30th May, 1889—			
Wages	59	7	8
Tarring culverts	9	18	4
Cost price	69	6	0
+ 15 per cent.	10	7	11
	<u>79</u>	<u>13</u>	<u>11</u>
Total	<u>£191</u>	<u>1</u>	<u>5</u>

CLAIMS MADE BY CONTRACTORS AND REFERRED TO ENGINEER-IN-CHIEF.

Description.	Item.	Quantity.	Price.	Amount.
Claim No. 1—				£ s. d.
Protective-works at Red Jack's—				
Earthwork, raising road-approach to form stop-bank for flood-water	Cub. yds.	90	1/9½	8 1 3
Road-metal for ditto	"	56	3/7	10 0 8
Dam across overflow, cost + 15 per cent.	...	...	...	128 12 1
Claim No. 2—				
Clearing creeks outside of contract limits, cost + 15 per cent.	...	...	...	30 9 6
Claim No. 3—				
Walking-planks, Arnold and Nelson Creek Bridges—				
Timber	C.B.M.	3,500	40/	70 0 0
Iron	Lb.	110	/5	2 5 10
Claim No. 4—				
Earth planking ends of bridges—				
Timber	C.B.M.	5,271	40/	105 8 5
Iron	Lb.	778	/5	16 4 2
Total ... ..	...	...	...	371 1 11

SCHEDULE No. 1.

From 1 m. 41 ch., Stillwater, to 8 m. 28 ch., Nelson Creek = 6 m. 67 ch.

Description.	Quantity.	Item.	Rate.	Amount.
<i>Earthwork.</i>				£ s. d.
Cutting to bank, average lead, 7 chains	95,000	Cub. yds.	2/6	11,875 0 0
" to spoil	57,000	"	1/6	4,275 0 0
Side-cutting	102,000	"	1/9½	9,137 10 0
Stream diversion	2,500	"	2/6	312 10 0
Ditching	3,000	"	2/6	375 0 0
Forming line	60	Chs.	£1 10s.	90 0 0
Trimming line	607	"	6/	182 2 0
Catchwater ditches above cuttings	290	"	6/	87 0 0
Felling	595	"	£2 8s.	1,428 0 0

SCHEDULE No. 1—*continued.*

Description.	Quantity.	Item.	Rate.	Amount.
<i>Earthwork—continued.</i>				
Clearing... ..	628	Chs.	£1 16s.	£ 1,130 8 0
Grubbing	60	"	£2 8s.	144 0 0
Metal for roads	5,000	Cub. yds.	3/7	895 16 8
Level crossings, first class	3	Each	£24	72 0 0
" second class	4	"	£14 8s.	57 12 0
" third class ... ..	...	...	...	...
" private, iron gates	10	Each	£18	180 0 0
				30,241 18 8
<i>Bridges and Culverts.</i>				
Excavation in foundations	1,800	Cub. yds.	3/	270 0 0
Stone facing, hand laid	4,000	Sq. yds.	6/	1,200 0 0
" random	1,000	"	4/	200 0 0
Inlets and outlets	718	Each	2/6	89 15 0
Timber, New Zealand	403	C.B.M.	£2	806 0 0
" ironbark ... ..	...	...	...	38 11 3
Logs in road culverts	1,000	Cub. ft.	3/	150 0 0
Piling, 12 in.	5,000	Lin. ft.	4/	1,000 0 0
Pile-driving	3,200	...	4/9	760 0 0
Iron in straps, bolts, shoes, &c.	13,500	Lbs.	/5	281 5 0
Wrought-iron in girders	351·77	Tons.	£22 10s.	7,915 0 0
Cast-iron in plates, &c.	10	"	£16	160 0 0
Cylinders, including feet, caps, and concrete	610	Lin. ft.	£8	4,880 0 0
Extra for sinking cylinders below water	440	"	£8	3,520 0 0
Concrete in culverts and bridge-abutments	2,400	Cub. yds.	£2 8s.	5,760 0 0
Puddle	23	"	12/	13 16 0
Glazed-tile drains, 12 in.	500	Lin. ft.	8/	200 0 0
Pipe inlets and outlets	12	Each	£6	72 0 0
				27,316 7 3
<i>Fencing.</i>				
Fencing, quality No. 3	300	Chs.	£1 11s.	465 0 0
Cattle-stops	7	Each	£30	210 0 0
				675 0 0
<i>Permanent-way.</i>				
Ballast (6 in. under sleepers)	12,000	Cub. yds.	3/	1,800 0 0
Platelaying	13,340	Lin. yds.	2/2	1,445 3 4
Sleepers, ordinary	14,800	Each	3/6	2,590 0 0
" bridges	800	"	4/	160 0 0
" points and crossings	12	Sets	£8 8s.	100 16 0
Points and crossings complete, materials and laying	12	"	£30	360 0 0
Grade-boards	30	Each	12/	18 0 0
Mile-posts	7	"	14/6	5 1 6
Carriage of material	1,400	Tons	7/2	501 13 4
				6,980 14 2
<i>Stations, &c.</i>				
Arnold River, seventh-class passenger-station, standard drawing 8102; 2 m. 8 ch. ... ..	...	...	...	50 0 0
Eleven-mile Creek, seventh-class passenger-station, standard drawing 8102; 3 m. 60 ch. ... ..	...	...	...	50 0 0
Nelson Creek Road, fourth-class passenger-station, with urinal and privy; 7 m. 60 ch. ... ..	...	...	...	242 0 0
Passenger-platform, class B, 60 ft. by 10 ft.; 2 m. 8 ch. ... ..	...	...	...	20 0 0
Passenger-platform, class B, 60 ft. by 10 ft.; 3 m. 60 ch. ... ..	...	...	...	20 0 0
Passenger-platform, class B, 100 ft. by 10 ft.; 7 m. 60 ch. ... ..	...	...	...	30 0 0
Two platelayers' cottages, 20 ft. by 24 ft. by 9 ft.; 4 rooms, concrete chimney, and privy, at £142 ... ..	...	...	...	284 0 0
Stationmaster's house and privy; 7 m. 60 ch. ... ..	...	...	...	216 0 0
Water-service, with pipes, tanks, &c.; 7 m. 60 ch. ... ..	...	...	...	120 10 0
Goods-shed, 40 ft. by 30 ft.; 7 m. 60 ch. ... ..	...	...	...	289 10 0
Two ashpits, in concrete, each 20 ft. ... ..	...	...	...	65 0 0
				1,387 0 0
Total ... ..	...	...	...	66,600 0 0

EXHIBIT No. 30.
SCHEDULE OF AREA OCCUPIED BY MIDLAND RAILWAY COMPANY (LIMITED).
Arnold-Reefton Line of Railway.

Sheet No.	Section.	Block.	District.	Area.			Remarks.
				A.	R.	P.	
3	100	X.	Mawheranui	16	0	31	Reserve at Arnold.
4	105	"	"	2	2	31	
4	104	"	"	2	0	30	"
6	26	VI.	"	10	0	16	"
6	23	"	"	10	1	17	"
7	55	VII.	"	5	1	24	"
8	16	"	"	0	0	33	"
8	17	"	"	6	0	22	"
8	14	"	"	11	3	6	"
8	18	"	"	0	1	15	"
10	...	"	"	5	0	39	Unsectionised.
10	11	"	"	18	1	17	"
11	...	III.	"	85	2	39	Unsectionised.
12	11	"	"	28	1	7	"
12	4	IV.	"	25	0	2	"
17	58	XIII.	Mawheraiti	4	1	39	Educational reserve.
32	...	III.	"	2	0	10	Unsectionised.
31	...	"	"	38	2	18	At Mawheraiti Station.
33	12	IV.	"	1	1	1	Reserve.
32	...	"	"	2	3	6	Unsectionised.
33	4	"	"	26	0	25	"
33	...	"	"	52	0	34	Unsectionised.
34	3	"	"	27	0	28	"
35	...	IV.	"	38	1	23	Unsectionised.
		XVI.	Maimai				
36	...	IV.	Mawheraiti	62	2	30	Unsectionised.
37	...	IV.	Mawheraiti	...	...	...	...
38	...	XIII.	Reefton	71	2	13	Unsectionised.
39	3	"	"	14	0	1	"
39	4	"	"	24	2	5	"
40	5	"	"	5	2	5	"
40	163	"	"	8	1	29	"
40	164	"	"	10	0	17	"
				618	0	13	At £1 per acre, £618.

Area of Crown Land, Nelson Provincial District, taken by Midland Railway.—Jackson's Line.

Brunner District—				A.	R.	P.
Sheet No.	14	...	...	58	3	0
"	15	...	...	49	1	4
"	16	...	...	32	0	30
"	17	...	...	47	0	19
"	18	...	...	114	1	12

301 2 25, at £1 per acre, £301 13s.

				Price.		
				A.	R.	P.
				£	s.	d.
Total—Arnold—Reefton	...	...	...	618	0	23
Stillwater—Jackson's	...	...	...	301	2	25
				919	3	8
				£919 13 0		

JOHN A. MONTGOMERIE.

EXHIBIT No. 31.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 4. Section, Ahaura. Name of contractors, J. Jay and Co. Date of contract, 20th July, 1889. Date of final payment or certificate to contractors, 1st February, 1891.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading	7,571	15	10	1,002	4	2	3,587	13	0	...	...	...
Bridges and culverts	10,282	18	6	72	17	0	2,115	8	4	...	...	...
Fencing	712	0	0	...	...	...	410	10	9	...	...	...
Permanent-way	2,055	4	11	...	...	...	169	17	11	...	...	...
Stations and buildings	1,562	8	0	439	18	0	31	6	0	...	...	...
Miscellaneous	205	0	0	5	0	0	129	0	9	...	...	...
Maintenance	100	0	0	...	...	...	...	...	...	...	...	...
Total	22,489	7	3	1,519	19	2	6,443	16	9	27,413	4	10

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. Young.

SCHEDULE OF QUANTITIES AND PRICES.—From 8 m. 28 ch. to 14 m. 3.50 ch.=5 m. 55.50 ch.; extended to 14 m. 25 ch.=5 m. 77 ch.

General Summary.

	£	s.	d.
Grading	7,571	15	10
Bridges and culverts	10,282	18	6
Fencing	712	0	0
Permanent-way	2,055	4	11
Stations	1,562	8	0
Miscellaneous	205	0	0
Maintenance (three months)	100	0	0
Total	£22,489	7	3

JOSEPH JAY.
DUNCAN McLEAN.
THOMAS AND McBEATH.
FELIX CAMPBELL.

Grading.

Description.	Item.	Quantity.	Rate.	Amount.		
				£	s.	d.
Cutting to bank	Cub. yds.	18,100	1/4	1,206	13	4
" spoil	"	3,500	1/	175	0	0
Side-cutting ditches	"	74,618	1/3	4,663	12	6
Stream diversions to bank	"					
Trimming line	Chs.	455	6/	136	10	0
Pitching, as specified	Sq. yds.	500	4/6	112	10	0
Felling, 3 chains wide	Chs.	303	30/	454	10	0
Clearing, 1 chain wide	"	303	30/	454	10	0
Grubbing, 1 chain wide	"	160	20/	160	0	0
Metal	Cub. yds.	1,500	2/	150	0	0
Level crossings, 2nd class	No.	2	£6	12	0	0
Private crossings	"	9	£4	36	0	0
Catch-water drains	Chs.	40	3/	6	0	0
Sowing grass-seed	Acres	3	10/	1	10	0
Planting willows	Per 1000	3	20/	3	0	0
Total				7,571	15	10

Bridges.

Description.	Item.	Quantity.	Rate.	Amount.
Excavations, foundations	Cub. yds.	970	1/6	£ 72 15 0
Inlets and outfalls	"	1,500	1/	75 0 0
Timber, New Zealand	C.B.M.	2,300	23/	26 9 0
" ironbark	"	9,500	46/	218 10 0
Piles, "	Lin. ft.	580	6/6	188 10 0
Ironwork in straps, bolts, and pile-shoes	Lb.	4,434	-/3	55 8 6
Wrought-iron in girders, railway carriage, and erection	Tons	330	£3	990 0 0
Cast-iron bed-plates, railway carriage, and erection	"	8	£3	24 0 0
Cast-iron cylinders, supply, delivery, and erection	"	250	£14	3,500 0 0
Sinking cylinders	Lin. ft.	480	£2	960 0 0
Concrete in cylinders	Cub. yds.	524	35/	917 0 0
Wrought-iron bolts in ditto	Tons	3	£30	90 0 0
Concrete in pier-abutments and culverts	Cub. yds.	1,350	35/	2,362 10 0
Stone apron, 4 cwt. stone, as specified	Tons	550	12/	330 0 0
Painting	Sq. yds.	6,000	/9	225 0 0
Pipes, 15 in.	Lin. ft.	450	6/	135 0 0
" 12 in.	"	100	4/6	22 10 0
" 9 in.	"	86	3/	12 18 0
" agricultural, 3 in.	100 lin. ft.	2	24/	2 8 0
Concrete ends to pipes	Pairs	15	£5	75 0 0
Total ... ..	...	...	...	10,282 18 6

Fencing.

No. 4 fence	Chs.	44	25/	55 0 0
No. 5 fence	"	360	25/	450 0 0
Cattle-stops	No.	3	£15	45 0 0
12 ft. iron gates, complete	Pair	9	£18	162 0 0
Total ... ..	...	...	...	712 0 0

Permanent-way.

Ballast	Cub. yds.	10,450	2/2	1,132 1 8
Platelaying	Lin. yds.	10,681	1/	534 1 0
Points and crossings	Sets	4	30/	6 0 0
Sleepers for crossings	"	4	£7 10s.	30 0 0
Bridge-sleepers	No.	350	3/6	61 5 0
Ordinary sleepers, handling, and loading ... ..	...	118	3/	17 14 9
Walking-planks	C.B.M.	4,100	20/	41 0 0
Iron spikes	Lbs.	243	/3	3 0 9
Carriage of material	Tons	700	5/	175 0 0
Grade-boards	No.	25	20/-	25 0 0
Mile-posts	"	6	20/	6 0 0
Fastening of bridge-sleepers	Tons	1.1	£24	24 2 6
Total ... ..	...	...	...	2,055 4 11

Stations.

Picket-fencing	Lin. ft.	100	3/	15 0 0
Gate, 12 ft., iron, complete	No.	3	£9	27 0 0
Gates, wicket	"	4	25/	5 0 0
Passenger-station, fourth class	"	1	...	160 0 0
Goods-shed, 40 ft. by 30 ft.	"	1	...	250 0 0
Stationmaster's house, tank, and outbuildings	"	1	...	280 0 0
Platelayer's cottage	"	1	...	200 0 0
Privies and urinals, double set	"	1	...	50 0 0
Coal-store	"	1	...	78 0 0
Water-service, as specified ... ..	...	...	...	400 0 0
Passenger-platform	Lin. ft.	118	6/	35 8 0
Loading-platform	"	60	14/	42 0 0
Drainage, as specified ... ..	...	...	...	20 0 0
Total ... ..	...	...	...	1,562 8 0

Miscellaneous.

Description.	Item.	Quantity.	Rate.	Amount.		
Telegraph-line, Ngahere to Ahaura Station, complete	£	s.	d.
Removing building	200	0	0
				5	0	0
Total	205	0	0

EXHIBIT No. 32.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 5. Section, Totara Flat. Name of contractors, J. R. Rees and Co. Date of contract, 14th November, 1889. Date of final payment or certificate to contractors, 25th February, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading ...	9,977	17	8	30	15	0	191	7	0	...	...	...
Bridges and culverts ...	15,340	3	4	1,593	0	0	137	0	3	...	...	...
Fencing ...	2,196	5	0	316	2	6	115	7	3	...	...	...
Permanent-way ...	4,929	8	8	68	0	0	194	0	6	...	...	...
Stations and buildings ...	2,276	19	0	181	16	0	253	13	0	...	...	...
Miscellaneous ...	372	0	0	...	...	...	2	10	0	...	...	...
Contingencies, 6·6 per cent.	2,333	18	10	...	...	...	...	...	...	...	...	...
Maintenance ...	150	0	0	...	...	...	17	17	0	...	...	...
Total	37,576	12	6	2,189	13	6	911	15	0	36,298	14	0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

SCHEDULE OF WORKS.—From 14 m. 25 ch. to 23 m. 55 ch. = 9 m. 30 ch. Formation, Permanent-way, and Supply of Sleepers.

<i>Summary.</i>						£	s.	d.
Grading	...	...	...	...	...	9,977	17	8
Bridges and culverts	...	...	...	...	...	15,340	3	4
Fencing	...	...	...	...	...	2,196	5	0
Permanent-way	...	...	...	...	...	4,929	8	8
Stations	...	...	...	...	...	2,276	19	0
Miscellaneous	...	...	...	...	...	372	0	0
Contingencies, at 6·6 per cent. on £35,092 13s. 8d.	...	...	...	...	...	2,333	18	10
Maintenance	...	...	...	...	...	150	0	0
Total	...	...	...	...	...	£37,576	12	6

J. R. REES.

H. J. MASTERS (by her Attorney, A. Chamberlain).

Grading.

Description.	Item.	Quantity.	Rate.	Amount.
				£ s. d.
Cutting to bank	Cub. yds.	145,800	1/2	8,505 0 0
Ditto to spoil	"			
Side-cutting	"			
Loose rock	"			
Solid rock	"			
Stream diversions to bank	"			
Ditto to spoil	Lin. chs.	20	5/	5 0 0
Catch-water drain	"	127	20/	127 0 0
Forming line	"	750	7/6	281 5 0
Trimming line	Sq. yds.	1,900	5/	475 0 0
Pitching, hand-laid, including additional quantity specified				
Felling, 3 chains wide	Lin. chs.	41	18/	36 18 0
Clearing, 1 chain wide	"	75	10/	37 10 0
Grubbing	"	7.5	32/	12 0 0
Level crossing, 1st class	No.	2	60/	6 0 0
" 2nd class	"	9	50/	22 10 0
" private	"	20	50/	50 0 0
Metal	Cub. yds.	2,864	2/	286 8 0
Sowing grass-seed on banks, as specified	Acres	10	100/	50 0 0
Willow-slips planted	Thousands	5	16/13/4	83 6 8
Total				9,977 17 8

Bridges and Culverts.

Excavation of foundations	Cub. yds.	1,500	2/6	187 10 0
Inlets and outfalls	"	3,500	1/4	233 6 8
Timber, B.M., N.Z.	C.	19,700	25/	246 5 0
" " ironbark	"	27,000	50/	675 0 0
Piling, ironbark	Lin. ft.	4,000	6/	1,200 0 0
Iron in bolts, &c., other than those supplied by the company	Lbs.	26,000	/3	325 0 0
Ditto in H.D. bolts, bed-plates, carriage, and fixing only	"	6,500		20 0 0
Wrought-iron in girders, carriage, and erection	Tons	400	100/	2,000 0 0
Ditto in cylinder-bolts	"	2.75	£28	77 0 0
Cast-iron in cylinders	"	250	£12 12s.	3,150 0 0
Iron bed-plates, carriage, and fixings... ..	"	11		25 0 0
Sinking cylinders	Lin. ft.	648	70/	2,268 0 0
Filling cylinders with concrete	Cub. yds.	576	30/	864 0 0
Concrete in culvert-abutments and concrete piers, as specified	"	1,700	30/	2,550 0 0
Stone aprons, 50 lb. minimum	"	80	7/	28 0 0
" 5 cwt.	Tons	600	11/	330 0 0
Glazed-tile drains, 15 in., including additional quantity specified in clause 14	Lin. ft.	500	5/	125 0 0
Ditto, 12 in., ditto	"	1,100	4/6	247 10 0
" 9 in., "	"	250	3/6	43 15 0
" 6 in., "	"	100	2/8	13 6 8
Box-drains	"	200	6/	60 0 0
Painting, three coats	Sq. yds.	9,000	1/1	487 10 0
Concrete ends of pipe-drains... ..	Pairs	46	80/	184 0 0
Totals				15,340 3 4

Fencing.

Quality No. 4, post and rail	Chs.	100	26/6	132 10 0
Ditto No. 5, post and wire	"	1,350	21/6	1,451 5 0
Cattle-stops	No.	20	£14 10s.	290 0 0
Gates, iron, 12 ft.	Pair	20	£16	320 0 0
Slip-panels	No.	1	50/	2 10 0
Total				2,196 5 0

Permanent-way.

Description.	Item.	Quantity.	Rate.	Amount.		
Ballast	Cub. yds.	17,200	1/6	£	s.	d.
Platelaying	Lin. yds.	17,200	/11	1,290	0	0
Ditto on bridges	"	600	1/6	786	6	8
Points and crossings, laying	Sets	10	£4	45	0	0
Sleepers, ordinary	No.	20,000	2/4	40	0	0
Sleepers on bridge and culverts	"	1,000	3/4	2,333	6	8
Ditto, sawn, for points and crossings	Sets	10	£6	166	13	4
Carriage of material	Tons	950	2/	60	0	0
Grade-boards	Each	32	15/	95	0	0
Mile-posts	"	9	18/	24	0	0
Timber, walking-planks, and brackets	C.B.M.	8,000	16/	8	2	0
Iron ditto	Lb.	1,200	/3	64	0	0
Total ... ..	...	...	...	15	0	0
				4,929	8	8

Stations.

Picket-fencing	Lin. ft.	350	1/9	30	12	6
Gates, 12 ft., iron	No.	4	£8	32	0	0
Ditto, wicket	"	8	70/	28	0	0
Passenger flag-stations	"	2	£35	70	0	0
Ditto, 4th class	"	1	...	190	0	0
Goods-shed, 40 ft. by 30 ft.	"	2	£330	660	0	0
Stationmaster's house	"	1	...	250	0	0
Platelay's cottage	"	3	£180	540	0	0
Privies and urinals, double	"	1	...	35	0	0
Coal-stores	"	1	...	76	0	0
Water-service, as specified ... ..	...	...	...	300	0	0
Passenger-platform	Lin. ft.	314	2/3	35	6	6
Loading-platform	"	120	5/	30	0	0
Total ... ..	...	...	...	2,276	19	0

Miscellaneous.

Telegraph line complete	Miles	9.6	...	346	0	0
Telephone instruments	Sets	2	...	26	0	0
Total ... ..	...	...	...	372	0	0

EXHIBIT No. 33.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 6. Section, Mawheraiti. Name of contractors, J. R. Rees and Co. Date of contract, 14th November, 1889. Date of final payment or certificate to contractors, 3rd April, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading	12,507	8	2	354	17	2	290	3	10	...	...	...
Bridges and culverts	19,985	4	6	1,426	17	1	570	1	1	...	...	...
Fencing	2,761	0	0	548	8	6	112	11	0	...	...	...
Stations and buildings	1,954	9	6	483	5	5	217	15	8	...	...	...
Miscellaneous	382	0	0	...	...	...	530	18	9	...	...	...
Contingencies	1,566	14	8	...	...	...	...	...	...	...	...	...
Maintenance	150	0	0	...	...	...	...	...	...	...	...	...
Total	38,306	16	10	2,813	8	2	1,244	10	4	36,737	19	0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. Young.

SCHEDULE OF QUANTITIES AND PRICES. — From 23 m. 55 ch. to 33 m. 15 ch.=9 m. 40 ch Not including Permanent-way.

<i>General Summary.</i>						£	s.	d.
Grading	...	...	...	...	...	12,507	8	2
Bridges and culverts	...	...	...	...	...	19,985	4	6
Fencing	...	...	...	...	...	1,761	0	0
Stations	...	...	...	...	...	1,954	9	6
Miscellaneous	...	...	...	...	...	382	0	0
Contingencies	...	...	...	...	...	1,566	18	4
Maintenance	...	...	...	...	...	150	0	0
Total	...	...	...	...	...	£38,306	16	10

J. R. REES.

H. J. MASTERS (By her Attorney, A. Chamberlain).

Grading.

Description.	Item.	Quantity.	Rate.	Amount.
Cutting to bank	Cub. yds.	188,000	1/1½	£ s. d.
Ditto to spoil	"			
Side-cutting	"			
Loose rock	"			
Solid rock	"			
Stream diversions to bank	"			
Ditto to spoil	"			
Road diversions	"			
Forming line	Lin. chs.	74	15/	55 10 0
Trimming line	"	808	7/	282 16 0
Catch-water drains	Chs.	61	5/6	16 15 6
Pitching, dry stone, 12 in. thick	Cub. yds.	3,000	5/	750 0 0
Felling, 3 chains wide	Lin. chs.	155	18/	139 10 0
Clearing, 1 chain wide	"	226	10/	113 0 0
Grubbing	"	32	32/	51 4 0
Level crossing, 1st class	No.	2	60/	6 0 0
Ditto, 2nd class	"	4	50/	10 0 0
Ditto, private	"	15	50/	37 10 0
Metal	Cub. yds.	3,200	2/	320 0 0
Sowing grass-seed	Acres	10	100/	50 0 0
Willow-slips planted	Thousands	5	£16/13/4	83 6 8
Water-tables and cuttings	Lin. chs.	112	3/	16 16 0
Total				12,507 8 2

Bridges and Culverts.

Excavation of foundations	Cub. yds.	2,000	2/6	250 0 0
Inlets and outfalls	"	4,000	1/4	266 15 4
Timber, B.M., N.Z.	C.	22,500	25/	281 5 0
Ditto, ironbark	"	26,000	55/	715 0 0
Piling	Lin. ft.	5,200	6/9	1,755 0 0
Ironwork in bolts	Lbs.	29,500	/3	368 15 0
Ditto in H.D. bolts, B. plates, carriage and fixing only	"	9,500	...	30 0 0
Wrought-iron in girders	Tons	570	110/	3,135 0 0
Ditto in cylinder-bolts	"	2½	£28	70 0 0
Cast-iron in cylinders	"	246	£12 12s.	3,099 12 0
Ditto bed-plates, carriage and fixing	"	15	...	45 0 0
Sinking cylinders	Lin. ft.	644	75/	2,415 0 0
Filling cylinders with concrete	Cub. yds.	588	31/	911 8 0
Concrete, as specified	"	3,200	32/	5,120 0 0
Stone aprons, 50 lb.	"	450	7/	157 10 0
Ditto, 5 cwt. min.	Tons	300	11/	165 0 0
Concrete ends to pipes	Pairs	42	73/	153 6 0
Glazed-tile drains, 15 in.	Lin. ft.	550	4/5	121 9 2
Ditto, 12 in.	"	750	4/	150 0 0
" 9 in.	"	450	3/1	69 7 6
" 6 in.	"	100	2/1	10 8 4
Box-drains	"	150	1/5	10 12 6
Painting, three coats	Sq. yds.	12,500	1/1	677 1 8
Corrugated iron	Sheets	28	5/6	7 14 0
Total				19,985 4 6

Fencing.

Description.	Item.	Quantity.	Rate.	Amount.
Posts and rails	Ch.	130	26/6	£ 172 5 0
Post and wire	"	1,050	21/6	1,128 15 0
Cattle-stops	No.	15	£14 10s.	217 10 0
Gates, iron, 12 ft.	Pair	15	£16	240 0 0
Slip-panels	No.	1	£2 10s.	2 10 0
Total				1,761 0 0

Stations.

Picket-fencing	Lin. ft.	250	1/9	21 17 6
Gates, iron	Each	4	£8	32 0 0
Wickets	"	8	70/	28 0 0
Passenger flag-station	"	2	£35	70 0 0
Ditto, fourth class	"	1	...	180 0 0
Goods-shed, 40 ft. by 30 ft.	"	1	...	320 0 0
Stationmaster's house	"	1	...	240 0 0
Privies and urinals	"	1	...	35 0 0
Platelayers' cottages	"	3	£180	540 0 0
Coal-store	"	1	...	68 0 0
Water-service, as specified ... ..	...	...	...	350 0 0
Passenger-platform	Lin. ft.	352	2/3	39 12 0
Loading-platform	"	120	5/	30 0 0
Total				1,954 9 6

Miscellaneous.

Telegraph, complete	Miles	9½	...	356 0 0
Telephone instruments	Sets	2	£13	26 0 0
Total				382 0 0

EXHIBIT No. 34.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 7. Section, Squarctown. Name of contractors, J. R. Rees and Co. Date of contract, 14th November, 1889. Date of final payment or certificate to contractors, 3rd December, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading	14,123	11	8	...	...	...	10,070	5	2	...	...	...
Tunnels	6,401	11	0	982	4	6	1,703	19	8	...	...	...
Bridges and culverts	3,695	9	4	138	12	0	3,066	14	7	...	...	...
Fencing	182	15	0	61	19	3	22	1	3	...	...	...
Stations and buildings	591	3	0	350	0	0	33	12	0	...	...	...
Miscellaneous	214	0	0	...	...	...	61	16	1	...	...	...
Contingencies	2,610	0	0	...	...	...	...	...	...	...	...	...
Maintenance... ..	150	0	0	...	...	...	...	...	...	...	...	...
Total	27,968	10	0	1,532	15	9	14,958	8	9	41,394	3	3

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

SCHEDULE OF WORKS.—From 33 m. 15 ch. to 38 m. 15 ch. = 5 m. 0 ch.

Summary.

	£	s.	d.
Grading	14,123	11	8
Tunnels	6,401	11	0
Bridges and culverts	3,695	9	4
Fencing	182	15	0
Stations	591	3	0
Miscellaneous	214	0	0
Contingencies	2,610	0	0
Maintenance	150	0	0
Total	27,968	10	0

J. R. REES.

H. J. MASTERS (By her Attorney, A. Chamberlain).

Grading.

Description.	Item.	Quantity.	Price.	Amount.
Cutting to bank	Cub. yds.	160,000	1/6	£
Cutting to spoil	"			s.
Side-cutting	"			d.
Loose rock	"			
Solid rock	"			12,000
Stream diversions to bank	"			0
Ditto to spoil	"			0
Road diversions	"			
Ditching to bank	"			
Ditching to spoil	"			
Catch-water drain	Lin. chs.	95	7/	33
Forming line	"	30	20/	5
Trimming line	"	413	7/	30
Retaining-walls, dry	Cub. yds.			144
" concrete	"			11
Pitching, dry stone, 12 in. thick	"	600	8/	0
Felling, 3 chains wide	Lin. chs.	311	18/	240
Clearing, 1 chain wide	"	533	12/	0
Grubbing	"	103	35/	319
Level crossing, second class... ..	No.	3	50/	16
Metal " private	"	2	50/	0
Metal	Cub. yds.	2,500	6/	180
Sowing grass-seed on banks... ..	Acres	10	100/	5
Willow-slips planted	Thousands	5	16/13/4	7
Total				10
				8

Tunnels.

Excavation for faces	Cub. yds.	30	1/6	2
" in tunnels	"	11,220	1/6	5
Coping, cement concrete	"	68	40/	0
Lining, archwork—				0
Brick in cement	}	1,367	46/	3,144
Moulded archstones of cement concrete				
Cement concrete	"	1,121	40/	2
Drain	"	50	10/	242
Ironwork in tie-bolts	Lbs.	732	/4	0
Total				25
				0

Bridges and Culverts.

Description.	Item.	Quantity.	Price.	Amount.
Excavation of foundations	Cub. yds.	1,400	2/6	£ 175 0 0
Inlets and outfalls	"	1,500	1/4	100 0 0
Timber, B.M., N.Z.	"	26,500	25/	331 5 0
" " ironbark	"	2,800	60/	84 0 0
Ironwork in bolts, &c.	Lbs.	2,500	13½	33 17 1
Wrought-iron in girders	Tons	9½	£6 15s.	64 2 6
Cast-iron in bed-plates, and fixing	"	3	60/	9 0 0
Concrete in culvert-abutments and concrete piers, as specified	Cub. yds.	1,400	36/	2,520 0 0
Stone aprons, 1 cwt. minimum	"	100	8/	40 0 0
Glazed-tile drains, 15 in.	Lin. ft.	160	5/6	44 0 0
" 12 in.	"	462	5/	115 10 0
" 9 in.	"	170	4/	34 0 0
" 6 in.	"	100	3/	15 0 0
Box-drains	"	100	6/	30 0 0
Painting, three coats	Sq. yds.	180	1/1	9 15 0
Concrete ends to pipe-drains	Pairs	18	£5	90 0 0
Total ... ..	...	...	...	3,695 9 7

Fencing.

Quality No. 3	Chs.	50	23/	57 10 0
" No. 4	"	40	26/6	53 0 0
" No. 5	"	50	21/6	53 15 0
Post and rail	No.	7	...	...
Cattle-stops	Pair	1	£16	16 0 0
Gates, iron, 12 ft.	"	1	50/	2 10 0
Slip-panels ... ..	...	1	...	...
Total ... ..	...	...	...	182 15 0

Stations.

Picket-fencing	Lin. ft.	70	...	5 9 0
Gates, 12 ft.	Each	1	...	8 0 0
Passenger flag-station ... ..	...	1	...	35 0 0
Wickets... ..	...	1	...	3 10 0
Platelayer's cottage ... ..	...	1	...	180 0 0
Water-service ... ..	...	...	...	350 0 0
Passenger-platform	Lin. ft.	78	...	9 4 0
Total ... ..	...	...	...	591 3 0

Miscellaneous.

Telegraph-line, complete	Miles	5	...	187 0 0
Telephone instruments	Sets	2	...	27 0 0
Total ... ..	...	...	...	214 0 0

EXHIBIT No. 35.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 7A. Section, Permanent-way, Mawheraiti-Squaretown. Name of contractors, J. R. Rees and Co. Date of contract, 14th December, 1889. Date of final payment or certificate to contractors, 4th April, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Deductions from Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Permanent-way	£ 10,472 17 4	£ 336 1 8	£ 42 11 0	£ ...
Total	10,472 17 4	336 1 8	42 11 0	10,179 6 8

Referred items not included.

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

SCHEDULE OF QUANTITIES AND PRICES.—From 23 m. 55 ch. to 38 m. 15 ch.

General Summary.

	£	s.	d.
Permanent-way	10,172	17	4
Maintenance, first division, three months	200	0	0
" second division, one month	100	0	0
Total	£10,472	17	4

H. J. MASTERS (by her Attorney, A. Chamberlain).
J. R. REES.

Description.	Item.	Quantity.	Rate.	Amount.
Ballast	Cub. yds.	26,850	2/3	£ 3,020 12 6
Platelaying	Lin. yds.	26,080	1/2	1,521 6 8
Platelaying on bridge	"	760	1/10	69 13 4
Points and crossings, laying... ..	Sets	12	£6	72 0 0
Sleepers, ordinary	No.	30,500	2/9	4,193 15 0
" bridges and culverts	"	1,000	3/8	183 6 8
" points and crossings	Sets	12	£7 14s.	92 8 0
Carriage of material	Tons	1,525	8/6	648 2 6
Grade-boards	No.	57	20/6	58 8 6
Mile-posts	"	15	24/	18 0 0
Timber walking-planks and brackets	C.B.M.	12,000	17/6	105 0 0
Iron ditto	Lb.	1,900	3½d.	27 14 2
Sleeper-fastenings on bridges and culverts	"	6,000	3½d.	87 10 0
Drilling bolt-holes for sleepers, 66 ft. girders, if required ... ..	...	...	...	75 0 0
Maintenance, first division, three months ... ..	...	...	...	200 0 0
" second division, one month ... ..	...	...	...	100 0 0
Total ... ..	...	...	...	10,472 17 4

EXHIBIT No. 36.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 12. Section, Stony Creek. Name of contractors, J. Jay and Co. Date of contract, 13th February, 1890. Date of final payment or certificate to contractors, 14th April, 1891.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading	4,554	17	0	...	...	...	697	5	9	...	...	...
Tunnels	2,495	14	0	267	3	0	445	15	2	...	...	...
Bridges and culverts	1,091	6	2	487	1	10	204	15	2	...	...	...
Permanent-way	901	18	8	1	3	10	7	15	0	...	...	...
Stations and buildings ... ..	...	...	...	...	...	...	11	10	0	...	...	...
Miscellaneous	316	0	0	188	19	0	...	...	...	...	...	...
Total	9,359	15	10	944	7	8	1,367	1	1	9,782	9	3

Referred items not included.

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

SCHEDULE OF QUANTITIES AND PRICES.—From about 5 m. 2½ ch. to 3 m. 38 ch. = say, 1 m. 44½ ch.

General Summary.

	£	s.	d.
Grading	4,554	17	0
Tunnels	2,495	14	0
Bridges and culverts	1,091	6	2
Permanent-way	901	18	8
Miscellaneous	316	0	0
Total	£9,359	15	10

JOSEPH JAY.
DUNCAN MCLEAN.

Grading.

Description.	Item.	Quantity.	Rate.	Amount.		
				£	s.	d.
Cutting to bank	Cub. yds.	21,000	1/6	1,575	0	0
" spoil	"	21,000	1/	1,050	0	0
Side-cutting	"	3,000	1/6	225	0	0
Loose rock to bank	"	4,266	2/	426	12	0
Reef side-cutting	"	5,000	2/	500	0	0
Catch-water drain	Lin. chs.	104	5/	26	0	0
Forming line	"	5	40/	10	0	0
Stone embankment, less 2 ft. outer slope	Cub. yds.	1,200	3/	180	0	0
Pitching, rough	Sq. yds.	661	5/	165	5	0
" hand-laid, 12 in.	"	100	4/	20	0	0
Felling, 3 chains wide	Lin. chs.	119	30/	178	10	0
Clearing, 1 chain wide	"	119	30/	178	10	0
Grubbing	"	10	40/	20	0	0
Total ... ..	...	...	...	4,554	17	0

Tunnels.

Excavation for faces	Cub. yds.	54	4/	10	16	0
" in tunnels	"	3,240	6/	972	0	0
Faces and wings, cement concrete	"	57	40/	114	0	0
Lining archwork in brick	"	275	60/	825	0	0
" side walls, cement concrete	"	265	40/	530	0	0
" 4 in. pipe-drain	Lin. yds.	246	2/6	30	15	0
Iron tie-bolts	Lb.	732	/4	12	4	0
Cast-iron sink-grid	"	89	/4	1	9	8
Total ... ..	...	...	...	2,495	14	0

Bridges and Culverts.

Excavation of foundations	Cub. yds.	200	2/	20	0	0
Inlets and outfalls	"	250	1/6	18	15	0
Timber, B.M., N.Z.	C.	2,000	26/	26	0	0
Ditto, ironbark	"	0.75	46/	1	14	6
Ironwork in bolts	Lb.	500	/4	8	6	8
Concrete	Cub. yds.	500	36/	900	0	0
Pipe-ends	Pairs	6	£5	30	0	0
Glazed-tile drains, 15 in.	Lin. ft.	200	4/	40	0	0
" 12 in.	"	130	3/	19	10	0
" 9 in.	"	120	2/	12	0	0
Box-drains, 12 in.	"	50	6/	15	0	0
Total ... ..	...	...	...	1,091	6	2

Permanent-way.

Ballast	Cub. yds.	2,904	2/6	363	0	0
Platelaying	Lin. yds.	2,904	1/	145	4	0
Sleepers, ordinary	No.	3,400	2/2	368	6	8
Carriage of material	Tons	330	1/	16	10	0
Grade-boards	Each	6	23/	6	18	0
Mile-posts	"	2	20/	2	0	0
Total ... ..	...	...	...	901	18	8

Miscellaneous.

Foot-track	Chs.	132	10/	66	0	0
Water-race deviations, as specified ... ..	...	...	...	250	0	0
Total ... ..	...	...	...	316	0	0

EXHIBIT No. 37.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 14. Section, Ahaura, Temporary station, &c. Name of contractors, J. Jay and Co.
Date of final payment or certificate to contractors, 5th January, 1891.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
	£ s. d.	£ s. d.
Grading	335 14 0	...
Bridges and culverts	35 8 2	...
Permanent way	153 4 1	...
Stations and buildings	534 5 6	...
Miscellaneous	12 0 0	...
Total	1,070 11 9	1,070 11 9

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 38.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 18. Section, Additions, &c., Stillwater Station building. Name of contractors, J. Arnett and Co. Date of final payment or certificate to contractors, 24th July, 1890.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
	£ s. d.	£ s. d.	£ s. d.
Stations and buildings	256 11 4	23 16 6	...
Total	256 11 4	23 16 6	280 7 10

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 39.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 19. Section, Stillwater, Fencing. Name of contractor, M. Killeen. Date of final payment or certificate to contractor, 26th May, 1890.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
	£ s. d.	£ s. d.
Fencing	115 5 0	...
Total	115 5 0	115 5 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 40.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 24. Section, Reefton Station. Name of contractors, J. R. Rees and Co. Date of final payment or certificate to contractors, 4th April, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading	2,463	0	0	108	18	3	...	...	...	...	...	...
Bridges and culverts	882	9	3	...	...	...	187	16	10	...	...	...
Fencing	249	0	0	56	7	0	...	...	...	...	...	...
Permanent-way	1,079	10	8	...	...	...	200	8	0	...	...	...
Stations and buildings	1,458	16	0	...	...	...	117	19	0	...	...	...
Miscellaneous... ..	485	0	0	149	4	11	...	...	...	...	...	...
Total	6,617	15	11	314	10	2	506	3	10	6,809	9	7

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

SCHEDULE OF QUANTITIES AND PRICES.—38 m. 15 ch. to 38 m. 69½ ch. = 54½ ch.: Formation, excavation in cutting makes part of station-site. Platelaying from 38 m. 15 ch. to 38 m. 48 ch. on main line as pegged. Platelaying from 38 m. 15 ch. to opposite 38 m. 65 ch. station-yard.

General Summary.

Grading	£	s.	d.
2,463	0	0	
Bridges and culverts	882	9	3
Fencing	249	0	0
Permanent-way	1,079	10	8
Stations	1,458	16	0
Miscellaneous	485	0	0
Total	£6,617	15	11

Note.—Items marked * subject to measurement for payment.

JOHN R. REES.
H. MILLS.

Grading.

Description.	Item.	Quantity.	Rate.	Amount.
*Cutting to bank	Cub. yds.	5,200	1/6	£ 390 0 0
*Cutting	"	13,900	1/6	1,042 10 0
Stream diversions to bank	"	100	2/	10 8 0
Ditto to spoil (road diversion included above)... ..	"	4		
Ditching to spoil	"	166	2/	16 12 0
Forming line	Lin. chs.	29	40/	58 0 0
Trimming line	"	54½	10/	27 5 0
*Pitching, hand-laid	Sq. yds.	150	6/	45 0 0
*Felling, 3 chains wide	Lin. chs.	...	...	460 0 0
*Clearing, 1 chain wide				
*Grubbing ... ..	"	...	...	...
Level crossing, second class	No.	2	55/	5 10 0
Ditto, private, double planks	"	1	55/	2 15 0
*Metal	Cub. yds.	2,700	3/	405 0 0
Grubbing in station-yard, included above, £7 per square chain.				
Total				2,463 0 0

Bridges and Culverts.

Description.	Item.	Quantity.	Rate.	Amount.		
Excavation of foundations	Cub. yds.	145	2/6	£	s.	d.
Inlets and outfalls	"	1,150	2/4	18	2	6
Timber, B.M., N.Z.	C.	2-31	27/	134	3	4
" " ironbark	"	15-20	60/	3	2	5
*Concrete	Cub. yds.	150	40/	45	12	0
*Clearing Soldiers' Creek†	Chs.	24½	£12	300	0	0
Pipe-ends	Pairs	2	£5	294	0	0
*Glazed-tile drains, 15 in.	Lin. ft.	18	5/6	10	0	0
* " 12 in.	"	50	5/	4	19	0
* " 9 in.	"	50	4/	12	10	0
* " 6 in.	"	250	3/	10	0	0
*Box-drains, 12 in. by 12 in....	"	50	5/	37	10	0
Total ... ..	...	...	...	882	9	3

† To be paid according to Engineer's valuation.

Fencing.

*Quality No. 3	Chs.	90	27/	121	10	0
Cattle-stops	No.	2	£15	30	0	0
*Gates, iron, 12 ft....	Pairs	3	£19 10s.	58	10	0
Wicket and cage	No.	...	£5	...	...	...
Wicket-gate	"	2	£2	4	0	0
Picket-fence	Lin. ft.	280	2/6	35	0	0
Total ... ..	...	...	...	249	0	0

Permanent-way.

Ballast	Cub. yds.	2,436	2/3	274	1	0
Platelaying	Lin. yds.	2,201	1/2	128	7	10
Points and crossings, laying	Sets	10	£6	60	0	0
Sleepers, ordinary	No.	2,133	2/4	248	17	0
" on bridges and culverts	"	17	3/8	3	2	4
" sawn, for points and crossings	Sets	10	£7 15s.	77	10	0
Carriage of material	Tons	243	17/6	212	12	6
Grade-boards	Each	3	20/	3	0	0
Buffer-stops	No.	5	£12	60	0	0
Tunnel-gauge	"	1	£12	12	0	0
Total ... ..	...	...	...	1,079	10	8

Stations.

Loading bank and ramp	Lin. ft.	60	10/	30	0	0
14 ft. passenger-platform, including ramp	"	218	7/	76	6	0
Platlayer's cottage, shifting from 5m. 65ch. and re-erection	...	...	...	50	0	0
Coal-store	No.	1	...	76	0	0
Passenger-station, 5th class	"	1	...	185	0	0
Lamp-house and fittings	"	1	...	26	10	0
Goods-shed, shifting and 20 ft. addition	"	1	...	175	0	0
Privies and urinals	"	1	...	40	0	0
*Engine house and pits, oil-store, and other undefined works, as specified	...	...	...	800	0	0
Total ... ..	...	...	...	1,458	16	0

Miscellaneous.

*Water-supply ... ..	...	...	...	450	0	0
Telegraph	Miles	0-55	£40 per mile	22	0	0
Telephone instruments	Sets	1	...	13	0	0
Total ... ..	...	...	...	485	0	0

EXHIBIT No. 41.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 22. Section, Belgrove. Name of contractor, Allen Maguire. Date of contract, 1st October, 1890. Date of final payment or certificate to contractor, 26th July, 1893.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading	10,818	1	8	...	...	...	1,259	0	11	...	...	...
Tunnels	30,606	4	0	338	12	0	...	...	...	...	...	...
Bridges and culverts	3,925	3	0	172	10	0	3,962	1	4	...	...	...
Fencing	1,052	0	0	218	8	0	...	...	...	...	...	...
Stations and buildings	275	0	0	...	...	...	15	0	0	...	...	...
Miscellaneous ... ..	...	...	...	...	...	...	39	18	3	...	...	...
Total	46,676	8	8	729	10	0	5,276	0	6	51,222	19	2

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. Young.

SCHEDULE OF WORKS.

No. 1 Alternative Tender: 21 m. 35.79 ch. to 26 m. 70 ch. complete = 5. m32.21 ch.

Summary.

	£	s.	d.
Grading	10,818	1	8
Tunnels	30,606	4	0
Bridges and culverts	3,925	3	0
Fencing	1,052	0	0
Stations and miscellaneous	275	0	0
Total	£46,676	8	8

ALLEN MAGUIRE.

Grading.

Description.	Item.	Quantity.	Price.	Amount.
Cutting to bank	Cub. yds.	130,000	1/2	£ 7,583 6 8
" to spoil	"	30,000	/10	1,250 0 0
Side-cutting	"	30,000	/9	1,125 0 0
Stream diversions to spoil	"	700	1/	35 0 0
Road diversions	"	5,000	1/	250 0 0
Catch-water drain	Lin. chs.	220	15/	165 0 0
Felling, 3 chains wide	"	210	8/6	89 5 0
Clearing, 1 chain wide	"	210	1/	10 10 0
Metalled road or gravel	Cub. yds.	800	5/	200 0 0
Water-tables both sides cutting	Lin. chs.	220	10/	110 0 0
Total				10,818 1 8

Tunnels.

				£	s.	d.
Excavation in tunnels	Cub. yds.	35,440	8/6	15,062	0	0
Cement concrete	"	7,526	£2	15,052	0	0
Faces and wings	"	106	£2	212	0	0
Ironwork	Lb.	732	/4	12	4	0
Side drains	Lin. chs.	67	£4	268	0	0
Total				30,606	4	0

Bridges and Culverts.

Description.	Item.	Quantity.	Price.	Amount.
Excavation of foundations	Cub. yds.	1,600	1/	£ 80 0 0
Inlets and outfalls	"	600	1/	30 0 0
Timber, B.M., New Zealand	C.	760.00	30/	11 8 0
" " ironbark	"	10.50	39/	1 0 0
Ironwork in bolts, &c.	Lb.	3,270	1/4	54 10 0
Concrete... ..	Cub. yds.	1,200	42/	2,530 0 0
Cast-iron pipes, complete	Tons	84	£11	924 0 0
Glazed-tile drains, 15 in.	Lin. ft.	60	4/	12 0 0
" 12 in.	"	570	2/6	69 15 0
" 9 in.	"	500	2/	50 0 0
" 6 in.	"	100	1/6	7 10 0
Box-drains, 12 in. by 12 in.	"	150	2/	15 0 0
Concrete ends to drains	No.	20 pairs	£7 10s.	140 0 0
Total ... ..	...	...	...	3,925 3 0

Fencing.

Quality No. 3	Chs.	740	26/	962 0 0
" No. 5				
Gates, iron	Pair	5	£18	90 0 0
Total ... ..	...	...	...	1,052 0 0

Stations and Miscellaneous.

Buildings complete, as specified	Lump-sum	275 0 0
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EXHIBIT No. 42.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 22A. Section, Belgrove Extension. Name of contractor, Allen Maguire. Date of final payment or certificate to contractor, 15th January, 1894.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
	£ s. d.	£ s. d.
Grading	1,514 12 4	...
Bridges and culverts	1,134 12 3	...
Fencing	297 0 0	...
Miscellaneous	54 14 0	...
Total	3,000 18 7	3,000 18 7

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

EXHIBIT No. 43.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 25. Section, Refreshment-room and post-office, Totara Flat Station. Name of contractor, Henry Bignell. Date of final payment or certificate to contractor, 1st June, 1891.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
	£ s. d.	£ s. d.	£ s. d.
Stations and buildings	160 0 0	4 17 6	...
Total	160 0 0	4 17 6	164 17 6

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

EXHIBIT No. 44.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 26. Section, Kotuku. Name of contractors, J. Jay and Co. Date of contract, 13th July, 1891. Date of final payment or certificate to contractors, 20th January, 1893.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading	12,069	0	8	69	6	6	775	17	5	...	...	...
Bridges and culverts	5,889	5	2	617	15	2	957	9	5	...	...	...
Fencing	493	10	0	129	7	0	20	0	0	...	...	...
Permanent-way	3,183	6	6	137	8	0	43	8	0	...	...	...
Stations and buildings	710	16	0	...	...	...	7	16	0	...	...	...
Miscellaneous	2,004	0	0	1,033	7	1	...	...	...	...	...	...
Maintenance	100	0	0	...	...	...	...	...	...	...	...	...
Total	24,449	18	4	1,987	3	9	1,804	10	10	24,267	5	5

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. Young.

SCHEDULE OF QUANTITIES AND PRICES.—From 10 m. 26 ch. to 15 m. 60.5 ch.=5 m. 34.5 ch.

General Summary.

	£	s.	d.
Grading	12,069	0	8
Bridges and culverts	5,889	5	2
Fencing	493	10	0
Permanent-way	3,183	6	6
Stations	710	16	0
Miscellaneous	2,004	0	0
Maintenance	100	0	0
Total	£24,449	18	4

Note.—Items marked * subject to measurement for payment.

D. McLEAN.
JOSEPH JAY.
J. G. THOMAS.
FELIX CAMPBELL.

Grading.

Description.	Item.	Quantity.	Rate.	Amount.		
				£	s.	d.
Cutting to bank	Cub. yds.	67,900	1/6	5,092	10	0
" to spoil	"	5,500	1/3	343	15	0
Side-cutting	"	45,600	1/6	3,420	0	0
Allow extra lead Arnold to 13 m. 20 ch.	"	10,000	4d.	166	13	4
Stream diversions to bank	"	7,574	1/6	568	2	0
" to spoil	"	2,720	1/2	158	13	4
Arnold stop-bank	"	753	2/	75	6	0
Forming line	Lin. chs.	27	30/	40	10	0
Trimming line	"	406	6/	121	16	0
Pitching-rough stone, 100 lb.	Cub. yds.	200	6/	60	0	0
* " " 2 cwt.	"	70	10/	35	0	0
* " hand-laid, 12 in. thick	Sq. yds.	1,200	4/6	270	0	0
* " rough, 5 cwt.	Tons	100	12/	60	0	0
*Felling, 3 chainswide	Lin. chs.)	See				
Clearing, 1 chain wide	"	separate				
Grubbing	"	account				
Metalled road	"	attached		1,456	10	0
Level crossing, 2nd class	No.	3	£6	18	0	0
" " 2nd class, without boards	"	2	£3	6	0	0
*Metal, including level crossing	Cub. yds.	1,600	2/	160	0	0
Sowing grass-seed	Acres	5	30/	7	10	0
Willow-slips	Thsnds.	5	35/	8	15	0
Total				12,069	0	8

Bridges and Culverts.

Description.	Item.	Quantity.	Rate.	Amount.		
				£	s.	d.
Excavation of foundation	Cub. yds.	967	2/6	120	17	6
Inlets and outfalls	"	700	1/2	40	16	8
Timber, B.M., N.Z.	"	10,500	26/	136	10	0
" ironbark	"	8,900	48/	213	12	0
Excavation river for increased water-way ...	Cub. yds.	2,300	2/	230	0	0
Piling, ironbark	Lin. ft.	2,410	7/6	903	15	0
Pile-shoes	Lb.	5,760	4½d.	108	0	0
Ironwork in bolts	"	9,873	4½d.	185	2	6
Allowance for temporary bridges ... ..	"	...	...	300	0	0
Wrought-iron in girders	Tons	104.4	£4	417	12	0
" bearing-plates	"	9.53	£12	6	7	0
Cast-iron bearing-plates	"	0.25	£12	3	0	0
*Concrete	Cub. yds.	1,400	38/	2,660	0	0
Hook-bolts	Lb.	783	6d.	19	11	6
Pipe-ends	Pairs	30	£5	150	0	0
*Glazed-tile drains, 15 in.	Lin. ft.	300	6/	90	0	0
* " 12 in.	"	500	4/6	112	10	0
* " 9 in.	"	150	3/3	24	7	6
* " 6 in.	"	160	2/	16	0	0
*Box-drains, 12 in. by 12 in.	"	200	4/	40	0	0
Painting, three coats	Sq. yds.	1,738	1/3	108	12	6
Corrugated iron	Sheets	17	3/	2	11	0
Total ... ..	...	...	...	5,889	5	2

Fencing.

*Quality No. 5	Chs.	300	26/	390	0	0
Cattle-stops	No.	1	...	18	0	0
Gates, iron, 12 ft.	Single	3	£10	30	0	0
Wicket and cage	No.	1	...	4	0	0
Wickets	"	1	...	2	0	0
Picket-fence	Lin. ft.	330	3/	49	10	0
Total ... ..	...	...	...	493	10	0

Permanent-way.

Ballast, main line and sidings	Cub. yds.	10,090	2/	1,009	0	0
Platelaying	Lin. yds.	10,050	1/3	628	2	6
Platelaying on bridges	"	213	2/	21	6	0
Points and crossings, laying... ..	Sets	4	£3	12	0	0
Sleepers, ordinary	No.	11,016	2/	1,101	12	0
" on bridge and culvert	"	281	3/6	49	3	6
" sawn, for points and crossings	Sets	4	£7 10s.	30	0	0
Carriage of material	Tons	1,050	5/	262	10	0
Grade-boards	Each	26	25/	32	10	0
Mile-posts	"	5	20/	5	0	0
Timber walking-planks	C.B.M.	2,500	20/	25	0	0
Iron "	Lb.	380	4½d.	7	2	6
Total ... ..	...	...	...	3,182	2	6

Stations.

12 ft. passenger-platform	Lin. ft.	236	6/	70	16	0
Flag-station	No.	1	...	25	0	0
Shifting ditto from Ahaura	"	1	...	15	0	0
Platelayers' cottages	"	2	£250	500	0	0
Privies and urinals	"	2	£50	100	0	0
Total ... ..	...	...	...	710	16	0

Miscellaneous.

Description.	Item.	Quantity.	Rate.	Amount.
Snagging and clearing rivers	Lin. chs.	42	£3	£ 126 0 0
Foot-track and foot-bridges	"	178	20	178 0 0
Telephone-line	Miles	6	...	200 0 0
" instruments	No.	2	...	1,500 0 0
Incidentals, as specified ... ..	...	...	...	...
Total ... ..	...	...	...	2,004 0 0

Special Accounts.

Description.	Item.	Quantity.	Rate.	Amount.
Felling, 3 chains wide—				£ s. d.
Bush, heavy	Lin. chs.	277·5	£1 10s.	416 5 0
Ditto, light	"	70	£1	70 0 0
In station-yards, light bush	Acres	6	£6	36 0 0
Ditto, heavy bush	"	3	£8	24 0 0
				546 5 0
Clearing, 1 chain wide—				
Bush	Lin. chs.	434·5	£1 10s.	651 15 0
In station-yard	Acres	3·5	£10	35 0 0
				686 15 0
Felling and clearing on side drains and stream diversions—				
Felling bush	Sq. chs.	31½	£2	6 10 0
Clearing ditto	"	34	£2	68 0 0
				74 10 0
Grubbing—				
Heavy bush	Lin. chs.	84	£1 10s.	126 0 0
Light scrub	"	23	£1	23 0 0
Total ... ..	...	...	...	149 0 0
Carried to schedule ... ..	...	...	...	1,456 10 0

EXHIBIT No. 45.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 27. Section, Stillwater, Carriage-shed. Name of contractor, Robert Russell. Date of final payment or certificate to contractor, 13th October, 1891.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Deductions from Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Stations and buildings	£ s. d. 590 0 0	£ s. d. 33 0 0	£ s. d. 19 0 0	£ s. d. ...
Total	590 0 0	33 0 0	19 0 0	576 0 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 46.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 28. Section, Patterson's Creek Bridge. Name of contractors, J. and A. Anderson.
Date of contract, 11th July, 1891. Date of final payment or certificate to contractors, 23rd September, 1893.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.
Grading	2,888	8	4	...	...	...
Bridges and culverts	3,851	3	4	...	...	...
Total	6,739	11	8	6,739	11	8

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

This contract is a schedule one.

H. W. YOUNG.

DEAR SIR,—

Christchurch, 27th June, 1891.

We have gone carefully into the cost of the piers and other work at Patterson's Creek as requested by Mr. Clifford, and beg to submit the following prices:—

Excavation of foundation, 3s. 6d. per cubic yard.

Concrete in piers and in cylinders, £2 per cubic yard.

Cast-iron in cylinders, £15 per ton.

Cast-iron in pipes, studs, boxes, and tops, £20 per ton.

Sinking cylinders, £3 per foot.

Removing cutting at Patterson's Creek from west side to bank on east side, 2s. 6d. per cubic yard.

The last item includes the cost of a temporary bridge. Most of the other items are at increased rates on our old prices. Extra distance has something to do with this, but it chiefly results from the fact that we underestimated in the Springfield contract on these items. We presume we could use the railway when practicable during our term of maintenance.

We are, &c.,

J. AND A. ANDERSON.

Robert Wilson, Esq., Engineer-in-Chief, New Zealand Midland Railway.

DEAR SIR,—

Canterbury Foundry, Christchurch, 9th July, 1891.

We beg to modify our offer of 27th June for certain extra work in accordance with the result of our conversation yesterday.

The last item, "Removing cutting at Patterson's Creek, &c., from west to east side," to be priced at 2s. per cubic yard instead of 2s. 6d.

Any additional material required to be borrowed from Springfield side of the creek. Price to be 1s. 4d. Piles, ironbark and native timber, to be at the rates in our Springfield contract.

Bushfelling was not mentioned. We will accept the Springfield price for the small quantity required. The same with any other items omitted—viz., Springfield schedule prices.

We understand that if rock is met with in the cuttings or excavations for foundations its removal will be at an increased rate to be mutually agreed upon.

We agree to allow £500 of the sum deposited at present with you to remain until the completion of the above extra work.

Yours, &c.,

J. AND A. ANDERSON.

Robert Wilson, Esq., Engineer-in-Chief, New Zealand Midland Railway.

DEAR SIR,—

Canterbury Foundry, Christchurch, 11th July, 1891.

We misunderstood you with reference to the extra earth-work at Patterson's Creek.

The cutting on the far side from Springfield contains, approximately, 26,400 cubic yards, of which, say, 23,000 are to be brought over the creek to the bank on this side, and the balance is to be taken to bank beyond (or at west end of) cutting. The price for the latter is to be 1s. 6d. per cubic yard.

The above figures, obtained from you, we understand to be only approximate, and that we will be paid for actual quantities as subsequently determined.

We recapitulate the prices:—

Cutting brought across creek, rate, 2s. per cubic yard.

Cutting deposited in bank, west end, rate, 1s. 6d. per cubic yard.

Borrowing from Springfield side, rate, 1s. 4d. per cubic yard.

Yours, &c.,

J. and A. ANDERSON.

Robert Wilson, Esq., Engineer-in-Chief, New Zealand Midland Railway.

DEAR SIR,—

Christchurch, 29th October, 1891.

Foundations for Patterson's Creek Bridge Contract.

Referring to our conversation to-day, we understand the agreement to be that the term of maintenance is to be three months, and that we give an undertaking to repair any damage which may occur to the works during that period.

On the completion of the work all moneys due either on deposit or for work done are to be paid by you in full, no retention being made for the period of maintenance.

Robert Wilson, Esq., C.E., Engineer-in-Chief,
New Zealand Midland Railway, Christchurch.

Yours, &c.,
J. and A. ANDERSON.

SCHEDULE OF QUANTITIES AND PRICES, FOUNDATION FOR PATTERSON'S CREEK BRIDGE.
List B referred to in Specification.

Description.	Item.	Quantity.	Price.
Excavation of foundation	Cub. yds.	...	£ s. d. 0 3 6
Removing cutting at Patterson's Creek from west side to bank on east side. (This item includes the cost of a temporary bridge.)	"	23,000 (approximate)	0 2 0
The balance of material from cutting to be taken to bank beyond—viz., west end of cutting	"	3,400 (approximate)	0 1 6
Any additional material required to be borrowed from Springfield side of the creek	"	...	0 1 4
Timber, ironbark... ..	C.B.M.	...	2 2 0
Timber, New Zealand	"	...	1 15 0
Piling, ironbark	Lin. ft.	...	0 7 6
Piling, New Zealand	"	...	0 6 0
Ironwork in bolts, &c.	Lb.	...	0 0 4
H.D. bolts	Tons	...	28 0 0
Pile-shoes (73 lb. each) ... ..	...	...	1 6 6
Cast-iron in cylinders	Tons	...	15 0 0
Cast-iron in pipe-stays, brackets, and caps	"	...	20 0 0
Sinking cylinders	Lin. ft.	...	3 0 0
Filling cylinders with concrete	Cub. yds.	...	2 0 0
Concrete in piers and abutments	"	...	2 0 0
Felling and clearing	Chains	...	2 0 0
Pitching—			
Hand-laid, 12 in.	Sq. yds.	...	0 4 0
Hand-laid, 18 in.	"	...	0 6 6
Rough-laid, 28 lb.	Cub. yds.	...	0 9 0
Rough-laid, 100 lb.	"	...	0 10 0

Any item omitted in this schedule of works to be charged at schedule prices, same as for Springfield contract.

ROBERT WILSON, Engineer-in-Chief.
J. AND A. ANDERSON.

EXHIBIT No. 47.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 29. Section, Totara Flat Station, sheep-pens. Name of contractor, Henry Bignell.
Date of final payment or certificate to contractor, 31st August, 1891.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Stations and buildings	£ s. d. 36 0 0	£ s. d. 0 15 0	£ s. d. ...
Total	36 0 0	0 15 0	36 15 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

EXHIBIT No. 48.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 31. Section, Stillwater Station, additions. Name of contractor, Henry Bignell.
Date of final payment or certificate to contractor, 10th May, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
	£ s. d.	£ s. d.	£ s. d.
Stations and buildings	110 15 0	19 10 6	...
Total	110 15 0	19 10 6	130 5 6

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 49.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 32. Section, Lake Brunner. Name of contractors, J. Jay and Co. Date of contract, 4th February, 1892. Date of final payment or certificate to contractors, 28th November, 1893.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Deductions from Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Grading	14,092 6 6	273 10 0	1,251 13 0	...
Bridges and culverts	5,821 2 9	1,017 1 0	498 3 11	...
Fencing	269 0 0	48 0 0	18 9 0	...
Permanent-way	5,863 12 9	6 10 0	17 14 0	...
Stations and buildings	719 0 0	...	...	...
Miscellaneous	2,896 0 0	2,000 0 0	279 15 10	...
Maintenance	200 0 0	...	...	...
Total	29,861 2 0	3,345 1 0	2,065 15 9	28,581 16 9

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

SCHEDULE OF WORKS.—From 15 m. 60½ ch. to 26 m. = 10 m. 19½ ch.

				<i>Summary.</i>		£	s.	d.
Grading	14,092	6	6
Bridges and culverts	5,821	2	9
Fencing	269	0	0
Permanent-way	5,863	12	9
Stations	719	0	0
Miscellaneous	2,896	0	0
Maintenance	200	0	0
Total	29,861	2	0

JOSEPH JAY.
DUNCAN McLEAN.

Grading.

Description.	Item.	Quantity.	Rate.	Amount.		
				£	s.	d.
Cutting to bank	Cub. yds.	43,353	1/6	3,251	9	6
" spoil	"	13,908	1/3	869	5	0
Side-cutting	"	63,000	1/6	4,725	0	0
Allowance, extra, for subsidence	"	5,000	1/6	375	0	0
Stream diversions and side-drains to bank	"	4,983	1/6	373	14	6
Stream diversions to spoil	"	29,334	1/1	1,588	18	6
Bank, earthwork-dams	"	630	1/6	47	5	0
Forming line	Lin. chs.	120	20/	120	0	0
Trimming line	"	814	6/	244	4	0
Pitching (hand-laid), 12 in.	Sq. yds.	500	4/6	112	10	0
Stone, 100 lb.	Cub. yds.	100	6/	30	0	0
Rough, 5 cwt.	Tons	50	10/	25	0	0
Felling, 3 chains wide						
Clearing, 1 chain wide						
Grubbing, 1 chain wide						
Metalled road	Separate account	Lin. chs.	...	2,027	10	0
Level crossing, 2nd class	No.	2	£6	12	0	0
" without boards	No.	1	£3	3	0	0
Metal, including level crossing	Cub. yds.	2,700	2/	270	0	0
Sowing grass-seed on banks	Acres	7	30/	10	10	0
Willow-slips planted	Thousands	4	35/	7	0	0
Total				14,092	6	6

Bridges and Culverts.

Excavation of foundations	Cub. yd.	302	2/6	37	15	0
Inlets and outfalls	"	448	1/2	26	2	8
Timber, B.M., N.Z.	C.	193	26/	250	18	0
" ironbark	"	101	43/	242	8	0
Piling, ironbark	Lin. ft.	3,434	7/6	1,287	15	0
Excess for Crooked River for increased watering	Cub. yd.	1,400	1/6	105	0	0
Ironwork in bolts, &c.	Lb.	12,687				
Ironwork in pile-shoes	"	7,680	4½d.	381	17	7
Wrought-iron in girders, carriage and erection	Tons	147	£4	588	0	0
Bearing-plates, C. and E.	"	2	£4	8	0	0
Junction brackets	"	0.7	£22	15	4	0
Temporary bridge, Crooked River ... ..	...	...	...	250	0	0
Concrete	Cub. yd.	1,000	38/	1,900	0	0
Pipe-ends	Pairs	42	£5	210	0	0
Glazed-tile drains, 15 in.	Lin. ft.	500	6/	150	0	0
" 12 in.	"	410	4/6	92	5	0
" 9 in.	"	200	3/3	32	10	0
" 6 in.	"	100	2/	10	0	0
Box-drains, 12 in.	"	300	4/	60	0	0
Painting, three coats	Sq. yd.	2,762	1/3	172	12	6
Corrugated-iron sheets	No.	5	3/	0	15	0
Total				5,821	2	9

Fencing.

Quality No. 3	Chs.	100	26/	130	0	0
Cattle-stops	No.	3	£18	54	0	0
Gates, iron, 12 ft.	"	2	£10	20	0	0
Wicket	"	2	£2	4	0	0
Wickets and cage	"	4	£4	16	0	0
Picket-fence	Lin. ft.	300	3/	45	0	0
Total				269	0	0

Permanent-way.

Description.	Item.	Quantity.	Rate.	Amount.
Ballast	Cub. yd.	18,907	2/	£ 1,890 14 0
Plate-laying	Lin. yd.	18,600	1/3	1,162 10 0
" on bridges	"	256	4/	51 4 0
Points and crossings, laying	Sets	4	£3	12 0 0
Sleepers, ordinary	No.	21,550	2/	2,155 0 0
" on bridges and culverts	"	315	3/6	55 2 6
" sawn, for points and crossings	Sets	4	£7 10s.	30 0 0
Carriage of material	Tons	972	8/6	413 2 0
Grade-boards	Each	46	25/	57 10 0
Mile-posts	"	11	20/	11 0 0
Timber, walking-planks, and brackets	C.B.M.	1,850	20/	18 10 0
Iron walking-planks and brackets	Lb.	374	4½d.	7 0 3
Total .. .. .	...	...	...	5,863 12 9

Stations.

Passenger-platform, 12 ft.	Lin. ft.	236	5/	59 0 0
Flag-station telephone-room	No.	2	£30	60 0 0
Platelayer's cottage	"	2	£250	500 0 0
Privies and urinals	"	2	£50	100 0 0
Total .. .. .	...	...	...	719 0 0

Miscellaneous.

Foot-bridge across creek only .. .. .	...	...	...	20 0 0
Snagging river	Lin. ch.	42	3/	126 0 0
Telegraph-line	Miles	10½	...	500 0 0
Telephone instruments	No.	2	...	...
Road, Cashmere Bay to Te Kinga	Lump	...	...	250 0 0
Miscellaneous, as specified .. .. .	...	...	...	2,000 0 0
Total .. .. .	...	...	...	2,896 0 0

Special Account.

Felling main line, 3 ch. wide—				
Heavy bush	Lin. ch.	231	£1 10/	346 10 0
Light "	"	249	£1	249 0 0
In station-yards	Acres	5.5	£6	33 0 0
				628 10 0
Clearing main line, 1 ch. wide—				
Bush	Lin. ch.	393	£1 10/	439 10 0
Scrub	"	340	£1	340 0 0
Flax and niggerheads	"	48	£1	48 0 0
In station-yards	Acres	5	£10	50 0 0
				877 10 0
Felling and stream diversions	Sq. ch.	2	£1 10/	3 0 0
Clearing ditto	"	97	£2	194 0 0
				197 0 0
Grubbing—				
Heavy	Lin. ch.	109	30/	163 10 0
Light	"	161	20/	161 0 0
Road, Cashmere Bay, see Miscellaneous.				
				324 10 0
Total .. .. .	...	...	...	2,027 10 0

EXHIBIT No. 50.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 33. Section, Teremakau. Name of contractors, J. R. Rees and Co. Date of contract, 17th February, 1892. Date of final payment or certificate to contractors, 7th May, 1894.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Deductions from Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Grading	11,372	4	4	544	4	5	456	18	2	...	...	...
Bridges and culverts	8,412	14	0	871	9	0	88	16	10	...	...	...
Fencing	763	0	0	369	5	0	40	2	3	...	...	...
Permanent-way	4,773	0	0	299	11	0	18	8	3	...	...	...
Stations and buildings	946	10	0	178	0	0	371	15	8	...	...	...
Miscellaneous	2,732	11	8	2,242	14	7	95	3	11	...	...	...
Total	29,000	0	0	4,505	4	0	1,071	5	1	25,566	1	1

Addition of £168 15s. for extra stone, referred item.

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

SCHEDULE OF WORKS.—From 26 m. 0 ch. to 32 m. 15 ch. = 6 m. 15 ch.

Summary.				£	s.	d.
Grading ... ..	...	...	...	11,372	4	4
Bridges and culverts ... ..	...	...	...	8,412	14	0
Fencing ... ..	...	...	...	763	0	0
Permanent-way ... ..	...	...	...	4,773	0	0
Stations ... ..	...	...	...	946	10	0
Miscellaneous ... ..	...	...	...	2,732	11	8
Total ... ..	...	...	...	£29,000	0	0

JOHN RALPH REES.
H. MILLS.

Grading.

Description.	Item.	Quantity.	Rate.	Amount.
Cutting to bank	Cub. yds.	25,400	1/4½	£ 5,607 13 3
" spoil	"	12,406		
Side-cutting	"	43,760		
Stream diversions and side drains to bank	"	4,090	1/2½	247 3 3
" to spoil	"	3,800	1/2	221 13 4
Road diversions, formation only	Lin. chs.	32	£5 10/	176 0 0
Forming line	"	127	42/	266 14 0
Trimming line	"	473	10/	236 10 0
Excavation for pitching	Cub. yds.	2,450	2/	245 0 0
Pitching, hand-laid, 12 in.	Sq. yds.	1,000	8/	400 0 0
" 100 lb.	Cub. yds.	100	11/	55 0 0
" 3 cwt.	"	3,440	12/	2,064 0 0
" 5 cwt.	Tons	50	14/	35 0 0
See separate account—				
Felling, 3 chains wide	Lin. chs.	}	...	1,425 4 10
Clearing, 1 chain wide	"			
Grubbing	"			
Level crossing, second class	No.	2	64/	6 8 0
" second, without stops	"	4	60/	12 0 0
" private	"	3	58/	8 14 0
Metal	Cub. yds.	1,000	3/6	175 0 0
Sowing grass-seed on banks	Acres	5	£5	25 0 0
Willow-slips planted	Thousands	3	£12	36 0 0
Earthwork in second, without stops, and private	Cub. yds.	800	1/2	46 13 8
Earthwork dams, groins, and stop-banks	"	1,100	1/6	82 10 0
Total ... ..	...	...	...	11,372 4 4

Bridges and Culverts.

Description.	Item.	Quantity.	Rate.	Amount.
Excavation of foundations	Cub. yds.	1,000	2/6	£ 125 0 0
Inlets and outfalls	"	150	2/	15 0 0
Timber, B.M., New Zealand	C.	260	30/	390 0 0
ironbark	"	176	60/	528 0 0
Piling, J.B.	Lin. ft.	4,665	7/8	1,788 5 0
Ex. for pile-pitching	Cub. yds.	280	3/	42 0 0
Ironwork in bolts, &c.	Lb.	20,568	/4	342 16 0
Pile-shoes, other than Teremakau	"	1,152	/4	19 4 0
Carriage and erection of girders	Tons	311.5	130/	2,024 15 0
Bearing-plates	"	7	80/	28 0 0
Junction-brackets	"	0.7	£36	25 4 0
Concrete	Cub. yds.	1,000	42/	2,100 0 0
Pipe-ends	Pairs	20	5/	100 0 0
Teremakau protective-works, piles	Lin. ft.	690	5/	172 10 0
Wales	"	252	2/	25 4 0
Wire, say ... ..	"	...	...	5 0 0
Glazed-tile drains, 15 in.	Lin. ft.	500	6/	150 0 0
" 12 in.	"	250	4/	50 0 0
" 9 in.	"	200	3/6	35 0 0
" 6 in.	"	100	3/	15 0 0
Box-drains, 12 in. by 12 in.	"	300	8/	120 0 0
Painting, three coats	Sq. yds.	6,032	1/	301 12 0
Corrugated iron	5 ft. sheets	41	5/	10 4 0
Total ... ..	...	...	...	8,412 14 0

Fencing.

Quality No. 3	Chs.	420	30/	630 0 0
Cattle-stops	No.	2	£17	34 0 0
Gates, iron, 12 ft.	"	3	£11	33 0 0
Wickets	"	2	40/	4 0 0
and cages	"	4	85/	17 0 0
Picket-fence	Lin. ft.	300	3/	45 0 0
Total ... ..	...	...	...	763 0 0

Permanent-way.

Ballast, main line and sidings	Cub. yds.	11,820	2/	1,182 0 0
Platelaying	Lin. yds.	11,402	1/1	617 12 0
" on bridges	"	380	2/6	47 10 0
Points and crossings, laying	Sets	6	£5	30 0 0
Sleepers, ordinary	No.	12,825	2/4	1,496 5 0
" on bridge and culverts	"	425	5/3	111 11 0
" sawn, for points and crossings	Sets	6	£8	48 0 0
Carriage of material	Tons	1,228	18/	1,105 4 0
Grade-boards	Each	23	20/	23 0 0
Mile-posts	"	6	24/	7 4 0
Timber walking-planks and brackets	C.B.M.	60.50	28/	84 14 0
Iron walking-planks and brackets	Lbs.	1,200	/4	20 0 0
Total ... ..	...	...	...	4,773 0 0

Stations.

Passenger-platform, 12 ft.	Lin. ft.	250	3/	37 10 0
Improved 4th-class station	No.	1	£212	212 0 0
Flag-station and telephone-room	"	1	£52	52 0 0
Platelayer's cottage	"	1	£200	200 0 0
Privies and urinals	"	2	£40	80 0 0
Tank and stand	"	1	£72	72 0 0
Coal-store (Jackson's)	"	1	£88	88 0 0
Lamp-posts, two 6 ft. by 15 in. by 8 in.	Sets	2	£2	4 0 0
Sheep and cattle yards	Lump-sum	...	...	100 0 0
Temporary engine-shed	No.	1	£65	65 0 0
Loading-ramp	Lin. ft.	120	6/	36 0 0
Total ... ..	...	...	...	946 10 0

Miscellaneous.

Description.	Item.	Quantity.	Rate.	Amount.
Road-bridge at 27 m. 2 ch. (special account)	...	...	...	£ 24 6 8
Snagging rivers and creeks	Chs.	14	£5	70 0 0
Water-supply	Lump-sum	...	...	400 0 0
Telegraph-line	Miles	6.25	£33	206 5 0
Telephone instruments	No.	2	£16	32 0 0
Incidentals, as specified	...	...	...	2,000 0 0
Total	...	...	...	2,732 11 8

Special Accounts.

Felling, 3 chains wide—				
Heavy bush	Lin. chs.	285	35/	498 15 0
Light "	"	26	25/	32 10 0
				531 5 0
Clearing, 1 chain wide—				
Bush	Lin. chs.	311	22/9	352 17 10
Scrub	"	93½	12/	56 2 0
Flax and niggerheads	"	20	10/	10 0 0
Station-yard at Jackson's	Acres	1	£25	25 0 0
				443 19 10
Felling stream diversions—				
Clearing stream diversions	Lin. chs.	22	20/	22 0 0
Grubbing, heavy	"	216	35/	378 0 0
" light	"	26	25/	32 10 0
" Jackson's Station, say	"	10	35/	17 10 0
				450 0 0
				*£1,425 4 10
Log Road-bridge at 27 m. 2 ch.—				
Logs	Cub. ft.	180	1/3	11 5 0
Timber	C.B.M.	8	26/	10 8 0
Iron	Lbs.	86	/4	1 8 6
Excavation	Cub. yds.	10	2/6	1 5 0
				†24 6 8

* Included in "Grading." † Included in "Miscellaneous."

EXHIBIT No. 51.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 34. Section, Stillwater, Triangle. Names of contractors, William Kennefick and William Kells. Date of final payment or certificate to contractors, 8th June, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Grading	£ 100 0 0	£ 10 2 0	£ ...
Total	100 0 0	10 2 0	110 2 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. Young.

EXHIBIT No. 52.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 36. Section, Bridge-material supply, Lake Brunner and Teremakau. Names of contractors, J. and A. Anderson. Date of contract, 10th June, 1892. Date of final payment or certificate to contractors, 23rd January, 1894.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.
Bridges and culverts	4,432	4	9	37	3	9	...	...	...
Total	4,432	4	9	37	3	9	4,469	8	6

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

New Zealand Midland Railway Company,
Christchurch, 10th June, 1892.

DEAR SIRS,—

I beg to acknowledge the receipt of your offer dated 4th June for the supply of plate-girders, bearing-plates, junction-brackets, and cast-iron washers for Lake Brunner and Teremakau Sections, and also your deposit cheque for £200.

I have now the pleasure to accept your offer at an all-round price of £21 15s. per ton for finished weights—that is, for actual weights of the work when finished ready for delivery. It is understood the material to be ordered forthwith.

The girders and other work included in this contract are to be delivered complete ready for erection at Stillwater Station within six months after the arrival of the material from England, which you estimate will be five months from date of ordering.

Yours, &c.,

ROBERT WILSON,

Engineer-in-Chief.

Messrs. J. and A. Anderson, Engineers, &c., Christchurch.

DEAR SIR,—

Christchurch, 4th June, 1892.

We beg to tender for the supply of bridge ironwork for Lake Brunner and Teremakau Sections, in accordance with your plans and specification, at the rate of £21 15s. per ton all round, delivered at Stillwater Junction.

With reference to time, we think we would have no difficulty in meeting your wishes. We would like six months from arrival of the material; but if it is necessary to turn the work out in less time we would be willing to undertake it. It would mean adding to the plant we propose to erect if you favour us with your order.

We enclose cheque for £200, as required by the conditions.

Trusting to be favoured with your order.

We are, &c.,

J. AND A. ANDERSON.

Robert Wilson, Esq., Engineer-in-Chief,
New Zealand Midland Railway.

EXHIBIT No. 53.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 37. Section, Stillwater, Triangle, permanent-way, &c. Names of Contractors, William Kells and John Dickens. Date of final payment or certificate to contractors, 8th June, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.			Additions to Contract Amount.			Total Payments to Contractors.		
	£	s.	d.	£	s.	d.	£	s.	d.
Grading and permanent-way	180	0	0	22	2	0	...	...	...
Total	180	0	0	22	2	0	202	2	0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 54.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 39. Section, Kaimata, Shelter-shed. Name of contractors, Butler Brothers.
Date of final payment or certificate to contractors, 16th January, 1893.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Miscellaneous—	£ s. d.	£ s. d.	£ s. d.
Butler's contract	109 3 10	5 11 0	...
Timber by company	32 14 0	...	...
Total	141 17 10	5 11 0	147 9 8

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 55.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 42. Section, Stillwater, Weighbridge foundation, erection of office. Name of contractors, H. Bignell and others. Date of final payment or certificate to contractors, 31st October, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Miscellaneous	£ s. d. 140 8 9	£ s. d. ...
Total	140 8 9	140 8 9

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 56.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 43. Section, Brunnerton-Stillwater bridges, supply of ironbark timber. Name of contractors, J. Jay and Co. Date of final payment or certificate to contractors, 1st October, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Bridges and culverts	£ s. d. 144 2 0	£ s. d. ...
Total	144 2 0	144 2 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 57.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 46. Section, Brunnerton-Stillwater Bridge, renewals. Name of contractor, H. Bignell.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Deductions from Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Bridges and culverts	£ s. d. 498 15 7	£ s. d. 11 7 9	£ s. d. 119 6 3	£ s. d. ...
Total	498 15 7	11 7 9	119 6 3	606 14 1

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 58.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 48. Section, Ngahere Stationmaster's house, additions. Names of contractors, De-Berry and Sweetman. Date of final payment or certificate to contractors, 15th March, 1894.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Stations and buildings	£ s. d. 58 15 1	£ s. d. 11 11 0	£ s. d. ...
Company supply	14 17 3	...	...
Total	73 12 4	11 11 0	85 3 4

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 59.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 49. Section, Inchbonnie quarry-works. Name of contractors, Robert Baff and Sons. Date of final payment or certificate to contractors, 22nd July, 1895.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Miscellaneous	£ s. d. 264 0 0	£ s. d. 16 15 7	£ s. d. ...
Total	264 0 0	16 15 7	280 15 7

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 61.

STATEMENT OF CONSTRUCTION TRAFFIC ON SPRINGFIELD EXTENSION FOR THE PERIOD 26TH MAY, 1895, TO 21ST JULY, 1900.

From	To	Passengers.	Trucks Chaff.	Timber.	Merchandise.	Minerals.	Revenue Amount.	Proportion due to Midland Railway.	Proportion to New Zealand Railways.
26 May, 1895	31 March, 1896	..	..	Sup. ft.	T. c. qr.	T. c. qr.	£ s. d.	£ s. d.	£ s. d.
1 April, 1896	31 " 1897	..	..	..	..	..	..	..	..
1 " 1897	31 " 1898	..	..	1,600	1 5 3	..	1 1 0	0 8 5	0 12 7
1 " 1898	31 " 1899	..	..	55,100	168 3 1	317 19	3 123 11 11	49 8 9	74 3 2
1 " 1899	31 " 1900	..	2	83,200	640 4 0	1,492 7 0	3 354 7 7	141 15 0	212 12 7
1 " 1900	21 July, 1900	..	1	74,600	226 8 0	835 14 0	1 174 16 4	69 18 7	104 17 9
Total ..	..	..	3	214,500	1,036 1 0	2,646 0 3	653 16 10	261 10 9	392 6 1

27th March, 1901.

W. H. GAW.

*Explanatory Note.**Chaff Column.*—Truck-loads for horse-feed.*Timber.*—Construction purposes.*Merchandise.*—Principally cement (constitutes bulk), and iron rails, and small proportion of ironwork, contractors' plant, pipes, steel, blacksmith tools, wheelbarrow and ditto wheels, spikes, groceries, paint, tanks, carpenters' tools, office furniture, drums oil, tents, case goods. There are also included in this column small quantities of chaff and crushed oats.*Minerals.*—The bulk bricks, and few tons coal.

EXHIBIT No. 62.

AREA OF CROWN LANDS TAKEN FOR MIDLAND RAILWAY PURPOSES BETWEEN SPRINGFIELD AND PATTERSON'S CREEK.

No. of Sheet.	Area.	Where situated.
1	A. B. P.	Coal-tramway reserve.
	2 1 10	
2	2 1 21	Part of Reserve 1798.
	1 2 7	
3	2 3 13	Part of Conservation Reserve.
	8 3 3	
5	2 3 28	Big Kowai River bed.
	0 1 12	
6	3 2 5	Little Kowai River bed.
	5 1 13	
6	9 1 25	South-east corner of Section 13505, within 37084.
	2 0 34	
6	2 3 13	Part of 37084.
	2 3 13	
	43 2 34	North of recreation reserve.
		South boundary of 37084.
		Formerly part of recreation reserve.
		" "

26th March, 1901.

CHARLES B. SHANKS,
Pro Chief Surveyor.

EXHIBIT No. 63.

RETURN OF EXPENDITURE BETWEEN OTARAMA AND PATTERSON'S CREEK, 10TH MARCH, 1898, TO 16TH MARCH, 1901, INCLUDING PORTION BEYOND PATTERSON'S CREEK UP TO 6 M. 2 CH.

Formation and Culverts.

Clearing out cutting at 4 m. 73 ch., 1,660 cub. yds., at 1s. 1½d.	£	s.	d.	£	s.	d.
..	93	7	6			
Trimming " 5 m. 70 ch., 4,324 cub. yds., at 1s. 4½d.	297	5	6			
..	71	8	0			
Removal of temporary bridge at Patterson's Creek	70	0	0			
Catchwater drains, 14 lin. ch., at 6s.	4	4	0			
Repairs to banks—Wages	115	15	0			
Use of plant	5	0	0			
Culvert at 4 m. 50 ch., enlarging—Labour	13	11	3			
Inlet and outlet to above—Enlarging, extending, and clearing 12 ch., at £1; 272 cub. yds., at 1s.; labour, £12	37	12	0			
10*—H. 2.				708	3	3

RETURN OF EXPENDITURE, ETC.—*continued.**Permanent-way and Ballasting.*

	£	s.	d.	£	s.	d.
Material—						
Sleepers, silver-pine, 2,015, at 2s. 9d....	277	1	3			
Rails, 30 ft., 56 lb. steel, 70½ tons, at £6 10s. ...	458	5	0			
Fang-bolts, 1 ton 16 cwt. and 22 lb., at £14 10s. ...	26	4	11			
Spikes, 1 ton 4 cwt. 1 qr. 9 lb., at £14 5s. ...	17	6	9			
Fish-plates, 1 ton 17 cwt., at £8 5s. ...	15	5	3			
Bed-plates, 1 ton 10 cwt. 1 qr. 17 lb., at £13 5s. ...	20	2	9			
Fish-bolts, 11 cwt. and 23 lb., at £26 5s. ...	14	14	1			
Guard-rails and fastenings for road-crossings ...	3	17	3			
Freight—						
Sea freight—Sleepers, Greymouth—Lyttelton, 2,015, at 7d. ...	58	15	5			
" Various ...	5	12	2			
Handling, &c., at Wellington ...	1	15	0			
Rail freight ...	96	7	6			
Labour, &c.—						
Platelaying, 1,410 lin. yds., at 8½d. ...	49	18	9			
Turning rails ...	1	13	10			
Sundries, as road-crossings, &c. ...	4	16	0			
Unloading material—Labour ...	7	8	0			
Stone drains in tunnel, 6 chains ...	10	10	0			
Ballasting and lifting 1,500 cub. yds., at 2s. ...	150	0	0			
Ballast-pit road, laying, pulling, packing, &c.—Labour ...	14	15	0			
Stripping, 77 cub. yds., at 1s. ...	3	17	0			
Train-hire—						
Engine, van, wagons, and train-men ...	51	6	2			
Use of plant ...	10	0	0			
						1,299 12 1
Burned cattle-stop renewed (one stop) ...						15 2 6
Platelayers' cottage at 5 m. 35 ch. ...						304 12 4
Telephone-line from Springfield to Patterson's Creek, about 5½ miles ...						129 15 9
Land-plans, Springfield to Patterson's Creek ...						35 0 0
Supervision ...						150 0 0
Maintenance—Wages ...						197 4 3
Total...						£2,839 10 2

26th March, 1901.

W. H. GAVIN, R.E.

EXHIBIT No. 64.

SCHEDULE OF MIDLAND RAILWAY LAND VALUES.—CANTERBURY DISTRICT.

No. of Block.	Section.	District.	Block.	Area.			Value per Acre.		
				A.	R.	P.	£	s.	d.
63	37005	Selwyn	I.	189	1	0	1	0	0
63	37014	Hall	IX.	430	0	0	0	7	6
64	37064	"	III., IV., VI., VII.	5,002	0	23	0	18	0
64	37065	"	VI., VIII., IX.	761	2	0	0	18	0
77	Pt. 37084	Kowai	IV., VII., VIII.	1,240	3	31	0	15	0
77	Railway-line	"	IV., VIII.	23	2	22	0	15	0

The above are the values of the several blocks of land as sworn to by me before the Midland Railway Commission, this 27th day of March, 1901.

G. H. M. McCURE, District Surveyor.

EXHIBIT No. 65.

VALUATION OF A PORTION OF LANDS WITHIN THE MIDLAND RAILWAY AREA.—CANTERBURY DISTRICT.

B1 Map Block.	Section.	Survey District.	Block.	Area.			Value per Acre.		
				A.	R.	P.	£	s.	d.
62	37056	Rolleston	VII., VIII.	179	9	11	1	5	0
62	37059	"	XIV.	11	0	2	4	10	0
62	37061	"	XIV.	155	1	27	2	10	0
		Leeston	II.						
62	35753	Rolleston	XV.	6	3	16	3	10	0
64	35838	Hawkins	XIII.	21	0	0	2	0	0
64	35839	"	XIII.	31	0	0	2	0	0

Christchurch, 27th March, 1901.

F. WARD, Crown Lands Ranger.

EXHIBIT No. 66.

STATEMENT OF WORK PERFORMED FOR MESSRS. McKEONE, ROBINSON, AND AVIGDOR BY
P. M. STEWART.

	£	s.	d.	£	s.	d.
Brunnerton Station—						
Small office near road-crossing	6	5	0			
Cattle-stops, Brunnerton Crossing	39	12	0			
First-class signboard at ditto	9	10	0			
				55	7	0
Stillwater Station—						
Stationmaster's house	220	14	0			
Goods-shed	176	15	0			
Station-house	146	0	0			
Chimneys and grates in ditto	22	8	0			
Platform front	11	12	0			
Oil-store	35	15	0			
Outhouses and fence	52	0	0			
Privies and urinals...	42	9	0			
Station fence	28	11	0			
Loading-bank	36	0	0			
High- and low-level tanks	240	14	0			
Coal-store	79	12	0			
Extras on ditto	36	17	0			
Smith's shop	121	13	0			
Extras on porch, stationmaster's house	1	12	0			
Cottage for groom	75	12	0			
W.C. for ditto	3	15	0			
Stable	62	15	0			
Water-supply valve-cover	0	12	0			
Buffer-stops	13	2	6			
Boxing for concrete ash-pits...	2	16	10			
				1,411	5	4
No Town (Twelve-mile)—						
Office	11	17	6			
Crossing, fencing, loading-bank, &c.	43	17	0			
				55	14	6
Arnold Creek (temporary)—						
Shed	22	19	0			
Fence	19	11	0			
Drainage of crossing	2	5	0			
				44	15	0
Kokiri—						
Station-house	115	0	0			
Platform front	18	10	0			
Fence	19	11	0			
Privies and urinals...	16	7	6			
Loading-bank	39	0	0			
Improvements, platelayer's cottage	5	13	7			
				214	2	1
Kaimata—						
Shed	22	19	0			
Water-supply	32	10	0			
Tank	47	0	0			
Platform front	11	12	0			
				114	1	0
Miscellaneous—						
Signboards and posts, Stillwater Crossing	11	0	0			
" " " " " "	9	4	0			
Guard-rails, Stillwater Bridge	8	10	0			
Packing sleepers, Stillwater Bridge	16	0	0			
Concrete shoots, " " " "	0	7	0			
Fixing battens to trestle bridge	3	3	0			
Tarring bridges 1, 2, 3, and 4	35	9	0			
Ranging-poles, twelve	3	19	6			
Cement-moulds	0	7	6			
Lining Crawford's culvert	9	16	0			
Planking Stillwater and Arnold Bridges	46	0	0			
Fixing corbels, Arnold Bridge	18	18	9			
Cattle-stops, Arnold Creek	80	0	0			
" " " " " " " "	20	6	6			
Signboards, Arnold Crossing	3	0	0			
Box culvert, Twelve-mile	3	8	6			
" " " " " " " "	1	8	2			
Planking three bridges	38	15	0			

STATEMENT OF WORK PERFORMED, ETC.—*continued.*

Miscellaneous— <i>continued.</i>	£	s.	d.	£	s.	d.
Placing girders, packing and refixing corbels and bolsters at Delaney's, Ongonin's, Deadman's, Branch, McLoughlin's, and Red Jack's Nos. 1 and 2 bridges	13	13	0			
Pulling piers, Delaney's, Mullins's, Branch, and Red Jack's Nos. 1 and 2 bridges	3	3	5			
Cattle-stops, Christchurch Section, two sets	80	0	0			
Signboards, four	4	17	0			
Kokiri—Cattle-pit and drainage	2	5	0			
Locomotive sand-box	6	1	0			
Grade- and mile-posts, say twenty-seven in all, at 5s. each	6	15	0			
Providing posts, sills, and struts for twelve iron gates, and fixing and hanging same	56	8	0			
Tip-wagons, eighteen, at £8 9s.	152	2	0			
Building twelve ditto (labour only)	18	0	0			
Fixing collars on ditto	2	4	0			
Fixing holding-down bolts in bridges, Nelson Creek Section	19	10	0			
Building twelve barrows (labour only)	4	16	0			
					679	7 4
Total					2,574	12 3

STATEMENT OF WORK PERFORMED BY P. M. STEWART FOR MR. SAMUEL BROWN.

Ngahere—	£	s.	d.	£	s.	d.
Goods-shed	164	8	0			
Stationmaster's house	175	0	0			
Station-house	160	10	0			
Platelayers' cottage	151	0	0			
Platform front	17	10	0			
Closets	6	0	0			
Privies and urinals	16	7	6			
High-level tank	83	0	0			
Shifting goods-shed	18	12	9			
Extras to ditto	8	4	0			
Picket-fencing	15	0	0			
					815	12 3
Miscellaneous—						
Cattle-stops, six sets and a half	284	0	0			
Box culvert, Spring Creek	70	18	0			
Trestle culvert, Twelve-mile	23	15	0			
McLoughlin's Bridge	41	14	0			
Tip-wagons, twenty-four (labour only)	42	0	0			
" three, small (labour only)	3	0	0			
Barrows, fifty (material and labour)	42	10	0			
Adzing 8,155 sleepers	44	16	6			
Building tank-stand	1	19	3			
					554	12 9
Total					£1,370	5 0
Christchurch, 27th March, 1901.						
					P. M. STEWART.	

EXHIBIT No. 67.

EXPENDITURE BY PUBLIC WORKS DEPARTMENT BETWEEN OTARAMA AND 6 MILES 2 CHAINS.

Total expenditure, as per previous statement, between 10th March, 1898, and 16th March, 1901	£	s.	d.
...	2,839	10	2
Expenditure since 23rd July, 1900	201	6	11
Total expenditure, 10th March, 1898, to 23rd July, 1900	2,638	3	3
Expenditure upon repairs to bring works to state in which, presumably, they were left by Midland Railway Company	441	15	6
Total addition, by expenditure, as upon 23rd July, 1900, to capital value of railway as left by the Midland Railway Company	£2,196	7	9

27th March, 1901.

W. H. GAVIN, R.E.

EXHIBIT No. 68.

RETURN OF NUMBER OF MINING PRIVILEGES RECEIVED AND GRANTED AT THE WARDEN'S OFFICE,
GREYMOOUTH, FOR THE YEARS 1895 TO 1900, BOTH INCLUSIVE.

	1895.	1896.	1897.	1898.	1899.	1900.
<i>Applications made.</i>						
(a.) Number of applications made for mining privileges	330	348	268	189	259	475
(b.) Special claims and licensed holdings ...	12	40	13	9	14	45
(c.) Extended claims ...	60	52	49	37	20	28
Total ...	402	440	330	235	393	548
<i>Applications granted.</i>						
Miscellaneous applications granted ...	276	261	210	148	170	346
Special claims granted ...	12	33	12	8	12	38
Extended claims ...	58	47	41	31	17	25
Total ...	346	341	263	187	199	409

B. HARPER,
Mining Registrar.

EXHIBIT No. 69.

A RETURN OF THE NUMBER OF PASSENGERS CONVEYED ON COBB AND CO.'S (CASSIDY AND CO.'S)
MAIL COACHES, SPRINGFIELD TO JACKSON'S AND KUMARA, KUMARA AND JACKSON'S TO
SPRINGFIELD, FROM 1ST MAY, 1895, TO 31ST JULY, 1900.

Period.	Springfield to Kumara.	Springfield to Jackson's.	Kumara to Springfield.	Jackson's to Springfield.	Period.	Springfield to Kumara.	Springfield to Jackson's.	Kumara to Springfield.	Jackson's to Springfield.
1895.					1898.				
May	10	21	12	12	Jan.	37	115	30	110
June	3	17	1	12	Feb.	22	94	29	81
July	3	2	3	3	Mar.	16	76	15	83
Aug.	5	14	5	7	April	20	62	11	60
Sept.	5	29	2	18	May	15	23	11	37
Oct.	16	29	9	39	June	4	18	4	22
Nov.	17	62	11	55	July	11	18	12	28
Dec.	31	57	21	70	Aug.	9	25	4	28
1896.					Sept.	11	30	8	45
Jan.	32	84	43	103	Oct.	9	33	15	34
Feb.	30	58	23	61	Nov.	29	61	20	74
Mar.	31	67	27	47	Dec.	23	68	15	80
April	6	40	19	52	1899.				
May	12	49	21	41	Jan.	40	85	30	91
June	14	25	15	16	Feb.	29	62	30	57
July	6	37	7	51	Mar.	31	63	36	64
Aug.	12	36	3	29	April	23	57	13	45
Sept.	8	46	7	39	May	7	32	21	32
Oct.	24	39	6	53	June	11	17	10	25
Nov.	15	89	30	46	July	10	18	6	22
Dec.	29	72	39	71	Aug.	9	13	8	22
1897.					Sept.	17	34	7	29
Jan.	52	130	49	147	Oct.	6	26	6	55
Feb.	39	105	36	95	Nov.	6	51	19	59
Mar.	35	74	34	59	Dec.	16	85	11	97
April	58	44	50	65	1900.				
May	28	44	18	33	Jan.	13	97	30	106
June	12	45	15	39	Feb.	36	74	35	73
July	15	42	8	16	Mar.	17	86	27	100
Aug.	4	60	8	50	April	25	66	23	52
Sept.	14	75	22	54	May	14	59	24	66
Oct.	12	54	16	52	June	8	36	11	46
Nov.	10	98	24	99	July	9	24	8	27
Dec.	29	72	32	98					

Christchurch, 27th March, 1901.

HUGH CASSIDY.

EXHIBIT No. 70.

New Zealand Railways, District Engineer's Office,
Christchurch, 28th March, 1901.

SIR,—

Herewith I have the honour to submit a list of works carried out by the Railway Department on the Springfield—Otago Section of the Midland Railway since the date of seizure by the New Zealand Government.

I have included in the list only those works that are considered to be improvements to the line, and have not taken into account the amounts spent in ordinary maintenance.

I have, &c.,

H. MACANDREW,

District Engineer.

The Chairman, Midland Railway Commission,
Christchurch.

WORKS CHARGED TO MIDLAND RAILWAY.

Order No.	Autho- rity.	Subject.	Cost.
			£ s. d.
572	1	Quarrying stone for protective-works, October, 1895	137 3 11
630	2	Raise Midland Railway at 3 m. 76 ch., 1896	251 10 6
642	2	Protective fence and bank at Big Kowai, 1896	128 12 1
643	2	Protective fence on south side of Little Kowai, 18 in. pipe at 2 m. 79 ch., splay-wings at culvert at 3 m. 13 ch., drain at 4 m. 15 ch., &c., 1896	88 8 0
726	2	Cleaning out cuttings and widening banks on Midland Railway line, 1897	166 0 9
785	1 & 9	Sleepers and fencing-material, Springfield to Otago, 1897	20 2 6
142	20	New 10 ft. open culvert at 3 m. 7 ch., 1898	62 4 6
145	13	Quarrying stone for Midland Railway, 1898	41 16 2
302	13	Bridge over ditch at Otago, 1899	19 4 8
		Total	915 3 1

NOTE.—This is the list referred to in my memorandum addressed to the Chairman of the Midland Railway Commission, and dated 28th March, 1901.—H. MACANDREW, District Engineer.

EXHIBIT No. 71.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 11. Section, Springfield to Patterson's Creek. Name of contractors, J. and A. Anderson. Date of contract, 7th January, 1890. Date of final payment or certificate to contractors, 25th March, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Deductions from Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Grading	26,106 4 8	481 18 10	...	...
Tunnels	1,754 14 8	49 18 8	...	...
Bridges and culverts	10,384 6 0	1,213 18 8	3,089 18 11	...
Fencing	1,626 10 0	75 0 0	59 5 0	...
Permanent-way	3,704 9 4	11 16 0	36 19 0	...
Stations and buildings	333 0 0	...	15 0 0	...
Miscellaneous... ..	400 0 0	200 0 0	46 10 0	...
Allowance for extra machinery ... ..	...	...	60 0 0	...
Carriage of material, &c. ... ..	...	...	872 16 2	...
Total	44,309 4 8	2,032 12 2	4,180 9 1	46,457 1 7

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

SCHEDULE OF QUANTITIES AND PRICES.—From 0 m. 0 ch. to 5 m. 54½ ch. = 5 m. 54½ ch.
7th January, 1890.

Summary.

	£	s.	d.
Grading	26,106	4	8
Tunnels	1,754	14	8
Bridges and culverts	10,384	6	0
Fencing	1,626	10	0
Permanent-way	3,704	9	4
Stations	333	0	0
Miscellaneous	400	0	0
Total...	£44,309	4	8

J. AND A. ANDERSON.

Grading.

Description.	Item.	Quantity.	Rate.	Amount.
Earthwork	Cub. yds.	368,240	1/4	£ 24,549 6 8
Catch-water drains	Chs.	110	5/	27 10 0
Pitching, hand-laid, 12 in.	Sq. yds.	81	4/	16 4 0
" " 18 in.		1,800	6/6	585 0 0
" " rough, 28 lb.	Cub. yds.	16	9/	7 4 0
" " 100 lb.		440	10/	220 0 0
Felling and clearing	Chs.	160	£2	320 0 0
Forming and metalling roads		60	£3	180 0 0
Level crossings, 2nd class	No.	6	£8	48 0 0
" " private		6	£3	18 0 0
Metal on crossings and stations	Cub. yds.	950	2/	95 0 0
Sowing grass-seed on banks... ..	Acres	3	£5	15 0 0
Willow-slips planted	Thousands	1	£25	25 0 0
Total				26,106 4 8

Tunnels.

Excavation for faces	Cub. yds.	30	2/	3 0 0
" " in tunnel	"	2,200	8/	880 0 0
Faces and wings (concrete)	"	47	30/	70 10 0
Moulded archstones	"	264	32/	422 8 0
Lining side walls	"	247	30/	370 10 0
Tie-rods	Lb.	500	/4	8 6 8
Total				1,754 14 8

Bridges and Culverts.

Excavation of foundations	Cub. yds.	500	3/6	37 10 0
" " inlets and outfalls	"	1,200	1/	60 0 0
Timber, N.Z.	C.	34,000	35/	595 0 0
" " ironbark	"	11,500	42/	241 10 0
Piling, N.Z.	Lin. ft.	192	6/	57 12 0
" " ironbark	"	1,900	7/6	712 10 0
Wrought-iron in bolts, &c.,	Lb.	12,000	/4	200 0 0
" " girders	Tons	141	£20 15/	2,925 15 0
" " piers	"	34	£25 15/	875 10 0
" " H.D. bolts... ..	"	2.2	£28	61 12 0
Cast-iron in cylinders and stays	"	58	£13 10/	783 0 0
" " pier bases and caps	"	5.1	£20	102 0 0
Sinking cylinders	Lin. ft.	112	£3	336 0 0
Filling with concrete	Cub. yds.	110	32/	176 0 0
Concrete, specified... ..	"	1,700	30/	2,550 0 0
Pipe-ends... ..	Pairs	13	£6	78 0 0
Grouted boulder-inlets	Cub. yds.	150	30/	225 0 0
Pipes, 15 in.	Lin. ft.	160	10/	80 0 0
" " 12 in.	"	76	7/	26 12 0
" " 9 in.	"	143	5/	35 15 0
" " 6 in.	"	50	3/	7 10 0
Box drains, 12 in.	"	50	7/	17 10 0
Painting	"			200 0 0
Total				10,384 6 0

Fencing.

Description.	Item.	Quantity.	Rate.	Amount.
No. 4	Chs.	30	45/	£ 67 10 0
No. 5	"	780	30/	1,170 0 0
Picket-fencing	Lin. ft.	120	3/6	21 0 0
Cattle-stops	No.	12	£20	240 0 0
Gates, 12 ft.	Pairs	7½	£16	120 0 0
" wicket	No.	2	£4	8 0 0
Total				1,626 10 0

Permanent-way.

Platelaying	Lin. yds.	8,476	1/3	529 15 0
Ballast	Cub. yds.	8,456	1/9	739 18 0
Platelaying on bridges	Lin. yds.	170	1/6	12 15 0
Points and crossings, laying	Sets	4	£4	16 0 0
Sleepers, ordinary	No.	9,700	4/6	2,182 10 0
" bridge	"	212	5/	53 0 0
" points and crossings	Sets	4	£10	40 0 0
Grade-boards	No.	20	£2	40 0 0
Mile-posts	"	6	£1	6 0 0
Timber in walking-planks, &c.	C.B.M.	6,900	22/	75 18 0
Iron in walking-planks, &c.	Lb.	520	/4	8 13 4
Total				3,704 9 4

Stations.

Seventh-class passenger-shed	No.	2	£35	70 0 0
Passenger-platform (100 ft.)	"	"	"	36 0 0
" (60 ft.)	"	"	"	52 0 0
Platelayer's cottage	"	"	"	175 0 0
Total				333 0 0

Miscellaneous.

Water-supply and drainage				200 0 0
Telegraph-line, 3 m. 21 ch., and two sets tele- phone instruments				125 0 0
Water-race dividend at 5d.				50 0 0
" 13d.				25 0 0
Total				400 0 0

EXHIBIT No. 72.

THE NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—ADDITIONS.

CONTRACT No. 1.—FINAL CERTIFICATE.

Grading.

Description.	Item.	Quantity.	Price.	Amount.
Excavation	Cub. yds.	12,520	1.9s.	£ 1,189 8 0
Side-cutting	"	4,265	2.6s.	554 9 0
Extra lead and spreading	"	1,667	1/6	125 0 6
Felling	Sq. chs.	9	£1 18s.	17 2 0
Clearing	"	56	£4 10s.	252 0 0
Grubbing	"	25	£6	150 0 0
Road-metal	Cub. yds.	1,185	4/	237 0 0
Burning-off logs	Lin. yds.	12	£3	36 0 0
Clearing view road-crossing, cost <i>plus</i> 15 per cent.				18 12 0
Total				2,579 11 6

EXHIBIT No. 75.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 10. Name of contractors, Scott Brothers. Date of contract, 21st June, 1890.
Date of final payment or certificate to contractors, 5th August, 1890.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
One locomotive, class D.	£ s. d. 955 0 0	£ s. d. ...
Total	955 0 0	955 0 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 76.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 13. Section, Belgrove—Motueka. Name of contractor, W. W. Dartnell. Date of contract, 21st June, 1890. Date of final payment or certificate to contractor, 12th December, 1890.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Additions to Contract Amount.	Total Payments to Contractors.
Survey	£ s. d. 399 0 0	£ s. d. 181 8 6	£ s. d. ...
Total	399 0 0	181 8 6	580 8 6

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 77.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—CONTRACT No. 15.

Final Certificate.

Wages as per Stillwater workshop returns	£ s. d. 83 7 4
Materials supplied, Stillwater workshop returns	40 15 0
Paid to Resident Engineer, New Zealand Railway, for signal-fittings	59 1 4
	<u>£183 3 8</u>

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 78.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 17. Name of contractors, D. L. and W. Cochrane. Date of contract, 19th May, 1890. Date of final payment or certificate to contractors, 19th May, 1890.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Miscellaneous: Thirty-four telegraph-poles	£ s. d. 42 10 0	£ s. d. ...
Total	42 10 0	42 10 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 79.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 20. Name of contractor, Chief Postmaster, Greymouth. Date of contract, 21st June, 1890. Date of final payment or certificate to contractor, 21st June, 1890.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Miscellaneous: Telegraph materials	£ s. d. 39 10 8	£ s. d. ...
Total	39 10 8	39 10 8

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
W. H. YOUNG.

EXHIBIT No. 80.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 21. Name of contractors, Algie and Priest. Date of contract, 1889. Date of final payment or certificate to contractors, 21st June, 1890.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
999 sleepers	£ s. d. 112 7 9	£ s. d. ...
Total	112 7 9	112 7 9

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 81.

NEW ZEALAND MIDLAND RAILWAY.

Contract No. 30. Section, Kotuku, supply of plate girders and other ironwork for bridges. Name of contractors, Scott Brothers. Date of contract, 7th September, 1891. Date of final payment to contractors, 30th June, 1891.

Bridges and Culverts.

Plate girders, W.I. and C.I. bearing-plates, and C.I. washers, 82 tons 8 cwt. and 101 lb., at £24 6s.	£ s. d. 2,002 8 7
Allowance for cablegram, as per contract	60 0 0
	<u>£2,062 8 7</u>

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 82.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 32A. Section, Lake Brunner, supplementary work. Name of contractors, H. Bignell and others. Date of contract, 2nd July, 1894. Date of final payment or certificate to contractors, 10th November, 1894.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Bridges, culverts, and protective works	£ s. d. 674 5 3	£ s. d. ...
Total	674 5 3	674 5 3

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 83.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 35. Section, Springfield, Big Kowai Bridge, pitching. Name of contractors, J. and A. Anderson. Date of contract, 6th April, 1892. Date of final payment or certificate to contractors, 11th June, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Bridges and culverts	£ s. d. 350 0 0	£ s. d. ...
Total	350 0 0	350 0 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

Contract No. 35.

DEAR SIRS,—

Christchurch, 23rd March, 1892.

Please submit tender for pitching (rough) toe of banks E. and W. of Big Kowai Bridge to particulars and dimensions shown on enclosed tracing drawing 13, sheet 1A. Tender to be in lump-sum.

Yours faithfully,

ROBERT WILSON.

Messrs. J. and A. Anderson, Engineers, &c., Christchurch.

DEAR SIR,—

192, Lichfield Street, Christchurch, 5th April, 1892.

In answer to yours of the 23rd March, we beg to tender for the work of depositing protective stones at the Big Kowai according to the plan supplied for the lump-sum of £400. We understand you require the stones to be not less than 3 cwt. each, and that they are to be placed as nearly as possible to the batter. and width shown on the plan. Any stones which may be up to size in the abandoned pitching we understand may be used by us in the new work. The new work we take to be that shown in red. There is some stonework shown in black on the Springfield side, but that, we presume, is not intended for new work.

Yours faithfully,

J. AND A. ANDERSON.

Robert Wilson, Esq., Engineer-in-Chief, New Zealand Midland Railway.

DEAR SIRS,—

Christchurch, 5th April, 1892.

Your communication of to-day's date, containing tender of the lump-sum of £400 for depositing and placing protective stones at the Big Kowai in accordance with plans submitted on 23rd March, is, I consider, much too high. I have gone carefully into the matter, and I shall be pleased to accept a modification of your tender—viz., for a lump-sum of £350 for the above work. All stones to be not less than 3 cwt. each; the work to be as shown in red on plan; the work shown in black on plan on Springfield side is not required. It may be necessary to add the above work will require to be proceeded with immediately.

Yours faithfully,

ROBERT WILSON.

Messrs J. and A. Anderson, Engineers, &c., Christchurch.

DEAR SIR,—

192, Lichfield Street, Christchurch, 6th April, 1892.

We agree to modify our tender of the 5th instant in accordance with your letter of same date; that is, we accept the price named by you—viz., £350—as the lump-sum for which we undertake to deposit protective stone according to plan at the Big Kowai.

Yours faithfully,

J. AND A. ANDERSON.

Robert Wilson, Esq., Engineer-in-Chief, New Zealand Midland Railway.

[Note in red ink in the original letter.—Tracing plan referred to above to drawing 13, sheet No. 1A.—J.M.]

EXHIBIT No. 84.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 38. Section, Stillwater Station. Name of contractor, James Turnbull. Date of contract, 9th May, 1892. Date of final payment or certificate to contractors, 4th February, 1893.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Grading	£ s. d. 145 10 0	£ s. d. ...
Total	145 10 0	145 10 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 85.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 40. Section, Reefton. Name of contractor, Patrick Costigan. Date of contract, 31st March, 1892. Date of final payment or certificate to contractor, 30th June, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Grading	£ s. d. 12 0 0	£ s. d. ...
Total	12 0 0	12 0 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

EXHIBIT No. 86.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 41. Section, Springfield, Big Kowai Bridge, additions. Name of contractors, J. and A. Anderson. Date of contract, 2nd August, 1892. Date of final payment or certificate to contractors, 29th December, 1892.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Bridges and culverts	£ s. d. 20 0 0	£ s. d. ...
Total	20 0 0	20 0 0

The above is a correct abstract from the records of the New Zealand Midland Railway Company.
H. W. YOUNG.

Contract No. 41.

DEAR SIR,—

Christchurch, 21st July, 1892.

I beg to invite tenders for additions to 80 ft. girders for Big Kowai Bridge, particulars and dimensions shown on enclosed tracing drawing No. 13, sheet No. 5A. Tender to be a lump-sum.

Additions to be as follows: The spaces between angle-irons of bottom chords of each girder of 80 ft. spans to be filled in with cement and finished with trowel.

Two sets of lattice-bars on each side the centre of each girder of 80 ft. spans to have rectangular washers 5 by 3 by $\frac{3}{8}$ fitted in and riveted equidistant from centre and end rivets of each bar, as shown in tracing.

Yours faithfully,

J. MUSGRAVE,

For ROBERT WILSON, Engineer-in-Chief and General Manager.
Messrs J. and A. Anderson, Engineers, &c., Christchurch.

DEAR SIR,—

192, Lichfield Street, Christchurch, 25th July, 1892.

In response to the Engineer-in-Chief's inquiry through you, we beg to offer to do the riveting and cementing according to your letter of the 21st instant and accompanying tracing for the sum of £20.

Yours faithfully,

J. AND A. ANDERSON.

J. Musgrave, Esq., Assistant Engineer, New Zealand Midland Railway.

DEAR SIRS,—

Christchurch, 1st August, 1892.

I am pleased to accept your tender, received on 25th July, being a lump-sum of £20, for additions to 80 ft. girders of Big Kowai Bridge, to be in accordance with accompanying particulars and tracing marked drawing No. 13, sheet No. 5A, and to the satisfaction of the Assistant Engineer. Please put the work in hand forthwith.

Yours faithfully,

J. MUSGRAVE,

For ROBERT WILSON, Engineer-in-Chief and General Manager.

Messrs. J. and A. Anderson, Engineers, &c., Christchurch.

EXHIBIT No. 87.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 44. Section, Reefton. Name of contractors, Sundry persons.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Stations and buildings	43 9 4	...
Total	43 9 4	43 9 4

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

EXHIBIT No. 88.

CLASSIFIED ABSTRACT OF FINAL CERTIFICATES, SHOWING TOTAL PAYMENTS TO CONTRACTORS.

Contract No. 47. Section, Reefton. Name of contractor, Henry Bignell. Date of contract, 14th April, 1893. Date of final payment or certificate to contractor, 14th April, 1893.

CLASSIFIED SUMMARY.

Description.	Original Contract Amount.	Total Payments to Contractors.
Stations and buildings	34 5 6	...
Total	34 5 6	34 5 6

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

H. W. YOUNG.

EXHIBIT No. 89.

RETURN SHOWING THE DETAILS OF "BRAITHWAITE AND KIRK, GIRDERS, ETC., £18,729 7s. 8d.,"
 PORTION OF THE £523,324 5s. 10d., BEING AMOUNT ACTUALLY PAID TO CONTRACTORS. (See
 Parliamentary Paper I.—11, of 1900, p. 123.)

Date of Invoice.		Description.	Price per Ton.			Weight.				Amount.		
			£	s.	d.	Tons	cwt.	qr.	lb.	£	s.	d.
Nov.	22	1889.	12	0	0	23	15	3	21	285	11	3
		1890.										
Feb.	24	"	12	0	0	134	6	1	0	1,611	15	0
March	26	"	12	0	0	70	9	2	14	845	15	6
April	10	"	12	0	0	64	17	0	14	778	5	6
"	10	"	12	0	0	19	18	2	0	239	2	0
"	25	"	12	0	0	64	17	0	14	778	5	6
May	19	"	12	5	0	94	1	2	2	1,196	12	4
"	19	Washers, &c.	20	0	0	2	4	0	21			
June	16	Girders, &c.	12	5	0	9	15	3	7	119	18	8
July	1	"	12	5	0	51	9	2	8	649	5	2
"	1	Washers, &c.	20	0	0	0	18	2	16			
"	2	Girders, &c.	12	5	0	5	19	3	20	79	15	7
"	2	Washers, &c.	20	0	0	0	6	1	8			
June	28	Girders, &c.	12	5	0	20	10	3	21	508	0	6
"	28	Washers, &c.	20	0	0	0	2	1	7			
"	28	Girders, &c.	12	5	0	20	10	3	21			
"	28	Washers, &c.	20	0	0	0	2	1	7			
July	7	Girders, &c.	12	5	0	8	14	2	21	107	0	0
June	30	"	12	5	0	17	9	1	14	213	19	10
July	5	"	12	5	0	17	9	1	14	213	19	10
"	16	"	12	5	0	82	3	3	0	1,016	1	0
"	16	Washers, &c.	20	0	0	0	9	1	0			
"	16	Girders, &c.	12	5	0	34	5	2	24	432	8	6
"	16	Washers, &c.	20	0	0	0	12	1	20	1,016	1	0
"	25	Girders, &c.	12	5	0	82	3	3	0			
"	25	Washers, &c.	20	0	0	0	9	1	0	508	0	6
Aug.	13	Girders, &c.	12	5	0	41	1	3	14			
"	13	Washers, &c.	20	0	0	0	4	2	14	456	7	3
"	8	Girders, &c.	12	5	0	36	3	0	12			
"	8	Washers, &c.	20	0	0	0	13	1	24	762	0	9
"	25	Girders, &c.	12	5	0	61	12	3	7			
"	25	Washers, &c.	20	0	0	0	6	3	21	244	18	0
"	27	Girders, &c.	12	5	0	19	16	1	16			
"	27	Washers, &c.	20	0	0	0	2	0	12	508	0	6
Sept	8	Girders, &c.	12	5	0	41	1	3	14			
"	8	Washers, &c.	20	0	0	0	4	2	14	1,108	11	0
"	12	Girders, &c.	12	5	0	69	7	1	14			
"	12	Washers, &c.	20	0	0	0	7	1	14	254	0	3
"	12	Girders, &c.	12	0	0	20	7	0	2			
"	12	Washers, &c.	20	0	0	0	2	0	12	508	0	6
"	26	Girders, &c.	12	5	0	20	10	3	21			
"	26	Washers, &c.	20	0	0	0	2	1	7	762	0	9
"	26	Girders, &c.	12	5	0	41	1	3	14			
"	26	Washers, &c.	20	0	0	0	4	2	14	254	0	3
Oct.	4	Girders, &c.	12	5	0	61	12	3	7			
"	4	Washers, &c.	20	0	0	0	6	3	21	254	0	3
"	20	Girders, &c.	12	5	0	20	10	3	21			
"	20	Washers, &c.	20	0	0	0	2	1	7	762	0	9
Nov.	20	Girders, &c.	12	5	0	61	12	3	7			
"	20	Washers, &c.	20	0	0	0	6	3	21	508	0	6
Oct.	31	Girders, &c.	12	5	0	41	1	3	14			
"	31	Washers, &c.	20	0	0	0	4	2	14	254	0	3
Nov.	4	Girders, &c.	12	5	0	20	10	3	21			
"	4	Washers, &c.	20	0	0	0	2	1	7	762	0	9
Dec.	4	Girders, &c.	12	5	0	61	12	3	7			
"	4	Washers, &c.	20	0	0	0	6	3	21	254	0	3
"	4	Girders, &c.	12	5	0	20	10	3	21			
"	4	Washers, &c.	20	0	0	0	2	1	7	731	8	3
Jan.	23	1891.	12	5	0	59	2	3	7			
"	23	Washers, &c.	20	0	0	0	6	3	21			
Totals						1,530	11	1	8	18,729	7	8

The above is the correct abstract from the records of the New Zealand Midland Railway Company.
 Wellington, 9th April, 1901.
 NORMAN H. M. DALSTON.

EXHIBIT No. 90.

RETURN SHOWING THE DETAILS OF "MILES AND Co., FREIGHT, £12,489 17s. 5d.," PORTION OF THE £523,324 5s. 10d., BEING AMOUNT ACTUALLY PAID TO CONTRACTORS. (See Parliamentary Paper I.—11, of 1900, page 123.)

Date of Invoice.	Description.	Amount.
1889.		£ s. d.
Nov. 27	Freight, insurance, port dues, wharfage, &c., on bridgework ...	118 15 10
1890.		
March 5	" " " " " " ...	783 16 10
" 9	" " " " " " ...	373 10 5
April 2	" " " " " " ...	596 17 9
" 30	" " " " " " ...	592 18 2
" 16	" " " " " " ...	749 7 3
May 28	" " " " " " ...	430 7 9
June 13	" " " " " " ...	75 4 7
July 9	" " " " " " ...	637 6 6
" 29	" " " " " " ...	214 2 11
" 14	" " " " " " ...	143 17 2
" 23	" " " " " " ...	912 2 9
August 6	" " " " " " ...	755 1 7
" 20	" " " " " " ...	549 8 4
Sept. 3	" " " " " " ...	566 7 9
" 5	" " " " " " ...	80 17 7
" 1	" " " " " " ...	79 15 7
" 16	" " " " " " ...	377 1 4
" 26	" " " " " " ...	678 2 5
Oct. 1	" " " " " " ...	568 9 11
" 15	" " " " " " ...	568 8 7
" 29	" " " " " " ...	188 16 5
Nov. 26	" " " " " " ...	564 19 11
" 12	" " " " " " ...	565 1 3
Dec. 10	" " " " " " ...	563 8 0
1891.		
Jan. 7	" " " " " " ...	190 7 4
Feb. 4	" " " " " " ...	565 3 6
		12,489 17 5

The above is a correct abstract from the records of the New Zealand Midland Railway Company.

NORMAN H. M. DALSTON.

Wellington, 9th April, 1901.

EXHIBIT No. 91.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).

Sundry expenses, including postages, telegrams, &c., not included in contractors' certificates, included in the sum of £523,324

5s. 10d. (See Parliamentary Paper I.—11, of 1900, page 123.) ... £232 7 5

Wellington, 10th April, 1901.

NORMAN H. M. DALSTON.

EXHIBIT No. 92.

STATEMENT OF REVENUE WHICH WAS EARNED BY TRAFFIC DEPARTMENT FROM TRAFFIC ORIGINATING IN CONNECTION WITH THE CONSTRUCTION OF THE LINE FROM 7 MILES 37 CHAINS TO 38 MILES 32 CHAINS, REEFTON SECTION, AND FROM 8 MILES 33 CHAINS TO 31 MILES 79 CHAINS, JACKSON SECTION.

Year ending	Passengers.				Trucks Sleepers.	Timber.	Grain.	Merchandise.	Minerals.	Amount.
	Single.		Return.							
	First.	Second.	First.	Second.						
December 6, 1890 ..	2	811	32	141	..	Sup. ft. 840,700	Tons cwt. ..	6,890 12	752 15	1,804 11 0
" 5, 1891 ..	..	829	..	115	..	83,100	25 0	3,860 13	342 4	2,166 18 11
" 10, 1892 ..	..	1,379	..	215	..	370,000	23 7	1,547 2	265 2	930 11 7
" 9, 1893 ..	..	351	..	132	85	131,900	74 13	3,098 1	245 15	1,585 2 10
March 3, 1894 ..	..	51	..	..	..	..	4 7	235 19	..	198 2 1
Estimated passenger traffic on Reefton Section from May, 1890, to July, 1891)	..	200	..	670	..	..	..	..	..	129 5 0
	2	3,621	32	1,273	85	925,700	127 7	15,632 7	1,605 16	6,814 11 5

	<i>Analysis</i>				£	s.	d.
Passenger traffic	490	3	10
Construction traffic revenue	1,805	2	5
Contractors'	4,519	5	2
Total	<u>£6,814</u>	<u>11</u>	<u>5</u>

9th April, 1901.

D. WALLACE.

EXHIBIT No. 93.

NEW ZEALAND MIDLAND RAILWAY.

Amount charged by traffic department against construction department and contractors for engine- and wagon-hire	...	...	...	...	2,252	0	0
Amount charged by traffic department against contractors for special labour, loading material, cramage, &c., at Stillwater	...	...	...	...	931	0	0
Amount collected by traffic department for rentals on land acquired by company and credited to Revenue Account	...	...	...	...	1,471	0	0
					<u>£4,654</u>	<u>0</u>	<u>0</u>

9th April, 1901.

D. WALLACE.

EXHIBIT No. 94.

STATEMENT OF TIMBER CARRIED BY TRAFFIC DEPARTMENT FOR TIMBER DEPARTMENT OVER COMPANY'S LINE AND CREDITED TO TRAFFIC REVENUE.

1,497,400 super. feet £574 14 3

9th April, 1901.

D. WALLACE.

EXHIBIT No. 95.

RETURN SHOWING DETAILS OF "IBBOTSON BROS. AND CO., STEEL PILE-SHOES AND FREIGHT, £293 8s.," PORTION OF THE £523,324 5s. 10d., BEING AMOUNT ACTUALLY PAID TO CONTRACTORS. (See Parliamentary Paper I.-11, of 1900, page 123.)

Date of Invoice.	Description.	Amount.
1890.		£ s. d.
Feb. 13	49 cast-steel pile-shoes, 41 cwt. 2 qr. 10 lb., at £1 16s. 9d.	76 8 5
" 19	Miles and Co., freight, insurance on ditto	7 14 3
" 25	49 cast-steel pile-shoes, 40 cwt. 2 qr. 14 lb., at £1 16s. 9d.	74 13 0
Mar. 5	Miles and Co., freight, insurance on ditto	6 12 0
" 13	20 cast-steel pile-shoes, 16 cwt. 3 qr. 24 lb., at £1 16s. 9d.	31 3 5
" 19	Miles and Co., freight, insurance on ditto	2 15 1
1893.		
Mar. 27	Cammell and Co. (Limited), London, pile-shoes	98 14 1
" 27	Miles and Co., freight, insurance on ditto	12 13 4
	Deduct sale to the Blackball Coal Company (Limited)—	310 13 7
July 22	10 cast-steel pile-shoes	17 5 7
		<u>293 8 0</u>

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

Wellington, 9th April, 1901.

NORMAN H. M. DALSTON.

TRAFFIC CARRIED DUE TO CONSTRUCTION WORKS GOING ON.

	Passengers.				Goods.										Total Revenue derived as above.
	Class.		Second.	First.	Amount Revenue.	Droppers.	Number of Trucks.	Timber.	Grain.	Merchandise.	Minerals.	Material for Construction: Freight paid by Company and charged to Capital Account.	Material for Construction: Freight paid by Contractor.	Goods carried due to Construction, and which otherwise would not have been carried.	
	Single.	Return.													
	First.	Second.	Third.	Fourth.	Super. ft.	Tons cwt.	Tons cwt.	Tons cwt.	£	£	£	£	£	£	
From January, 1890, to June, 1890	...	60	200	27 11 8	...	272,300	...	4,050	3	51 13	558 15 3	162 9 0	721 4 3	748 15 11	
1891	...	120	445	93 19 2	...	68,400	25 0	5,782	19	409 0	757 16 9	1,580 6 10	2,338 3 7	2,432 2 9	
1892	...	20	25	7 14 2	...	37,400	...	885	1	227 10	230 15 9	471 1 11	701 17 8	709 11 10	
1893	1,270	0	...	183 9 2	12 6 8	195 15 10	195 15 10	
1894	112	18	...	25 7 0	...	25 7 0	25 7 0	
Total...	...	200	670	129 5 0	...	378,100	25 0	12,101	1	688 3	1,756 3 11	2,226 4	53,982 8	44,111 13 4	

Reefion Section.

Jackson Section.

From January, 1890 to June, 1890	2	282	32	141	42 12 2	...	...	20	0	112 0	...	16 0 0	16 0 0	58 12 2
1891	...	749	...	10	50 19 4	...	...	66	0	246 2	...	44 4 1	44 4 1	95 3 5
1892	...	1,457	...	234	130 13 8	25	136,200	7 1	741 10	254 11	33 18 6	330 12 8	364 11 2	495 4 10
1893	...	775	...	197	104 3 11	60	219,500	34 16	1,385 0	69 16	15 0 0	838 17 9	853 17 9	958 1 8
1894	...	158	...	21	32 9 9	...	191,900	60 10	1,316 16	235 4	...	1,063 6 3	1,063 6 3	1,095 16 0
Total	2	3,421	32	603	360 18 10	85	547,600	107 7	3,531 6	917 13	48 18 6	2,293 0 9	2,341 19	32,702 18 1
Grand total	2	3,621	32	1,273	490 3 10	85	925,700	127 7	15,632 7	1,605 16	1,805 2	54,519 5	26,324 7	76,814 11 5

Sections opened.

Reefion Section—	Jackson Section—	Date
Brunner to Ngahere	Stony Creek to Kotuku	27th August, 1892.
Ngahere to Ahaura	Kotuku to Moana	6th December, 1892.
Ahaura to Totara Flat	Moana to Poerua	14th October, 1893.
Totara Flat to Mawheraiti	Poerua to Jackson	2nd March, 1894.
Tawhai to Reefion		
12th April, 1901.		

D. WALLACE.

EXHIBIT No. 97 (VIDE EXHIBIT No. 93).

NEW ZEALAND MIDLAND RAILWAY.

Rents collected by traffic department: Twelve cottages built in connection with working railways and occupied by employes at various dates from February, 1890, to March, 1894, up to time of seizure

£362 8 0

12th April, 1901.

D. WALLACE.

EXHIBIT No. 98.

LAND GRANTED TO NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED), OR TO TRUSTEES.

No. of Block.	Area in Title.			Area in B1 Map.			Rate per Acre, B1.			B1 Value.	Land District.	In whose Name.	Nature Title issued.					
	A.	R.	P.	A.	R.	P.	£	s.	d.					£	s.	d.		
41	7,346	3	38	7,200	0	0	0	15	0	5,510	4	9	Canterbury	Company..	Final.			
45	32,427	0	0	31,500	0	0	0	13	0	21,077	11	0						
46	8,586	2	21	8,000	0	0	0	15	0	6,439	19	6						
61	33,126	1	24	33,500	0	0	0	10	0	16,563	4	0						
63	7,087	1	19	7,100	0	0	1	0	0	7,087	7	3						
65	3,004	2	7	3,500	0	0	1	2	6	3,380	2	3						
44	13,629	0	0	13,700	0	0	1	5	0	17,036	5	0				Trustees ..		
50	6,738	3	24	6,800	0	0	0	15	0	5,054	3	6						
62	1,070	0	7	1,000	0	0	1	0	0	1,070	1	0				Mr. Coates		
68	3,200	0	0	3,200	0	0	1	0	0	3,200	0	0						
69	13,540	0	0	13,400	0	0	0	17	6	11,847	10	0				Westland ..	Trustees ..	Preliminary.
45	356	0	0	356	0	0	0	13	0	231	8	0						
46	19	3	8	19	3	8	0	15	0	14	17	0						
50	573	0	10	373	0	10	0	15	0	230	14	8						
62	40	2	30	40	2	30	1	0	0	40	13	9						
64	143	1	29	143	1	29	1	0	0	143	8	8						
67	292	1	19	292	1	19	1	0	0	292	7	5						
71	67	1	30	67	1	30	0	10	0	33	14	5						
42	25,669	2	0	25,000	0	0	0	15	0	19,252	2	6						
43	26,642	0	0	26,800	0	0	0	15	0	19,931	10	0						
53	35,751	3	0	26,500	0	0	0	10	0	17,875	17	6						
64	5,999	2	23	5,700	0	0	1	0	0	5,999	12	11						
67	8,940	3	7	9,100	0	0	1	0	0	8,940	15	11						
70	4,864	1	20	4,800	0	0	0	10	0	2,432	3	9						
71	8,500	1	30	8,200	0	0	0	10	0	4,250	4	5						
48	8,550	0	0	8,500	0	0	0	15	0	6,412	10	0						
54	29,350	0	0	29,000	0	0	0	10	0	14,675	0	0						
26	10,698	0	18	15,750	0	0	1	0	0	10,698	0	0						
28	10,172	2	33	8,700	0	0	1	0	0	10,172	15	0						
127	48,122	2	9	68,600	0	0	0	10	0	21,561	0	0	Nelson ..	Trustees ..	Final.			
130	17,646	0	0	15,300	0	0	0	10	0	8,823	0	0						
131	7,292	3	15	3,700	0	0	0	10	0	3,646	0	0	Canterbury	Trustees ..	Final.			
Part 220	1,914	2	13	1,914	2	13	0	10	0	957	0	0						
60 sections, Cobden Town ..	14	2	27	14	2	27	527	10	0	Canterbury	Trustees ..	Final.			
119 sections, Westport Town ..	29	3	0	29	3	0	..	..	..	917	10	0			
159 sections, Town of Ahaura	12	2	23	12	2	23	..	..	..	348	0	0			
Two pieces of land, equal to 32 sections, Ahaura Town	2	1	24	2	1	24	..	..	..	64	0	0			
77	8,123	2	34	9,700	0	0	0	10	0	4,061	17	1						
Total	384,348	0	22	393,516	3	13	..	..	..	260,900	1	3			

11th April, 1901.

A. BARRON, Under-Secretary.

EXHIBIT No. 99.

CONTRACT No. 30.—KOTUKU SECTION.—SUPPLY OF PLATE GIRDERS AND OTHER IRONWORK FOR BRIDGES.

DEAR SIR,—

Christchurch, New Zealand, 5th September, 1891.

We offer to supply the girders, &c., for the Kotuku Section, M.R., as per specification and drawings submitted, for £24 6s. per ton. The above price is on the basis of writing to England for material. We estimate the cost of cabling for the material at about £60, which will be an additional charge if cabling is adopted.

We will have the girders completed in three months after arrival of material, which we estimate will take three months if cabled or five months if written for.

Yours faithfully,

SCOTT BROTHERS.

R. Wilson, Esq., Engineer-in-Chief,
New Zealand Midland Railway Company (Limited), Christchurch.

P.S.—If loaded test is applied to a complete girder, the actual cost of testing to be paid extra.—S.B.

New Zealand Midland Railway Company (Limited),
Christchurch, 7th September, 1891.

DEAR SIRS,—

I beg to acknowledge the receipt of your offer, dated the 5th instant, for the supply of iron girders for the Kotuku Section, and also your deposit cheque for £150.

I now accept your offer at an all-round price of £24 6s. per ton.

It is understood that the material is to be Shelton Crown Best Best, and also that it is to stand the test.

An allowance will be made you for the necessary cablegram to England of £60, and the message is to be sent at once.

The girders are to be delivered at Stillwater Station within three months after the arrival of the material from England, which you estimate will be three months from now.

Yours faithfully,

Messrs. Scott Brothers, Christchurch.

ROBERT WILSON.

EXHIBIT No. 100.

CONTRACT No. 8.—SUPPLY OF CROSS-GIRDERS AND OTHER IRONWORK FOR BRIDGES.

New Zealand Midland Railway Company's Office,
Christchurch, 19th December, 1889.

GENTLEMEN,—

I have to inform you that your tender to construct, completely finish, and maintain the various works above mentioned in accordance with the drawings, specifications, and conditions prepared for the purpose and referred to in your tender—for box girders, £20 5s. per ton; wrought-iron bearing-plates, £20 10s. per ton; bolts and straps, £20 per ton; castings, £16 per ton—is hereby accepted by me on behalf of the New Zealand Midland Railway Company.

I have, &c.,

ROBERT WILSON,

Engineer-in-Chief and General Manager.

Messrs. Scott Brothers, Christchurch.

EXHIBIT No. 101.

GANGERS' ACCOUNTS.

Pay No. 14.—Samuel Brown, in account with McKeone, Robinson, and Avigdor. 4th February, 1888.

<i>Dr.</i>		£ s. d.		Contract No. 206.	<i>Cr.</i>
1888.				1888, Feb. 4—	£ s. d.
Feb. 1.	To Cash brought forward	..	16,734	0	0
Jan. 5.	Carriage .. ..	..	19	1	2
	Balance .. ..	..	3,289	16	8
				180 lin. ch. felling, 40s.	360 0 0
				200 " clearing, 38s.	380 0 0
				207 " clearing scrub, 20s.	207 0 0
				50 " grubbing, 40s.	100 0 0
				70,215 cub. yds. excavation, 1s. 9d.	6,143 16 3
				18,291 " spoil, 1s. 4d.	1,219 8 0
				71,333 " side-cutting, 1s. 6d.	5,349 19 6
				4,704 " stream diversion, 2s.	470 8 0
				1,623 " metal road, 3s.	243 9 0
				250 " catch-water drains, 2s.	25 0 0
				2,170 " inlets and outfalls, 1s. 9d.	189 17 6
				1,558 " concrete, 40s.	3,116 0 0
				2,333 " excavation of foundations,	
				2s. 6d.	291 12 6
				36,195 C.B.M. timber, 28s.	506 14 7
				3,191 lin. ft. piling, 5s.	797 15 0
				7,860 lb. ironwork, 4d.	181 0 0
				377 lin. ft. 12 in. pipes, 6s.	113 2 0
				27 " 15 in. pipes, 7s. 6d.	10 2 6
				40 cub. yds. puddle, 10s.	20 0 0
				122½ sup. yds. pitching, 4s. 6d.	27 10 0
				1,884 cub. ft. logs in road culverts, 2s.	188 8 0
				300 ch. fencing, 27s.	405 0 0
				107 cub. yds. boulders under railway	
				culverts, 5s.	26 15 0
				Shifting culvert, No Town Road	4 0 0
				3 in No. cattlestops (single), £22	66 0 0
				300 lin. ft. cylinders, £7	2,100 0 0
				On account of buildings	450 0 0
				Retained	22,942 17 10
				£ s. d.	
				2 per cent. on contract	673 0 0
				10 per cent. on £22,270	2,227 0 0
					2,900 0 0
				<u>£20,042 17 10</u>	<u>£20,042 17 10</u>

Wellington, 15th April, 1901.

S. BROWN.

EXHIBIT No. 102.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—CONSTRUCTION ACCOUNT.

Materials, &c., taken over by the Company from McKeone, Robinson, and Avigdor, and included within the £12,500 paid to the Latter on Final Settlement.

Ordinary Sleepers supplied by the Company for the Permanent-way of Contracts Nos. 4 and 14 in Terms of Contract, and not included for Payment in any Contract Final Certificates.

1889-91.—Total Number of Sleepers used in Contract.

Section No. 4, as per certificate	11,800
" " (additions)	600
" " (contract No. 14)	500
Total number used, contracts 4 and 14	12,900
Less supply by Algie, Priest, contract 21	999
Total not otherwise accounted for	11,901

Total Construction Account, 11,901, at 2s. 6d. each, £1,487 12s. 6d.

Note.—The above sleepers were valued at 3s. each in McKeone and Co.'s list.

16th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 103.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—CONSTRUCTION ACCOUNT.

Materials, &c., taken over by the Company from McKeone, Robinson, and Avigdor, and included within the £12,500 paid to the Latter on Final Settlement.

Items, other than Sleepers separately accounted for, which come under the Head of "Construction," and are not elsewhere included in Construction Returns.

Approximate Estimate.

	£	s.	d.
Fencing-material, say	12	17	0
Telegraph-material, say	67	7	0
Signal-posts, large, say	12	11	0
Level-crossing material, say	1	10	0
Girder bed-plates and H.D. bolts, say	40	0	0
Cement, pipes, iron, &c., say	50	0	0
Buildings at Stillwater and elsewhere, say, half valuation-list price of £364	182	0	0
Total	£366	5	0

16th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 104.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—CONSTRUCTION ACCOUNT.

SUNDRY AMOUNTS spent on Construction and not included in the Returns of Amounts paid to Contractors.

	£	s.	d.
1891.			
June 23. Allen Maguire: Cast-iron pipes for culvert at Kaupo, Stillwater-Reefton Section	32	17	5
1892.			
June 30. J. and A. Anderson: Payment for extra work required on the Springfield Section preparatory to handing over to the Government	142	2	0
June 30. Forsyth and Masters: Plates for altering and completing bridge-girders, Kotuku	9	15	11
1893.			
Oct. 26. J. and A. Anderson: Cost of fixing guard-rails and supplying chocks and bolts, Big Kowai Bridge, Springfield Section	55	0	11
1894.			
June 30. J. R. Rees and Co: Addition to contract No. 33, Teremakau Section, for extra stone, as per award of Engineer-in-Chief on final reference	168	15	0
June 30. Timber supplied for protective works, Teremakau Bridge approach	23	8	4
	£431	19	7

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

19th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 105.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—ROLLING-STOCK.

SUMMARY of PAYMENTS, not including Amounts charged in Contract No. 1 (McKeone, Robinson, and Avigdor).

	£	s.	d.
Nasmyth and Co. : Engine and freight (as per list A)	1,563	9	6
Bristol Wagon-works : Spare parts and freight (as per list B)	149	8	7
Brown, Marshalls, and Co. : Spare parts and freight (as per list C)	120	2	6
Miles and Co. : Freight (as per list D)	8	15	11
New Zealand Government : Wheels, axles, &c. (as per list E)	17	0	0
Scott Brothers : Tube-expanders (as per list F)	15	8	0
Ashbury Wagon Company : Wagons and freight (as per list G)	1,870	18	7
Metropolitan Wagon Company; Owen and Dyson : Horse-boxes, wagons, and freight (as per list H)	2,301	8	4
Ashbury Wagon Company; Owen and Dyson : Goods-wagons and freight (as per list J)	2,353	7	11
New Zealand Government :—			
Wheels, axles, &c. (as per list K)	17	7	0
Velocipede (as per list L)	17	4	8
Nasmyth, Wilson, and Co. : Loco. duplicates and freight (as per list M)	404	14	6
J. F. White : Tricycle (as per list N)	6	0	0
New Zealand Government : Six velocipedes (as per list O)	93	6	2
Sundry persons, being amounts paid out of various imprest accounts	34	2	0
	<u>£8,972</u>	<u>13</u>	<u>8</u>

RETURN showing the Amount paid to Nasmyth and Co. for Engine and Freight on same. (List A.)

	£	s.	d.
Engine	1,311	0	0
Freight	252	9	6
	<u>£1,563</u>	<u>9</u>	<u>6</u>

RETURN showing the Details of Spare Parts for Wagons purchased from the Bristol Wagon-works Company, f.o.b., London, and Freight on same paid to Miles and Co. (List B.) 1890.

April 1. 4 axle-boxes for bogie, second class,			
10 draw-springs for bogie, "			
6 bogie bearing-springs, "			
2 draw-bars for bogie, "			
2 side-chains for " "			
8 brasses for " "			
20 brake-blocks for bogie, "			
4 sets elliptical springs, "			
1 set brake-rigging, "			
2 axle-boxes for composite,			
6 brasses for ditto,			
1 set of brake-rigging for composite, second class,			
2 axle-boxes for bogie brakes,			
4 bearing-springs for ditto,			
6 brasses for ditto,			
1 set brake-rigging for ditto,			
1 set brake draw-gear for ditto,			
At inclusive price of	124	0	0
1 set brake draw-gear	10	15	0
	134	15	0
Miles and Co. : Freight, port dues, and wharfage on above from London to Greymouth, at £2 16s. 6d. per ton, and insurance at 17s. 6d. per cent.	14	13	7
	<u>£149</u>	<u>8</u>	<u>7</u>

RETURN showing the Details of Spare Parts for Wagons purchased from Brown, Marshalls, and Co., f.o.b., London. (List C.)

	£	s.	d.
1890.			
March 13. 20 draw-springs for high-side wagons, at 15s.	15	0	0
10 side-bearing springs, at 14s.	7	0	0
5 draw-bars, at £3 10s.	17	10	0
5 side-chains, at 7s. 6d.	1	17	6
12 axle-boxes, at £2	24	0	0
2 sets brake-gear, at £3 15s.	7	10	0
30 brake-blocks, at 3s. 6d.	5	5	0
4 hinges, at 10s	2	0	0
4 " low-side wagons, at 9s.	1	16	0
2 " cattle-trucks, at 12s.	1	4	0
2 Leathing's chains and screw couplings for timber-truck, at £2 17s. 6d.	5	15	0
50 axle-box brasses, at 12s. 6d.	31	5	0
	<u>£120</u>	<u>2</u>	<u>6</u>

RETURN showing the Details of Freight, &c., on Spare Parts purchased from Brown, Marshalls, and Co., paid to Miles and Co. (List D.)

1890.

April 18. Freight, port dues, and wharfage from London to Greymouth, at £2 16s. 6d. per ton, and insurance at 17s. 6d. per cent. £8 15 11

RETURN showing the Details of Wheels, Axles, &c., purchased from the New Zealand Government Railways. (List E.)

1891.

Feb. 5. 3 sets of wheels, axles, and bearings for platelayers' trollies £17 0 0

RETURN showing the Details of Tube-expanders, &c., purchased from Messrs. Scott Brothers, Christchurch. (List F.)

1891.

	£	s.	d.
March 11. 1 tube-expander	3	0	0
2 sets of piston-rings	3	0	0
1 tail-lamp	9	0	0
1 hand-gauge lamp... ..	0	8	0
	<u>£15</u>	<u>8</u>	<u>0</u>

RETURN showing the Details of Wagons purchased from the Ashbury Wagon Company, f.o.b., London, and Freight on same paid to Messrs. Miles and Co. (List G.)

1891.

	£	s.	d.
January 22. 20 new low-side wagons, at £59 10s. each	1,190	0	0
Freight, insurance, port dues, and wharfage on same from London to Greymouth, at £4 8s. 6d. per ton	680	18	7
	<u>£1,870</u>	<u>18</u>	<u>7</u>

RETURN showing the Details of Horse-boxes, Wagons, and Wheels, and Freight paid on same. (List H.)

1891.

	£	s.	d.
February 16. Owen and Dyson: 28 pairs new wheels, &c., at £11 per pair, and extra carriage, £2 12s. 6d.	310	12	6
" 13. Metropolitan Railway, C. and W. Co.: 2 horse-boxes, at £172 10s. each, and extra for double brakes to above, at 30s. each, £3 ..	348	0	0
6 bogie platform-wagons, at £156 each, less carriage paid for delivery of wheels and axles in London, £2 12s. 6d.	933	7	6
" 20. Miles and Co.: Freight, insurance, port dues, and wharfage on above from London to Greymouth, at £5 12s. and £4 8s. 6d. per ton	709	8	4
	<u>£2,301</u>	<u>8</u>	<u>4</u>

RETURN showing the Details of Goods-wagons, Timber-trucks, and Wheels, &c., and Freight paid on same. (List J.)

1891.

	£	s.	d.
February 25. Ashbury Railway-carriage Company: 3 new covered goods-wagons, at £88	264	0	0
12 new timber-trucks, at £62 17s. 6d.	754	10	0
March 11. Owen and Dyson: 70 pairs of wheels and axles, at £11 10s.	805	0	0
Miles and Co.: Freight, insurance, port dues, and wharfage on above from London to Greymouth, at £4 8s. 6d. per ton	529	17	11
	<u>£2,353</u>	<u>7</u>	<u>11</u>

RETURN showing the Details of Wheels, Axles, &c., purchased from the New Zealand Government Railways. (List K.)

1891.

Sept. 21. Four sets of wheels and axles for platelayers' trollies £17 7 0

RETURN showing the Details of Velocipede purchased from the New Zealand Government Railways. (List L.)

1892.

Oct. 8. 1 single velocipede, with ball bearings £17 4 8

RETURN showing the Amount paid to Nasmyth, Wilson, and Co. for Locomotive Duplicates, and the Freight on same paid to Miles and Co. (List M.)

	£	s.	d.
Nasmyth, Wilson, and Co.: Locomotive duplicates	390	5	6
Miles and Co.: Freight	14	9	0
	<u>£404</u>	<u>14</u>	<u>6</u>

RETURN showing the Details of Tricycle purchased from J. F. White. (List N.)

1894.

May 17. 1 tricycle £6 0 0

RETURN showing the Details of Six Double Velocipedes and six Lamps purchased from the New Zealand Government Railways. (List O.)

1894.

May 28. 6 double velocipedes, at £15 each £ 90 0 0

Sept. 6. 6 lamps for ditto 3 6 2

£93 6 2

The above are all correct abstracts from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

17th April, 1901.

EXHIBIT No. 106.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—PERMANENT-WAY.

SUMMARY of PAYMENTS, not including Amounts charged in Contract No. 1 (McKeone, Robinson, and Avigdor).

	£	s.	d.
Dick, Kerr, and Co. :—			
Rails (as per list A)	18,033	19	4
Fish-plates (as per list B)	1,382	12	1
Fang-bolts (as per list C)	934	10	2
Dog-spikes (as per list D)	862	8	6
Bed-plates (as per list E)	459	6	7
Fish-bolts (as per list F)	925	9	11
Miles and Co. : Freight on above (as per list G)	9,281	10	4
Isca Foundry Company : Points and crossings (as per list J)	860	13	8
Miles and Co. : Cost, freight, and insurance on rails and fastenings (as per list K)	7,024	11	1
Isca Foundry Company : Points and crossings (as per list L)	112	1	4
New Zealand Government : Points and crossings (as per list M)	268	0	10
G. Hahn : Birch sleepers (as per list N)	18	15	0
McKeone, Robinson, and Avigdor (per Worthington)	384	3	5
Sundry expenses, being amounts paid out of various imprest accounts	114	16	6
	40,662	18	9
Deduct sales of rails and fastenings to the Blackball Coal Company	574	12	2
	£40,088	6	7

RETURN showing the Details of 53 lb. Steel Rails purchased from Dick, Kerr, and Co., at £4 15s. per Ton, f.o.b., London. (List A.)

Date of Invoice.		Number of Rails.	Weight.	Amount.
			Tons cwt. qr. lb.	£ s. d.
1889.				
Dec.	3	1,342	250 0 2 1	1,187 12 5
"	13	1,342	250 0 2 1	1,187 12 5
1890.				
Jan.	31	2,667	500 9 2 25	2,377 6 2
Feb.	10	2,699	499 3 3 10	2,371 9 3
March	28	2,675	499 19 2 24	2,374 18 8
April	10	2,691	499 13 3 13	2,373 10 11
June	16	169*	28 10 1 23	131 18 3
July	14	1,808	337 3 1 24	1,601 11 6
"	19	1,066	199 10 1 21	947 14 7
"	28	1,549	288 1 2 13	1,368 7 9
"	28	1,139	212 1 2 20	1,007 8 0
Aug.	21	1,253	232 11 2 19	1,104 15 5
			3,797 7 1 26	18,033 19 4

* The price of these rails was £4 12s. 6d.

RETURN showing the Details of Fish-plates purchased from Dick, Kerr, and Co., at £6 5s. per Ton, f.o.b., London. (List B.)

Date of Invoice.				Pairs.	Weight.	Amount.
1889.					Tons cwt. qr. lb.	£ s. d.
Dec.	3	...	...	1,356	14 13 2 11	91 15 0
"	3	...	...	1,356	14 13 2 11	91 15 0
1890.						
Jan.	31	...	...	3,200	34 12 3 12	216 10 4
Feb.	10	...	...	2,299	24 17 3 3	155 11 1
March	28	...	...	2,712	29 7 0 22	183 10 0
April	10	...	...	2,712	29 7 0 22	183 10 0
June	16	...	...	2,127	23 0 3 14*	132 11 0
July	14	...	...	3,390	36 14 0 0	229 7 6
Aug.	21	...	...	1,440	15 11 3 4	97 8 8
Dec.	5	...	...	10	0 2 0 18	0 13 6
					223 1 0 5	1,382 12 1

* At £5 15s. per ton.

RETURN showing the Details of Fang-bolts and Nuts purchased from Dick, Kerr, and Co., at £12 10s. per Ton, f.o.b., London. (List C.)

Date of Invoice.				Number.	Weight.	Amount.
1889.					Tons cwt. qr. lb.	£ s. d.
Dec.	3	...	...	5,491	4 15 0 0	59 7 6
"	3	...	...	5,491	4 15 0 0	59 7 6
1890.						
Jan.	31	...	...	10,998	9 16 1 16	122 15 0
Feb.	10	...	...	10,998	9 16 1 16	122 14 11
March	28	...	...	10,998	10 0 0 0	125 0 0
April	10	...	...	10,998	10 2 1 20	126 10 3
July	14	...	...	13,747	12 10 0 0	156 5 0
Aug.	21	...	...	14,300	13 0 0 0	162 10 0
					74 15 0 24	934 10 2

RETURN showing the Details of Dog-spikes purchased from Dick, Kerr, and Co., at £12 per Ton, f.o.b., London. (List D.)

Date of Invoice.				Number.	Weight.	Amount.
1889.					Tons cwt. qr. lb.	£ s. d.
Dec.	3	...	...	19,760	4 15 0 0	57 0 0
"	3	...	...	19,760	4 15 0 0	57 0 0
1890.						
Jan.	31	...	...	39,420	9 13 0 26	115 18
Feb.	10	...	...	39,420	9 13 1 2	115 19 3
Mar.	28	...	...	39,420	9 9 2 0	113 14 0
April	10	...	...	39,420	9 9 2 0	113 14 0
June	3	...	...	49,275	11 16 3 14	142 2 6
Aug.	21	...	...	50,960	12 5 0 0	147 0 0
					71 17 1 14	862 8 6

RETURN showing the Details of Bed-plates purchased from Dick, Kerr, and Co., at £7 10s. per Ton, f.o.b., London. (List E.)

Date of Invoice.				Number.	Weight.	Amount.
1889.					Tons cwt. qr. lb.	£ s. d.
Dec.	3	...	...	2,200	3 3 1 26	23 16 2
"	31	...	...	3,302	4 17 2 12	36 12 1
1890.						
Feb.	21	...	...	11,004	16 5 0 27	121 19 4
April	10	...	...	11,004	16 5 0 27	121 19 4
July	14	...	...	6,677	9 17 1 10	74 0 1
"	14	...	...	200	0 5 3 18	2 4 4
Aug.	21	...	...	6,906	10 4 0 14	76 10 11
Dec.	5	...	...	200	0 5 3 18	2 4 4
					61 4 3 12	459 6 7

RETURN showing the Details of Fish-bolts purchased from Dick, Kerr, and Co., at £25 per Ton, f.o.b., London. (List F.)

Date of Invoices.				Number.	Weight.	Amount.
1889.					Tons cwt. qr. lb.	£ s. d.
Dec.	3	...	...	5,499	2 9 0 10	61 7 3
"	4	...	...	5,499	2 9 0 10	61 7 3
1890.						
Jan.	31	...	...	12,040	5 7 2 0	134 7 6
Feb.	10	...	...	9,956	4 8 3 15	111 2 1
Mar.	28	...	...	10,998	4 18 0 21	122 14 8
April	10	...	...	10,998	4 17 3 11	122 6 3
June	3	...	...	13,747	6 2 1 5	152 17 5
Aug.	21	...	...	14,280	6 7 2 0	159 7 6
					37 0 1 16	925 9 11

RETURN showing the Details of Freight, Port Dues, Insurance, and Wharfage from London to Greymouth, paid to Miles and Co., on Rails, Fish-plates, Fang-bolts, Dog-spikes, Bed-plates, and Fish-bolts purchased from Dick, Kerr, and Co. (List G.)

Date of Invoice.				Rate of Freight per Ton.	Weight.	Rates of Insurance.	Amount.
1889.					Tons cwt. qr. lb.	Per Cent.	£ s. d.
Dec.	11	...	...	40/	33 14 1 21	17/6	70 11 2
"	24	...	...	43/1	525 2 3 21	15/	1,148 4 6
1890.							
Jan.	8	...	...	43/1	4 17 2 12	15/	10 15 9
Feb.	5	...	...	43/1	562 9 2 15	12/6	1,231 3 10
"	19	...	...	43/1	550 7 2 5	12/6	1,207 3 9
March	5	...	...	43/1	16 5 0 27	10/	35 0 7
April	2	...	...	43/1	556 3 0 25	10/	1,209 18 4
"	16	...	...	43/1	572 4 3 27	10/	1,248 3 8
June	11	...	...	43/1	19 11 3 13	8/9	43 15 10
"	25	...	...	43/1	51 11 1 9	10/	112 8 10
"	30	...	...	24/2*	...	...	37 15 9
July	23	...	...	40/7	397 14 3 8	8/9	813 7 8
"	28	...	...	43/1	199 10 1 21	17/6	435 6 4
Aug.	6	...	...	40/7	288 1 2 13	8/9	587 16 3
"	6	...	...	43/1	212 1 2 20	10/	459 14 3
Sept.	3	...	...	43/1	290 0 0 9	10/	630 3 10
					4,279 17 1 22		9,281 10 4

* Railway carriage only.

RETURN showing the Details of Points and Crossings purchased from the Isca Foundry Company, f.o.b., London, and Freight on same paid to Messrs. Miles and Co. (List J.)

1889.					£ s. d.
Nov.	30.	56 sets 10 ft. switches, at £7 10s.	...	...	420 0 0
		6 crossings, 1 in 7½; 50 crossings, 1 in 9, at £5 2s. 6d.	...	...	287 0 0
Freight and shipping charges on same from London to Greymouth, 58 tons					
14 cwt. and 2 lb., at £2, and insurance thereon, £8 17s. 6d., and primage					
(10 per cent.), £139 8s. 10d.; port dues, wharfage, &c., on same, and on					
57 cases bolts, spikes, &c., £14 4s. 10d.				...	153 13 8
					<u>£860 13 8</u>

1892.						£	s.	d.
Jan. 28.	J. Cowdy and Co: Lamps and glasses	...	...	...	...	21	0	0
1894.								
May 28.	New Zealand Government railways: 1 copying-press, as per account at 27th April, 1894	...	...	...	...	6	0	0
						<u>£624 17 0</u>		

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

17th April, 1901.

EXHIBIT No. 108.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—CONSTRUCTION PLANT CHARGED TO CAPITAL ACCOUNT.

					£	s.	d.	£	s.	d.	
Sieve, Gorman, and Co.—											
Pneumatic Plant	...	...	...	...	469	4	0			
Freight on same	...	...	...	...	40	9	6			
								509	13	6	
P. Adie: Cement-testing machine*	...	...	...	...	55	6	6			
Miles and Co.: Freight on same	...	...	...	...	5	3	10			
									60	10	4
1890.											
June 23.	Scott Brothers: Bar-testing machine	...	...	...	...	...	...	6	0	0
								<u>£576 3 10</u>			

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited).
NORMAN H. M. DALSTON,
General Manager.

17th April, 1901.

* This machine is still in the possession of the company.

EXHIBIT No. 109.

NEW ZEALAND MIDLAND RAILWAY.—AWARD IN ARBITRATION PROCEEDINGS.

Public Works Department dr. to the National Bank of New Zealand (Limited), Wellington.

June, 1896.—Amount assigned by the New Zealand Midland Railway Company to the National Bank of New Zealand (Limited) by deed dated the 6th January, 1896, being a portion of the sum now in the Receiver-General's Suspense Account derived from the sales of certain Crown lands or interests therein effected by the Government under clause 33 of the Midland Railway contract, which sum the parties to the arbitration proceedings before the Hon. E. Blake agreed should be paid to the said company in *pro tanto* satisfaction of the company's right of selecting, under the provisions of the said contract, blocks of land up to the B1 value of £21,066, as stated in the award of the Hon. E. Blake, dated 24th December, 1895

£5,000 0 0

I certify that payment has been approved in Cabinet.
25th June, 1896.

H. J. H. BLOW.

Wellington, New Zealand, 14th August, 1896.

I HEREBY acknowledge to have received from the Paymaster-General, by cheque, this 14th day of August, 1896, the sum of £5,000, being amount assigned by New Zealand Midland Railway Company to the National Bank of New Zealand (Limited) by deed dated 6th January, 1896, being a portion of the sum now in the Receiver-General's Suspense Account derived from the sales of certain Crown lands or interests therein effected by the Government under clause 33 of the Midland Railway contract, which sum the parties to the arbitration proceedings before the Hon. E. Blake agreed should be paid to the said company in *pro tanto* satisfaction of the company's right of selecting, under the provisions of the said contract, blocks of land up to the B1 value of £21,066, as stated in the award of the Hon. E. Blake dated 24th December, 1895.

The National Bank of New Zealand (Limited),
By its Attorney, J. H. B. COATES.

Witness—G. F. Gee.
14th August, 1896.

Wellington, 24th April, 1901.

P. S. WALDIE,
Public Works Department.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—LAND-PURCHASE AND COMPENSATION.

ALLOCATION to Sections of Railway and Summary of Amounts expended on Land-purchase and Compensation and chargeable to Construction.

Particulars.	Brunnerton to Still-water.		Stillwater to Jack-son's.		Stillwater to Reef-ton.		Springfield Section.		Belgrave Section.		Total.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Amounts paid to owners, &c.	2,478	16 6	4,714	17 11	12,877	4 2	236	19 9	770	3 9	21,078	2 1
Approximate amounts of law-costs, salaries, travelling, office, and incidental expenses, including books of reference, advertising, &c., June, 1887, to March, 1895	252	0 0	420	0 0	1,092	18 0	94	0 0	168	0 0	2,026	18 0
Land-plans and title	78	0 0	308	7 6	1,274	10 0	...	...	199	1 6	1,859	19 0
Net totals, not including expenses of general management and administration	2,808	16 6	5,443	5 5	15,244	12 2	330	19 9	1,137	5 3	24,964	19 1

LAND-PURCHASE AND COMPENSATION ACCOUNTS.

Name.	Section No.	Block.	Survey District.	Particulars.	Amount.	
					£	s. d.
<i>Brunnerton-Stillwater Section.</i>						
A. McKenzie	59	10	Arnold	Purchase and compensation, house and section (leasehold)	...	45 0 0
Butler	...	...	"	Removal of buildings	...	2 0 0
W. Dick	575	10	"	Purchase and compensation, 30 perches of land, with severance and other damages, £250; cost of removing stables, £25	...	275 0 0
Crawford	574	10	"	Purchase and compensation, land, 13 perches, £17 4s.; solicitor's fees and expenses, £2 9s. 6d.	...	19 13 6
Moynihan	...	11	"	Removal of buildings	...	12 1 0
J. Johnston	686	11	"	Area, 1 rood 21 perches, Grey Coal Reserve (leasehold): Submission to arbitration—Award, £90; Court and witnesses' expenses, £21 5s.; Crown lease, £2 2s.; law-costs, stamps, and fees, £13 8s.	...	126 15 0
H. Burgett	576	10	"	Area taken, 2 roods 21 perches	...	50 0 0
J. Bown	708	10	"	Purchase of 3 acres 3 roods 23 perches of leasehold land, with damages to store-keeper's property	...	75 0 0
Clement Parfitt	704, 705, 706-707A	10	"	Purchase of 15 acres 1 rood 10 perches leasehold land, being whole or portion of four sections	...	300 0 0
M. McDonald	690	10	"	Purchase of 4 acres and 12 perches (leasehold section)	...	102 10 0
Mrs. M. Haisy	691	10	"	Purchase of 4 acres 3 roods 28 perches (leasehold section)	...	90 0 0
Langridge and Ward	692	10	"	Purchase of 4 acres 1 rood 24 perches (leasehold section)	...	65 0 0
E. E. Ashton and W. Fraser	694, 695	10	"	Purchase of two leasehold sections, containing 10 acres and 8 perches	...	200 0 0
F. McParland	696	10	"	Purchase of leasehold section containing 5 acres	...	40 0 0
R. Nancarrow	697-703, 709, 710, 701, 702	10	"	Purchase of four leasehold sections, containing 20 acres and 6 perches	...	50 0 0
Thomas Alexander	1, 2	11	"	Purchase of two sections, containing 10 acres (leasehold)	...	25 0 0
W. G. Curtis	...	11	"	Purchase of 59 acres 1 rood leasehold land (Native Reserve 34), together with two cottages	...	872 9 6
The Public Trustee	34	11	"	Purchase of freehold interest for 38 acres 1 rood 3 perches (Native reserve)	...	128 7 6
						2,478 16 6

Name.	Section No.	Block.	Survey District.	Particulars.	Amount.
M. Killeen	Pt. Native Res. 34 1867	11	Arnold	<i>Stillwater-Jackson's Section.</i> Leasehold interest in 16 acres 1 rood 29 perches, with compensation for severance, &c.	£ 100 0 0
Thomas Joyce	1867	9	"	Claim unsettled, but case precisely similar to those of Glenn, Orr, and National Bank; adjacent sections settled for £15 each in 1890.	17 7 5
George Glenn	1865	9	"	Purchase of 2 acres and 14 perches of freehold, with compensation for loss of frontage, £15; registration-fees, £2 7s. 5d.	15 0 0
John Orr	1866	11 and 15	"	Purchase of 2 acres 2 rods of freehold, with compensation for loss of frontage	15 0 0
National Bank of New Zealand (C. Holder)	1872	15	"	Purchase of 2 acres 3 rods 5½ perches of freehold land, with compensation for loss of frontage	632 0 0
William Perkins	1868, 1869, 1907, 1555	15 and 16	"	Land purchased of 502 acres 2 rods 23 perches of freehold, to obviate claims for land taken, loss of frontage, and other damages, £650; less received in royalty, £6; less purchase school-site by Education Board, £12	201 16 6
Mrs. A. Warner	1881	15	"	62 acres 2 rods 18 perches of freehold, being part of above section	20 0 0
J. T. Tidd	1881	15	"	Township allotment (part of above section)	16 1 0
R. Nancarrow	1881	15	"	"	21 1 0
E. I. Lord	1881	15	"	"	21 0 0
George Marshman	1881	15	"	"	42 11 0
L. Carset and J. Vallance	...	Near Kaimata	Hohonu	Right to take water for railway purposes, £12 11s.; tail-race diversion, £30	35 0 0
W. Carson	...	"	"	Cash in lieu of tail-race diversion	150 0 0
T. Crowe	...	"	"	Purchase of water-race and compensation for damage done to gold-mining property	130 0 0
Greymouth Borough Council	193	3 and 4	"	Land purchased, forming part of Greymouth Borough Endowment No. 193, 45 acres 1 rood 12 perches	187 4 6
George Mallinson	2075	4	"	Purchase of 12 acres 3 rods 12 perches, with compensation for severance and other damages, £180; law-costs, £7 4s. 6d.	16 13 6
Westland School Committee	131	4	"	Education Reserve No. 131, 8 acres 1 rood 14 perches of land purchased, with compensation for severance	150 0 0
O'Brien, O'Reilly, and Sheally	...	Near Kaimata	"	Compensation for mining rights	2,700 0 0
Grey County Council	...	...	...	Amount paid towards construction of the Greenstone-Lake Brunner Road, in terms of the Act of 1890 relating to Lake Brunner deviation of the New Zealand Midland Railway	61 5 8
P. Buttola	2134	13	Te Kinga	Half-cost of fencing as agreed, near Poerua	23 0 0
D. McLaughlan	...	...	...	Payment to account of land-purchase and compensation, leaving a balance still due pending survey and transfer	45 1 0
John Evans	2043	13	"	Payment on account of land-purchase and compensation, leaving a balance still due pending survey and transfer	80 9 0
Charles Clark	1756	1	Ouirā	To account of land-purchase and compensation, £75; costs, £5 9s.; balance still due pending completion of survey and transfer	34 7 4
D. A. Jackson	1582	1	"	To account of land-purchase and compensation, £30; costs, £4 7s. 4d.; balance still due pending completion of survey and transfer	4,714 17 11
	1243	1	"		

Name.	Section No.	Block.	Survey District.	Particulars.	Amount.
					£ s. d.
Martin Kennedy ...	42	10	Mawheranui	Purchase and compensation, 2 roods 6 perches land taken	18 0 0
Gillar and Devery ...	43, 6, 17, 16, 101	10	"	Purchase of 4 acres 4 roods of land, with compensation for severance, &c., £292; removal of building, £15	307 0 0
Denis Delaney ...	102, 12, 13	10	"	Purchase of 1 acre 2 roods 29 perches of land, with compensation for severance, for loss of frontage, &c., £170; removal and reinstatement of building as agreed, £266 10s.	436 10 0
Thomas Kelly ...	105	10	"	Land-purchase, 1 acre and 14½ perches, and compensation, £135; removal of buildings as agreed, £177; payment in lieu of water-supply, £5	317 0 0
T. Mullins ...	104	10	"	2 acres and 30 perches leasehold, removal of buildings, and cash in lieu of water-supply	55 0 0
John Baybutt ...	49	7	"	Land-purchase, 3 acres 3 roods 14 perches, with compensation for loss of frontage, &c.	90 0 0
Michael McLaughlin ...	43	7	"	Land-purchase, 8 acres 2 roods 20 perches, with compensation for severance, crossing, &c.	500 0 0
C. Hansen and M. Levy ...	53	7	"	Land-purchase, 5 acres and 24 perches, with compensation for severance	250 0 0
C. F. Algie ...	56	7	"	Compensation for destruction of orchard trees	25 0 0
J. Ross ...	54	7	"	Right to lay pipes, Ngahere water-supply, as agreed	18 3 6
John Galway ...	47	7	"	Land-purchase, 27 acres 1 rood 31 perches, being purchase of whole section in lieu of land required, severance, loss of water, and deterioration of remainder	274 8 9
E. Ryan ...	33A, 51,	7	"	Land-purchase, 15 acres 2 roods, with compensation for severance, &c.	340 8 0
M. Ryan ...	37, 4	4	"	Land-purchase for ballast-pits, 7 acres and 14 perches, £56 14s.; fencing as agreed, £48	104 14 0
William Craig ...	44	4	"	Land-purchase, 8 acres 3 roods 8 perches, with severance, clearing, &c., £350; for completion of well, £12	362 0 0
T. H. Garth ...	8, 9, 77, 79,	4	"	Land-purchase, 8 acres 1 rood 38 perches, with compensation for severance and other damages, £435; removal of buildings, £80	515 0 0
W. A. B. Adams ...	82	4	"	Land purchase, 6 acres 3 roods 2 perches, with isolation of 8 acres and 25 perches, severance, &c.	250 0 0
B. Gough ...	95 and 10	4	"	Submission to arbitration and award, with all costs	475 1 9
Rev. Father Bowers ...	(174, 71, 96, 72	4	Mawheraiti	Land-purchase, 2 roods 21 perches of Convent grounds, with compensation for severance and in lieu of crossing	190 5 0
John Kennedy ...	141	4	Mawheranui	Land-purchase, 16 acres, with compensation for damage, £350; proportion of rent, Section 67, £3 11s. 8d.	353 11 8
D. Donald ...	181, 143, 142, 67	4	"	Land purchase, 46 acres 1 rood 34 perches, at £8 per acre, £371 14s.; less forfeited deposits on allotment, £17 10s. [Note.—This purchase covered the entire section, of which about two-thirds was occupied and necessary for station-site or for stream-diversions, and the remainder was subject to claims for damage and deterioration.]	354 4 0
J. Taylor and J. Casserley ...	179	4	"	Land-purchase of 25 acres 3 roods, with compensation for severance and other damages, £405; cash in lieu of crossing, £39 3s. 8d.	444 3 8
Nelson Education Board ...	61, 60, 59, 57, 56	4 or 13	"	4 acres 1 rood 39 perches, land purchased, &c.	9 0 0
J. and G. Walker ...	58	13	"	Land-purchase of 6 acres and 14 perches and compensation for damages, £100; stamp duty, 10s.; cash in lieu of crossings, £90	190 10 0
Henry Gilmer ...	55, 79, 80, 49, 50, 51, 76, 77, 78, 47, 48, 49, 50, 75, 73	13	"	Land-purchase, 21 acres 1 rood 9 perches, with damages for severance, &c., £317 16s. 10d.; interference with water-right, £35	352 16 10

Name.	Section No.	Block.	Survey District.	Particulars.	Amount.
<i>Stillwater-Reefton Section—continued.</i>					
14* W. Erskine ...	46, 47	13	Mawheraiti	Land-purchase, 2 acres 2 roods 30 perches, with compensation for loss of frontage ...	£ 110 0 0
— H. Thomas McKee ...	40, 38, 39, 24, 25, 22, 23, 70	13	"	Land-purchase, 5 acres 3 roods 2 perches, with compensation for severance and other damages	307 17 6
2 William Young ...	26	13	"	Land-purchase, 2 acres 1 rood 5 perches, with compensation for loss of hedge shelter...	60 0 0
Thomas Finlayson ...	27	13 and 14	"	Land-purchase of 9 acres 2 roods 32 perches, with compensation, £135 costs, £2 6s...	137 6 0
Hamilton Gilmer ...	33	14	"	Land-purchase, 7 acres 3 roods 18 perches, at £13 10s. per acre ...	106 3 0
J. Doolan ...	34	14	"	Land-purchase, 4 acres 3 roods 11 perches, at £15 ...	72 5 7
M. Savage ...	28, 29, 35	14	"	Land-purchase, 10 acres 1 rood 10 perches, with compensation for severance and release from liability to make good damage by fire to crops and building, £376; stamp duty, £1 5s.	377 5 0
F. W. Campbell ...	30, 31	14	"	Land-purchase, 5 acres 1 rood 37 perches, with compensation for damages, £65 15s. 6d.; rent, 15s.	66 10 6
P. Kennedy and M. O'Meara	100, 102, 103, 90, 91	14	"	Land-purchase, 4 acres and 36 perches, with compensation for severance and other damages; also grant of easement, Sections 8 and 9, 92, 90, 91, for ballast-pit and access	395 17 6
P. Mackinley ...	98	14	"	Land-purchase, 2 acres 2 roods 25 perches, with compensation for loss of frontage, &c.	103 2 6
Hugh McLaughlin ...	95, 96, 97	14	"	Land-purchased, 6 acres and 27 perches, with loss of frontage, &c., £125 1s. 3d.; agreed amount for removal of house and orchard, £350	475 1 3
J. Fitzgerald ...	93, 94	14	"	Land-purchase, 4 acres and 10 perches, with compensation for loss of frontage, &c., £156 5s.; cash in lieu of crossing and gate, £56	212 5 0
Ellen McInroe ...	45	15	"	Land-purchase, 1 acre 2 roods 21 perches, with compensation for damages ...	50 0 0
James O'Mally ...	147, 148, 158, 176	11	"	Land-purchase, 6 acres 3 roods 8 perches, with compensation for severance and other damages; reference to arbitration and award, with expenses, £432 9s. 6d.; cash in lieu of crossing, £35	467 9 6
E. J. Coutanche ...	160, 168, 189	11	"	Land-purchase, 12 acres 1 rood 21 perches, at £8 per acre, including damages for severance and loss of frontage, £99 17s.; cash in lieu of crossing, £30	129 17 0
J. R. Prendergast ...	10, 33	11	"	Land-purchase, 13 acres and 39 perches, at £10 per acre, including compensation for severance, &c., £132 8s. 9d.; portion of rent, £1 8s. 10d.; cash in lieu of crossing, £50; right to take water for Ikamatua Station water-supply, as per agreement, £20	203 17 7
J. F. Johnstone ...	13	11	"	Land-purchase, 4 acres 3 roods 39 perches, with compensation for damages ...	102 15 3
George Broughton ...	1, 11	11	"	Land-purchase, 5 acres 2 roods 23 perches, with compensation for severance, &c. ...	187 14 8
W. and J. Maclellan	Part 1	11	"	Land-purchase, 9 acres 3 roods 29 perches, at £20, including compensation for damages	198 12 6
Alexander McHardy ...	3, 4, 9, 15, 19, 5	7	"	Land-purchase, 26 acres 2 roods 15 perches, at rates as agreed, inclusive of severance and other damage	302 6 8
G. Batira ...	8, 21, 23	7	"	Land-purchase, 15 acres and 8 perches, with compensation, severance, loss of frontage, &c., £290; cash in lieu of crossing, £40	330 0 0
Michael Murray ...	7	3	"	Land-purchase, 20 acres and 2 perches, leasehold, with compensation for damages ...	138 0 0
James Osborne ...	9, 10	4	"	Land-purchase, 1 acre 3 roods 37 perches, leasehold with compensation for loss of frontage, &c.	40 0 0
Robert Patterson ...	244	13	Reefton ...	Land-purchase, 11 acres 2 roods 30 perches, leasehold, with compensation for loss of frontage, &c.	250 0 0
A. J. Breen ...	152	13	"	Land-purchase, 3 acres and 6 perches, with compensation for damages, £151 17s. 6d.; purchase of allotment and compensation for stream-diversion, £40	191 17 6

LAND-PURCHASE AND COMPENSATION.—Approximate Statement of Law-costs, Salaries, Travelling, Office, and Incidental Expenses, including Cost of Books of Reference and Advertising, from June, 1887, to March, 1895.

	£	s.	d.
Law-costs	685	18	0
Salaries	625	7	0
Travelling-expenses	102	16	0
Stationery and goods purchased	37	10	0
Sundry accounts	268	8	0
Wages	69	13	0
Postages, telegrams, and petty cash	96	6	0
Advertising	141	0	0
	<u>£2,026</u>	<u>18</u>	<u>0</u>

Allocation to Sections of Railway.

	£	s.	d.
Brunnerton-Stillwater	252	0	0
Stillwater-Jackson	420	0	0
Stillwater-Reefton	1,092	18	0
Springfield Section	94	0	0
Belgrove Section	168	0	0
Total (as above)	<u>£2,026</u>	<u>18</u>	<u>0</u>

LAND-PURCHASE AND COMPENSATION.—RAILWAY-LAND PLANS AND SURVEYS, 1887-1893.

	£	s.	d.
Brunnerton-Stillwater Section (E. I. Lord, surveyor)	78	0	0
Stillwater-Jackson's Section to Nelson-Westland boundary, omitting company's freeholds (E. I. Lord, surveyor)—			
1½ miles, at £32 a mile	48	0	0
6 miles 4 chains, at £25	151	5	0
5 miles 10 chains, at £20	102	10	0
Deed plots, &c.	6	12	6
			<u>308 7 6</u>
Stillwater-Reefton Section (Lord and Young, surveyors)—			
37½ miles, at £32 a mile	1,200	0	0
Ballast-sections title plots, &c.	74	10	0
			<u>1,274 10 0</u>
Belgrove Section (George Sinclair, surveyor)—			
4¼ miles, at £28	119	0	0
4 miles, at £20	80	0	0
Exchange	0	1	6
			<u>199 1 6</u>
			<u>£1,859 19 0</u>

NOTE.—The amounts included above prior to August, 1890, are approximate only.

22nd April, 1901.

H. W. YOUNG.

EXHIBIT No. 111.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—REVENUE ACCOUNT, WORKING RAILWAYS.

From 1st August, 1889, to 30th June, 1890.

<i>Expenditure.</i>	£	s.	d.	<i>Receipts.</i>	£	s.	d.
Wages and salaries (see Exhibit No. 112) ..	1,939	11	11	Passengers	1,610	8	5
Office expenses	8	10	11	Parcels	72	5	1
Rent	32	5	5	Goods	2,278	5	5
Stationery and printing	130	8	8	Wagon and sheet mileage	24	14	4
Postages and telegrams	25	13	11	Rents	5	12	6
Travelling-expenses	47	3	11	Loco. hire	77	14	3
Fuel	97	18	6	Haulage and crantage	0	10	0
Stores	53	18	5				
Freight	5	3	10				
Insurance	27	15	2				
Stations and buildings, repairs, maintenance of locos., clothing, &c. ..	18	16	3				
Lost-goods claim	0	13	1				
Sundry expenses	22	16	1				
Balance, being receipts in excess of expenditure	1,608	13	11				
	<u>£4,069</u>	<u>10</u>	<u>0</u>		<u>£4,069</u>	<u>10</u>	<u>0</u>

From 30th June, 1890, to 30th June 1891.

Expenditure.				Receipts.			
		£	s. d.	£	s. d.	£	s. d.
Wages and salaries—						2,673	1 7
Christchurch	Exhibit	239	9 7			178	3 2
Greymouth (see Exhibit No. 112)		3,865	5 8			5,234	19 8
				4,104	15 3		
Loco. fuel				289	8 9		
Stores				218	3 6		
Office expenses				10	2 1		
Printing and stationery				144	10 1		
Postages and telegrams				15	12 8		
Office-rent				39	5 0		
Rates and taxes				233	15 9		
Sundry expenses				18	15 4		
Lost-goods claims				6	13 0		
Law-costs				3	5 10		
Loco. certificates				5	12 6		
Repairs and renewals				6	6 0		
Stations and buildings				1	7 9		
Maintenance of locos.				7	2 11		
Clothing				8	16 0		
Rents of water-races				21	14 6		
Permanent-way				4	6 0		
Auditors' fees				3	13 1		
Balance, being receipts in excess of expenditure				4,000	16 1		
				£9,144	2 1	£9,144	2 1

From 30th June, 1891, to 30th June, 1892.

Expenditure.				Receipts.			
		£	s. d.	£	s. d.	£	s. d.
Wages and salaries—						5,332	3 9
Christchurch	Exhibit	723	3 9			234	7 6
Greymouth (see Exhibit No. 112)		6,027	11 11			6,107	0 3
				6,750	15 8		
Loco. fuel				416	13 6		
Stores				219	17 5		
Office expenses				10	0 5		
Printing and stationery				129	19 2		
Postages and telegrams				23	10 0		
Office-rent				39	5 0		
Rates and taxes				414	14 2		
Sundry expenses				44	14 5		
Lost-goods claims				0	17 6		
Law-costs				3	13 8		
Loco. certificates				15	15 0		
Repairs and renewals				20	3 10		
Stations and buildings				1	14 0		
Maintenance of locos.				75	19 3		
" telephones and telegraphs				40	16 11		
Clothing				7	16 6		
Rents of leasehold lands				112	11 6		
Auditors' fees				3	13 6		
Cartage				54	11 11		
Freight				0	19 6		
Advertising and printing of time-tables				74	10 0		
Travelling expenses				51	11 5		
Materials for use in carriages and wagons				2	11 2		
Wagon and sheet mileage				143	4 1		
Balance, being receipts in excess of expenditure				4,288	18 7		
				£12,948	18 1	£12,948	18 1

From 30th June, 1892, to 30th June, 1893.

Expenditure.				Receipts.			
		£	s. d.	£	s. d.	£	s. d.
Wages and salaries—						5,353	2 5
Christchurch	Exhibit	628	3 0			242	5 4
Greymouth (see Exhibit No. 112)		5,256	8 9			6,011	17 8
				5,884	11 9		
Loco. fuel				384	19 8		
Stores				124	16 3		
Office expenses				6	12 9		
Printing and stationery				86	5 6		
Postages and telegrams				16	8 8		
Rent				23	0 0		
Rates and taxes				1,187	11 11		
Sundry expenses				38	5 1		
Lost-goods claims				2	19 6		
Law-costs				28	10 10		
Repairs and renewals				17	14 2		
Maintenance of locos.				18	19 3		
Clothing				9	17 0		
Auditors' fees				3	13 6		
Cartage				331	16 3		
Wagon and sheet mileage				10	17 7		
Advertising and printing of time-tables				77	2 0		
Insurance				9	2 0		
Travelling expenses				47	7 9		
Freight Account				0	8 6		
Materials for use of telephones				28	0 8		
Adjustment Account				17	4 9		
Balance, being receipts in excess of expenditure				4,408	16 0		
				£12,765	1 4	*£12,765	1 4

* Springfield Section receipts, £13 Os. 11d. (see Exhibit No. 113).

From 30th June, 1893, to 30th June, 1894.

Expenditure.			Receipts.			
	£	s. d.	£	s. d.	£	s. d.
Wages and salaries—					5,454	4 3
Christchurch ..	375	0 8			322	3 8
Greymouth (see Exhibit No. 112) ..	5,809	12 3			7,501	3 0
			6,184	12 11	340	6 5
Loco. fuel ..			321	16 5	321	9 6
Stores ..			212	14 7	204	1 11
Office expenses ..			11	3 0	*891	2 6
Printing and stationery ..			97	15 0	12	14 4
Postage and telegrams ..			22	3 9		
Office-rent ..			14	15 0		
Rates and taxes ..			942	11 7		
Sundry expenses ..			29	15 10		
Lost-goods claim ..			11	13 2		
Law-costs ..			7	5 10		
Loco. certificates ..			20	5 0		
Repairs and renewals ..			21	18 6		
Stations and buildings ..			32	7 7		
Maintenance of locos. ..			51	7 3		
Clothing ..			8	1 0		
Rents of leasehold lands ..			11	0 0		
Wagon and sheet mileage ..			93	6 3		
Auditors' fees ..			3	13 6		
Insurance ..			21	7 1		
Advertising and printing of time-tables ..			121	15 4		
Travelling-expenses ..			82	18 6		
Materials for use in carriages and wagons ..			2	5 3		
Stillwater Junction ..			112	18 9		
Maintenance of telegraph, &c., lines ..			18	0 0		
Cartage ..			322	16 3		
Sundry railages ..			21	0 4		
Adjustment Account ..			2	11 2		
Balance, being receipts in excess of expenditure ..			6,572	2 11		
			£15,376	1 9	†£15,376	1 9

* Including £240 15s. Blackball dead-rent. † Springfield Section receipts, £83 14s. (see Exhibit No. 113).

From 30th June, 1894, to 25th May, 1895.

Expenditure.			Receipts.			
	£	s. d.	£	s. d.	£	s. d.
Wages and salaries—					5,192	16 9
Christchurch ..	483	18 1			323	19 2
Greymouth (see Exhibit No. 112) ..	6,804	7 9			*6,537	12 3
			7,288	5 10	539	0 11
Loco. fuel ..			334	4 1	112	0 0
Stores ..			245	2 3	309	9 10
Office expenses ..			15	12 9	†405	12 11
Printing and stationery ..			87	10 9		
Postages and telegrams ..			29	15 3		
Office-rent ..			26	15 0		
Rates and taxes ..			1,023	14 6		
Sundry expenses ..			127	18 7		
Lost-goods claims ..			2	10 6		
Law-costs ..			59	13 3		
Loco. certificates ..			11	5 0		
Repairs and renewals of carriages and wagons ..			32	13 3		
Stations and buildings ..			9	16 1		
Maintenance of locos. ..			89	18 5		
Clothing ..			13	0 11		
Rents of leasehold land ..			93	14 0		
Permanent-way ..			8	6 9		
Auditors' fees ..			3	13 6		
Wagon and sheet mileage ..			191	5 8		
Travelling-expenses ..			146	17 2		
Advertising and printing of time-tables ..			95	14 9		
Stillwater Junction ..			21	3 6		
Sundry railages ..			23	12 8		
Maintenance of telegraph-lines ..			18	0 0		
Cartage ..			307	17 10		
Blackball Coal Company Rebate Account ..			*253	5 10		
Adjustment Account ..			1	0 4		
Balance, being receipts in excess of expenditure ..			3,257	7 3		
			£13,820	5 11	†£13,820	5 11

* Including £253 5s. 10d., rebate account (see *per contra*).

† Including £43 for Blackball, &c., rents.

‡ Springfield Section receipts, £48 8s. 11d. (see Exhibit No. 113).

The above are correct abstracts from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),

NORMAN H. M. DALSTON,

General Manager.

23rd April, 1901.

		1895.		£	s.	d.	£	s.	d.
Four-weekly period ending	2nd February—Passengers	...	...	10	2	9	10	2	9
"	2nd March—Passengers	...	...	19	11	0	19	11	0
"	27th April—Passengers	...	...	9	17	8	9	17	8
							<u>£48</u>	<u>8</u>	<u>11</u>

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

23rd April, 1901.

EXHIBIT No. 114.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—Return showing the Number of Passengers, Parcels, &c., carried on the Company's Railway from the 1st August, 1889 (the Date of the Opening of the Line), to the 25th May, 1895 (the Date of the Seizure of the Line).

Year ending 30th June.	Passengers	Parcels.	Horses, Dogs, &c.	Cattle, Calves, Sheep, &c.	Wool.	Firewood.	Timber.	Grain.	Merchandise.	Minerals.
	No.	No.	No.	No.	Bales.	Trucks.	Feet.	Tons.	Tons.	Tons.
1890*	22,333	1,237	272	156	44	123	539,800	416	8,184	1,351
1891	24,868	2,760	364	1,303	164	217	1,129,900	1,706	9,930	1,231
1892	34,909	2,472	586	3,189	150	346	3,199,400	1,762	5,033	1,811
1893	34,125	3,473	355	2,797	225	340	3,825,000	1,654	4,315	2,487
1894	33,825	4,148	501	6,009	264	215	4,757,300	1,645	4,335	15,152
1895†	34,103	4,757	446	3,443	273	220	5,413,400	1,723	2,636	31,592
Totals..	184,163	18,897	2,524	16,897	1,120	1,461	18,864,800	8,911	34,433	53,624

* Ten months. † Eleven months.

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

23rd April, 1901.

EXHIBIT No. 115.

CONTRACT No. 4.—AHAURA SECTION.—FINAL CERTIFICATE.

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				
Cutting to bank ...	Cub. yds.	11,732	1/4	£ 782 s. 8
" spoil ...	"	3,500	1/	175 0 0
Pitching, hand-laid ...	Sq. yds.	147	4/6	33 1 6
Level crossing, private ...	No.	3	£4	12 0 0
				1,002 4 2
<i>Bridges and Culverts.</i>				
15 in. glazed-tile drains ...	Lin. ft.	103	6/	30 18 0
12 in. " ...	"	100	4/6	22 10 0
9 in. " ...	"	63	3/	9 9 0
Concrete ends ...	Pairs	2	£5	10 0 0
				72 17 0
<i>Stations.</i>				
Iron gates, 12 ft. ...	Each	3	£9	27 0 0
Water-service, specified ...	L.S.	...	...	400 0 0
Drainage as specified (balance), £20, less £7 2s.	...	...	...	12 18 0
				439 18 0
<i>Miscellaneous.</i>				
Removing building ...	...	...	...	5 0 0

CONTRACT No. 4—continued.

Additions to Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				
Cutting to bank, to spoil, and side-cutting ...	Cub. yds.	1,906	1/3	£ 119 2 6
Earthwork, with extra lead ...	"	37,615	1/6	2,821 2 6
Forming line ...	Lin. chs.	2½	20/	52 10 0
Trimming line ..	"	21	6/	6 6 0
A. B. P.				
Felling 3 chains wide ...	Acres	12 2 3	£5	62 11 10
Clearing ...	"	5 2 27	£50	283 8 8
Grubbing ...	Lin. chs.	45	£5	225 0 0
Miscellaneous bushwork ...	"	...	...	26 1 6
Metal ...	Cub. yds.	415	2/	41 10 0
				3,587 13 0
<i>Bridges and Culverts.</i>				
Excavation for foundations ...	Cub. yds.	165	1/6	12 7 6
Timber, New Zealand ...	C.B.M.	324	23/	372 12 0
" silver-pine ...	"	...	...	10 3 0
" ironbark ...	"	22	46/	50 12 0
Piling, ironbark ...	Lin. ft.	270	6/6	87 15 0
" New Zealand (road-bridge) ...	"	650	5/6	178 15 0
Ironwork in bolts, &c. ...	Lb.	1,646	/3	20 11 6
" ...	"	5,482	/4	91 7 4
Wrought-iron girders, carriage, and erection... ..	Tons	13·3	60/	39 18 0
Wrought-iron in cylinder-bolts ...	Cwt.	2	30/	3 0 0
Cast-iron in cylinders ...	Tons	8,125	£14	113 15 0
Sinking cylinders ...	Lin. ft.	30	40/	60 0 0
Filling cylinders with concrete ...	Cub. yds.	16·5	35/	28 17 6
Riveting girders, extra section junctions, Ahaura Bridge, cost plus 15 per cent.	...	...	...	101 10 0
Remedying defective girder manufacture, cost plus 15 per cent.	...	...	...	*408 14 0
Extra handling heavier stone for aprons ...	...	...	...	10 0 0
Concrete ...	Cub. yds.	79	35/	138 5 0
Tubular stays and fittings ...	Sets	10	£16 8/	164 0 0
Alterations to cast-iron bed-plates, machinery, and carriage	"	10	£3/7/2	33 11 8
Repairs to girders, ship damaged ...	...	...	...	25 3 1
Extra for continuous girders ...	...	...	...	15 0 0
Alterations to temporary bridges, as required by the Government Inspector	...	...	...	46 17 0
Extra labour and traffic charges, dismantling and removing Calligan's temporary bridge	...	...	...	37 3 3
Painting, three coats ...	Sq. yds.	414	/9	15 10 6
Construction of temporary bridges ...	...	...	...	50 0 0
				2,115 8 4
<i>Fencing.</i>				
Qualities Nos. 3, 4, and 5 ...	Chs.	273	25/	341 5 0
Cattle-stops ...	No.	1	£15	15 0 0
Allowance on extra No. 4 fencing ...	Chs.	39	13/	25 7 0
Slip-panels ...	No.	2	30/	3 0 0
Swing-fence, Calligan's Creek, as agreed	...	...	...	14 0 0
Sundry extras and alterations ...	...	...	...	11 18 9
				410 10 9
<i>Permanent-way.</i>				
Siding to ballast-pit, Calligan's, half-cost ...	...	...	...	46 3 7
Ballast ...	Cub. yds.	622	2/2	67 7 8
Platelaying ...	Lin. yds.	506	1/	25 6 0
Sleepers, ordinary, handling, &c. ...	C.	6	3/	0 18 0
" on bridges and culverts ...	No.	46	3/6	8 1 0
Carriage of materials ...	Tons	26	5/	6 10 0
Grade-boards ...	No.	1	20/	1 0 0
Timber, walking-planks and brackets ...	C.B.M.	2	20/	2 0 0
Guard-balks ...	"	7·17	23/	8 5 0
Iron in ditto ...	Lb.	80	/4	1 6 8
Ironbark switch-heel blocks ...	No.	8	7/6	3 0 0
				169 17 11

* The cost of remedying defective girder manufacture, £408 14s., was charged against makers, and in arriving at total cost of work is to be deducted from the certificate amount.

CONTRACT No. 4—continued.
Additions to Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Stations.</i>				
Picket-fencing	Lin. ft.	12	3/	£ s. d. 1 16 0
Extra panels ... ..	...	...	...	0 10 0
Extra on passenger-station	...	...	£ s. d. 0 7 6	
" coal-shed ... ..	...	...	8 10 0	
" stationmaster's house	...	...	12 11 6	
" goods-shed doors	...	...	3 15 0	
			25 4 0	
Plus percentage ... ..	...	...	3 16 0	
				29 0
				31 6 0
<i>Miscellaneous.</i>				
Telegraph-line, extra length	...	...	...	10 0 0
Account survey wages and tools, deviation 12/ to 14/25, and station-yard	...	...	...	24 19 0
Craig's well and connections	...	...	...	94 1 9
				129 0 9

NOTE.—Extra rates, charges, and allowances in this contract were determined by special reference to and award by Mr. Wilson or Mr. C. Napier Bell.

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 116.

CONTRACT No. 5.—TOTARA FLAT SECTION.—FINAL CERTIFICATE.
Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				
Catch-water drains	Chs.	15	5/	£ s. d. 3 15 0
Felling	Lin. chs.	8	18/	7 4 0
Clearing	"	8	10/	4 0 0
Grubbing	"	0.5	32/	0 16 0
Level crossings, second class	No.	3	50/	7 10 0
" private	"	3	50/	7 10 0
				30 15 0
<i>Bridges and Culverts.</i>				
Timber, New Zealand, No. 2	C.B.M.	5.50	25/	6 17 6
" ironbark ... ..	...	14	50/	35 0 0
Piling, ironbark	Lin. ft.	640	6/	192 0 0
Ironwork in bolts, &c.	Lb.	2,000	/3	25 0 0
Wrought-iron in girders	Tons	12.5	100/	62 10 0
Concrete	Cub. yds.	498	30/	747 0 0
Stone aprons, 50 lb.	"	80	7/	28 0 0
" 5 cwt.	Tons	500	11/	275 0 6
Glazed-tile drains, 12 in.	Lin. ft.	395	4/6	88 17 6
" 6 in.	"	100	2/8	13 6 8
Box drains	"	185	6/	55 10 0
Concrete ends	No.	13	80/	52 0 0
Painting	Sq. yds.	220	1/1	11 18 4
				1,593 0 0
<i>Fencing.</i>				
Slip-panels	No.	1	50/	2 10 0
No. 4 fencing	"	25	26/6	33 2 6
No. 5 "	"	180	21/6	193 10 0
Cattle-stops	"	6	£14 10s.	87 0 0
				316 2 6

CONTRACT No. 5—continued.
Deductions from Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Permanent-way.</i>				
Platelaying	Lin. yds.	260	/11	£ 11 18 4
Points and crossings, laying	Sets	2	£4	8 0 0
Sleepers, ordinary	No.	200	2/4	23 6 8
Bridge sleepers	"	45	3/4	7 10 0
Sleepers, points and crossings	Sets	2	£6	12 0 0
Carriage and material	Tons	14	2/	1 8 0
Timber, walking-planks	C.B.M.	450	16/	3 12 0
Iron, "	Lb.	20	/3	0 5 0
				68 0 0
<i>Stations.</i>				
Platelayers' cottage ... ..	...	...	...	180 0 0
Grate in cottage ... ..	...	...	...	0 18 0
" stationmaster's house ... ..	...	...	...	0 18 0
				181 16 0

Additions to Contract.

<i>Grading.</i>				
Pitching, 12 in. thick	Sq. yds.	447	5/	£ 111 15 0
Metal	Cub. yds.	796	2/	79 12 0
				191 7 0
<i>Bridges and Culverts.</i>				
Excavation for foundations	Cub. yds.	94	2/6	11 15 0
15 in. pipes	Lin. ft.	127	5/	31 15 0
9 in. pipes	"	7	3/6	1 4 6
Extra work on bridges	L.S.	...	...	92 5 9
				137 0 3
<i>Fencing.</i>				
No. 3 fencing	Lin. ch.	84.5	23/	97 3 6
Trimming gorse hedges	"	97	2/	9 14 0
Cutting fence, &c., 17/35 ... ..	...	...	...	1 14 6
Shifting gates, 19/2, 19/2, 20/11 ... ..	...	...	...	6 15 3
				115 7 3
<i>Permanent-way.</i>				
Ballast... ..	Cub. yds.	2,577	1/6	193 5 6
Grade-boards	No.	1	15/	0 15 0
				194 0 6
<i>Stations.</i>				
Picket-fencing	Lin. ft.	84	1/9	7 7 0
Coal-store	No.	1	£76	76 0 0
Passenger-platform	Lin. ft.	39	2/3	4 7 9
Partition to Raupo Station	No.	1	£2 10s.	2 10 0
300 <i>Pinus insignis</i> ... ..	...	...	£ 3 12 0	
Railage ... ..	...	...	0 6 7	
Cartage ... ..	...	...	1 7 0	
Planting and staking ... ..	...	...	4 0 0	
Rope-yarn ... ..	...	...	0 8 6	
				*11 3 3
Copying-press table ... ..	...	...	1 0 0	
Pigeon-holes ... ..	...	...	2 5 0	
Book-stand ... ..	...	...	1 5 0	
Desk ... ..	...	...	1 10 0	
Cupboard, shelving, and doors ... ..	...	...	3 10 0	
				*10 18 6

* Plus 15 per cent.

CONTRACT No. 5—continued.
Additions to Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Stations—continued.</i>				
Taking down loading-platform, and removing, plus 15 per cent.	...	...	...	£ s. d. 1 8 0
Ticket-slide, removing, &c.	...	...	...	1 14 6
Coal-store, doors and ends	...	...	...	10 0 0
Widening platform for curve	...	...	...	2 8 6
Inspector's hut	No.	1	£19	19 0 0
Shifting ditto to Ikamatua	...	...	...	3 9 0
Partition to Ikamatua Station	No.	1	£2 10s.	2 10 0
Extra coal-store doors	...	...	...	5 0 0
Extra goods-shed doors	No.	3	25/	3 15 0
Stove-recess, stationmaster's house, Jockey stove, piping, &c.	...	...	...	11 6 0
Orion stove, platelayer's cottage	...	...	...	7 6 6
Closing front passage, station, and roofing w.c. passage, cost price plus 15 per cent.	...	...	...	7 17 6
Tank, stand, &c.	...	...	...	61 4 6
Carriage of pipes	...	...	...	3 15 0
Extra "stop" sign	...	...	...	0 12 0
				253 13 0
<i>Miscellaneous.</i>				
Lightning-guard, Ahaura	No.	1	£2 10s.	2 10 0
<i>Maintenance.</i>				
Extra maintenance	...	...	...	17 17 0

Correct copy of the original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 117.

CONTRACT No. 6.—MAWHERAITI SECTION.—FINAL CERTIFICATE.

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				
Catch-water drains	Lin. chs.	61	5/6	£ s. d. 16 15 6
Pitching, 12 in. thick	Yds.	995	5/	248 15 0
Level crossing, first class	No.	2	60/	6 0 0
Willow-slips planted	Thd.	5	£16 13s. 4d.	83 6 8
				354 17 2
<i>Bridges and Culverts.</i>				
W.T. iron in girders	Tons	7.5	110/	41 5 0
Concrete, as specified	Cub. yds.	669	32/	1,070 8 0
Stone aprons, 50 lb.	"	400	7/	140 0 0
" 5 cwt.	Tons	90	11/	49 10 0
Concrete ends to pipes	Pairs	13	73/	47 9 0
Glazed-tile drains, 9 in.	Lin. ft.	152	3/1	23 8 8
" 12 in.	"	142	4/	28 8 0
" 6 in.	"	100	2/1	10 8 4
Box drains	"	125	1/5	8 17 1
Painting, three coats	Sq. yds.	132	1/1	7 3 0
				1,426 17 1
<i>Fencing.</i>				
No. 5 fencing	Lin. chs.	315.5	21/6	339 3 3
No. 4 "	"	68.5	26/6	90 15 3
Slip-panels	No.	1	50/	2 10 0
Cattle-stops	"	8	£14 10s.	116 0 0
				548 8 6

CONTRACT No. 6—continued.
Deductions from Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Stations.</i>				
Platelay's cottage	No.	1	...	£ 180 0 0
Water-supply ... ..	...	...	...	s. 208 15 5
Coal-store	No.	1	...	d. 68 0 0
Gates	"	1	...	8 0 0
Stove in stationmaster's house	"	1	...	1 0 0
Wickets	"	5	70/	17 10 0
				483 5 5

Additions to Contract.

<i>Grading.</i>				
Earthwork	Cub. yds.	2,783	1/1½	£ 156 10 10
Clearing (underscrubbing)	Chs.	63	15/	s. 47 5 0
Level crossings	No.	1	50/	d. 2 10 0
Metal	Cub. yds.	839	2/	83 18 0
				290 3 10
<i>Bridges and Culverts.</i>				
Excavation for foundations	Cub. yds.	54	2/6	6 15 0
Inlets and outfalls	"	2,493	1/4	166 4 0
Timber, New Zealand	C.B.M.	118	25/	147 10 0
" iron-bark	"	9.50	55/	26 2 6
Piling	Lin. ft.	214	6/9	72 4 6
Tie-rails in abuts	Pairs	2	£5 9s.	10 18 0
Extra work fitting bridges, cost price plus 15 per cent. ... ..	...	...	...	51 18 6
Glazed-tile drains, 15 in.	Lin. ft.	110	4/5	24 5 10
Ironwork ... ..	...	1,760	/3	22 0 0
Piles drawn and driven, cost plus 15 per cent. ... ..	...	...	...	42 2 9
				570 1 1
<i>Fencing.</i>				
No. 3 fencing	Lin. chs.	77	23/	88 11 0
Gates, iron	Pairs	1½	£16	24 0 0
				112 11 0
<i>Stations.</i>				
Mawheraiti, fittings, £10 16s., plus 15 per cent. ... ..	...	...	...	12 8 4
Mawheraiti, engine-shed, £146, plus 10 per cent. ... ..	...	...	...	160 12 0
Mawheraiti, taking down and re-erecting Reece and Co.'s engine-shed, cost price plus 15 per cent. ... ..	...	...	...	8 1 0
Mawheraiti, Jockey stove in stationmaster's house, cost price plus 15 per cent. ... ..	...	...	...	11 6 0
Flag-stations, partition and door	No.	3	£2 10s.	7 10 0
Waimaunga Station, altering platform ... ..	...	...	...	2 17 6
" extra to cattle-stops	No.	7	15/	5 5 0
27/16, extra to "stop" sign ... ..	...	...	...	0 10 0
Railage of engine-pit beams, Stillwater to Mawheraiti, cost price plus 15 per cent. ... ..	...	...	...	2 17 6
Tank-fittings at Mawheraiti ... ..	...	...	...	6 8 4
				217 15 8
<i>Miscellaneous.</i>				
Groin at Casolas's Creek, cost price plus 15 per cent. ... ..	...	...	...	39 0 0
Groin at Little Grey, cost price plus 15 per cent. ... ..	...	...	...	14 18 9
				53 18 9

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

CONTRACT No. 7—continued.
Additions to Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Bridges and Culverts.</i>				
Excavations for foundations	Cub. yds.	282	2/6	£ 35 5 0
Inlets and outfalls	"	72	1/4	4 16 0
Timber, New Zealand	C.B.M.	22.5	25/	28 2 6
" ironbark	"	3.4	60/	10 4 0
Piling, breastwork	Lin. ft.	1,288	4/6	289 16 0
Concrete in culverts	Cub. yds.	224½	36/	403 13 0
Tie-rails and abutments, cost plus 15 per cent.	"	"	"	5 9 0
Timber, New Zealand, in drain and breast-work	C.B.M.	1,157	32/	1,851 4 0
Two culverts and stream-diversion	"	"	"	75 0 0
Ironwork in bolts	Lb.	210	3½	2 16 10
" breastwork	"	6,264	3½	84 16 6
15 in. pipes	Lin. ft.	107	5/6	29 8 6
Stones for pipes at 36/68, and carrying across gully, cost plus 15 per cent.	"	"	"	26 19 0
At 37/6, removing and relaying pipes, cost plus 15 per cent.	"	"	"	6 18 0
Excavation for breastwork	Cub. yds.	115	4/6	25 17 6
Silver-pine shoot	C.B.M.	8.34	40/	16 13 7
Sump No. 2, shifting shoot and excavating drain, cost plus 15 per cent.	"	"	"	32 17 3
Concrete overflow, cost plus 15 per cent.	"	"	"	38 0 0
Canvas hose for slip, "	"	"	"	6 6 6
Sump No. 1 and shoot, "	"	"	"	29 5 4
Timber over 30 ft. long in breastwork	C.B.M.	168.64	2/	16 17 3
Extras on breastwork, cost plus 15 per cent.	"	"	"	43 8 10
At 37/7, shifting road-culvert, cost plus 15 per cent.	"	"	"	3 0 0
				3,066 14 7
<i>Tunnels.</i>				
Driving heading past change of grade	Lin. ft.	198	6/6	64 7 0
Excavation from tunnel, removal	Cub. yds.	160	1/	8 0 0
Shifting tunnel timber for new grade, cost	"	"	"	6 5 10
Lining side walls	Cub. yds.	258	40/	516 0 0
Tunnel-face	"	124.5	40/	249 0 0
Carting tunnel-blocks	Tons	750	8/6	318 15 0
Extra sole-pieces in ground over old grade, cost plus 15 per cent.	"	"	"	41 10 0
Excavation foundation tunnel-face, with pipes, &c., cost plus 15 per cent.	"	"	"	10 0 0
Taking out and lowering caps and timber lost in north tunnel-approach, cost plus 15 per cent.	"	"	"	20 2 6
Carting sand	Tons	100	8/6	42 10 0
Drift-work in arch, cost price	"	"	"	38 14 3
Timber drain in old drive, cost price	"	"	"	16 8 6
4 in. pipes in tunnel	Lin. ft.	2,508	/9	94 1 0
Old heading, lump-sum	"	"	"	57 10 0
Extra work connected with old heading and in tunnel proper, vide details, cost plus 15 per cent.	"	"	"	220 15 7
				1,703 19 8
<i>Fencing.</i>				
No. 5 fencing	Chains	10.5	21/6	11 5 9
Re-erection of 15 chains of No. 5 fence, with barbed wire, &c., cost plus 15 per cent.	"	"	"	10 15 6
				22 1 3
<i>Stations.</i>				
Inspector's cottage	No.	1	£20 10s.	20 10 0
Shifting cottage, cost plus 15 per cent.	"	"	"	3 5 6
Range in P.L. cottage, cost plus 15 per cent.	"	"	"	7 6 6
Flag-station, partition	"	"	"	2 10 0
				33 12 0
<i>Miscellaneous.</i>				
Cutting survey-lines, cost plus 15 per cent.	"	"	"	41 16 1
Removal of stable, cost	"	"	"	20 0 0
				61 16 1

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 119.

SECTION 7A.—MAWHERAITI-SQUARETOWN PERMANENT-WAY.—FINAL CERTIFICATE.

Additions to Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Permanent-way.</i>				
Extra bed-plates on 1-in-45 grade ...	No.	330	1/	£ s. d. 16 10 0
Extra maintenance on Mawheraiti Section ...	...	...	...	16 1 0
Shifting engine-shed siding at Mawheraiti ...	...	...	...	10 0 0
				42 11 0

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Permanent-way.</i>				
Ballast ...	Cub. yds.	414	2/3	£ s. d. 46 11 6
Platelaying ...	Lin. yds.	592	1/2	34 10 8
Points and crossings (laying) ...	Sets	4	£6	24 0 0
Sleepers, ordinary ...	No.	585	2/9	80 8 9
" points and crossings ...	Sets	4	£7 14s.	30 16 0
Carriage of material ...	Tons	31	8/6	13 3 6
Grade-boards ...	No.	1	20/6	1 0 6
Sleeper-fastenings on bridges and culverts ...	Lb.	2,094	/3½	30 10 9
Drilling holes for sleeper-bolts, lump-sum ...	...	...	...	75 0 0
				336 1 8

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 120.

CONTRACT No. 11.—SPRINGFIELD SECTION.—FINAL CERTIFICATE.

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				
Excavation ...	Cub. yds.	1,930	1/4	£ s. d. 128 13 4
Pitching, 12 in....	Sq. yds.	31	4/	6 4 0
" 18 in....	"	391	6/6	127 1 6
" 100 lb. ...	"	440	10/	220 0 0
				481 18 10
<i>Tunnels.</i>				
Brickwork in cement ...	Cub. yds.	26	32/	41 12 0
Tie-rods ...	Lb.	500	/4	8 6 8
				49 18 8
<i>Bridges and Culverts.</i>				
Native timber ...	C.B.M.	206	35/	360 10 0
Piles, native ...	Lin. ft.	192	6/	57 12 0
Ironbark piles ...	"	330	7/6	123 15 0
Bolts, nuts, straps, &c. ...	Lb.	2,000	/4	33 6 8
Concrete ...	Cub. yds.	373	30/	559 10 0
Pipe-ends ...	Pairs	3	£6	18 0 0
Pipes, 15 in. ...	Lin. ft.	23	10/	11 10 0
" 12 in. ...	"	50	7/	17 10 0
" 9 in. ...	"	50	5/	12 10 0
" 6 in. ...	"	50	3/	7 10 0
Box drains, 12 in. ...	"	35	7/	12 5 0
				1,213 18 8

CONTRACT No. 11—continued.
Deductions from Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Fencing.</i>				
No. 5 fencing	Chains	50	30/	£ 75 s. 0 d. 0
<i>Permanent-way.</i>				
Platelaying	Lin. yds.	30	1/3	1 17 6
Ballast	Cub. yds.	26	1/9	2 5 6
Sleepers, ordinary	No.	34	4/6	7 13 0
				11 16 0
<i>Miscellaneous.</i>				
Water-supply ... ..	...	...	...	200 0 0

Additions to Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Bridges and Culverts.</i>				
Extra girder, 80 ft. span	Tons	T. owt. 33 10 0 0	qr. 0 0	lb. 0 0
Extra pier	"	18 15 0 0	£20 15/	695 2 6
Extra iron in girders	"	10 15 1 14	£25 15/	482 16 3
" piers	"	3 10 0 0	£20 15/	223 9 0
" H.D. bolts	"	1 2 0 0	£25 15/	90 2 6
Cast-iron cylinders	"	64 1 3 0	£28	30 16 0
Cast-iron in caps and bases	"	2 12 0 0	£13 10/	865 3 8
Sinking cylinders	Lin. ft.	128	£3	52 0 0
Concrete filling	Cub. yds.	96	32/	384 0 0
Pile-shoes	No.	9	26/6	153 12 0
Box drains	Lin. ft.	45	10/6	11 18 6
Ironbark (rail-beams)	C.B.M.	13	42/	23 12 6
Painting ... ..	...	...	...	27 6 0
				50 0 0
				3,089 18 11
<i>Fencing.</i>				
Extra timber (cattle-stops)	C.B.M.	27	35/	47 5 0
Iron gates	Pairs	1 1/2	£16	8 0 0
Wicket-gate	No.	1	£4	4 0 0
				59 5 0
<i>Permanent-way.</i>				
Platelaying (bridges)	Lin. yds.	30	1/6	2 5 0
Sleepers (bridge)	No.	40	5/	10 0 0
Grade-boards	"	3	£2	6 0 0
Timber (walking-planks)	C.B.M.	17	22/	18 14 0
				36 19 0
<i>Stations.</i>				
Extra buildings ... ..	...	...	...	15 0 0
<i>Miscellaneous.</i>				
Wooden gate ... ..	...	...	...	5 0 0
Clearing Wet Creek ... ..	...	...	...	10 0 0
Timber shoot at 4/18 ... ..	...	...	...	3 10 0
Iron grating at 0/5 ch. ... ..	...	...	...	3 0 0
Allowed for unused iron	Tons	2 1/2	£10	25 0 0
				46 10 0
<i>Carriage of Materials, &c.</i>				
Day-work bills, &c. ... ..	...	...	...	18 16 6
Carriage, &c., permanent materials ... ..	...	...	...	853 19 8
				872 16 2
Allowance for extra machinery ... ..	...	...	...	60 0 0

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT, No. 121.

CONTRACT No. 12.—STONY CREEK SECTION.—FINAL CERTIFICATE.

Additions to Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				
Cutting spoil—				£ s. d.
Reducing angle of slope, 4/28 to 4/33½ ...	Cub. yds.	2,644	1/	132 4 0
" " 4/68·10 to 4/69·23	"	223	1/	11 3 0
" " 4/69·45 to 4/71·25	"	1,651	1/	82 11 0
Various wet places	"	333	1/	16 13 0
Cutting due to slip, occasioning a shortening of tunnel (reef)	"	1,081	2/	108 2 0
Ditto (shingle)	"	5,368	1/	268 8 0
Side drains	"	394	1/6	29 11 0
12 in. stone pitching	Sq. yds.	112	4/	22 8 0
Felling and clearing over tunnel cutting, actual cost in labour <i>plus</i> 15 per cent.	...	...	...	19 11 0
Pitching slopes, tunnel-approach, actual cost <i>plus</i> 15 per cent.	...	...	...	2 6 0
Labourers with assistant engineer, surveying cross-sections at tunnel-approach after slip, actual cost <i>plus</i> 15 per cent.	...	...	...	1 18 9
Excavating seat of bank about culvert-site and refilling with stone, cost <i>plus</i> 15 per cent.	...	...	...	2 10 0
				697 5 9
<i>Tunnels.</i>				
Excavation for faces	Cub. yds.	108	4/	21 12 0
" for buttress in tunnel	"	17	6/	5 2 0
" 14 in. lining	"	41	6/	12 6 0
Concrete in faces	"	117½	40/	235 0 0
" in buttress	"	17	40/	34 0 0
Lining side walls, concrete, difference between 9 in. and 14 in. work	"	19	40/	38 0 0
Lining arch, brick, difference between 9 in. and 14 in. work	"	22	60/	66 0 0
Cutting two weep-holes in tunnel, lining and bricking same	...	...	...	0 15 0
Plastering faces, returns, and soffits ...	Sq. yds.	105	4/6	23 12 6
Drainage-drive instead of pipes, &c., as specified	"	...	...	8 9 8
Puddle on top of reef near end to join concrete	"	...	...	0 18 0
				445 15 2
<i>Bridges and Culverts.</i>				
One 12 ft. length of 2 ft. diameter cast-iron pipe taken over	...	...	...	18 0 0
Excavations for foundations	Cub. yds.	88	2/	8 16 0
Inlets and outfalls	"	8	1/6	0 12 0
Timber, New Zealand, black-birch	C.B.M.	5·81	26/	7 11 0
" " silver-pine	"	6·47	28/	9 1 2
" ironbark	"	5·40	46/	12 8 5
Pipe-ends	Pairs	2	£5	10 0 0
Random stones in culverts and drains ...	Cub. yds.	58	2/6	7 5 0
" under bank to catch springs ...	"	150	2/6	18 15 0
Excavation for random stones and pipes ...	"	126	2/	12 12 0
Glazed-tile drains, 12 in.	Lin. ft.	54	3/	8 2 0
" 6 in.	"	86	1/9	7 10 6
3 in. agricultural pipes laid	"	30	1/6	2 5 0
12 in. by 12 in. open box culverts	"	83	5/	20 15 0
12 in. by 12 in. box culverts	"	101	6/	30 6 0
Inlets and outlets in reef	Cub. yds.	8	2/	0 16 0
9 in. by 12 in. box	Lin. ft.	13½	5/	3 7 6
Diverting watercourse near face of tunnel, cost <i>plus</i> 15 per cent.	...	...	...	3 1 4
Alteration in position of culvert, 4/71½, after work commenced, by order resident engineer, cost <i>plus</i> 15 per cent.	...	...	...	2 6 0
Drains near tunnel-approach, outside contract, cost <i>plus</i> 15 per cent.	...	...	...	2 7 9
Excavating, timbering, &c., pipe-line for outlet of tunnel drainage-drive, and building dry stone wall, cost <i>plus</i> 15 per cent.	...	...	...	6 6 6
4/71½, clearing miners' tailings and making temporary tail-race, including timber, cost <i>plus</i> 15 per cent.	...	...	...	12 11 0
				204 15 2

CONTRACT No. 12—*continued.*
Additions to Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Permanent-way.</i>				
Ballasting between Kaimata and commencement of contract	Cub. yds.	40	1/10	£ s. d. 3 13 4
Lifting ditto	Lin. yds.	66	/8	2 4 0
Sleepers on culverts	No.	11	3/6	1 18 6
				*7 15 0
<i>Stations.</i>				
Additions to Kaimata Flag-station for telephone-office	...	...	...	11 10 0

* This cost £7 15s. 10d., but £7 15s. only paid to contractor.

Correct copy of original.
 27th April, 1901.

H. W. YOUNG,
 Late Chief Assistant Engineer.

EXHIBIT No. 122.

CONTRACT No. 22.—BELGROVE SECTION.—FINAL CERTIFICATE.

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Tunnels.</i>				
Excavation	Cub. yds.	128	8/6	£ s. d. 54 8 0
Concrete	"	136	40/	272 0 0
Ironwork	Lb.	732	/4	12 4 0
				338 12 0
<i>Bridges and Culverts.</i>				
Cast-iron pipes	Tons	14	£11	154 0 0
Earthenware pipes, 12 in. ... ..	...	...	...	11 0 0
" 6 in. ... ..	...	...	...	7 10 0
				172 10 0
<i>Fencing.</i>				
Quality Nos. 3 and 5	Lin. chs.	168	26/	218 8 0

Additions to Contract.

<i>Grading.</i>				
Excavation, station-yard	Cub. yds.	2,908	1/6	£ s. d. 218 2 0
Road "diversions "	"	3,200	1/7	253 6 8
Stream-diversions	"	800	1/	40 0 0
Excavation, side cut	"	790	1/3	49 7 6
Sowing grass-seed on bank ... ..	...	17,953	/9	673 4 9
Bush-clearing ... ..	...	...	...	20 0 0
				5 0 0
				1,259 0 11
<i>Bridges and Culverts.</i>				
Excavation, foundations	Cub. yds.	394	1/	19 14 0
" inlets and outlets	"	160	1/	8 0 0
Concrete	"	161	42/	338 2 0
Concrete pipe-ends	Pairs	5	£7 10s.	37 10 0
Earthenware pipes, 15 in.	Lin. ft.	186	4/	37 4 0
" 9 in.	"	40	2/	4 0 0
Timber, New Zealand	C.B.M.	82.40	30/	123 12 0
Aqueduct at tunnel ... ..	...	...	...	988 7 6
Flume at tunnel ... ..	...	...	...	2,363 7 10
Footbridge at station-yard ... ..	...	...	...	7 2 0
Stone culvert at 23/60 ... ..	...	...	...	9 4 0
Protective works at pipe-ends and culverts ... ..	...	...	...	25 18 0
				3,962 1 4

CONTRACT No. 22—continued.
Additions to Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Stations.</i>				£ s. d.
Removing cottage	15 0 0
<i>Miscellaneous.</i>				
Dam, &c., for sawmill	9 18 0
Cleaning hop-garden	4 12 0
Day-work labour, surveying, &c.	7 16 3
" Norris Gully survey	17 12 0
				39 18 3

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 123.

CONTRACT No. 26.—KOTUKU SECTION.—FINAL CERTIFICATE.

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
Pitching	Sq. yds.	41	4/6	9 4 6
100 lb. stone, rough	Cub. yds.	52	6/	15 12 0
Metal	"	445	2/	44 10 0
				69 6 6
<i>Bridges and Culverts.</i>				
11/15, 3 ft. open culvert—				
Ironbark timber	C.B.M.	2.16	48/	5 3 8
New Zealand timber	"	0.31	26/	0 8 0
Iron in bolts	Lb.	114	/4½	2 2 9
11/32, 12 ft. open culvert—				
Ironbark timber	C.B.M.	6.96	48/	16 14 1
New Zealand timber	"	0.63	26/	0 16 4½
Iron in bolts	Lb.	114	/4½	2 2 9
11/61, one 22 ft. span—				
Ironbark timber	C.B.M.	1.28	48/	3 1 5
Iron in bolts	Lb.	53	/4½	0 19 10½
" girders	Tons	2.8	£4	11 4 0
Hook-bolts	Lb.	27	/6	0 13 6
Painting	Sq. yds.	44	1/3	2 15 0
11/51, 12 ft. open culvert—				
Ironbark timber	C.B.M.	6.96	48/	16 14 1
New Zealand timber	"	0.63	26/	0 16 4½
Iron in bolts	Lb.	131	/4½	2 9 1½
12/52, Forbes's Creek, one 22 ft. span—				
Ironbark timber	C.B.M.	1.28	48/	3 1 5
Iron in bolts	Lb.	53	/4½	0 19 10½
" girders	Tons	2.8	£4	11 4 0
Hook-bolts	Lb.	27	/6	0 13 6
Painting	Sq. yds.	44	1/3	2 15 0
Excavation, foundation	Cub. yds.	206	2/6	25 15 0
Concrete	"	215.8	38/	410 0 5
12 in. earthenware pipes	Lin. ft.	190	4/6	42 15 0
6 in. "	"	95	2/	9 10 0
Pipe-ends	Pairs	9	£5	45 0 0
				617 15 2
<i>Fencing.</i>				
Quality No. 5	Lin. chs.	83	26/	107 18 0
Picket-fencing	Lin. ft.	143	3/	21 9 0
				129 7 0

CONTRACT No. 26—continued.
Deductions from Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Permanent-way.</i>				£ s. d.
Sidings—				
Platelaying	Lin. yds.	396	1/3	24 15 0
Ballast	Cub. yds.	409	2/	40 18 0
Sleepers	No.	450	2/	45 0 0
Carriage of material	Tons	23	5/	5 15 0
Points and crossings	Sets	2	£3	6 0 0
Sleepers for ditto	"	2	£7 10s.	15 0 0
				137 8 0
<i>Miscellaneous.</i>				
Incidentals specified				1,033 7 1

Additions to Contract.

<i>Grading.</i>				£ s. d.
Side drains as per tail-sheet—				
Felling	Sq. chs.	4.65	£2	9 6 0
Clearing	"	7.45	£2	14 18 0
Grubbing	Lin. ch.	23.30	£1	23 6 0
Ditching	Cub. yds.	2,462	1/2	143 12 4
At 13/6, Malloy's Creek, stop-bank extension	"	1,040	1/6	78 0 0
15/25, 6 ft. track to lake	"	72	1/6	5 8 0
12/15, raised grade, Arnold	"	2,500	1/6	187 10 0
14/24, break quantity	"	1,394	1/6	104 11 0
14/24, inlet and outlet	"	238	1/2	13 17 8
14/24, bushwork on ditto ... ..	"	...	...	8 0 0
14/22, inlet dam ... ..	"	...	...	1 0 0
14/22, additional outlet	"	120	1/2	7 0 0
14/22, bushwork on ditto ... ..	"	...	...	3 10 0
13/70, extra side-cutting	"	666	1/6	49 19 0
5 cwt. stone	Tons	53	12/	31 16 0
At 13/11, hand-laying 2 cwt. stone	Sq. yds.	140	1/	7 0 0
12/15, Arnold, stop-bank extension ... ..	...	407	2/	40 14 0
12/15, bushwork on ditto ... ..	...	...	...	15 3 5
15/25, additional bushwork, Moana Station yard—				
Felling	Acres	1.25	£8	10 0 0
Clearing	"	2	£10	20 0 0
10/60, excavation for pitching	Cub. yds.	22.5	1/2	1 6 0
				775 17 5
<i>Bridges and Culverts.</i>				
10/35, Stony Creek, piles	Lin. ft.	136	7/6	51 0 0
Ironbark timber	C.B.M.	43.15	48/	103 11 2½
New Zealand timber	"	25.47	26/	33 2 2½
Iron in bolts	Lb.	2,480	/4½	46 10 0
" pile-shoes	"	120	/4½	2 5 0
At 11/32—				
Timber spans, piles	Lin. ft.	188	7/6	70 10 0
Ironbark timber	C.B.M.	11.40	48/	27 7 2½
New Zealand timber	"	8.91	26/	11 11 8
Iron in bolts	Lb.	596	/4½	11 3 6
" pile-shoes	"	540	/4½	10 2 6
At 11/61—				
Timber spans, piles	Lin. ft.	189	7/6	70 17 6
Ironbark timber	C.B.M.	11.40	48/	27 7 2½
New Zealand timber	"	8.91	26/	11 11 8
Iron in bolts	Lb.	610	/4½	11 8 9
" pile-shoes	"	540	/4½	10 2 6
At 13/10, Malloy's Creek—				
Piles	Lin. ft.	60	7/6	22 10 0
Ironbark timber	C.B.M.	12.68	48/	30 8 8
New Zealand timber	"	3.66	26/	4 15 4
Iron in bolts	Lb.	600	/4½	11 5 0
" pile-shoes	"	120	/4½	2 5 0

CONTRACT No. 26—continued.
Additions to Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Bridges and Culverts—continued.</i>				£ s. d.
At 12/15, Arnold River Bridge—				
Ironbark timber	C.B.M.	16.20	48/	38 17 7
Iron in bolts	Lb.	755	/4½	14 3 1½
Painting	Sq. yds.	20	1/3	1 5 0
Extra work	"	2,460	/6	61 10 0
At 12/15—				
Relaying temporary road				15 0 0
Alterations to abutments, &c.				11 0 0
At 11/20, 20 ft. 2 ft. silver-pine culvert				24 1 4
At 13/48, 2 ft. box culvert				32 13 3
At 11/15, 6 ft. open culvert—				
Ironbark timber	C.B.M.	3.84	48/	9 4 4
New Zealand timber	"	0.63	26/	0 16 4½
Iron in bolts	Lb.	131	/4½	2 9 1½
At 11/72, 6 ft. open culvert—				
Ironbark timber	C.B.M.	3.84	48/	9 4 4
New Zealand timber	"	0.63	26/	0 16 4½
Iron in bolts	Lb.	131	/4½	2 9 1½
Excavation, foundations	Cub. yds.	300	2/6	37 10 0
15 in. earthenware pipes	Lin. ft.	168	6/	50 8 0
12 in. box drain	"	78	4/	15 12 0
At 14/24—				
Hand-laid stone	Cub. yds.	52.5	11/	28 17 6
h.d. bolts	Lb.	1,699	/4½	31 17 1½
				957 9 5
<i>Fencing.</i>				
12 ft. iron gates	No.	2	£10	20 0 0
<i>Permanent-way.</i>				
12/15, ballast on raised grade	Cub. yds.	346	2/	34 12 0
14/24, " at breach	"	33	2/	3 6 0
12/75, " delivered to traffic department	"	30	2/	3 0 0
Extra sleepers on bridge	No.	8	3/6	1 8 0
" platelaying, bridge	Lin. yds.	11	2/	1 2 0
				43 8 0
<i>Stations.</i>				
12 ft. passenger-platform	Lin. ft.	104	1/6	7 16 0

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 124.

CONTRACT No. 32.—LAKE BRUNNER SECTION.—FINAL CERTIFICATE.

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
Earthwork dams	Cub. yds.	200	1/6	15 0 0
100 lb. stone	"	44	6/	13 4 0
Second-class crossing	No.	½	£6	3 0 0
Metal	Cub. yds.	2,423	2/	242 6 0
				273 10 0
<i>Bridges and Culverts.</i>				
Wrought-iron in girders	Tons	14	£4	56 0 0
Concrete	Cub. yds.	442	38/	839 16 0
Pipe-ends	Pairs	9	£5	45 0 0
15 in. pipes	Lin. ft.	27	6/	8 2 0
12 in. "	"	38	4/6	8 11 0
9 in. "	"	186	3/3	30 4 6
6 in. "	"	90.25	2/	9 0 6
12 in. boxes	"	33	4/	6 12 0
Painting	Sq. yds.	220	1/3	13 15 0
				1,017 1 0

CONTRACT No. 32—continued.
Deductions from Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Fencing.</i>				
Cattle-stops	No.	2	£18	£ 36 0 0
Wicket and cage... ..	"	3	£4	12 0 0
				48 0 0
<i>Permanent-way.</i>				
Ballast	Cub. yds.	22	2/	2 4 0
Platelaying	Lin. yds.	22	1/3	1 7 6
Sleepers, ordinary	No.	25	2/	2 10 0
Carriage of material	Tons	1	8/6	0 8 6
				6 10 0
<i>Miscellaneous.</i>				
Incidentals, as specified ... ..	...	...	...	2,000 0 0

Additions to Contract.

<i>Grading.</i>				
Side-cutting	Cub. yds.	13,135	1/6	£ 985 2 6
Stream-diversions to spoil... ..	"	1,500	1/1	81 5 0
Pitching, 12 in.	Sq. yds.	238	4/6	53 11 0
Raised grade, Camp Creek	Cub. yds.	121	2/	12 2 0
Sheet piling	Lin. yds.	53	7/	18 11 0
5 cwt. stone	Tons	4	10/	2 0 0
Bushwork on stream-diversion and station roads (<i>vide details</i>)	...	...	...	99 1 6
				1,251 13 0
<i>Bridges and Culverts.</i>				
2 ft. cast-iron pipes	Tons	2	£13 16s.	27 12 0
Silver-pine in culverts	C.B.M.	14,940	28/	209 3 2
Timber, ironbark	"	3,400	48/	81 12 0
" New Zealand	"	1,750	26/	22 15 0
Piling	Lin. ft.	254	7/6	95 5 0
Ironwork	Lb.	2,121	41/	39 15 4
18 in. pipes	Lin. ft.	27·5	7/6	10 6 3
Excavation, foundations	Cub. yds.	15	2/6	1 17 6
Extra work to girders, cost <i>plus</i> 15 per cent.	...	...	...	2 12 6
Sleepers over culverts, and excavation for same	...	...	...	7 5 2
				498 3 11
<i>Fencing.</i>				
Quality No. 3	Chs.	6·5	26/	8 9 0
Gates, 12 ft.	No.	1	£10	10 0 0
				18 9 0
<i>Permanent-way.</i>				
Sleepers on bridges	No.	48	3/6	8 8 0
Grade-boards	"	6	25/	7 10 0
Repainting grade-boards, lump-sum	...	...	...	1 16 0
				17 14 0
<i>Miscellaneous.</i>				
Shifting pile-engine, lump-sum ... ..	...	...	...	6 0 0
Raised grade, crooked, road haulage	...	...	...	...
Repairs, bank, 21 m. ... ..	...	...	...	*104 0 0
Engine-hire, refund ... ..	...	...	...	...
Raised staging, crooked, lump-sum	...	...	...	50 0 0
" abutments, " ... ..	...	...	...	2 0 0
Shifting inspector's cottage, lump-sum	...	...	...	6 0 0
Stone for culvert, countermanded ... ..	...	...	...	0 11 6
Protective works, Evan's Creek, cost <i>plus</i> 15 per cent.	...	...	...	31 1 4
Protective works, 22 m. 22 ch., cost <i>plus</i> 15 per cent.	...	...	...	20 2 4
Protective works, 21 m., cost <i>plus</i> 15 per cent.	...	...	...	40 12 3
Miscellaneous day-work, cost <i>plus</i> 15 per cent.	...	...	...	11 16 9
Refund ballast-wagons ... ..	...	...	...	7 11 8
				279 15 10

* Allowed by Mr. Wilson.

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 125.

CONTRACT No. 33.—TEREMAKAU SECTION.—FINAL CERTIFICATE.

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
Stream-diversions to bank	Cub. yds.	290	1/2½	17 10 5
Road-diversions	Lin. chs.	32	£5 10/	176 0 0
Trimming line	"	18	10/	9 0 0
Pitching	Sq. yds.	809	8/	323 12 0
Second-class crossing	No.	1	64/	3 4 0
" without stops	"	4	60/	12 0 0
Private crossing	"	1	58/	2 18 0
				544 4 5
<i>Bridges and Culverts.</i>				
Concrete	Cub. yds.	304·5	42/	639 9 0
Pipe-ends	Pairs	8	£5	40 0 0
15 in. pipe	Lin. ft.	192	6/	57 12 0
12 in. "	"	99	4/	19·16 0
9 in. "	"	152	3/6	26 12 0
6 in. "	"	100	3/	15 0 0
Box drains	"	182·5	8/	73 0 0
				871 9 0
<i>Permanent-way.</i>				
Platelaying	Lin. yds.	781	1/1	42 6 0
Ballast	Cub. yds.	866	2/	86 12 0
Points and crossings, laying	Sets	3	£5	15 0 0
Sleepers, ordinary	No.	825	2/4	96 5 0
" points and crossings	Sets	3	£8	24 0 0
Carriage of material	Tons	36	18/	32 8 0
Grade-boards	Each	3	20/	3 0 0
				299 11 0
<i>Fencing.</i>				
Quality Nos. 3 and 5	Chs.	203·5	30/	305 5 0
Iron gates	No.	1	£11	11 0 0
Wickets	"	1	40/	2 0 0
Ditto and cages	"	4	85/	17 0 0
Cattle-stops	"	2	£17	34 0 0
				369 5 0
<i>Stations.</i>				
Privies and urinals	No.	1	£40	40 0 0
Sheep- and cattle-yards, lump-sum	"	"	"	100 0 0
Loading-ramp	Lin. ft.	120	6/	36 0 0
Lamp-posts	Sets	1	40/	2 0 0
				178 0 0
<i>Miscellaneous.</i>				
Road-bridge at 27/2	"	"	"	24 6 8
Water-supply	"	"	"	211 2 8
Telegraph-lines	Miles	0·22	£33	7 5 3
Incidentals, as specified	"	"	"	2,000 0 0
				2,242 14 7

Additions to Contract.

<i>Grading.</i>				£ s. d.
Stream-diversions to spoil	Cub. yds.	186	1/2	10 17 0
Forming line	Chs.	20·5	42/	43 1 0
Cutting to bank	Cub. yds.	2,004	1/4½	137 15 6
Metal	"	348	3/6	60 18 0
Extra bushwork (<i>vide</i> detail sheet)	"	"	"	204 6 8
				456 18 2
<i>Bridges and Culverts.</i>				
Timber, ironbark	C.B.M.	825	60/	24 15 0
" New Zealand	"	1,100	30/	16 10 0
4 in. piping	Lin. ft.	46	2/6	5 15 0
27/0, extending culvert, cost <i>plus</i> 15 per cent.	"	"	"	1 16 3
Log culvert, exit road,	"	"	"	9 5 9
Teremakau, altering corbels	"	"	"	6 2 10
Ironwork	Lb.	1,476	/4	24 12 0
				88 16 10

CONTRACT No. 33—*continued.*
Additions to Contract—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Permanent-way.</i>				£ s. d.
Putting in fangs after road ballasted, cost plus 15 per cent.	...	...	...	3 17 9
Bridge sleepers ...	No.	52	5/3	13 13 0
Platelaying, bridges, &c. ...	Yds.	7	2/6	0 17 6
				18 8 3
<i>Fencing.</i>				
Picket-fencing ...	Lin. ft.	60	3/	9 0 0
Cattle-stops ...	No.	2	£15	30 0 0
26/40, altering fencing, cost plus 15 per cent.	...	...	...	1 2 3
				40 2 3
<i>Stations.</i>				
Platelayers' cottage, lump-sum ...	...	...	...	100 0 0
Inspector's ...	...	...	...	32 12 0
Post-office, cost plus 15 per cent. ...	...	...	...	74 15 0
Engine-shed ...	...	...	...	46 0 0
Jackson's Station, sheep-yards and formation	...	...	...	89 8 10
Inchbonnie Station, " "	...	...	...	9 0 0
Passenger-platform ...	Lin. ft.	60	3/	1 4 6
Cesspit at urinals, cost plus 15 per cent. ...	...	...	...	18 15 4
Fitting, &c., Jackson's Station ...	...	...	...	371 15 8
<i>Miscellaneous.</i>				
Station roads, survey labour, cost plus 15 per cent.	...	...	...	2 1 6
Protective works and fencing at Teremakau, cost plus 15 per cent.	...	...	...	51 17 0
Felling trees at engine-shed, cost plus 15 per cent.	...	...	...	0 5 9
Miscellaneous, sundry accounts ...	...	...	...	40 19 8
				95 3 11

Correct copy of original.
 27th April, 1901.

H. W. YOUNG,
 Late Chief Assistant Engineer.

EXHIBIT No. 126.

CONTRACT No. 14.—AHAURA TEMPORARY STATION.—FINAL CERTIFICATE.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
Cutting ...	Cub. yds.	3,116	1/6	233 14 0
Felling, clearing, and grubbing ...	...	...	...	23 0 0
Metal ...	Cub. yds.	790	2/	79 0 0
				335 14 0
<i>Bridges and Culverts.</i>				
Inlets and outfalls ...	Cub. yds.	150	1/	7 10 0
Timber, B.M., in drains ...	C.B.M.	6.58	23/	7 11 6
Ironwork in bolts, &c. ...	Lb.	140	/4	2 6 8
Log drain ...	Lin. ft.	120	3/	18 0 0
				35 8 2
<i>Permanent-way.</i>				
Ballast ...	Cub. yds.	404	2/2	43 15 4
Platelaying ...	Lin. yds.	404	1/	20 4 0
Points and crossings, laying ...	Sets	3	£3	9 0 0
Sleepers, ordinary, handling and loading ...	C.	500	3/	0 15 0
Sleepers for points and crossings ...	Sets	3	£7 10/	22 10 0
Buffer-stop ...	Each	1	£3	3 0 0
Timber ...	C.B.M.	1,760	23/	20 4 9
Alterations to sidings, points and crossings, and ironwork blocks	...	...	...	33 15 0
				153 4 1

CONTRACT No. 14—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Stations.</i>				
Passenger-platform	Lin. ft.	115	6/	£ 34 10 0
Goods-shed	350 0 0
Ventilators for ditto	3 10 0
Passenger-station and fittings	83 5 0
Privies and urinals	9 10 0
Stationmaster's cottage	30 0 0
Station furniture	12 0 0
Chimney and grates, passenger-station	5 5 6
Four wire screens fixed or stocked	6 5 0
				534 5 6
<i>Miscellaneous.</i>				
Removing shed	12 0 0

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 127.

CONTRACT No. 36.—BRIDGE-GIRDER WORK FOR LAKE BRUNNER AND TEREMAKAU SECTIONS.—
FINAL CERTIFICATE.

Description.	Item.	Quantity.	Price.	Amount.
Twenty-five spans continuous and two spans single 22 ft. girders, also eight junction-brackets	Tons	Tons cwt. qr. lb. 70 16 0 0	£21 15s.	£ 1,539 18 0
Wrought-iron bed-plates	"	11 6 3 14	£21 15s.	246 14 6
Castings	"	1 0 3 0	£21 15s.	22 11 3
Six spans complete of 66 ft. girders	"	120 12 0 0	£21 15s.	2,623 1 0
Extra quantities of rivets supplied to complete erection of stop-girders for Teremakau Bridge	"	1 9 3 0	£25	37 3 9
				4,469 8 6

Correct copy of original.
27th April, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 128.

STATEMENT SHOWING DETAILS OF EXPENDITURE BY GENERAL GOVERNMENT ON PORTION OF
RAILWAY-LINE BETWEEN BRUNNER AND STILLWATER.

Particulars of Service.	Amount.	Total.
Formation-works, &c.—	£	£
Amount of contract for formation, &c., between Brunner and Stillwater	12,234	
Contract additions	1,474	
	13,708	
Contract reductions	371	
Engineers' and other salaries, &c.—		13,337
Engineers' and clerks' salaries	1,103	
Overseer's salary	350	
Office and engineering requisites, travelling-expenses, survey and other labour	369	
		1,822
Contingencies—		
Advertising in connection with contract	120	
Fencing	80	
		200
		15,359

BRUNNER RAILWAY EXTENSION, STILLWATER CONTRACT.—ABSTRACT OF AUTHORISED ALTERATIONS DURING THE MONTH ENDING 14TH APRIL, 1881.

Reductions from Contract.

Position.	Work.	Item.	Quantity.	Rate.	Total for Month.
M. ch.					£ s. d.
0 20 to	Catch-water drains	Cub. yds.	98	2/6	12 5 0
0 30					
0 30	Pitching, stone	Sq. yds.	12	5/	3 0 0
0 22-20	Culvert, timber	B.M.	20-81	30/	31 4 4
	Box culvert, 12 in.—				
	Timber	"	180	30/	2 14 0
	Drain-pipes	Lin. yds.	49	15/	36 15 0
	Timbering water-tunnel	Lin. ft.	24	5/	6 0 0
	Cattle-stops	No.	2	£30/1/4	60 2 8
	Special fence... ..	Chs.	14-60	£15	219 0 0
					371 1 0

Additions to Contract.

M. ch.					£ s. d.
0 14	9 in. drain-pipes	Cub. yds.	10	15/	7 10 0
0 24-50	"	"	9 $\frac{3}{8}$	15/	7 0 0
0 26	"	"	8	15/	6 0 0
0 37-55	Rubble masonry in railway-culverts	"	25	50/	62 10 0
	Lengthening road-culvert	Days of man	32	11/	17 12 0
	"	Days of horse and dray	1 $\frac{1}{2}$	20/	1 10 0
	Metal	Cub. yds.	7	3/	1 1 0
	Timber	B.M.	94	30/	1 8 2
	Iron	Lb.	6	/6	0 3 0
0 54 to	Cutting loose rock and other materials	Cub. yds.	4,500	2/5	543 15 0
0 58					
0 54 to	"	"	1,067	2/5	128 18 7
0 58	Tunnel-front—				
	Excavation of foundations	"	61	8/	24 8 0
	Ashlar masonry	"	9 $\frac{1}{4}$	£5	46 5 0
	Six tie-bolts, 1 $\frac{1}{8}$ in. diameter, with cast-iron washers	Lb.	1,000	/6	25 0 0
	Excavation for broken stone	Cub. yds.	68	4/	13 12 0
	Broken stone under foundation of walls...	"	68	7/6	25 10 0
	Excavation of foundation of walls	"	243	2/5	29 7 3
	Rubble masonry in coal-drives	"	63	50/	157 10 0
	Fixing box in water-drive—				
	Timber	B.M.	2-00	30/	3 0 0
	Taking out foundations—men's time	Day	1	11/	0 11 0
	Riddle at end of box, &c.—men's time	"	4	11/	2 4 0
	Removing logs and stumps from mouth of water-drive	Lump-sum	...	...	2 10 0
	Timber	B.M.	340	30/	5 2 0
	Slips—excavation	Cub. yds.	2,345 $\frac{1}{2}$	2/5	283 8 4
	Extra length of tunnel in stream-diversions—				
	Driving	Lin. ft.	3	15/	2 5 0
	Timbering	"	3	5/	0 15 0
	Stone pitching at outlet end	Sq. yds.	4	5/	1 0 0
	Shafts to test foundation of walls—men's time	Days	5 $\frac{1}{2}$	11/	3 0 6
	Extra ironwork in bridges	Lb.	1,105	/6	27 12 6
	Clearing bush	Chs.	5	60/	15 0 0
	Grubbing	"	4	20/	4 0 0
	Stone quarried, carted, and deposited on side of road	Cub. yds.	50	10/	25 0 0
					1,474 8 4

P. S. WALDIE, Book-keeper.

Public Works Department, Wellington, 29th April, 1901.

EXHIBIT No. 129.

MEMORANDUM SHOWING PAYMENTS ON ACCOUNT OF LAW-COSTS (CHARGED TO CAPITAL ACCOUNT).

Date.	Particulars.	Amount.
	Harper and Co.—	£ s. d.
Feb. 13, 1890	Costs from 6th March, 1889, to 24th January, 1890 ...	167 2 3
June 30, "	Costs to date	151 3 9
Dec. 8, "	"	162 1 11
June 30, 1891	"	145 8 10
Aug. 29, "	R. A. Young—Law charges and expenses <i>re</i> Shine, Westport ...	6 9 0
	Harper and Co.—	
Feb. 10, 1892	Costs to 31st December, 1891	318 13 11
June 30, "	Costs to date	52 2 0
Nov. 21, "	T. North—Charges <i>re</i> assessments, Reefton	7 11 6
Oct. 2, 1893	Official Assignee <i>re</i> Harper and Co.—Costs at 26th June, 1893	1 18 1
		1,012 11 3

The New Zealand Midland Railway Company (Limited),
 NORMAN H. M. DALSTON,
 General Manager.

EXHIBIT No. 130.

RETURN SHOWING THE DETAILS OF SUNDRY REPAIRS, ETC. (CHARGED TO CAPITAL ACCOUNT).

Date.	Particulars.	Amount.
		£ s. d.
Sept. 6, 1890	Anderson and Devenent—Repairs to culvert, Kaimata Station	1 0 0
" 6, "	Carset, Louis—Painting Kaimata platelayer's cottage ...	3 10 0
" 6, "	Coleman, Hein—Repairs to ditto	0 13 0
" 6, "	Henry, E. M.—Carpenter's wages	6 7 0
" 6, "	Hunter and Russell—Fittings, Kaimata platelayer's cottage and office	2 0 0
" 6, "	McLean, D.—Ditto	3 12 6
	Coghlan and party—	
" 6, "	Account contract for stacking ground formation, Stillwater ...	20 0 0
" 20, "	Final payment of above	32 0 0
Oct. 21, "	Making road, completion of Curtis's access to Stillwater ...	25 0 0
" 21, "	Fencing Curtis's boundary, Stillwater Station yard... ..	14 17 0
	New Zealand Railways—	
Mar. 29, 1893	Fixing engine-wheels	3 4 8
May 18, "	Silicate boiler-cloth	9 10 0
Aug. 17, "	Feary Brothers—Stop-blocks, &c.	1 15 4
" 30, "	Stationmaster, Christchurch—Repairs to locomotives, &c. ...	13 13 4
Sept. 6, "	Badger, F.—Wall-paper, &c., Ngahere stationmaster's house ...	3 10 2
Jan. 6, 1894	Timber Department—2,200 ft. red-pine, at 3s. 6d., for repairs to ballast-wagons	3 17 0
April 4, "	Despatch Foundry Company—Bearings, &c., for trollies ...	1 15 9
" 4, "	Stationmaster, Greymouth—Repairs to trolley-wheels ...	2 7 8
" 19, "	Scott Brothers—Repairs to locomotives	16 8 1
Feb. 3, 1895	Timber Department—384 ft. birch, at 6s.	1 3 3
		166 4 9

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
 NORMAN H. M. DALSTON,
 General Manager.

EXHIBIT No. 131.

RETURN SHOWING THE DETAILS OF FREIGHT, ETC., ACCOUNT, SPRINGFIELD SECTION (CHARGED TO CAPITAL ACCOUNT).

Date.	Particulars.	Amount.
Nov. 7, 1891	Union Steamship Company— Freight on 41 packages of points and crossings from Grey- mouth to Lyttelton	£ s. d. 3 12 0
" 28, 1892	Railage and unloading charges of 123 tons of rails and fastenings, &c.	75 14 6
Dec. 20, "	Rail charges on 106 tons of rails and fastenings	60 10 7
Nov. 29, "	Freight on 229 tons of rails and fastenings from Greymouth to Lyttelton	121 11 0
		261 8 1

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 132.

RETURN SHOWING THE DETAILS OF WORKING RAILWAYS REFERENCE PLANS (CHARGED TO CAPITAL ACCOUNT).

Date.	Particulars.	Amount.
June 30, 1895	H. W. Young—Account at 30th June, 1895, for preparing work- ing railways reference plans	£ s. d. 100 0 0
July 10, "	District Manager, New Zealand Railways, Greymouth—Account at 1st July, 1895, for ferro-prussiate paper	2 14 10
Sept. 5, "	H. W. Young—Balance in full for preparing plans	152 0 0
		254 14 10

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 133.

RETURN SHOWING THE DETAILS OF WAGON-COVERS, ROPES, ETC. (CHARGED TO CAPITAL ACCOUNT).

Date.	Particulars.	Amount.
Oct. 28, 1889	B. Hale—Tarpaulins	£ s. d. 103 0 0
July 1, 1890	McKeone, Robinson, and Avigdor—Tarpaulins handed over prior to October, 1889	27 0 0
June 14, 1894	Railway Storekeeper, Greymouth—Six tarpaulins, as per account at 15th May, 1894	18 0 0
" 20, "	New Zealand Railways—Freight on one case of tarpaulins ...	0 15 9
		148 15 9

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 134.

CONSTRUCTION ACCOUNT.—RETURN SHOWING THE DETAILS OF OFFICE RENT ACCOUNT (CHARGED TO CAPITAL ACCOUNT).

Date.	Particulars.	Amount.
Dec. 31, 1889	Proportion of Greymouth office rent to this date	£ 8 s. 2 d. 6
Oct. 22, 1890	" " " " " "	8 2 6
April 25, 1891	" " " " " "	8 2 6
Dec. 5, "	" " " " " "	8 2 6
Mar. 26, 1892	" " " " " "	8 2 6
June 30, "	" " " " " "	8 2 6
July 23, "	" " " " " "	8 2 6
Nov. 21, "	J. Cunningham—Rent of Springfield office from 2/10/90 to 31/7/92	16 12 6
Dec. 10, "	Proportion of Greymouth office rent to this date	8 6 8
Jan. 7, 1893	" " " " " "	8 6 8
Mar. 28, "	" " " " " "	8 6 8
June 30, "	" " " " " "	8 6 8
Sept. 30, "	" " " " " "	16 13 4
Jan. 2, 1894	" " " " " "	16 13 4
Mar. 31, "	" " " " " "	16 13 4
June 30, "	" " " " " "	16 13 4
Sept. 29, "	" " " " " "	16 13 4
Dec. 31, "	" " " " " "	16 13 4
		206 16 8

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
 NORMAN H. M. DALSTON,
 General Manager.

EXHIBIT No. 135.

MEMORANDUM OF THE APPORTIONMENT OF OFFICE EXPENSES, POSTAGES AND TELEGRAMS, STATIONERY AND PRINTING, ETC., CHARGED TO CAPITAL ACCOUNT, AS PER CONSTRUCTION LEDGER TOTALS.

Date.	Particulars.	Amount.
Jan. 7, 1890, to June 30, 1894	Office expenses	£ 88 s. 0 d. 11
Jan. 30, 1890, to June 30, 1894	Postages and telegrams	244 16 6
Jan. 30, 1890, to June 30, 1894	Printing and stationery...	127 5 5
		460 2 10

The New Zealand Midland Railway Company (Limited),
 NORMAN H. M. DALSTON,
 General Manager.

EXHIBIT No. 136.

MEMORANDUM OF AMOUNTS CHARGED FOR THE CARRIAGE OF CONSTRUCTION MATERIAL FOR THE UNDER-NOTED PERIODS, AS PER STILLWATER STATION BALANCE-SHEETS (CHARGED TO CAPITAL ACCOUNT).

Period ending	Amount.	Period ending	Amount.
	£ s. d.		£ s. d.
June 21, 1890	1,296 17 6	Jan. 3, 1891	107 10 3
July 19, "	168 4 1	" 31, "	59 6 9
Aug. 16, "	86 15 2	Feb. 28, "	69 12 1
Sept. 13, "	15 17 6	Mar. 31, "	165 8 5
Oct. 11, "	104 15 7	April 25, "	142 12 10
Nov. 8, "	178 6 2	May 23, "	79 4 10
Dec. 6, "	291 19 1	June 20, "	79 15 1

MEMORANDUM OF AMOUNTS CHARGED, ETC.—*continued.*

Period ending	Amount.	Period ending	Amount.
	£ s. d.		£ s. d.
July 18, 1891	56 2 4	June 24, 1893	7 16 10
Aug. 15, "	50 17 7	July 22, "	9 17 9
Sept. 12, "	25 7 0	Aug. 19, "	4 8 10
Oct. 10, "	0 10 3	Sept. 16, "	7 18 7
Nov. 7, "	43 3 7	Oct. 14, "	16 7 3
Dec. 5, "	64 1 2	Nov. 11, "	9 4 2
Jan. 30, 1892	19 6 2	Dec. 9, "	0 8 2
Feb. 27, "	4 10 3	Jan. 6, 1894	16 7 7
Mar. 31, "	10 2 6	Feb. 3, "	0 1 0
April 30, "	29 3 9	Mar. 3, "	7 5 0
May 28, "	13 8 8	" 31, "	3 18 10
June 25, "	28 16 0	April 28, "	16 8 0
July 23, "	5 5 11	May 26, "	4 3 4
Aug. 20, "	6 2 8	" 26, "	0 10 5
Sept. 17, "	13 4 0	June 23, "	14 1 7
Oct. 15, "	8 3 0	July 21, "	5 4 4
Nov. 12, "	5 17 1	Aug. 18, "	5 13 4
Dec. 10, "	33 5 7	Oct. 13, "	12 0 0
Jan. 7, 1893	78 12 1		
Feb. 4, "	15 5 10		
Mar. 4, "	169 16 3	Less sundry credits as per	3,868 17 5
" 31, "	182 14 1	balance-sheets	231 10 2
April 29, "	9 10 8		
May 27, "	7 10 8		
			<u>£3,587 7 3</u>

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 137.

MEMORANDUM OF PAYMENTS ON ACCOUNT OF THE INTERCHANGEABLE SIDING AT BRUNNERTON,
THE VOUCHERS FOR WHICH ARE NOT AVAILABLE (CHARGED TO CAPITAL ACCOUNT).

Date.	Particulars.	Amount.
		£ s. d.
Oct. 28, 1889	Bell, C. N....	100 0 0
Mar. 18, 1890	Bell, C. N....	80 0 0
		180 0 0

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 138.

RETURN SHOWING THE DETAILS OF STATIONS AND BUILDINGS ACCOUNT (CHARGED TO
CAPITAL ACCOUNT).

Date.	Particulars.	Amount.
		£ s. d.
Oct. 28, 1889	Nashelski, S.—Weighbridges (machines), hand-trucks, station-bells, fog-signals, &c.	61 14 6
Jan. 4, 1890	Coates and Co., G.—Two eight-day clocks	9 10 0
May 24, "	Nashelski, S.—Three copying-presses and station-bells	15 11 7
Dec. 11, 1893	Johnson, J.—Building lean-to to cottage removed from Maimai to Reefton	11 0 0
June 8, 1894	Thomas and McBeath—Furnishings for Jackson's Station...	4 12 10
June 30, "	Timber Department—	
" 30, "	5,450 ft. red-pine, at 3s. 6d., for engine-shed at Jackson's	9 10 9
" 30, "	69 sheets of galvanised iron for engine-shed at Jackson's and traffic manager's house at Stillwater	11 7 10
		<u>123 7 6</u>

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 139.

STATEMENT OF ESTIMATED VALUE OF STORES AND MATERIAL TAKEN OVER WITH MIDLAND RAILWAY ON 25TH MAY, 1895.

Item.	Quantity.	Value.	Item.	Quantity.	Value.
Soap, soft	1 qr. 2 lb.	0 6 11	Lamp-chimneys, "Comet"	32	1 4 0
Vandyke brown	11 lb.	0 5 6	" " "Lip"	8	0 2 0
White-lead, dry	15 lb.	0 2 8	Candles	5 lb.	0 2 10
Chinese red	2 lb.	0 1 4	Bath-bricks	2	0 0 3
Drop black	1 lb.	0 0 4	Soap, hard	25 lb.	0 2 6
Orange chrome	1 lb.	0 1 0	Disinfecting-powder	1 lb.	0 0 6
Turkey umber	2 lb.	0 0 7	Tin ($\frac{1}{2}$ gallon)	1	0 0 9
Prepared paint	1 lb.	0 0 8	Varnish, gold-size	1 $\frac{1}{2}$ gal.	1 2 6
Indian red	12 lb.	0 3 0	" " car	1	0 19 0
Ultramarine blue	5 lb.	0 2 6	Files, $\frac{1}{4}$ in., round	4	0 1 3
Patent dryers	22 lb.	0 1 2	" $\frac{1}{4}$ in., square	5	0 1 7
Raw sienna	10 lb.	0 2 10	" round, smooth	2	0 1 8
White-lead in oil	84 lb.	0 18 0	" half-round, bastard	5	0 4 2
Patent filling	1 qr.	0 7 6	" square, rough	5	0 4 2
Lamp black	18 lb.	0 3 0	" 12 in., flat, smooth	1	0 1 0
Whiting	6 lb.	0 3 3	" 14 in., round, second cut	4	0 4 11
Pumice, lump	4 lb.	0 2 0	" 14 in., rough, flat	6	0 6 9
Varnish, oak	1 gal.	0 9 0	" 16 in., second cut, flat	6	0 10 7
Terebine dryers	$\frac{1}{2}$ "	0 4 9	" $\frac{3}{4}$ in., round, rough	4	...
Japan black	$\frac{1}{2}$ "	0 9 6	" 16 in., half-round, rough	2	0 3 3
Neatsfoot oil	1 "	0 3 3	" 16 in., flat, rough	6	0 9 8
Bolts	14 lb.	0 3 6	Glue	10 lb.	0 8 4
Clout tacks	4 lb.	0 1 0	Solder	5 $\frac{1}{2}$ lb.	0 4 1
Tallow-kettles	3	0 4 6	Tomahawks	2	0 3 4
Oil-feeders	1	0 1 0	Methylated spirits	1 $\frac{1}{8}$ gal.	0 4 6
Pannikins	2	0 1 0	Adzes	5	0 13 9
Padlocks	1	0 1 6	Locks, drawer	3	0 2 3
Stove-piping	12 ft.	0 8 0	" cupboard	1	0 0 8
Stove-pipe-cap	1	0 0 6	Keys, blank	3	0 0 7
Paint-brushes	2	0 2 0	Cotton waste	2qr. 27lb.	1 9 8
Sash-tools, No. 10	3	0 3 1	Sponges	4	0 10 0
" No. 8	2	0 1 8	Leathers, chamois	3	0 5 0
" No. 3	2	0 0 3	Scythe and stone	1	0 2 8
" No. 2	2	0 0 2	Slasher	1	0 3 0
Broom, bass	1	0 2 1	Reap-hooks	3	0 2 6
Brush, car-washing	1	0 3 6	Saws, hand	2	0 10 0
" tarpaulin	1	0 0 10	Glasses, gauge	12	0 8 9
" scrubbing	3	0 2 6	Bits, $\frac{7}{8}$ in. auger	2	0 1 6
Broom, hair	1	0 2 6	" $\frac{1}{8}$ in. "	3	0 2 3
" American	3	0 3 9	Mops	1	0 0 11
Brushes, banister	3	0 5 0	Packing-tucks	13	0 19 6
Putty	22 lb.	0 2 9	Handles, sledge-hammer	12	0 5 6
Oakum	5 lb.	0 1 3	" broom	3	0 0 5
Buckets, galvanised	2	0 3 2	" adze	6	0 4 0
Window-sash	1	0 7 6	" beater	32	0 18 8
Shovels, locomotive fire	2	0 7 0	" axe	8	0 5 0
Fireclay, lumps	6	0 6 0	Shovels, long-handled	4	0 14 0
Antifriction grease	1qr. 12lb.	0 5 4	Beaters, platelayers'	1	0 3 0
Spanner, shifting	1	0 8 0	Turpentine	10 $\frac{3}{8}$ gal.	1 12 3
Brass, sheet	1qr. 12lb.	1 6 8	Castor-oil	33 $\frac{1}{2}$ "	4 3 9
Glass, 32 in. by 15 in.	1	0 1 2	Raw oil	12 $\frac{1}{2}$ "	1 15 5
" van-lights	2	0 3 0	Boiled oil	12	1 15 0
Twine	2 lb.	0 1 6	Colza-oil	8 $\frac{1}{2}$ "	1 7 8
Candle-cotton	9 balls	0 2 3	Axle-oil	20 $\frac{1}{2}$ "	0 17 6
Lamp-wick, $\frac{3}{4}$ in.	90 ft.	0 1 5	Valvoline	26	3 5 0
Tacks, tinned	15 pkts.	0 3 1	Kerosene	45	2 14 4
Sewing-twine	5 hanks	0 3 4	Bradawl	1	0 0 1
Glasses, locomotive head-lamp	26	0 15 2	Babbitts metal	26 lb.	0 19 6
Emery-paper	22 shts.	0 0 7	Wire nails	C. qr. lb.	2 14 0
Glass-paper	64 "	0 2 6	Staples, fencing	0 2 1	0 7 2
Burner, lamp, "Comet"	1	0 1 0	Spikes, Ewebank	1 1 13	0 19 10
Hooks, cupboard	12	0 2 6	Iron, bar	16 3 20	7 3 9
Hinges, 4 in. butt	4	0 2 0	" sheet	1 1 15	0 12 5
" 12 in. T	1 pair	0 0 3	Zinc rods, telephone	18	0 0 6
" 6 in. box	1 "	0 0 2	Porous pots, "	5	0 0 6
Brackets, blind	2	0 0 2	Padlocks, points	24	2 8 0
Screws	18 gross	1 16 0	" keys	57	0 7 6
" round-head, japanned	1 "	0 3 6	Hammer and handle	1	0 2 6
Locks, rim	4	0 9 0	Handles	5	0 2 6
Keys, rim	4	0 2 0			

EXHIBIT No. 139—continued.

STATEMENT OF ESTIMATED VALUE OF STORES, ETC.—continued.

Item.	Quantity.	Value.	Item.	Quantity.	Value.
	C. qr. lb.	£ s. d.			£ s. d.
Rivets, steel	4 0 12	5 15 0	Spindles and nuts, injector steam-cocks	4	0 5 0
" copper	0 3 25	4 1 9	Safety valves and seats	1	2 0 0
Bolts, iron	3 2 24	5 4 0	Valve-spindles	1	0 5 0
Hand-lamps	5	2 10 0	Coupling- and connecting-rod brasses	12	10 0 0
Axle-swabs	234	1 19 0	Ditto	2	1 0 0
Rope, asbestos	5 lb.	0 1 3	Axle-box brasses	12	3 0 0
Handles, file	2	0 0 2	Air-valve, water main	1	0 5 0
Telegraph-wire	1 cwt.	0 16 0	Cast-iron bearing for valve-spindles	1	0 1 0
Pipe copper	12½ lb.	0 9 2	Cross-head slippers	2	0 10 0
Padlock	1	0 1 6	Motion pins	51	1 5 6
Basin	1	0 1 0	Rolling-stock brasses	90	45 0 0
Lead pipe	1	0 1 0	Water-pumps	2	2 0 0
Steel spring	3 ft.	0 4 0	Cocks for water-gauge	4	1 0 0
Wheels, brass	4	0 2 0	Whistle-valve	1	0 5 0
Insulators, telephone	52	2 12 0	Valve-spindle gland	2	0 10 0
Nails, roofing	19 lb.	0 3 7	Fusible plugs	8	0 8 0
Binding-wire	1 qr.	1 3 4	Pressure gauge and cocks	1	2 0 0
Signal-flags	10 sets	0 17 6	Cylinder drain-cocks	6	1 10 0
	T. c. qr.		Wash-out plugs	10	0 10 0
Brunner coal	11 0 0	4 8 0	" (engine No. 6)	4	0 4 0
Blackball coal	19 16 3	6 18 11	Brass union and nut for blower	1	0 5 0
Engine tires	4	20 0 0	Brass pipe and cock	1	0 2 6
" bogie tires	4	8 0 0	Pressure-gauge... ..	3	1 10 0
" bearing-springs	7	10 10 0	" large	1	1 0 0
" bogie "	6	9 0 0	Unions for hose-pipe	5	0 5 0
" piston rods and heads	3	7 10 0	Reflectors, head lamp	2	1 0 0
" " heads	2	2 0 0	Boiler-tubes	122	91 10 0
Piston and head for steam-brake	1	1 0 0	Springs, spiral, for drawbar	2	0 19 0
Crank-pin, driving	1	0 2 6	Stays for fire-boxes	84	4 4 0
" trailing	2	0 2 6	Brackets for brake-levers	13	1 12 6
Cross-rods, engine brake-gear	6	0 15 0	Bearings for brake-blocks	23	2 6 0
Brake-rods, engine brake-screw	4	1 0 0	C. washers for platform hand-rails	13	0 13 0
Brake-screws	5	1 5 0	Brackets for brake-tumblers, R.S. hangers	4	0 10 0
" hangers	3	0 7 6	Brake-handles, cars	2	0 5 0
" blocks (old pattern)	4	0 8 0	Brake-rod ends	6	0 6 0
Axle-boxes, engine	4	12 0 0	Eyebolts for brake-gear	8	2 0 0
" bogie	4	12 0 0	Brake-pawls	12	0 12 0
Cylinder-cover, front	2	1 0 0	Brake-pawls	6	0 2 6
" back	2	1 0 0	Rod-ends for cars	4	0 2 6
Coupling-pins, cross-heads	4	0 2 6	Brake-saddles	6	0 10 0
Lifting-links, valve-gear	4	0 10 0	Brake-hangers for car bogies	24	1 4 0
Quadrant-links and die-blocks	2	1 0 0	Centre brackets, car brake-gear	2	0 5 0
Eccentric-straps	2	0 10 0	Brake-hangers, R.S.	2	0 5 0
Valve-buckles	2	0 10 0	Springs, car brake-blocks	24	0 10 0
Man-hole door (mend)	1	0 1 0	Rod-ends, reversing lever	2	0 5 0
Steam-chest cover	2	0 10 0	Engine damper-rods	2	0 5 0
Packing-rings (piston)	42	5 5 0	" pricklers	2	0 10 0
" (No. 6 engine)	4	0 10 0	" darts	3	0 10 0
Valve, water, 2½ in.	1	1 0 0	" scrapers	1	0 5 0
" " 2 in.	1	1 0 0	" plugging-irons	4	0 10 0
Clack-boxes	3	7 10 0	" fire-bars	140	14 0 0
Blow-off cock	1	0 1 6	Coupling-hooks	106	13 5 0
Brass slipper, cross-heads	12	4 4 0	Push-rods, wagon brake-gear	2	0 5 0
Valves, regulator	2	2 0 0	Side-chains, wagon	3	1 0 0
Flanges for steam-pipe	4	0 12 0	Hinges, high-side wagon	2	0 10 0
Steam-pipes, copper	2	1 0 0	" low-side wagon	3	0 15 0
Brass castings for fire-box plugs	4	0 4 0	Tumblers, brake-gear	2	0 5 0
Brass wash-out plugs and seats	5	1 5 0	Lashing-chain	1	0 5 0
Piston-glands	2	2 0 0	Brake-blocks, wagon	14	1 15 0
Gland for steam-brake	1	0 10 0	Carriers, car brake-blocks	44	5 10 0
Gland for valve-spindles	2	1 10 0	Strainers, engine-tank	5	1 5 0
Slide-valves	2	0 5 0	Pulleys, signal-gear	2	0 5 0
Coupling-rod brasses (No. 6 engine)	4	1 0 0	Rail-lifter	1	1 0 0
Packing-rings for steam-brake	2	0 10 0	Deflectors, fire-boxes	3	0 10 0
Oil-boxes	2	0 10 0	Lashing-unions	2	0 5 0
Steam-cocks for injector	2	0 9 0	Elliptic springs, cars	12	18 0 0
Connecting-rod brasses (No. 6 engine)	2	1 0 0	Springs, wagon	5	7 10 0
Engine bogie brasses	8	1 0 0	Water-valve, tank	1	1 0 0
Pump and plunger (No. 6 engine)	1	1 0 0	Brake-blocks, van	13	3 5 0
Copper pipe for pump	2	0 5 0	" (No. 6 engine)	8	2 0 0
Cap for safety-valve	1	0 2 6			

EXHIBIT No. 139—continued.

STATEMENT OF ESTIMATED VALUE OF STORES, ETC.—continued.

Item.	Quantity.	Value.	Item.	Quantity.	Value.
		£ s. d.			£ s. d.
Brake-rod brackets and drum ...	6	1 10 0	Jim Crows, second-hand ...	3	6 0 0
Drawbar, engine (leading ...)	1	2 0 0	Bed-plates, crossing ...	12	0 12 0
" " (trailing) ...	1	2 0 0	Sleepers, silver-pine ...	332	38 14 8
" " brake-van ...	2	4 0 0	" " birch ...	194	22 12 8
" " wagon ...	6	12 0 0	" " birch and silver-pine... ..	115	13 8 4
Brake-lever ...	1	0 10 0	" " birch ...	142	16 11 4
Forked centre-pieces, drawbars, vans	2	0 10 0	Girders, bridge, 22 ft. ...	3 pairs	108 0 0
Side chains and rods ...	7	3 10 0	Bed-plates for 44 ft. girders ...	2	2 0 0
Axle-boxes, R.S., large ...	20	40 0 0	" " 66 ft. " ...	2	2 0 0
Iron plugs for engine-tubes ...	17	0 17 0	" " 44 ft. skew ...	5	5 0 0
Wooden plugs for engine-tubes ...	20	0 3 4	Cover-plates, junction, 22 ft. ...	9	4 10 0
Double-eye rod-ends, R.S. brake-gear	53	5 0 0	Bed-plates for 22 ft. girder ...	8	8 0 0
Ditto (long) ...	9	2 5 0	Top-web cover-plates, 66 ft. ...	6	3 0 0
Single-eye rod-ends, R.S. brake-gear,	9	2 5 0	Brackets, junction, 22 ft. and	8	8 0 0
long			66 ft.		
Ditto (short) ...	13	3 5 0	Cast-steel pile-shoes ...	5	5 0 0
Spiral springs, drawbars ...	29	13 1 0	Rivets, assorted ...	1 ton	16 0 0
Bearing " cars ...	10	25 0 0	Bolts, ...	12 cwt.	12 0 0
Spiral " vans ...	10	4 10 0	Washers, 6 in. and 4 in. square	1 ton	4 0 0
" " engine drawbars ...	3	1 10 0	" " 7/8 in. ...	2 qr.	0 14 0
" " engine centre-gear ...	2	0 5 0	Bracings, 66 ft. girders ...	3 sets	15 0 0
Rod-drifts, assorted ...	18	0 18 0	Bridge washers ...	64	1 0 0
Rivet-head snaps ...	6	0 6 0	" " ...	37	0 10 0
Links for brake of cars ...	24	1 4 0	Wrought-iron pile-shoes ...	1	0 15 0
Short chains for brake-gear bogies...	24	1 4 0	Unions and elbows, water-supply	43	1 0 0
Safety-valve weight and lever ...	1	1 0 0	Door-rollers ...	9	0 9 0
Steam-brake spindles ...	3	1 0 0	Pawls ...	7	0 5 0
Side-rod brasses (No. 6 engine) ...	4	0 10 0	Trolly-bearings ...	1 set	0 10 0
Fusible plugs ...	1	0 1 0	Cisterns and burners, hand-	19	2 0 0
Cast-iron fire-box (No. 6 engine) ...	1	0 5 0	lamps		
Bearing-springs ...	2	4 0 0	White-front glasses ...	118	2 19 0
Connecting-rod brasses ...	2	0 10 0	Green glasses ...	122	2 0 8
Boiler-tubes, large, engines ...	60	36 0 0	Red " ...	113	1 17 8
Engine brake-blocks ...	12	1 10 0	Reflectors, conical ...	20	2 0 0
Rails, steel, 24 ft., 53 lb. ...	241	622 7 0	Springs, hand-lamp ...	40	0 5 0
" " 23 ft. 10 in., 53 lb. ...	160		Car-lamp glasses ...	64	1 0 0
" " 21 ft., 53 lb. ...	80		Horse-box lamp glasses ...	2	0 1 0
" " 18 ft., 53 lb. ...	196		" " reflector glasses ...	142	1 0 0
Bed-plates, 53 lb. ...	249		Red shell glasses (tail lamp) ...	6	0 15 0
Fish-plates ...	315	Red glasses for van (side lamp)	6	0 9 0	
Spikes ...	19 cases	White " ...	6	0 9 0	
Fish-bolts ...	21 "	Green glasses, old hand-lamps...	6	0 2 6	
Crossings ...	8	Red " ...	2	0 1 0	
Stock rails ...	13	Signal-glass frames ...	2	0 1 0	
Switches ...	12	Plated reflectors, hand-lamp ...	19	2 7 6	
Check rails and blocks ...	16				
Points, boxes, and levers ...	7				1,744 14 0
Points, rods ...	21				2 10 0
Lever handle and blocks ...	1				
Crippled rails, 53 lb. ...	49		Underestimate pile-shoes ...		1,747 4 0

2nd May, 1901.

GEO. FELTON,
Stores Manager.

EXHIBIT No. 140.

NEW ZEALAND MIDLAND RAILWAY.—ENGINES AND ROLLING-STOCK.

Description.	Number on Line, 25th May, 1895.	Number on Line, 23rd July, 1900.	Original Value, New, on Line.		Value on 25th May, 1895.	Value on 23rd July, 1900.
			Rate.	Amount.		
Locomotive No. 1 ...	1	1	£	£ 1,500	£ 975	£ 780
" No. 2 ...	1	1	...	1,500	975	800
" No. 3 ...	1	1	...	1,500	1,050	850
" No. 4 ...	1	1	...	1,500	1,200	1,000
" No. 5 ...	1	1	...	1,500	1,350	1,150
" No. 6 ...	1	1	...	1,050	825	675
Bogie cars ...	7	7	550	3,850	2,500	2,100
Bogie brake-vans ...	3	3	275	825	525	430
High-side wagons ...	15	25	90	1,350	900	2,367*
Low-side wagons ...	45	44	85	3,825	2,450	2,050
Covered goods ...	6	9	110	660	420	680
Timber-trucks ...	24	24	85	2,040	1,550	960
Cattle-wagons ...	3	3	110	330	220	190
Sheep-trucks ...	3	3	110	330	220	190
Horse-boxes ...	2	2	160	320	230	200
Bogie timber-trucks ...	6	12	200	1,200	770	2,566†
Crane, 5-ton... ...	1	1	...	350	300	250
Tarpaulins ...	36	50	3	108	25	60‡
Totals ...	...	...	...	23,738	16,485	17,298
Weighbridge, 30-ton ...	1	1	...	275	220	190
Weighing-machines ...	4	4	...	37	28	20
Lathe, 8 in. § ...	1	1	...	70	50	40
Sundry tools, &c. § ...	...	...	...	54	32	24
Grand totals ...	...	...	...	24,174	16,815	17,572

* Includes incomplete charge of £667, *vide* Exhibit No. 14. † Includes incomplete charge of £550, *vide* Exhibit No. 14. ‡ Includes incomplete charge of £20, *vide* Exhibit No. 14. § Not included in Exhibit No. 20.

A. L. BEATTIE,
Locomotive Superintendent, New Zealand Railways.

EXHIBIT No. 141.

SURVEYS.—STATEMENT SHOWING APPROXIMATELY THE TOTAL EXPENDITURE CLASSED UNDER THIS HEAD, AND ALLOCATED TO VARIOUS SECTIONS OF RAILWAY.

Section.	Distance.	Rate per Mile.	Total.
<i>Stillwater-Reefton Section.</i> Including revisions and deviations of old survey, Stillwater to Nelson Creek; also explorations, with preliminary and permanent survey, and revisions, from Nelson Creek to Reefton (as constructed to Inangahua River)	Miles ch. 37 10	£ 65	£ s. d. 2,413 2 6
<i>Stillwater-Jackson's Section.</i> Including surveys, Stillwater Station and Junction; also checking and revision surveys, Stillwater to Stony Creek, and explorations, alternatives, and adopted line from Stony Creek to Jackson's	30 54	65	1,993 17 6
<i>Springfield Section.</i> Springfield to Patterson's Creek	6 0	70	420 0 0
<i>Belgrove Section.</i> Including Mr. Dartnell's original and alternative lines, with revisions, &c.	8 0	90	720 0 0
			5,547 0 0

SURVEYS—continued.

Note.—The foregoing return does not include the cost of surveys given below:—

Section.	Distance.	Rate per Mile.	Total.
<i>Reefton Station to Buller Road.</i>			
From present terminus onwards	Miles ch. 1 28	£ 65	£ s. d. 87 15 0
<i>Jackson's to Otira Section.</i>			
Including preliminary lines and alternatives, with revisions, &c., say	11 0	100	1,100 0 0
<i>Jackson's to Patterson's Creek (six miles from Springfield).</i>			
Medium country, say	23 0	65	1,495 0 0
Rough, mountainous country, with alternative lines and much revision work, say	23 33	165	3,863 1 3
<i>Belgrove Section.</i>			
Surveys and explorations beyond the 8-mile peg ... ..	...	...	100 0 0
			6,645 16 3

Note.—The surveys as above accounted for comprise the following operations, with their costs, namely:—

1. All field-work in respect of explorations, trial lines, permanent and alternative lines, and revisions, with salaries, wages, and incidentals.
2. Completion of all survey office-work.
3. Completion of plans, &c., sufficiently for the preparation of quantities.
4. Quantities and preliminary estimates.
5. Tracings and copies as required for ordinary use, and for supply to the Government and to the London office.
6. Cost of direction and supervision of survey, being principally allocations from salaries and travelling-expenses of Messrs. C. N. Bell and H. W. Young.

The amounts given in this return do not include any margin or percentage on account of the company's general management and administrative expenses.

The above is approximately a correct abstract from the records of the New Zealand Midland Railway Company.

SURVEYS.—DETAILS ON APPROXIMATE ESTIMATE OF COST.

Stillwater-Reefton Section.

Date.		Salaries.	Wages.	Incidentals.
1886.		£ s. d.	£ s. d.	£ s. d.
Dec. 31	H. W. Young, exploration ... ..	...	...	2 10 0
1888.				
Jan. 31	J. H. Dobson	20 0 0	35 17 0	2 2 6
	W. C. Edwards	18 8 4	28 9 0	2 13 0
	G. C. Reinhold	15 6 5	28 15 0	1 15 6
	G. C. Reinhold and G. Galway, cartage, &c. ...	12 18 3	...	5 11 6
Feb. 28	H. W. Young	5 0 0	68 9 0	...
	J. H. Dobson	22 0 0	64 12 0	8 0 0
	W. C. Edwards	27 8 5	56 8 0	...
	G. Galway	16 0 0	...	...
Mar. 31	H. W. Young	10 0 0	...	1 6 6
	J. H. Dobson	24 15 0	76 1 0	4 6 6
	W. C. Edwards	25 0 0	133 18 0	1 10 0
	G. Galway	6 0 0	...	3 12 6
	G. C. Reinhold	13 14 5	...	...
	Sundry accounts ... ..	...	...	9 16 6
April 30	H. W. Young	10 0 0	...	...
	J. H. Dobson	23 16 8	...	...
	W. C. Edwards	25 0 0	172 11 0	2 3 6
	G. C. Reinhold and G. Galway	13 18 6	...	...
	Sundry accounts ... ..	...	...	11 11 9
May 31	H. W. Young	10 0 0	...	...
	W. C. Edwards	25 0 0	...	...
	J. H. Dobson	23 16 8	151 5 0	11 1 9
	G. C. Reinhold	10 1 0	...	...
June 30	H. W. Young	10 0 0	...	...
	W. C. Edwards	25 0 0	117 16 0	8 6 6
	J. H. Dobson	23 16 8	...	...
	Sundry accounts ... ..	...	...	16 19 6

SURVEYS—continued.
Stillwater-Reefton Section—continued.

Date.		Salaries.	Wages.	Incidentals.
		£ s. d.	£ s. d.	£ s. d.
1888.				
July 31	H. W. Young	10 0 0	...	...
	W. C. Edwards	14 0 0	...	...
	J. H. Dobson	18 16 8	13 2 6	7 10 0
Aug. 31	H. W. Young	9 0 0	...	...
	W. C. Edwards	18 10 0	...	...
	J. H. Dobson	16 10 0	58 0 0	...
	G. C. Reinhold	3 0 0	...	...
	Sundry accounts ... ..	...	...	62 14 0
		506 17 0	1,005 3 6	163 11 6

Summary.

Field-work—		£ s. d.	£ s. d.
Salaries as above ... ..	...	506 17 0	
Wages ... ..	...	1,005 3 6	
Incidentals ... ..	...	163 11 6	
			1,675 12 0

Completion of field revisions, plans, quantities, tracings, &c., with direction and supervision, say 825 5 6

Total (38 m. 38 ch., at, say, £65 a mile) £2,500 17 6

Note.—The rate of survey wages paid was 10s. per diem for chainmen and 9s. for ordinary labour.

Stillwater-Jackson's Section.

Date.		Salaries.	Wages.	Incidentals.
		£ s. d.	£ s. d.	£ s. d.
1886.				
Dec. 31	Mr. Dobson, trial deviation, Arnold Spur ...	26 11 8	40 19 0	6 13 0
1887.				
Jan. 31	J. H. Dobson	10 0 0	...	0 12 6
Feb. 28	H. W. Young, Stillwater Junction	10 0 0	8 17 0	0 8 0
May 31	Water-supply surveys	7 10 0	5 12 0	0 6 0
Aug. 31	" ... ..	...	2 12 0	0 10 6
1889.				
Dec. 23	G. C. Reinhold	18 1 3	37 12 0	5 16 6
1890.				
Feb. 1	"	14 15 6	57 11 0	6 8 3
Mar. 1	"	14 15 6	62 8 0	3 7 6
" 31	"	18 9 3	60 6 3	2 7 6
April 30	"	18 9 3	59 7 0	3 8 6
May 31	"	18 9 3	53 2 0	3 19 0
June 30	"	18 9 3	48 10 0	3 13 0
July 31	"	18 19 3	44 15 0	7 17 6
Aug. 16	"	18 9 3	55 18 0	0 2 0
Sept. 14	"	18 9 3	...	...
Oct. 11	"	18 9 3	55 18 0	5 12 0
Nov. 8	"	18 9 3	58 1 0	2 13 6
Dec. 6	"	18 9 3	53 15 0	13 3 2
1891.				
Jan. 3	"	18 9 3	48 6 0	1 13 0
" 31	"	18 9 3	52 9 6	4 0 6
Feb. 28	"	18 9 3	46 19 6	0 7 6
Mar. 28	"	18 9 3	59 17 0	3 4 6
April 25	"	18 9 3	83 2 0	2 5 0
May 23	"	18 9 3	56 9 0	7 15 0
June 20	"	18 9 3	...	4 14 0
July 18	"	18 9 3	...	6 17 0
" 18	Sundry accounts... ..	...	...	6 11 0
1892.				
Mar. 26	G. C. Reinhold	18 9 3	37 7 0	7 2 6
April 28	"	18 9 3	5 17 0	3 0 0
		471 8 11	1,095 10 3	114 8 5

		<i>Summary.</i>					
Field-work—		£		s. d.		£ s. d.	
Salaries, as above	...	471	8	11			
Wages	...	1,095	10	3			
Incidentals	...	114	8	5			
						1,681	7 7
Completion of field revisions, plans, quantities, tracings, &c., with direction and supervision, say						312	9 11
Total (30 m. 54 ch., at £65 a mile)						£1,993	17 6

Note.—The rate of survey wages paid was 9s. per diem for chainmen and 8s. for ordinary labour.

Jackson's to Patterson's Creek.

Date.		Salaries.	Wages.	Incidentals.
		£ s. d.	£ s. d.	£ s. d.
1889.				
Dec. 31	J. H. Dobson	12 10 0	37 10 0	38 7 2
1890.				
Jan. 31	"	25 0 0	89 2 0	4 15 1
Feb. 28	"	25 0 0	79 4 0	8 19 11
Mar. 31	"	25 0 0	90 6 0	11 10 1
April 30	"	25 0 0	124 16 0	22 4 5
May 31	"	25 0 0	121 19 0	3 2 8
June 30	"	25 0 0	118 13 0	17 2 5
July 31	"	25 0 0	126 18 0	8 18 0
Aug. 31	"	25 0 0	120 6 0	4 0 0
Sept. 30	"	25 0 0	124 16 0	1 7 0
Oct. 31	"	25 0 0	129 12 0	2 9 6
Nov. 30	"	25 0 0	145 0 0	...
Dec. 31	"	25 0 0	94 13 0	11 9 8
1891.				
Jan. 31	"	25 0 0	90 0 0	6 7 6
Feb. 28	"	25 0 0	109 7 0	4 1 0
Mar. 31	"	25 0 0	90 12 0	6 0 1
April 30	"	25 0 0	59 5 0	20 19 7
May 31	"	25 0 0	61 19 0	8 14 0
May 31 to Mar. 14, 1893	Mr. Dobson and party: total expenditure; £2,085, approximately classified	500 0 0	1,435 0 0	150 0 0
		937 10 0	3,248 18 0	330 8 1

		<i>Summary.</i>					
Field-work—		£		s. d.		£ s. d.	
Salaries, as above	...	937	10	0			
Wages	...	3,248	18	0			
Incidentals	...	330	8	1			
						4,516	16 1
Completion of field revisions, plans, quantities, tracings, &c., with direction and supervision, say						1,941	5 2
Total (11 miles, at £100 per mile, £1,100; 23 miles, at £65 per mile, £1,495; 23 m. 33 ch., at £165 per mile, £3,863 1s. 3d.)						£6,458	1 3

Note.—The rate of survey wages paid was 12s. per diem for levellers and 9s. for ordinary labour.

Belgrove Section.

Mr. Dartnell's surveys, as per contract certificate	...	580	8	6
Revisions, and completion of plans, &c., say	...	139	11	6
Total (say 8 miles, at £90 per mile)	...	£720	0	0
Also, survey-work and exploration beyond the 8-mile peg, say	...	£100	0	0

3rd May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 142.

CONTRACT No. 1.—STILLWATER—KAIMATA.

ESTIMATED VALUE of WORKS as executed, but priced at Local Contract Rates.

Classification.	Contract.			Additions.			Totals.		
	£	s.	d.	£	s.	d.	£	s.	d.
Grading	14,761	10	9	2,212	12	9	16,974	3	6
Bridges and culverts	2,297	8	8	138	10	4	2,435	19	0
Fencing	368	12	0	41	6	6	409	18	6
Permanent-way	6,454	19	6	97	7	8	6,552	7	2
Stations	1,017	14	0	2,317	14	4	3,335	8	4
Permanent-way materials	23,671	8	6	37	8	0	23,738	16	6
Rolling-stock	19,110	0	0	210	13	10	19,320	13	10
Maintenance ... ..	...	...	...	206	9	3	206	9	3
Totals	67,681	13	5	5,292	2	8	72,973	16	1

REVALUATION.

Contract Items.

Description.	Item.	Quantity.	Price.	Amount.		
				£	s.	d.
<i>Grading.</i>						
Cutting to bank	} Cub. yds.	107,014	1/9	9,363	14	6
" spoil		26,635	1/9	2,330	11	3
Side-cutting	"	800	2/6	100	0	0
Sand-reef cutting	"	63	30/	94	10	0
Forming line	Lin. chs.	600	12/	360	0	0
Trimming line	"	143	5/	35	15	0
Pitching, dry stone	Sq. yds.	609	30/	913	10	0
Felling 3 chains wide	Lin. chs.	609	30/	913	10	0
Clearing 1 chain wide	"	198	40/	396	0	0
Grubbing	"	4	£8	32	0	0
Level crossing, second class	No.	1	£8	8	0	0
Metal " private	Cub. yds.	1,070	4/	214	0	0
				14,761	10	9
<i>Bridges and Culverts.</i>						
Timber, New Zealand	C.B.M.	52.44	30/	78	13	2
Piling... ..	Lin. ft.	202	7/	70	14	0
Ironwork in bolts, &c.	Lb.	1,200	/4	20	0	0
Wrought-iron in girders, fixed complete	Tons	4 $\frac{3}{4}$	£25	118	15	0
Concrete	Cub. yds.	1,000	37/6	1,875	0	0
Glazed-tile drains, 15 in.	Lin. ft.	43	5/6	11	16	6
" 12 in.	"	300	4/6	67	10	0
Pipe-ends, concrete	Each	11	£5	55	0	0
				2,297	8	8
<i>Fencing.</i>						
Quality No. 3	Chs.	182	26/	236	12	0
Cattle-stops	No.	6	£22	132	0	0
				368	12	0
<i>Permanent-way.</i>						
Ballast... ..	Cub. yds.	15,547	2/3	1,749	0	9
Platelaying	Lin. yds.	16,015	1/3	1,000	18	9
Points and crossings, laying	Sets	20	£5	100	0	0
Sleepers, ordinary	No.	20,000	3/	3,000	0	0
" sawn, for points and crossings	Sets	20	£7 10s.	150	0	0
Grade-boards, mile-posts, and telegraph-posts	Mile	7	£65	455	0	0
				6,454	19	6
<i>Stations.</i>						
As detailed in contract certificate				1,017	14	0
<i>Permanent-way Materials.</i>						
As detailed in contract certificate				31,561	18	0
Less, say, 25 per cent.				7,890	9	6
				23,671	8	6
<i>Rolling-stock.</i>						
As detailed in contract certificate				19,110	0	0

Note.—The amounts included for rolling-stock are repeated from contract certificate, and in absence of full information are not my estimates of value.

CONTRACT No. 1—*continued.**Additions.*

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
Excavation	Cub. yds.	12,520	1/9	1,095 10 0
Side-cutting	"	4,265	1/9	373 3 9
Extra lead and spreading	"	1,667	1/	83 7 0
Felling	Sq. chs.	9	10/	4 10 0
Clearing	"	56	90/	252 0 0
Grubbing... ..	"	25	90/	112 10 0
Road-metal	"	1,185	4/	237 0 0
Burning off logs	Lin. chs.	12	£3	36 0 0
Clearing view at road-crossing	"	"	"	18 12 0
				2,212 12 9
<i>Bridges and Culverts.</i>				
Excavation	Cub. yds.	15	2/	1 10 0
Timber, New Zealand	C.B.M.	27.90	30/	41 17 0
Iron	Lb.	64	/4	1 1 4
Log culvert at goodshed road	"	"	"	32 4 0
Glazed-tile drains, 12 in.	Lin. ft.	57	4/6	12 16 6
" 6 in.	"	159	2/6	19 17 6
Clearing out Arnold Creek	"	"	"	6 17 0
Stone and fascined culvert outlet	"	"	"	22 7 0
				138 10 4
<i>Fencing.</i>				
As detailed in contract certificate	"	"	"	41 6 6
<i>Permanent-way.</i>				
Points and crossings, laying	Sets	2	£5	10 0 0
Sleepers for ditto	"	2	£7 10s.	15 0 0
Diamond crossing, cost <i>plus</i> 15 per cent.	"	"	"	72 7 8
				97 7 8
<i>Permanent-way Materials.</i>				
Points and crossings	Sets	2	£33 14s.	67 8 0
<i>Rolling-stock.</i>				
As detailed in contract certificate	"	"	"	210 13 10
<i>Stations.</i>				
As detailed in contract certificate	"	"	"	2,317 14 4
<i>Maintenance.</i>				
As detailed in contract certificate	"	"	"	206 9 3

3rd May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 143.

CONTRACT No. 2.—BRUNNERTON—STILLWATER.

ESTIMATED VALUE of WORKS as executed, but priced at Local Contract Rates.

Classification.	Contract.	Additions.	Totals.
	£ s. d.	£ s. d.	£ s. d.
Grading	5,194 19 0	1,370 8 8	6,565 7 8
Bridges and culverts	1,194 0 0	1,833 14 2	3,027 14 2
Fencing ... ..	...	4 0 0	4 0 0
Permanent-way	869 13 0	...	869 13 0
Stations	1,075 0 0	...	1,075 0 0
Maintenance ... ..	...	140 13 6	140 13 6
Totals	8,333 12 0	3,348 16 4	11,682 8 4

CONTRACT No. 2—*continued.*

REVALUATION.

Contract Items.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
Cutting to bank ...	Cub. yds.	32,910		
" from slips ...	"	1,500		
" from foundations, retaining-walls ...	"	127		
Stream-diversions to bank ...	"	1,725		
" to spoil ...	"			
		36,262	2/	3,626 4 0
Trimming line ...	Lin. chs.	63	£2	126 0 0
Retaining-walls, concrete ...	Cub. yds.	706	37/6	1,323 15 0
Felling 3 chains wide, clearing 1 chain wide	Lin. chs.	33	£3	99 0 0
Level crossing, first class ...	No.	1	£20	20 0 0
				5,194 19 0
<i>Bridges and Culverts.</i>				
As detailed in contract certificate ...				1,194 0 0
<i>Permanent-way.</i>				
Ballast ...	Cub. yds.	2,720	2/3	306 0 0
Platelaying ...	Lin. yds.	2,112	1/3	132 0 0
Sleepers, ordinary ...	No.	2,451	3/	367 13 0
Grade-boards ...	"	8	10/	4 0 0
Telegraph ...	"			60 0 0
				869 13 0
<i>Stations.</i>				
As detailed in contract certificate ...				1,075 0 0

Additions.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
Road-metal at 1 m. ...	Cub. yds.	251	4/	50 4 0
Widening road-formation ...	Chs.	13	6/	3 18 0
Wagon-stand ...	Cub. yds.	129	2/	12 18 0
Filling over culvert at 1/5 ...	"	181	2/	18 2 0
Road under Stillwater Bridge ...	Chs.	2	£5	10 0 0
Stone apron and pitching at 1 m. ...	Cub. yds.	94	6/	28 4 0
1/15 to 1/31, refilling cutting to alter grade ...	"	2,145	1/9	187 13 9
1/9 to 1/15, making up bank to new grade ...	"	1,650	2/6	206 5 0
At 0/53, removing shingle from top of batter, prime cost <i>plus</i> 15 per cent., as agreed				390 2 7
At 0/63, removing rock, timber, &c., from slopes, prime cost <i>plus</i> 15 per cent., as agreed				15 6 4
At 0/45, clearing slips from 29th June to 24th August, 1888, cost <i>plus</i> 15 per cent.				414 7 6
Retaining-walls in concrete ...	Cub. yds.	221	37/6	33 7 6
Excavations for foundations ...	"	267	2/6	
				1,370 8 8
<i>Bridges and Culverts.</i>				
At 1/5, culverts and creek-diversion ...	C.B.M.	46.22	30/	69 6 7
At 1/2, Stillwater Bridge, extra in piers, com- pleted as agreed, as per statement below				671 19 4
Apron excavation ...	Cub. yds.	114	1/9	9 19 6
Apron pitching ...	"	303	5/	75 15 0
0/74, 12 in. pipe at Dick's ...	Lin. ft.	74	4/6	16 13 0
0/52 to 0/55, box drains ...	C.B.M.	2	30/	3 0 0
0/50-0/60-0/70-1/3, tarring bridges, cost <i>plus</i> 15 per cent.				40 15 4

CONTRACT No. 2—continued.
Additions—continued.

Description.	Item.	Quantity.	Price.	Amount.
<i>Bridges add Culverts—continued.</i>				£ s. d.
Protection work to Stillwater Bridge piers and banks of creek, prime cost plus 15 per cent., as per agreement	...	...	...	874 2 1
At 1/5, lining 4 ft. culvert, Crawford's approach, prime cost plus 15 per cent., as per agreement	...	...	...	10 13 10
1/2, battens for Stillwater Bridge piers, prime cost plus 15 per cent., as per agreement	...	...	...	1 16 0
Shelter-brackets, &c., for Stillwater Bridge piers, prime cost plus 15 per cent., as per agreement	...	...	...	9 15 6
At 0/50, box drain	...	...	...	3 18 0
Repairs to bridges, 0/49 to 0/60, cost plus 15 per cent.	...	...	...	46 0 0
				1,833 14 2
<i>Bridges and Culverts (statement above referred to).</i>				
Excavation	Cub. yds.	130	2/6	16 5 0
"	"	98	5/	24 10 0
Concrete	"	260	40/	520 0 0
Boulders	"	19	5/	4 15 0
Sheet piling	C.B.M.	30	45/	67 10 0
Piles driven	Lin. ft.	613	6/	183 18 0
Timber fixed	C.B.M.	203	30/	304 10 0
Piles-shoes, 28 in. each	No.	43	9/4	20 1 4
Ironwork in bolts	Lb.	6,000	/4	100 0 0
				1,241 9 4
Less amount included in contract price	...	...	...	569 10 0
				671 19 4
<i>Fencing.</i>				
As detailed in contract certificate	...	...	...	4 0 0
<i>Maintenance.</i>				
As detailed in contract certificate	...	...	...	140 13 6

2nd May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 144.

CONTRACT No. 3.—STILLWATER-NELSON CREEK.

ESTIMATED VALUE of WORKS as executed, but priced at Local Contract Rates.

Classification.	Contract.	Additions.	Totals.
	£ s. d.	£ s. d.	£ s. d.
Grading	25,274 9 0	172 5 1	25,446 14 1
Bridges and culverts	21,214 15 3	845 3 8	22,059 18 11
Fencing	559 0 0	724 14 0	1,283 14 0
Permanent-way	5,552 8 4	...	5,552 8 4
Stations	1,371 10 0	86 13 3	1,458 3 3
Maintenance	...	191 1 5	191 1 5
Totals	53,972 2 7	2,019 17 5	55,992 0 0

19*—H. 2.

CONTRACT No. 3—continued.

REVALUATION.
Contract Items.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				
Cutting to bank	Cub. yds.	95,000	1/9	£ 8,312 10 0
" to spoil	"	57,000	1/4	3,800 0 0
Side-cutting	"	102,000	1/6	7,650 0 0
Stream-diversions to bank and to spoil	"	2,500	2/	250 0 0
Ditching to bank and to spoil	"	3,000	2/	300 0 0
Catch-water drains	Lin. chs.	290	5/	72 10 0
Forming line	"	60	30/	90 0 0
Trimming line	"	607	7/	212 9 0
Pitching, hand-laid	Sq. yds.	4,000	5/	1,000 0 0
" random	"	1,000	4/	200 0 0
Felling 3 chains wide	Lin. chs.	595	40/	1,190 0 0
Clearing 1 chain wide	"	628	35/	1,099 0 0
Grubbing	"	60	40/	120 0 0
Metal for road	Cub. yds.	5,000	3/	750 0 0
Level crossings, first class	No.	3	£8	24 0 0
" second class	"	4	£6	24 0 0
" private, with iron gates	"	10	£18	180 0 0
				25,274 9 0
<i>Bridges and Culverts.</i>				
Excavation, foundations	Cub. yds.	1,800	2/6	225 0 0
Inlets and outfalls	"	718	2/	71 16 0
Timber, New Zealand	C.B.M.	403	30/	604 10 0
" ironbark ... ..	"	...	...	38 11 3
Piling	Lin. ft.	5,000	3/	750 0 0
Pile-driving	"	3,200	4/	640 0 0
Logs in road-culvert	"	1,000	2/6	125 0 0
Ironwork in bolts, &c.	Lb.	13,500	4/	225 0 0
Wrought-iron in girders, erected complete	Tons	351.77	£22 10s.	7,914 16 6
Cast-iron in cylinders, complete	Lin. ft.	610	£6	3,660 0 0
" in plates	Tons	10	£16	160 0 0
Sinking cylinders	Lin. ft.	440	£4	1,760 0 0
Concrete	Cub. yds.	2,400	40/	4,800 0 0
Puddle	"	23	12/	13 16 0
Glazed-tile drains, 15 in.	Lin. ft.	57	7/6	21 7 6
" 12 in.	"	443	6/	132 18 0
Pipe inlets and outlets	No.	12	£6	72 0 0
				21,214 15 3
<i>Fencing.</i>				
Quality No. 3	Chs.	300	27/	405 0 0
Cattle-stops	No.	7	£22	154 0 0
				559 0 0
<i>Permanent-way.</i>				
Ballast	Cub. yds.	12,000	2/3	1,350 0 0
Platelaying	Lin. yds.	13,340	1/3	833 15 0
Points and crossings, laying and supply	Sets	12	£30	360 0 0
Sleepers, ordinary	No.	14,800	3/	2,220 0 0
" on bridges and culverts	"	800	4/	160 0 0
" points and crossings	Sets	12	£7 10s.	90 0 0
Carriage of materials	Tons	1,400	7/2	501 13 4
Grade-boards	No.	30	20/	30 0 0
Mile-posts	"	7	20/	7 0 0
				5,552 8 4
<i>Stations.</i>				
Passenger-shed, seventh class	No.	2	£40	80 0 0
" fourth class	"	1	£190	190 0 0
Passenger-platform, 60 ft.	"	2	£20	40 0 0
" 100 ft.	"	1	£30	30 0 0
Platlayer's cottage	"	2	£190	380 0 0
Stationmaster's house	"	1	£216	216 0 0
Water-service complete	"	1	£120 10s.	120 10 0
Goods-shed No. 1	"	1	£250	250 0 0
Ash-pits, 20 ft. long	"	2	£32 10s.	65 0 0
				1,371 10 0

CONTRACT No. 3—continued.

Additions.

Description.	Item.	Quantity.	Price.	Amount.
<i>Grading.</i>				£ s. d.
As detailed in contract certificate ... ..	...	...	...	172 5 1
<i>Bridges and Culverts.</i>				
Nelson Creek, cylinders, complete	Lin. ft.	30	£6	180 0 0
" sinking	"	30	£4	120 0 0
Timber, New Zealand	C.B.M.	54.61	30/	81 18 3
Red Jack's and McLaughlin's, extra spans and piers—				
Piling	Lin. ft.	684	3/	102 12 0
Pile-driving	"	531	4/	106 4 0
Iron in bolts, &c.	Lb.	2,661	/4	44 7 0
Iron in 22 ft. girders	Tons	5	£22 10s.	112 10 0
Iron in braces and sole-plates of skewed bridges	Lb.	2,247	/6	56 3 6
Extra bracing of skew 22 ft. spans, cost plus 15 per cent.	...	...	...	41 8 11
				845 3 8
<i>Fencing.</i>				
Quality No. 3	Chs.	440	27/	594 0 0
Ngahere picket-fencing, cost plus 15 per cent.	...	...	...	20 14 0
Cattle-stops	No.	5	£22	110 0 0
				724 14 0
<i>Stations.</i>				
As detailed in contract certificate ... ..	...	...	...	86 13 3
<i>Maintenance.</i>				
As detailed in contract certificate ... ..	...	...	...	191 1 5

3rd May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 145.

RETURN SHOWING (a) THE POPULATION OF THAT PART OF THE CANTERBURY PROVINCIAL DISTRICT LYING BETWEEN THE ASHBURTON AND HURUNUI RIVERS, AND (b) OF THE COUNTIES OF WESTLAND, GREY, INANGAHUA, BULLER, AND WAIMEA, WITH INTERIOR BOROUGHS, AS AT THE CENSUSES OF 1891, 1896, AND 1901.

Counties, with Interior Boroughs.	Population, 1891.	Population, 1896.	Population, 1901.	Increase, 1891 to 1901.	Increase, 1896 to 1901.
Ashley County	12,396	11,913	11,604	..	..
Rangiora Borough	1,783	1,869	1,768	..	..
Kaipoi "	1,371	1,828	1,795	..	..
	15,550	15,610	15,167	Dec. 383	Dec. 443
Selwyn County	36,375	30,090	30,779	..	..
Christchurch City	16,223	16,964	17,824	..	..
Linwood Borough	*	6,115	6,726	..	..
St. Albans "	5,247	5,781	6,591	..	..
Sydenham "	9,680	10,312	11,401	..	..
Woolston "	*	2,057	2,533	..	..
Sumner "	*	588	844	..	..
New Brighton "	*	*	1,008	..	..
Lyttelton "	4,087	3,898	4,026	..	..
	71,612	75,805	81,732	10,120	5,927
Akaroa County	3,771	3,886	3,669	..	..
Akaroa Borough	571	613	559	..	..
	4,342	4,499	4,228	Dec. 114	Dec. 271
Ashburton County (part) —					
Mount Somers Riding	919	987	928	..	..
Mount Hutt "	1,023	1,157	1,500	..	..
South Rakaiā "	1,476	1,558	1,479	..	..
Wakanui "	2,129	2,301	2,348	..	..
Upper Ashburton " (part)	714	905	1,001	..	..
Ashburton Borough	1,900	2,082	2,322	..	..
	8,161	8,990	9,578	1,417	588
Total, Hurunui to Ashburton Rivers	99,665	104,904	110,705	11,040	5,801

* Included in county.

RETURN SHOWING THE POPULATION, ETC.—*continued.*

Counties, with Interior Boroughs.	Population, 1891.	Population, 1896.	Population, 1901.	Increase, 1891 to 1901.	Increase, 1896 to 1901.
Westland County	5,031	4,723	4,395	..	..
Kumara Borough	1,176	1,149	1,121	..	..
Hokitika "	2,178	2,059	1,947	..	..
Ross "	822	727	614	..	..
	9,207	8,658	8,077	Dec. 1,130	Dec. 581
Grey County	4,330	4,592	4,973	..	..
Greymouth Borough	3,787	3,099	3,746	..	..
Brunner "	2,281	1,632	1,571	..	..
	10,348	9,323	10,290	Dec. 58	967
Inangahua County	4,648	4,254	4,512	Dec. 136	258
Buller County	4,659	4,833	4,865	..	..
Westport Borough	2,622	2,424	2,922	..	..
	7,281	7,257	7,787	506	530
Waimea County	8,942	8,591	7,836	..	..
Motueka Borough .. .. .	..	*	885	..	..
Nelson City	6,626	6,659	7,009	..	..
Richmond Borough	*	562	543	..	..
	15,568	15,812	16,273	705	461
Totals, Counties Westland, Grey, Inangahua, Buller, and Waimea	47,052	45,304	46,939	Dec. 113	1,635
Grand totals	146,717	150,208	157,644	10,927	7,436

* Included in county.

Note.—The figures for 1901 are from preliminary telegraphic returns, and are subject to revision.

E. J. VON DADELSZEN,

8th May, 1901.

Registrar-General.

EXHIBIT No. 146.

CONTRACT No. 1.—TEREMAKAU—STILLWATER (Length, 25 m. 34.55 ch.).

No. 2.—SCHEDULE of PRICES for Omissions, Extras, Additions, Enlargements, Deviations, or Alterations, as provided by the Conditions of Contract.

Description of Work.	Item.	Rate.
<i>Fencing.</i>		
No. 1 quality—Sod fence	1 ch.	20/
No. 2 quality—Ditch and mound, with wood posts, one rail, and three wires	"	£1 11s.
No. 3 quality—Wood posts, with one rail and five wires	"	£1 6s.
No. 4 quality—Wood posts and four rails	"	£1 18s.
Dry stone wall, with coping set in mortar; height, 4 ft. 6 in.; average thickness, 24 in.	"	£15
<i>Gates (including hardwood posts, and sils and struts, ironwork, fixing and painting complete).</i>		
Consisting of two 15 ft. gates, with one wicket	Each	£35
Consisting of one 16 ft. gate, with one wicket	"	£20
Consisting of one 12 ft. gate, without wicket	"	£9
Cattle-stops	"	£22
<i>Felling (3 chains wide).</i>		
Large trees, flat ground	1 ch.	£1 9s.
" steep sideling	"	£1 9s.
Small trees, flat ground	"	£1
" steep sideling	"	£1
Scrub, flat ground	"	10/
" steep sideling	"	10/
<i>Clearing (1 chain wide).</i>		
Large trees, flat ground	"	20/
" steep sideling	"	15/
Small trees, flat ground	"	15/
" steep sideling	"	10/
Scrub, flat ground	"	5/
" steep sideling	"	5/
<i>Grubbing (¼ chain wide).</i>		
Large trees, flat ground	"	£1 10s.
" steep sideling	"	10/
Small trees, flat ground	"	15/
" steep sideling	"	5/

CONTRACT No. 1—continued.

Description of Work.	Item.	Rate.
<i>Tunnels.</i>		
Haulage of stuff—Amount to be added to price per lineal yard for each chain in average length of drive, taking average length of drive at each face or from each shaft or opening	1 yd.	10/
Tunnels, lining—		
Masonry	Cub. yd.	£3 6s.
Brickwork	"	£3 6s.
Tunnel-fronts	Each	£105
Haulage of lining—Amount to be added for each chain in average length of drive	1 yd.	1/
<i>Excavations (including filling and casting).</i>		
Solid rock, block cutting	Cub. yds.	5/3
" side "	"	4/6
Loose rock, block "	"	3/6
" side "	"	3/
Sand reef, block "	"	2/9
" side "	"	2/
Shingle or clay, block cutting	"	1/4
" side "	"	1/
Earth or sand	"	/9
Haulage—Amount to be added to price per cubic yard for haulage of stuff for each chain of lead, taking average lead at each face of each cutting.	Per ch.	/2
<i>Formation of Railway (where under 1 ft. in depth).</i>		
Shingle or clay	1 ch.	25/
Earth or sand	"	15/
<i>Trimming Line.</i>		
Rock	"	£2
Shingle	"	£1
<i>Drains.</i>		
In earth, average 12 in. by 6 in.	"	5/
<i>10 ft.— Culverts.</i>		
Masonry, flat-topped, timber and ironwork complete ... ..	...	£7 10s.
" wing-walls and ends	Set	£262
" arched, Section A	1 ft.	£7 10s.
" " " B	"	£8
" wing-walls and ends	Set	£165
Concrete, flat-topped, timber and ironwork complete ... ..	...	£7 10s.
" wing-walls and ends	Set	£262
" arched, Section A	1 ft.	£7 14s.
" " " B	"	£8 15s.
" wing-walls and ends	Set	£165
<i>8 ft.—</i>		
Masonry, flat-topped, timber and ironwork complete ... ..	...	£6 10s.
" wing-walls and ends	Set	£203
" arched, Section A	1 ft.	£6 6s.
" " " B	"	£6 13s.
" wing-walls and ends	Set	£112
Concrete, flat-topped, timber and ironwork complete ... ..	...	£6 10s.
" wing-walls and ends	Set	£203
" arched, Section A	1 ft.	£6 17s.
" " " B	"	£7 15s.
" wing-walls and ends	Set	£112
<i>6 ft.—</i>		
Masonry, flat-topped, timber and ironwork complete ... ..	...	£4 10s.
" wing-walls and ends	Set	£130
" arched, Section A	1 ft.	£4
" " " B	"	£4 13s.
" wing-walls and ends	Set	£64
Concrete, flat-topped, timber and ironwork complete ... ..	...	£4 10s.
" wing-walls and ends	Set	£130
" arched, Section A	1 ft.	£4 8s.
" " " B	"	£4 12s.
" wing-walls and ends	Set	£64

CONTRACT No. 1—*continued.*

Description of Work.	Item.	Rate.
4 ft.— <i>Culverts—continued.</i>		
Masonry, flat-topped, timber and ironwork complete ... ..	...	£3 10s.
" wing-walls and ends	Set	£111
" arched, Section A	1 ft.	£3 10s.
" " " B	"	£3 12s.
" wing-walls and ends	Set	£39
Concrete, flat-topped, timber and ironwork complete ... ..	...	£3 10s.
" wing-walls and ends	Set	£111
" arched, Section A	1 ft.	£3 16s.
" " " B	"	£4 2s.
" wing-walls and ends	Set	£39
Timber, open	Each	...
3 ft.—		
Masonry, flat-topped, timber and ironwork complete ... ..	...	...
" wing-walls and ends	Set	...
" arched, Section A	1 ft.	£2 4s.
" " " B	"	£2 5s.
" wing-walls and ends	Set	£18 10s.
Concrete, flat-topped, timber and ironwork complete ... ..	...	...
" wing-walls and ends	Set	...
" arched, Section A	1 ft.	£2 8s.
" " " B	"	£2 10s.
" wing-walls and ends	Each	£18 10s.
Timber, open	Each	£25
2 ft.—		
Masonry, arched, Section A	1 ft.	£1 15s.
" " " B	"	£1 15s.
" wing-walls and ends	Set	£17
Concrete, arched, Section A	1 ft.	£2
" " " B	"	£2
" wing-walls and ends	Set	£17
Timber, 1 ft., open	1 ft.	3/
<i>Pipe-drains, Glazed.</i>		
Jointed and laid in puddle, 18 in. diameter	1 ft.	8/
" " 15 in. "	"	5/6
" " 12 in. "	"	4/6
" " 9 in. "	"	3/4
" " 6 in. "	"	2/2
Inlet and outlet walls for pipe-drains of average size (both ends) ...	Drain	£5
<i>Cast-iron.</i>		
In screw-piles, columns, girders, bed-plates, and other bridge-work, supplied and erected complete	Tons	£14
Cast-iron, in washers, &c.	Lb.	1½d.
<i>Cast-iron Cylinders.</i>		
For bridge-piers, fixed above water, 4 ft. diameter	1 ft.	£5 11s.
" " " 5 ft. "	"	£6 5s. 6d.
" " " 6 ft. "	"	£7 13s. 6d.
" " " 7 ft. "	"	£8 5s. 9d.
Extra, for sinking cylinders below water-level only, 4 ft. diameter ...	"	£4 10s.
" " " 5 ft. "	"	£5
" " " 6 ft. "	"	£5 10s.
" " " 7 ft. "	"	£6
Concrete filling, 4 ft. diameter	"	22/6
" 5 ft. "	"	28/
" 6 ft. "	"	46/
" 7 ft. "	"	65/
<i>Ironwork (all iron used to be of English manufacture).</i>		
Ironwork in bolts, nuts, washers, plates, shoes, &c.	Lb.	4d.
Wrought-iron in girders, connections to screw-piles or cylinders, and other iron bridge-work supplied and erected complete	Tons	£20
Galvanised tinned corrugated iron, No. 18 gauge	Squares	...
<i>Timber.</i>		
Ironbark or other hardwood erected	C.B.M.	£2 10s.
<i>Masonry.</i>		
Rubble, dry	Cub. yd.	12/6
" in cement mortar	"	42/

CONTRACT No. 1—continued.

Description.	Item.	Rate.
<i>Brickwork.</i>		
In cement mortar	Cub. yd.	42/
<i>Archwork.</i>		
In cement mortar	"	62/
<i>Ashlar.</i>		
In cement mortar	Cub. ft.	4/6
<i>Coping.</i>		
In cement mortar	"	4/6
<i>Concrete.</i>		
Six parts stone, two sand, one cement	Cub. yd.	£2 2s. 6d.
<i>Plastering.</i>		
In cement mortar	Sq. yd.	2/2
<i>Puddle.</i>		
Put through pug-mill and well tempered and punned	Cub. yd.	20/
<i>Pitching.</i>		
Dry stone 9 in. thick	Sq. yd.	5/
" 12 in. "	"	6/
" 15 in. "	"	7/
<i>Metalled Roads.</i>		
In easy country, open land	1 ch.	£5
" " forest land	"	£10
In rough country, open land	"	£11
" " forest land	"	£15
In very rough country, open land	"	£25
" " forest land	"	£28
In precipitous country, open land	"	£38
" " forest land	"	£38
<i>Metal for Roads.</i>		
In position	Cub. yd.	4/
<i>Guard-rails and Notice-boards (for level crossings).</i>		
First class	Set	£11
Second class	"	£8
Third class	"	£8
Private	"	£8
<i>Ballast.</i>		
Including spreading and trimming	Cub. yd.	2/3
<i>Permanent-way, &c.</i>		
Platelaying	1 yd.	1/10
Laying points and crossings	Set	£6
Sleepers for points and crossings	"	£7
Rails, 53 lb., steel	Ton	£8
Fish-plates	"	£10
Fish-bolts and nuts, Ibbotson's patent	"	£30
Spikes	"	£13 10s
Bed-plates	"	£10
Fang-bolts	"	£20
Points and crossings complete	Set	£12
Sleepers, 7 ft. by 8 in. by 5 in.	Each	2/6
" on bridges, 7 ft. by 9 in. by 5 in.	"	3/
Distance-signals, fixed	"	£30
Grade-boards, painted and figured (3 in.), fixed	"	10/
Mile-posts, painted and figured (5 in.), fixed	"	10/
Telegraph, fixed, including instruments	Miles	£50
<i>Sundries.</i>		
Painting, three coats	Sq. yds.	1/4
Tarring, "	"	...
Taking up and relaying switches and crossings	Set	£5

CONTRACT No. 1—continued.

Description of Work.	Item.	Rate.
<i>Materials and Day-labour.</i>		
Portland cement	Casks	18/6
<i>Station-buildings.</i>		
Goods-shed, 20 ft. wide	1 ft.	£3 12s.
" 30 ft. "	"	£5 3s.
" 42 ft. "	"	£7 13s.
Engine-shed, 60 ft. for each engine, no stall	"	£246
Carriage-shed, no stall	"	...
Passenger-sheds (including urinals and privies)—		
Third class	Each	£355
Fourth "	"	£202
Fifth "	"	£152
Sixth "	"	£101
Seventh "	"	£51
Passenger-platforms, 20 ft. wide, shingle floor	1 ft.	4/
" 10 ft. "	"	3/
Loading-banks	"	15/
Coal-stores, 22 ft. by 14 ft.	Each	£121
Water services (including well and windmill)	"	£207
Engine turntables, 50 ft. diameter	"	£450
Stationmasters houses, first class	"	£420
" " second and third class	"	£230
Platelayers' cottages	"	£140

This is a true copy.
9th May, 1901.

H. W. YOUNG.

EXHIBIT No. 147.

SUMMARY OF AMOUNTS EXPENDED ON SALARIES, WAGES, AND INCIDENTALS, ENGINEERS' DEPARTMENT, SHOWING AMOUNT DUE TO ENGINEERING AFTER ALLOWING FOR THE AMOUNTS CHARGED IN RETURNS OF "LAND-PURCHASE AND COMPENSATION" AND "SURVEYS."

Year.	Salaries (as per Return A).			Wages (as per Return B).			Incidentals (as per Returns B and C).		
	£	s.	d.	£	s.	d.	£	s.	d.
1886	266	11	8	...			...
1887	1,967	7	10	1,344	8	3	592	8	8
1888	1,472	5	0	34	8	9	279	2	5
1889	1,907	0	0	419	3	0	34	18	3
1890	4,647	12	7	1,961	0	4	628	17	6
1891	4,945	3	6	1,735	15	6	680	2	1
1892	3,194	14	7	1,118	2	6	496	2	4
1893	3,046	15	1	123	12	0	156	14	8
1894	2,028	2	0	...			...
As per Return C	23,475	12	3	6,736	10	4	2,868	5	11
	...			...			915	8	0
Less amounts already included in returns—									
Surveys (Exhibit No. 141)	4,216	18	0	6,079	11	9	545	17	11
Land-purchase and compensation (Exhibit No. 110)	625	7	0	69	13	0	646	0	0
Office expenses, &c. (Exhibit No. 135) ... ..	...			...			460	2	10
Balances, being amounts due to engineering	18,633	7	3	587	5	7	2,131	13	2
Gross total, due to engineering ... ..	...			£21,352	6	0	...		

Approximately a correct abstract from the records of the New Zealand Midland Railway Company (Limited).
10th May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

A.
RETURN showing the DETAILS of ANNUAL SALARIES of the ENGINEER'S DEPARTMENT (Greymouth Office) from 1886 to 1894.
NOTE.—No payments to the Engineer-in-Chief are included in this return.

Name of Officer.	Rank.	1886.		1887.		1888.		1889.		1890.		1891.		1892.		1893.		1894.	
		£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Bell, C. N.	Resident Engineer	200	0 0	800	0 0	800	0 0	800	0 0	946	3 0	1,200	0 0	540	0 0	530	0 0	489	4 0
Young, H. W.	Chief Engineer	40	0 0	480	0 0	480	0 0	480	0 0	480	0 0	480	0 0	300	0 0	253	16 6	276	18 0
Dobson, J. H.	Assistant Engineer	26	11 8	286	0 0	175	0 0	120	0 0	300	0 0	300	0 0	331	5 0	325	0 0	300	0 0
Edwards, W. C.	"	...	...	259	7 10	...	...	...	...	321	3 0	240	0 0	244	12 7	41	10 10	(Left 11/3/93)	...
Reinhold, G. C.	"	...	...	100	0 0	156	0 0	...	...	232	12 9	284	12 0	344	17 0	500	0 0	500	0 0
Musgrave, J.	"	...	...	...	...	...	...	...	...	269	5 0	374	12 6	390	0 0	390	0 0	30	0 0
Clifford, W. L.	"	...	...	...	...	...	...	...	...	260	0 0	238	0 0	16	0 0	48	0 0	(Left 4/3/93)	...
Grahame, H.	"	...	...	...	...	36	5 0	94	0 0	167	18 6	201	17 0	212	0 0	198	0 0	192	0 0
Brett, W. F.	Draughtsman	...	...	...	...	...	...	...	...	208	0 0	260	0 0	236	0 0	208	0 0	(Left 31/12/93)	...
Roberts, T.	Engineer	...	...	...	...	...	...	...	...	192	0 0	208	0 0	212	0 0	204	7 9	192	0 0
Foster, J. L.	Inspector	...	...	...	...	...	...	...	...	228	0 0	208	0 0	212	0 0	192	0 0	(Left 31/11/93)	...
Baff, T.	"	...	...	...	...	...	...	...	...	197	15 0	182	0 0	...	...	...	...	...	...
Whitfield, H.	"	...	...	...	...	...	...	...	...	144	0 0	156	0 0	156	0 0	156	0 0	48	0 0
Barrowman, F.	"	...	...	...	...	...	...	...	...	130	0 0	48	0 0	(Left 31/3/91)	...	...	...	...	...
Thomson, H.	"	...	...	...	...	...	...	...	...	96	0 0	(Left 8/8/90)	...	...	...	...	...	...	...
Murdoch, T.	"	...	...	...	...	...	...	...	...	121	13 4	168	0 0	(Left 31/12/91)	...	...	...	...	...
Cooke, J.	"	...	...	...	...	...	...	...	...	68	10 0	48	0 0	(Left 31/3/91)	...	...	...	...	...
Reynolds, H.	"	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Galway, G.	Surveyor	...	...	42	0 0	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Gross total	...	266	11 8	1,967	7 10	1,472	5 0	1,907	0 0	4,647	12 7	4,945	3 6	3,194	14 7	3,046	15 1	2,028	2 0

£23,475 12s. 3d

B.

RETURN showing the DETAILS of SALARIES, WAGES, and INCIDENTAL EXPENSES, extracted from the Accounts of the Engineer's Department from October, 1886, to March, 1893. (For details of incidental payments from March, 1893, to December, 1894, see return showing incidental payments allocated on account of the engineer's department).

Date.	Imprest Total, less Capital Payments.	Salaries, already included in "A."	Wages.	Incidentals.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1886	266 11 8	266 11 8	...	...
1887	3,904 4 9	1,967 7 10	1,344 8 3	592 8 8
1888	1,785 16 2	1,472 5 0	34 8 9	279 2 5
1889	2,361 1 3	1,907 0 0	419 3 0	34 18 3
1890.				
Jan. 30	194 11 6	12 10 0	90 0 6	92 1 0
Feb. 18	246 16 10	25 0 0	175 18 8	45 18 2
Mar. 20	258 18 8	25 0 0	164 13 9	69 4 11
April 20	200 15 6	25 0 0	150 12 3	25 3 3
May 23	275 1 10	25 0 0	193 12 1	56 9 9
June 19	225 13 0	25 0 0	175 1 0	25 12 0
July 31	191 6 4	25 0 0	95 5 0	71 1 4
Sept. 20	447 1 1	25 0 0	347 12 0	74 9 1
Oct. 21	310 3 0	50 0 0	189 4 7	70 18 5
Nov. 21	268 12 9	25 0 0	199 13 0	43 19 9
Dec. 15	258 7 4	25 0 0	179 7 6	53 19 10
	2,877 7 10	287 10 0	1,961 0 4	628 17 6
1891.				
Jan. 27	256 3 1	25 0 0	174 7 3	56 15 10
Mar. 18	433 3 7	50 0 0	323 6 9	59 16 10
April 25	287 16 9	25 0 0	203 6 0	59 10 9
May 26	227 5 4	25 0 0	179 11 0	22 14 4
June 24	245 12 6	25 0 0	156 14 0	63 18 6
July 29	229 9 11	25 0 0	103 14 0	100 15 11
Aug. 29	205 10 10	25 0 0	107 6 0	73 4 10
Sept. 29	163 1 8	25 0 0	100 16 6	37 5 2
Oct. 29	155 14 5	25 0 0	98 0 0	32 14 5
Dec. 7	184 2 5	25 0 0	93 12 0	65 10 5
1892.				
Jan. 29	352 17 1	50 0 0	195 2 0	107 15 1
	2,740 17 7	325 0 0	1,735 15 6	680 2 1
Feb. 17	292 14 6	50 0 0	152 4 0	90 10 6
Mar. 26	113 0 11	...	80 16 9	32 4 2
April 23	165 5 1	25 0 0	112 9 6	27 15 7
May 28	210 16 2	25 0 0	126 5 0	59 11 2
June 30	142 7 9	25 0 0	88 4 9	29 3 0
July 23	206 4 3	25 0 0	101 10 9	79 13 6
Oct. 31	504 2 4	75 0 0	326 12 9	102 9 7
Nov. 12	153 13 7	25 0 0	63 11 0	65 2 7
Dec. 10	101 0 3	25 0 0	66 8 0	9 12 3
	1,889 4 10	275 0 0	1,118 2 6	496 2 4
1893.				
Jan. 7	129 15 8	25 0 0	64 2 0	40 13 8
Feb. 4	154 11 8	25 0 0	40 14 0	88 17 8
Mar. 4	74 5 1	28 5 9	18 16 0	27 3 4
	358 12 5	78 5 9	123 12 0	156 14 8
Gross totals	16,183 16 6	6,579 0 3	6,736 10 4	2,868 5 11

C.

RETURN showing INCIDENTAL PAYMENTS ALLOCATED on account of the Engineer's Department, abstracted from the Books of the Company, from December, 1889, to December, 1894.

Month ending—	£	s.	d.	Month ending—	£	s.	d.
Dec., 1894 ...	2	15	4	Aug., 1892 ...	9	2	7
Jan., 1890 ...	103	16	11	Sept., " ...	8	14	2
Feb., 1890 ...	29	11	2	Oct., " ...	8	16	6
March, " ...	54	5	2	Nov., " ...	1	10	0
April, " ...	5	11	5	Dec., " ...	10	3	0
May, " ...	19	3	2	Jan., 1893 ...	1	7	4
June, " ...	25	12	6	Feb., " ...	3	19	2
July, " ...	3	7	0	March, " ...	12	9	1
Aug., " ...	0	10	3	April, " ...	15	14	10
Sept., " ...	39	18	8	May, " ...	10	6	0
Oct., " ...	22	10	11	June, " ...	19	9	2
Nov., " ...	25	4	5	July, " ...	41	19	8
Dec., " ...	32	16	3	Aug., " ...	3	15	6
Jan., 1891 ...	3	7	8	Sept., " ...	9	19	3
Feb., " ...	8	15	4	Oct., " ...	10	16	11
March, " ...	20	6	6	Nov., " ...	23	9	4
April, " ...	7	9	3	Dec., " ...	12	2	5
May, " ...	2	5	4	Jan., 1894 ...	10	7	8
June, " ...	33	16	9	Feb., " ...	9	6	9
July, " ...	3	11	11	March, " ...	19	7	9
Aug., " ...	1	16	7	April, " ...	6	16	3
Sept., " ...	3	4	4	May, " ...	8	5	7
Oct., " ...	26	0	1	June, " ...	44	11	7
Nov., " ...	2	13	2	July, " ...	3	14	5
Dec., " ...	15	3	9	Aug., " ...	5	0	11
Jan., 1892 ...	3	8	1	Sept., " ...	17	13	2
Feb., " ...	4	2	0	Oct., " ...	10	10	8
March, " ...	13	0	4	Nov., " ...	13	17	7
April, " ...	16	12	10	Dec., " ...	5	6	8
May, " ...	13	6	3				
June, " ...	11	7	5				
July, " ...	1	3	4				
				Total ...	£915	8	0

NORMAN H. M. DALSTON.

EXHIBIT No. 148.

CONTRACT No. 12.—STONY CREEK SECTION.—FINAL CERTIFICATE.

Deductions from Contract.

Description.	Item.	Quantity.	Price.	Amount.
<i>Tunnels.</i>				
Excavation for faces ...	Cub. yds.	27	4/	£ 5 8 0
Excavation in tunnels ...	"	202	6/	60 12 0
Faces and wings in concrete ...	"	28 $\frac{1}{2}$	40/	57 0 0
Lining archwork in brick ...	"	25	60/	75 0 0
Lining side walls, concrete ...	"	28	40/	56 0 0
Iron in tie-bolts ...	Lbs.	700	/4	11 13 4
Cast-iron sink-grid ...	"	89	/4	1 9 8
				267 3 0
<i>Bridges and Culverts.</i>				
Timber, ironbark ...	C.B.M.	0.75	46/	1 14 6
Ironwork in bolts ...	Lbs.	226	/4	3 15 4
Concrete ...	Cub. yds.	256	36/	460 16 0
Glazed-tile drains, 15 in. ...	1 ft.	75	4/	15 0 0
" 9 in. ...	"	58	2/	5 16 0
				487 1 10
<i>Permanent-way.</i>				
Sleepers, ordinary ...	No.	11	2/2	1 3 10
<i>Miscellaneous.</i>				
Reduction of cost, water-race deviation ...	"	"	"	188 19 0

A correct abstract from the records of the New Zealand Midland Railway Company (Limited).

10th May, 1901.

H. W. Younge,
Late Chief Assistant Engineer.

EXHIBIT No. 149.

RETURN SHOWING THE DETAILS OF ANNUAL SALARIES OF THE CHRISTCHURCH OFFICE STAFF
(GENERAL MANAGER'S DEPARTMENT, LAND DEPARTMENT, WORKING RAILWAYS DEPARTMENT,
AND TIMBER DEPARTMENT) FROM 1886 TO 1895.

Name of Officer.	Rank.	Date entered Company's Service.	Rate of Salary per Annum.	Amount Paid.	Total Amount Paid.
<i>For the Year ending 30th June, 1887.</i>					
Scott, H. A. ...	General Manager ...	23/10/86	1,000	£ 687 10 0	£ 891 10 0
Kennedy, J. P. ...	Secretary ...	23/12/86	300	s. 156 5 0	
Pavitt, C. ...	Clerk ...	1/12/86	39	d. 22 15 0	
Smith, N. L. D. ...	Clerk ...	1/4/87	100	25 0 0	
<i>For the Year ending 30th June, 1888.</i>					
Scott, H. A. ...	General Manager	1,000	1,000 0 0	1,933 15 0
Kennedy, J. P. ...	Secretary ...	...	300	300 0 0
Pavitt, T. ...	Manager, Land and Timber Department	1/7/87	300	300 0 0	
Taylor, R. C. ...	Surveyor, Land Department	22/8/87	225	193 15 0	
Smith, N. L. D. ...	Clerk ...	...	100	100 0 0
Pavitt, C. ...	Clerk ...	...	40	40 0 0
<i>For the Year ending 30th June, 1889.</i>					
Scott, H. A. ...	General Manager	1,000	1,000 0 0	1,965 0 0
Kennedy, J. P. ...	Secretary ...	...	300	300 0 0
Pavitt, T. ...	Manager, Land and Timber Department	...	300	300 0 0	
Taylor, R. C. ...	Surveyor, Land Department	...	225	225 0 0	
Smith, N. L. D. ...	Clerk ...	...	100	100 0 0
Pavitt, C. ...	Clerk ...	...	40	40 0 0
<i>For the Year ending 30th June, 1890.</i>					
Wilson, R. ...	General Manager ...	1/8/89	2,200	2,016 13 4	4,256 13 4
Scott, H. A. ...	General Manager to 1/8/89, thereafter Land and Law Officer	...	1,000	1,000 0 0	
Kennedy, J. P. ...	Secretary— To 31/12/89, at ...	...	300	150 0 0
	From 1/1/90, " ...	...	350	175 0 0
Dalston, N. H. M. ...	Accountant ...	1/10/89	300	225 0 0	
Pavitt, T. ...	Manager, Land and Timber Department	...	300	300 0 0	
Taylor, R. C. ...	Surveyor, Land Department	...	225	225 0 0	
Smith, N. L. D. ...	Clerk— To 31/12/89, at ...	...	100	50 0 0
	From 1/1/90, " ...	...	150	75 0 0
Pavitt, C. ...	Clerk ...	...	40	40 0 0
<i>For the Year ending 30th June, 1891.</i>					
Wilson, R. ...	General Manager	2,300	2,300 0 0	4,807 16 8
Scott, H. A. ...	Land and Law Officer ...	...	1,000	1,000 0 0
Kennedy, J. P. ...	Secretary ...	...	350	350 0 0
Dalston, N. H. M. ...	Accountant ...	...	300	300 0 0
Pavitt, T. ...	Manager, Land and Timber Department	...	300	300 0 0	
Taylor, R. C. ...	Surveyor, Land Department	...	225	225 0 0	
Smith, N. L. D. ...	Clerk ...	...	150	150 0 0
Pavitt, C. ...	Clerk— To 22/8/90, at ...	...	40	8 6 8
	From 22/8/90, " ...	...	78	61 15 0
Nicoll, L. A. ...	Clerk ...	16/8/90	36	31 10 0	
Labatt, F. C. ...	Clerk ...	15/12/90	150	81 5 0	

RETURN SHOWING THE DETAILS OF ANNUAL SALARIES, ETC.—*continued.*

Name of Officer.	Rank.	Date entered Company's Service.	Rate of Salary per Annum.	Amount Paid.	Total Amount Paid.
<i>For the Year ending 30th June, 1892.</i>					
Wilson, R. ...	General Manager ...	...	2,400	2,400 0 0	
Scott, H. A. ...	Land and Law Officer ...	...	1,000	1,000 0 0	
Kennedy, J. P. ...	Secretary ...	...	350	350 0 0	
Dalston, N. H. M.	Accountant—				
	To 31/12/91, at ...	...	350	175 0 0	
	From 1/1/92, " ...	...	450	225 0 0	
Pavitt, T. ...	Manager, Land and Timber Department—				
	To 1/11/91, at ...	...	300	100 0 0	
	To 30/4/92, " ...	...	375	187 10 0	
	From 1/5/92, " ...	...	300	50 0 0	
Taylor, R. C. ...	Surveyor, Land Department ...	...	225	225 0 0	
Labatt, F. C. ...	Clerk ...	...	150	150 0 0	
Smith, N. L. D. ...	Clerk ...	...	150	150 0 0	
Pavitt, C. ...	Clerk (left, 30/5/92) ...	...	78	71 10 0	
Nicoll, L. A. ...	Clerk ...	...	36	36 0 0	
					5,120 0 0
<i>For the Year ending 30th June, 1893.</i>					
Wilson, R. ...	General Manager ...	...	2,500	2,500 0 0	
Scott, H. A. ...	Land and Law Officer—				
	To 15/10/92, at ...	...	1,000	291 13 4	
	From 16/10/92, " ...	...	500	354 3 4	
Kennedy, J. P. ...	Secretary (left 31/1/93) ...	...	350	204 3 4	
Dalston, N. H. M.	Accountant ...	...	500	500 0 0	
Pavitt, T. ...	Manager, Land and Timber Department—				
	To 1/2/93, at ...	...	300	175 0 0	
	From 2/2/93, " ...	...	200	83 6 3	
Taylor, R. C. ...	Surveyor, Land Department (left 1/3/93) ...	...	225	150 0 0	
Smith, N. L. D. ...	Clerk ...	...	150	150 0 0	
Labatt, F. C. ...	Clerk—				
	To 1/2/93, at ...	...	150	87 10 0	
	From 2/2/93, " ...	...	200	83 6 8	
Nicholl, L. A. ...	Clerk—				
	To 1/3/93, at ...	...	36	24 0 0	
	From 2/3/93, " ...	...	60	20 0 0	
					4,623 2 11
<i>For the Year ending 30th June, 1894.</i>					
Wilson, R. ...	General Manager ...	...	2,600	2,600 0 0	
Scott, H. A. ...	Land and Law Officer (left 30/6/94) ...	...	500	500 0 0	
Dalston, N. H. M.	Assistant General Manager and Accountant ...	...	550	550 0 0	
Pavitt, T. ...	Manager, Land and Timber Department ...	...	200	200 0 0	
Labatt, F. C. ...	Clerk ...	...	200	200 0 0	
Smith, N. L. D. ...	Clerk ...	...	150	150 0 0	
Nicholl, L. A. ...	Clerk (left 1/1/94) ...	...	60	30 0 0	
Millington, H. ...	Clerk ...	1/1/94			
	To 30/4/94, at ...	...	30	10 0 0	
	From 1/5/94, " ...	...	39	6 10 0	
					4,246 10 0
<i>For the Year ending 30th June, 1895.</i>					
Wilson, R. ...	General Manager ...	...	2,600	2,600 0 0	
Dalston, N. H. M.	Assistant General Manager and Accountant ...	...	550	550 0 0	
Pavitt, T. ...	Manager, Land and Timber Department ...	...	200	200 0 0	
Labatt, F. C. ...	Clerk—				
	To 1/11/94, at ...	...	200 ^o	66 13 4	
	From 2/11/94, " ...	...	225	150 0 0	
Smith, N. L. D. ...	Clerk ...	...	150 ^o	150 0 0	
Millington, H. ...	Clerk—				
	To 28/2/95, at ...	...	39	26 0 0	
	From 1/3/95, " ...	...	50	16 13 4	
					3,759 6 8

RETURN SHOWING THE DETAILS OF ANNUAL SALARIES, ETC.—*continued.*

Name of Officer.	Rank.	Date entered Company's Service.	Rate of Salary per Annum.	Amount Paid.	Total Amount Paid.
<i>For the Eight Months ending 29th February, 1896.</i>					
Wilson, R. ...	General Manager (left, 31/1/96) ...	...	2,600	1,516 13 4	
Dalston, N. H. M. ...	Assistant General Manager and Accountant	...	550	366 13 4	
Pavitt, T. ...	Manager, Land and Timber Department (left 29/2/96)	...	200	133 6 8	
Labatt, F. C. ...	Clerk (left 29/2/96) ...	...	225	150 0 0	
Smith, N. L. D. ...	Clerk (left 29/2/96) ...	...	150	100 0 0	
Millington, H. ...	Clerk (left 9/11/95) ...	...	50	18 2 6	
Total ...	...	...	...	...	2,284 15 10
					£33,888 10 5

The above is a correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 150.

GREYMOUTH-HOKITIKA RAILWAY.—RETURN SHOWING THE COST PER TON, IN POSITION, OF THE CYLINDERS AND GIRDERS IN THE TEREMAKAU BRIDGE ON THE ABOVE RAILWAY.

	Per Ton.
	£ s. d.
Girders (wrought-iron), in position ...	20 9 0
Cylinders (cast-iron) ...	18 17 0
Ditto, filled with concrete, but computed on the weight of the iron only ...	22 7 0

H. J. H. Blow, Under-Secretary.

Public Works Office, Wellington, 13th May, 1901.

EXHIBIT No. 151.

RETURN SHOWING THE WEIGHT OF RAILS AND FASTENINGS NECESSARY TO LAY ONE MILE OF PERMANENT-WAY.

53 lb. Steelway ; Rails, 24ft. Long.

	Approximate Weight per Piece.	Per Mile of Permanent-way.	
		Number of Pieces.	Weight.
Rails ...	Lb. 424	440	Tons cwt. qr. lb. 83 5 2 24
Bed-plates...	3.25	880	1 5 2 4
Fang-bolts...	2.13	1,760	1 13 2 0
Fish-bolts ...	0.973	1,760	0 15 1 4
Spikes ...	0.541	7,920	1 18 1 5
Fish-plates ...	12.125	880	4 15 1 2
Totals ...	...	...	93 13 2 11

Public Works Office, Wellington, 13th May, 1901.

JOHN YOUNG,
Head Storekeeper.

EXHIBIT No. 152.

RETURN SHOWING THE VALUE PER TON OF 53 LB. PERMANENT-WAY MATERIAL, AT LYTTTELTON AND GREYMOOUTH, FROM 1886 TO 1894, ETC.

Year.	Rails.	Bed-plates.	Fang-bolts.	Fish-bolts.	Spikes.	Fish-plates.	Points and Crossings.
<i>At Lyttelton.</i>							
1886 ...	£ s. d. 6 0 0	£ s. d. ...	£ s. d. ...	£ s. d. 24 2 6	£ s. d. 11 15 6	£ s. d. 7 15 9	£ s. d. 16 0 0
1887 ...	5 8 0	...	...	27 6 3	...	7 15 3	...
1888 ...	5 14 0	13 2 0	14 7 0	28 0 0	13 6 6	8 1 3	...
1889 ...	9 0 0	...	16 8 9	28 0 0	15 18 3	10 18 6	19 8 0
1890 ...	7 0 0	13 12 0	15 2 6	28 0 0	14 7 0	9 0 0	...
1891 ...	7 6 6	13 6 0	14 17 6	28 0 0	14 12 0	9 0 0	...
1892 ...	6 10 0	11 15 0	13 3 9	27 12 6	12 13 3	8 10 0	...
1893 ...	5 7 6	11 12 6	12 15 6	27 12 6	12 3 0	8 0 0	...
1894 ...	5 7 6	12 2 0	13 11 6	27 12 6	12 15 0	7 15 6	...
1900 ...	8 16 0	18 17 0	24 4 3	28 3 0	20 10 9	11 2 6	20 0 0
<i>At Greymouth.</i>							
1886 ...	6 15 0	...	...	24 17 6	12 10 6	8 10 9	17 0 0
1887 ...	6 3 0	...	...	28 1 3	...	8 10 3	...
1888 ...	6 9 0	13 17 0	15 2 0	28 15 0	14 1 6	8 16 3	...
1889 ...	9 15 0	...	17 3 9	28 15 0	16 13 3	11 13 6	20 3 0
1890 ...	7 15 0	14 7 0	15 17 6	28 15 0	15 2 0	9 15 0	...
1891 ...	8 1 6	14 1 0	15 12 6	...	15 7 0	9 15 0	...
1892 ...	7 5 0	12 10 0	13 18 9	28 7 6	13 8 3	9 5 0	...
1893 ...	6 2 6	12 7 6	13 10 6	28 7 6	12 18 3	8 15 0	...
1894 ...	6 2 6	12 17 6	14 6 6	28 7 6	13 10 0	8 10 6	...
1900 ...	9 11 0	19 12 0	24 19 3	28 18 0	21 5 9	11 17 6	20 15 0

Public Works Office, Wellington, 13th May, 1901.

JOHN YOUNG,
Head Storekeeper.

EXHIBIT No. 153.

NEW ZEALAND MIDLAND RAILWAY.

1. After the Government took possession of the railway, the company or the debenture-holders contributed moneys pursuant to demands made by the Government, the total sum paid by them being £37,876 15s. 1d. In addition to this total, there was a profit derived from working the open sections of the railway during the period between the seizure and the vesting in the Crown. The net profits amounted to £12,366 4s. 2d., and the total sum of £50,242 19s. 3d. has therefore been provided for the purpose of construction from moneys not forming part of the Consolidated Fund.

2. It is proposed to deal with the question of this sum of £50,242 19s. 3d. entirely separately from the matters which have been referred to the Commission for investigation and report.

3. The only part of this amount which comes within the inquiry of the Commission is the sum of £13,552 2s. 7d., which was expended by the Government in completing the construction between Belgrove and Norris's Gully, and which was included in demands made upon the company and paid by them.

4. It is submitted that this sum of £13,552 2s. 7d. should be treated, as it properly ought to be treated, as moneys expended by the Government in the cost of completion of the portions of the lines of railway referred to in the Commission, in order that the amount expended by the Government in completing the construction, and the amount contributed by the Crown in land, may be ascertained exactly.

5. The Commission would probably think it proper to note in their report that this sum formed part of moneys which had been actually paid by the company to the Government pursuant to demands; but the Government prefer that the sum should remain part of the £50,242 19s. 3d., which, as I have said, they desire to deal with separately and distinctly.

6. Any other course would lead to confusion, as only by this means can the Government avoid splitting up into two parts the total sum contributed by the company or the debenture-holders after the Government took possession.

H. D. BELL, Crown Solicitor,
Per H. J. H. Blow.

EXHIBIT No. 154.

VALUATION OF MINING PROPERTY UNDER "THE GOLD DUTY ABOLITION AND MINING PROPERTY RATING ACT, 1890," FOR YEARS 1891 TO 1901 INCLUSIVE, FOR INANGAHUA COUNTY.

	£					
For year 1891	...	...	...	...	...	145,374
" 1892	...	...	...	...	...	179,844
" 1893	...	...	...	...	...	101,950
" 1894	...	...	...	...	...	92,780
" 1895	...	...	...	...	...	86,450
" 1896	...	...	...	...	...	198,884
" 1897	...	...	...	...	...	300,950
" 1898	...	...	...	...	...	348,426
" 1899	...	...	...	...	...	364,665
" 1900	...	...	...	...	...	427,980
" 1901	...	...	...	...	...	533,510

J. E. HISLOP,
Valuer for Inangahua County.

Rating on unimproved values commenced from the 31st March, 1899.

EXHIBIT No. 155.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—STATEMENT SHOWING THE CAPITAL OF THE COMPANY RAISED IN SHARES AND IN DEBENTURES.

	£		s.		d.		£		s.		d.	
Share capital raised in 1886	...	...	250,000	0	0			250,000	0	0		
Total share capital	...	...						250,000	0	0		
5-per-cent. first mortgage debentures, raised in 1889	£	s.	745,000	0	0							
Less bonds forfeited	...	...	1,200	0	0							
								743,800	0	0		
Further issue of debentures in 1896	...	...	20,000	0	0							
Debentures issued in payment of interest to debenture-holders from October, 1894, to April, 1897	...	...	92,975	0	0							
Total debenture capital	...	...						856,775	0	0		
Total capital, share and debenture	...	...						£1,106,775	0	0		

NOTE.—£92,975 made up as under:—

Interest from October, 1894, to April, 1895	...	...	18,595	0	0
" April, 1895, to April, 1896	...	...	37,190	0	0
" April, 1896, to April, 1897	...	...	37,190	0	0
			£92,975	0	0

The New Zealand Midland Railway Company (Limited),
JAMES COATES,
Receiver in the Colony.

EXHIBIT No. 156.

NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).—RETURN SHOWING TOTAL INTEREST PAID TO THE SHAREHOLDERS AND TO THE DEBENTURE-HOLDERS.

Year ending April,	Interest paid to Shareholders.			Interest paid to Debenture-holders.		
	£	s.	d.	£	s.	d.
1887	4,741	0	11			
" 1888	7,818	16	1			
" 1889	11,254	14	4	4,442	13	4
" 1890	12,867	15	6	34,874	19	11
" 1891	12,423	7	6	37,165	7	6
" 1892	12,469	16	0	37,190	0	0
" 1893	12,469	16	0	37,190	0	0
" 1894	3,117	9	0	37,190	0	0
To October, 1894				18,595	0	0
Totals	£77,162	15	4	£206,648	0	9

New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 157.

MIDLAND RAILWAY.—APPROXIMATE ESTIMATE OF REVENUE DERIVED FROM PASSENGER-TRAFFIC FROM 1ST MAY, 1895, TO 20TH JULY, 1900, IN CONTINUATION OF RETURN DATED GREY-MOUTH, 9TH MARCH, 1901. (Exhibit No. 8.)

	Number.	Value.
Traffic on account of extension-works to Jackson ...	204	£77
Coach and local passengers to Jackson ...	2,836	£1,262

14th May, 1901.

T. RONAYNE,
General Manager New Zealand Railways.

EXHIBIT No. 158.

COPY OF MR. COATES'S PETITION AS RECEIVER.

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

THE humble petition of James Hugh Buchanan Coates, of Wellington, in the Colony of New Zealand, Banker, sheweth:—

1. That he is the Receiver duly appointed by the Supreme Court of New Zealand for the debenture-holders of the New Zealand Midland Railway Company (Limited).

2. That in the interests of this colony in general, and in the interests of the Provincial Districts of Westland, Nelson, and Canterbury in particular, the Government of this colony for some years prior to 1888 desired to encourage, and did encourage, the construction by private enterprise of a main line of railway between these provincial districts, which would thus connect the east and west coasts of the Middle Island by a railroad.

3. After much negotiation, and in view of the inducements offered by the then existing Ministry of this colony, the New Zealand Midland Railway Company was formed in England to undertake the construction of this line.

4. The work involved in this whole undertaking was enormous, presenting as it did some of the greatest engineering difficulties ever met with in this colony, and involving the expenditure of an enormous amount of capital.

5. For these reasons probably the Government of the day shrank from undertaking the work, but added to these objections was the still greater one that the enterprise afforded no certain prospect of profitable return. To adventure private capital, therefore, in such an undertaking required faith in the future development of Westland, Nelson, and Canterbury, faith in the validity and safety of the security offered, and, above all, faith in a friendly and favourable treatment by the Government.

6. In a full measure of this faith a contract dated the 3rd August, 1888, was entered into between Her Majesty the Queen and the company, and the company began the construction of the New Zealand Midland Railway-line, and completed various sections of it, and equipped the same with all requirements, at the cost of about £1,338,000.

7. This money was raised in Great Britain partly by the issue of shares in the company, but mainly by the issue of debentures, and the total issue of debentures was about £850,000.

8. To induce debenture-holders to advance to the company the large sums of money so required an Act was passed called "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884," by which the company was empowered by this colony to give a first charge on the railway. Section 13 of that Act runs as follows: "All such debentures and the interest payable thereon shall be a first charge on the entire assets of the company, including the railway and everything pertaining thereto."

9. The debenture-holders erroneously, as it now seems, relied upon this Act and advanced and lent their money as investors in a colonial security in the belief that they were getting a valid first charge over the railway, its rolling-stock and appurtenances. They had no share in the company's undertaking, and were merely in the position of mortgagees who were entitled to receive a certain rate of interest, the return of their loan, and nothing more.

10. It would be fruitless and invidious to set out all the reasons why the company did not prosper, but from a variety of causes it found itself unable to carry on and complete the whole length of railway-line provided for in the contract.

11. About the 25th day of May, 1895, the Governor, under "The Railways Construction and Land Act, 1881," and on the ground that the company had failed to carry out its contract, took possession of the line, which was almost the only security the debenture-holders had for repayment of their advances, and the Governor has ever since kept possession of the line.

12. Since then the Crown has managed and worked the railway, and carried on its further construction, and has from time to time demanded from the debenture-holders, through the company, the cost of such work.

13. The debenture-holders have satisfied such demands to the extent of £37,876 15s. 1d., which sum, together with £8,518 9s. 9d., the net earnings of the line since the Crown took possession of it, makes in all a total sum of about £1,384,395 thus expended in and about the construction of the Midland Railway.

14. When your petitioner was appointed Receiver it became his duty to test the question of whether the debenture-holders were or were not entitled, under the debentures and under section 13 of the Act of 1884, to a real first charge on the railway, or whether their so-called "first charge" was one that could be defeated and destroyed by the Crown taking possession of the line owing to some default of the company, for which the debenture-holders themselves were in no way whatever responsible.

15. It was considered by the debenture-holders essential, both in the interests of the colony and of the debenture-holders themselves, that this question should be conclusively settled, and it was therefore litigated by your petitioner in the law-courts of this colony and was finally decided

against the debenture-holders by the Privy Council in the month of February of this year, and on the 18th day of April last the Crown served upon this petitioner and upon the general manager of the company a notice of its intention to confiscate the railway and all rolling-stock and other appurtenances at the end of three months from the said date.

16. The position of the debenture-holders is now therefore this: they have advanced to the company as *bonâ fide* lenders, relying on their security, some £764,000, and the whole of this sum has been spent in the construction of the Midland Railway-line.

17. To encourage, and as a premium for the construction of the railway-line, but in no sense as part payment for it, the Crown made certain land-grants to the company valued at about £260,000 in all.

18. These lands have all been sold or mortgaged to their full value, and the proceeds expended in the further construction of the line and the payment in part of interest due to debenture-holders.

19. Since 1894 the debenture-holders have received no interest whatever in cash, though £93,000 is represented by a further issue of debentures, and, including this amount, there is now owing to them for interest a sum of about £207,000, making with the principal moneys due and the £46,395 4s. 10d., in paragraph 13 hereof, a total of £1,017,395 4s. 10d.

20. The railway is about eighty-six miles in length, extending now from Stillwater to Reefton, from Stillwater to Otira, and from Springfield to Patterson's Creek, while some nine miles of it constitute what is known as the Belgrove Extension. The whole of it is perhaps the most substantially built railway-line in the colony, and having now practically made it the absolute property of the Crown by confiscation, this colony has obtained at the expense of the debenture-holders an immensely valuable asset—a railway which must prove of growing service and importance as the population of Westland and the West Coast generally increases, and its enormous mineral and timber wealth is developed. The debenture-holders have no remedy against the company, which is insolvent, all its capital having long since been called up and expended on the construction of the railway.

21. The Crown having taken possession of, and having declared its intention to confiscate the line and everything pertaining to it, the debenture-holders are now deprived of the whole of their security; for all the other assets of the company have been sold or fully mortgaged for the purposes already stated, and they have exhausted all their legal remedies only to find that their so-called "first charge" on the railway is illusory and valueless.

22. The debenture-holders admit that they have now no legal right whatever to the line, no estate or interest in it, and no security whatever over it. Being therefore entirely without legal redress they respectfully ask Parliament through this petitioner to consider their grievance, the injury they have sustained, and the moral and equitable claim they have, in view of the circumstances, upon the Crown for redress.

Wherefore your petitioner prays that your honourable House will be pleased to inquire into the statements contained in this petition, and grant to the debenture-holders such redress as to your honourable House shall seem meet; and your petitioner, as in duty bound, will ever pray, &c.

J. H. B. COATES.

EXHIBIT No. 159.

COPY OF MR. COATES'S PETITION AS AGENT FOR LORD AVEBURY AND OTHERS.

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

THE humble petition of the committee of debenture-holders, consisting of the Right Hon. Lord Avebury (chairman), the Hon. Lionel Ashley, the Hon. A. Brand, Lord Eustace Cecil, Mr. Walter Chamberlain, the Hon. Sir C. W. Freemantle, Mr. R. A. Hankey, Mr. John Rathbone, Mr. Beckwith Smith, Mr. Lindsay Eric Smith, and Mr. William Trotter, sheweth as follows:—

1. A general meeting of the debenture-holders of the New Zealand Midland Railway Company (Limited) was called under the direction of the High Court of Justice, and was held in the City of London on Wednesday, the 16th day of May, 1900, and at such meeting your petitioners were, by a unanimous vote, appointed a committee to represent the debenture-holders in the terms of the following resolution: "That this meeting of debenture-holders of the New Zealand Midland Railway Company (Limited), having considered the statement issued by Mr. Alexander Young, the Receiver and Manager, under date the 7th May, 1900, with the further explanation given by him to-day, hereby resolves: 'That a committee be appointed for the purpose of considering the present position of the debenture-holders, and of advising and consulting with the Receiver and Manager, with full power to such a committee to take such course and generally to act in whatever manner they may deem to be the most conducive to the protection and promotion of the interests of the debenture-holders.'"

2. The amount of debentures originally issued was	...	...	...	...	£743,800
There was a further issue of	...	...	...	...	112,975
					856,775
Add interest accrued, say, three years and a quarter	...	...	...	...	139,225
Making a total of	...	...	...	...	£996,000

3. The last payment of interest was made in October, 1894, and the coupons from April, 1895, to April, 1897, were funded. The interest due October, 1897, and subsequently, has not been met.

4. The circumstances relating to the unfortunate position in which investors in the securities of the New Zealand Midland Railway Company find themselves placed are so well known as not to need recapitulation.

5. The debenture-holders advanced their money, never doubting that in subscribing on the prospectus of the 12th April, 1889, and the trust deed of August, 1889, they were obtaining a full and indefeasible charge on the railway under the Act of 1884, in virtue of which the debentures were created.

6. It is obvious that there would have been no subscriptions to the issue had it been known that if, by chance, differences should arise between the Government and the company it might result in the total loss of the debenture-holders' security. Those who subscribed to the debenture issue never for a moment supposed that the Government of New Zealand could, under any circumstances, have the right to confiscate the lien held by the debenture-holders on the railway, whatever they might be able to do as regards the interest which the company retained in the undertaking after satisfying the debenture-holders' claims.

7. The debenture-holders were never advised or consulted as to any such differences, and they respectfully beg that the Government will take into consideration their position as innocent parties, and will recognise the justice of their claims to an honourable settlement. Your petitioners cannot believe that it is desired to take advantage of any technical legal defect in the debenture-holders' title in order that the colony may benefit at the expense of the debenture-holders.

8. The railway is admitted to be a work of great public utility, and, including the sum of £100,000 provided by the Government, represents an expenditure of about £1,000,000, of which by far the greater part has been provided by the debenture-holders on the faith that the security assigned to them constituted a first and unassailable charge on the undertaking.

Your petitioners therefore confidently appeal to the Government and Parliament of New Zealand, not only for equitable treatment, but for just and generous consideration of their claims.

And your petitioners will ever pray.

AVEBURY.

LIONEL ASHLEY.

ARTHUR BRAND.

EUSTACE CECIL.

WALTER CHAMBERLAIN.

C. W. FREEMANTLE.

R. A. HANKEY.

J. RATHBONE.

BECKWITH SMITH.

L. E. SMITH.

W. TROTTER.

By their duly authorised Agent, and with the sanction of the
Supreme Court of New Zealand,

J. H. B. COATES,

Receiver in the Colony for the Debenture-holders of the
New Zealand Midland Railway Company.

17, Moorgate Street, London, E.C., 18th June, 1900.

EXHIBIT No. 160.

COPY OF MR. DALSTON'S PETITION AS GENERAL MANAGER OF THE NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

THE humble petition of the New Zealand Midland Railway Company (Limited), by Norman Howard Maxwell Dalston, its attorney and general manager, sheweth:—

1. For some years prior to 1888 the Government of this colony desired to encourage, and did encourage the construction of a railway by private enterprise, connecting the Provincial Districts of Canterbury, Nelson, and Westland.

2. In the year 1885 certain accredited delegates from this colony visited England for the purpose of inducing British investors to take an assignment of a contract they had obtained from the then Government for the construction of the above-mentioned railway.

3. The reports and reiterated public and official statements of members of the then Government as to the paying possibilities of the line, brought Home by these delegates, led to the formation of the New Zealand Midland Railway Company (Limited).

4. This company in the year 1886 raised in share capital £250,000, and subsequently raised in debentures £745,000, the whole of which sums have been spent on or in connection with the construction of the railway.

5. On account of the great delays in finally settling the existing contract, the time originally provided for the completion of this work—namely, ten years—was reduced to six years and five months. The company has on many occasions applied for an extension of time, but without success.

6. Through a variety of reasons the company has not been able to complete its contract. The Crown has confiscated the entire railway, which was pledged to the company's debenture-holders in the faith that they (the debenture-holders) would obtain "a first charge," and, therefore, perfect security.

7. The company is earnestly desirous of supporting in every way the object of the Receiver, Mr. James Hugh Buchanan Coates, whose petition on behalf of the debenture-holders of the company has already been presented to your honourable House.

8. The shareholders are all British investors. They did not come to this colony to seek this investment. They were diligently solicited in England by accredited delegates from this colony, and have suffered their great loss mainly owing to a too-generous faith in the representations then made to them, and partly to unforeseen embarrassments in regard to arranging further finance to enable them to complete the construction of the railway.

9. The company is now left without assets or property of any kind. It abandons any legal rights which it has or may have had against the colony, and throws itself upon the generosity of your honourable House, in the hope and belief that it will cause inquiry to be made into the circumstances under which the company was formed and the loss to the shareholders which has resulted, and that it will see fit to grant some redress to the said shareholders.

Wherefore your petitioner prays that your honourable House will be pleased to inquire into the statements contained in this petition.

And your petitioner, as in duty bound, will ever pray.

The New Zealand Midland Railway Company (Limited),
By its Attorney and General Manager,
NORMAN H. M. DALSTON,

EXHIBIT No. 161.

RETURN showing the AGREED ESTIMATED COST of the SEVERAL SECTIONS of the NEW ZEALAND MIDLAND RAILWAY which were COMPLETED by the COMPANY, the VALUE of LAND which the COMPANY was ENTITLED to SELECT in respect of same, the DATES of COMPLETION of each of such SECTIONS, and the BLOCKS of LAND selected by the COMPANY or the RECEIVER in respect of such SECTIONS.

Section.	Mileage.		Estimated Cost.	Proportionate Cost for Land-grant Purposes.	Value of Land-grant.	Date of Completion of Sections.	Blocks of Land selected.	Date of Selection.	Whether vested in Company or Trustees.
	Commencing.	Terminating.								Length.
Springfield Section*	M. ch.	M. ch.	£ 60,000	£ 60,000	£ 30,000	... (1)	44, 50, 62, 64, 67, 70, 71, 77, and part of 54	July to Oct., 1890	Trustees.
Belgrove Section*	...	...	60,000	60,000	30,000	...		Oct., 1888,	Company.
Brunnerton-Jackson's ...	64 20	94 17	203,500	203,500	101,750	13th Mar., 1894 (2)	41, 42, 43, 45, 46, 53, 69, and part of 68	to Jan., 1895 (3)	
Stillwater-Reefton ...	0 00	38 35	275,000	206,800	103,400	29th Feb., 1892 (4)	26, 28, 28, 48, 61, 63, 65, 127, 130, 131, and parts of 54 and 220, and Westport, Ahaura, and Cobden Town Sections	July, 1890, to Nov., 1892 (5)	Company.
			598,500	530,300	265,150				

* See clauses 7 and 28 of Midland Railway contract.

(1) Land-grant given in advance.

(2) Opened to Jackson's on date stated, but portions of line passed for land-grant purposes at earlier dates, as under:—
 Brunner to Kaimata 15th November, 1888.
 Kaimata to Lake Brunner 29th June, 1893.
 Lake Brunner to Te Kinga 13th October, 1893.
 Te Kinga to Inchbonnie 22nd February, 1894.

(3) Block 45 October, 1888.
 " 46 March, 1889.
 " 42 October, 1893.
 " 53 October, 1893.
 " 43 February, 1894.
 " 41 January, 1895.
 " 69 October, 1896.
 " 68 (part) April, 1900.

(4) Opened to Reefton on date stated, but portions of line opened earlier, as under:—
 Stillwater to Ngahere 1st August, 1889.
 Ngahere to Ahaura 14th February, 1890.
 Ahaura to Totara Flat 9th February, 1891.
 Totara Flat to Mawheraiti 27th July, 1891.
 Mawheraiti to Tawhai 28th September, 1891.
 Tawhai to Reefton 29th February, 1892.
 (5) Block 63 March, 1889.
 " 130 June, 1889.
 " 131 June, 1889.
 Westport, Ahaura, and Cobden Town Sections* December, 1889.
 Block 26 August, 1891.
 " 28 October, 1891.
 " 127 January, 1892.
 " 230 (part) May, 1892.
 " 61 August, 1892.
 " 48 November, 1892.
 " 65 November, 1892.
 " 54 (part) July, 1890.

Public Works Office, Wellington, 17th May, 1901.

H. J. H. Blow, Under-Secretary.

EXHIBIT No. 162.

RETURN OF EXPENDITURE BY GOVERNMENT ON SURVEYS IN CONNECTION WITH MIDLAND RAILWAY.

Memorandum for the Under-Secretary.

THE various surveys made by the Government in connection with the Midland Railway have been kept in our books under the following heads:—

	£	s.	d.
Foxhill-Brunner...	3,277	4	0
Foxhill Southwards	797	10	0
Greymouth-Christchurch	3,059	1	5
Hokitika-Christchurch	34	16	8
Hokitika-Malvern	468	0	3
Greymouth-Amberley	10,783	2	0
Amberley-Brunner	1,925	18	8
East and West Coast	15,999	14	10

Our accounts as published do not disclose the separate cost of every route that was tried, and the information is not available.

14th May, 1901.

G. J. CLAPHAM, Accountant.

EXHIBIT No. 163.

RETURN SHOWING THE DETAILS OF LAND-GRANT EXPENSES FROM 30TH JUNE, 1889, TO 30TH JUNE, 1895.

	Years ending 30th June,					
	1890.	1891.	1892.	1893.	1894.	1895.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Office rent	114 9 7	136 13 4	120 8 4	115 1 6	73 15 0	46 17 6
Printing and stationery ..	137 15 6	194 10 4	80 13 10	62 7 4	17 13 11	9 5 7
Wages and salaries ..	1,412 11 6	1,863 18 1	3,162 3 7	2,531 12 11	1,380 14 3	480 4 1
Sundry expenses ..	103 8 8	91 7 1	59 8 11	164 1 7	224 18 0	195 12 6
Discount on mortgages sold before maturity	..	..	..	..	595 18 6	..
Law-costs	60 18 0	74 6 8	28 7 1	12 11 2	246 4 3	158 18 8
Interest on advances ..	..	..	..	..	..	585 0 0
Office expenses	33 11 6	35 10 6	21 17 0	6 18 0	22 6 0	20 7 1
Travelling-expenses ..	207 2 4	345 3 10	188 0 1	79 7 0	99 11 11	76 8 0
Postages and telegrams ..	76 17 0	57 11 5	50 9 6	43 6 1	62 7 1	26 6 7
Auditors' fees	18 7 6	18 7 6	18 7 6	18 7 6	18 7 6	18 7 6
Survey fees .. ..	..	..	0 2 2	134 10 8	..	..
Auctioneers' charges ..	189 11 0	525 6 6	..	31 3 6	4 8 6	..
Rates and taxes .. ..	..	..	..	527 8 10	1,458 13 11	864 14 11
Bad debts .. ..	..	..	..	..	..	7 2 0
Advertising	85 3 0	261 10 2	..	..	..	..
Horse-hire	13 17 6	39 5 6	..	..	..	..
Payments to committee of advice	150 0 0	600 0 0	..	..	..	..
Trustees' fees .. ..	..	105 0 0	..	..	..	..
Totals	2,603 13 1	4,348 10 11	3,729 18 0	3,726 16 1	4,204 18 10	2,489 4 5
Gross total .. ..	..	..	£21,103 1s. 4d.	..	..	..

A correct abstract from the records of the New Zealand Midland Railway Company (Limited).

The New Zealand Midland Railway Company (Limited),

NORMAN H. M. DALSTON,

General Manager.

19th May, 1901.

EXHIBIT No. 164.

CONTRACT No. 32A.—LAKE BRUNNER SUPPLEMENTARY WORKS.—DETAILS OF EXPENDITURE.

1894.		£	d.	s.
Feb. 1.	Herman, F'ayen—Amount of contract for fencing, as per Engineer's certificate	19	8	6
April 28.	Working Railways—Carriage of construction material	22	0	0
May 17.	H. Bignal—Contract amount, as per Engineer's certificate	137	1	10
April 28.	Working Railways—Stores purchased	3	16	1
May 26.	Stratford and Blair—Timber for repairs of Even's Creek Bridge, as per account of 25th April, 1894	46	8	3
April 26.	Working Railways—Railage on poles, sleepers, and birch to Poerua, as per account at 9th May, 1894	5	12	10
May 26.	Wages for labour for periods ending 3rd March, 1894	37	10	9
"	Butler Brothers, as per account at 10th March, 1894	1	10	9
"	Wages for labour for periods ending 31st March, 1894	31	13	9
"	" 28th April, 1894	12	1	1
"	Stores issued " to 29th April, 1894	4	8	10
"	Working Railways—Carriage of construction material, period ending 28th April, 1894	7	6	11
"	Stores issued for period ending 26th May, 1894	0	2	5
"	Wages for labour to period ending 26th May, 1894	21	8	9
"	Working Railways—Carriage of construction material, period ending 26th May, 1894	16	3	7
June 30.	Wages for labour for period ending 23rd June, 1894	41	13	2
"	Timber supplied, as per Engineer's certificate—			
	Birch, 23·83, at 8s. 6d.	10	2	6
	" 5·95, at 8s. 6d.	2	10	6
	White-pine, 61·28, at 3s. 3d.	9	19	4
	Birch, 31·66, at 8s. 6d.	13	9	2
		36	1	6
	Duncan McLean—21 pile-shoes and 35 spikes, 857 lb., at 3d. per pound, as per account at 13th April, 1894	10	14	3
	Carriage for construction material for period ending 23rd June, 1894	3	6	8
July 21.	Stratford and Blair—Timber for Poerua protective works, as per account of 3rd August, 1894	5	0	0
	Wages for labour for period ending 21st July, 1894	47	5	10
	Stores issued	0	2	0
	Carriage of construction material for period ending 21st July	7	6	8
Aug. 18.	Stores issued for period ending 18th August, 1894	0	1	5
	Wages for labour for period ending 18th August, 1894	56	4	11
	Carriage of construction material for period ending 18th August, 1894	13	0	0
Sept. 13.	Forsyth and Masters—Ironbark piles, timber, and willow slips, as per account of 1st August, 1894	8	4	3
" 15.	Wages for labour for period ending 15th September, 1894	40	3	9
	Carriage of construction material for period ending 15th September, 1894	7	6	8
	Stores issued for period ending 15th September, 1894	1	11	4
Oct. 13.	Wages for labour for period ending 13th October, 1894	18	7	0
	Stores issued for period ending 13th October, 1894	2	5	6
Nov. 10.	Wages for labour for period ending 10th November, 1894	8	16	0
	Total expenditure under the the head of Contract 32A	£674	5	3

This is a correct abstract from the records of the company.

20th May, 1901.

H. W. Young,
Late Chief Assistant Engineer.

EXHIBIT No. 165.

CONTRACT No. 46.—BRUNNERTON—STILLWATER BRIDGE RENEWALS.—DETAILS OF FINAL CERTIFICATE.

Schedule of Works as executed.—16th June, 1893.

Description.	Item.	Quantity.	Rate.	Amount.
<i>Bridges and Culverts.</i>				
Excavation of foundations of abutments	Cub. yds.	258	1/9	£ 22 11 6
Excavation of abutments of piers	"	110	2/6	13 15 0
Timber, ironbark (labour)	C.B.M.	104·00	14/	72 16 0
" New Zealand, in transoms	"	16·00	24/	19 4 0
" " in sleepers	"	23·50	12/	14 2 0
" silver-pine	"	7·00	28/	9 16 0

CONTRACT No. 46—*continued.*
Schedule of Works as executed.—16th June, 1893—continued.

Description.	Item.	Quantity.	Rate.	Amount.
<i>Bridges and Culverts—continued.</i>				
Refilling excavations and approaches ...	Cub. yds.	365	1/3	£ s. d. 22 16 3
Pitching ...	Sq. yds.	12·5	4/	2 10 0
Carriage of ironbark and iron from Stillwater ...	...	...	...	13 10 0
Demolition of present bridges, &c. ...	...	...	...	7 10 0
Concrete, packed ...	Cub. yds.	289	21/	303 9 0
" ordinary ...	"	69	29/	100 1 0
Lifting permanent-way ...	Lin. yds.	70	7/4	1 3 4
Relaying permanent-way ...	"	70	1/	3 10 0
Total ...	...	...	...	606 14 1

Correct copy of original record.
20th May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 166.

CONTRACT No. 24.—REEFTON STATION—DEVIL'S CREEK TO INANGAHUA RIVER.

Final Certificate.—Schedule of Works as executed.—4th April, 1892.—Classified Summary.

	£	s.	d.
Grading ...	2,354	1	9
Bridges and culverts ...	1,070	6	1
Fencing ...	192	13	0
Permanent-way ...	1,279	18	8
Stations ...	1,576	15	0
Miscellaneous ...	335	15	1
	<u>£6,809</u>	<u>9</u>	<u>7</u>

NOTE.—Being practically a schedule contract, all items come under the head of "Contract," at schedule rates, or at sub-contract prices *plus* 10 per cent.

Description.	Item.	Quantity.	Rate.	Amount.
<i>Grading.</i>				
Cutting to bank and spoil ...	Cub. yds.	16,959	1/6	£ s. d. 1,271 18 6
Ditching ...	"	166	2/	16 12 0
Forming line ...	Chs.	29	40/	58 0 0
Trimming line ...	"	54·5	10/	27 5 0
Triangle bushwork ...	Lin. chs.	16	52/	41 12 0
Road to Inangahua River, cost <i>plus</i> 10 per cent.	...	...	...	20 8 0
Pitching, hand-laid ...	Sq. yds.	80	6/	24 0 0
Felling, clearing, and grubbing, including advertising for tenders	...	...	...	418 18 0
Level crossings, private ...	No.	1	55/	2 15 0
Metal ...	Cub. yds.	3,042	3/	456 6 0
Soldier's Creek bushwork, cost <i>plus</i> 10 per cent.	...	...	...	12 13 0
Burning bush near buildings ...	...	...	...	3 14 3
				<u>2,354 1 9</u>
<i>Bridges and Culverts.</i>				
Excavation of foundation ...	Cub. yds.	163	2/6	20 7 6
Inlets and outfalls ...	"	1,025	2/4	119 11 8
Timber, New Zealand ...	C.B.M.	53·65	27/	72 8 6
" ironbark ...	"	31·25	60/	93 15 0
Piling, road bridge ...	Lin. ft.	112	6/6	36 8 0
" railway bridge, ironbark ...	"	196	7/9	75 19 0

CONTRACT No. 24—continued.

Description.	Item.	Quantity.	Rate.	Amount.
<i>Bridges and Culverts—continued.</i>				
Ironwork in bolts, &c.	Lb.	1,690	/4	£ 28 3 4
Concrete	Cub. yds.	139.25	40/	278 10 0
Repairing road bridge, cost plus 10 per cent....	...	...	...	3 11 9
Clearing, Soldier's Creek, ... ..	...	...	...	272 16 4
Glazed-tile drains, 12 in.	Lin. ft.	55	5/	13 15 0
" 6 in.	"	250	3/	37 10 0
Concrete pipe-ends	Pairs	1	£5	5 0 0
Box drains	Lin. ft.	50	5/	12 10 0
				1,070 6 1
<i>Fencing.</i>				
Quality No. 3	Chs.	59	27/	79 13 0
Cattle-stops	No.	1	£15	15 0 0
Gates, iron	Pairs	3	£19	57 0 0
Wickets, without cage	No.	3	£2	6 0 0
Picket-fencing	Lin. ft.	280	2/6	35 0 0
				192 13 0
<i>Permanent-way.</i>				
Extra bed-plates on triangle ... ..	...	...	...	2 4 0
Ballast	Cub. yds.	2,828	2/3	318 3 0
Platelaying	Lin. yds.	2,593	1/2	151 5 2
" on bridges	"	11	1/10	1 0 2
Points and crossings, laying	Sets	14	£6	84 0 0
Sleepers, ordinary	No.	2,529	2/4	295 1 0
" on bridges and culverts	"	26	3/8	4 15 4
" for points and crossings	Sets	14	£7 15s.	108 10 0
Carriage of material	Tons	268	17/6	234 10 0
Grade-boards	Each	3	20/	3 0 0
Buffer-stops	No.	5	£12	60 0 0
Timber (walking planks)	C.B.M.	0.70	17/6	0 12 3
Iron	Lb.	13	/3½	0 3 9½
Altering rails for buffer-stops ... ..	...	...	...	1 2 0
Pulling up main line for triangle and cross-over roads	...	...	...	15 12 0
				1,279 18 8
<i>Stations.</i>				
Privies and urinals	No.	1	...	40 0 0
Coal-store, removal, &c. ... ..	...	...	...	25 0 0
Engine-shed, removal and additions ... ..	...	...	...	141 4 0
Oil-stores	No.	1	...	41 16 0
Engine-pits ... ..	...	...	...	64 0 0
Passenger-station ... ..	...	...	...	738 0 0
Removal of stationmaster's house ... ..	...	...	...	83 15 0
Outhouse at platelayer's cottage ... ..	...	...	...	32 5 0
Painting goods-shed ... ..	...	...	...	37 10 0
Papering, &c., at platelayer's cottage ... ..	...	...	...	13 15 6
14 ft. passenger-platform	1 ft.	218	7/	76 6 0
Removal of platelayer's cottage ... ..	...	...	...	50 0 0
Lamp-house and fittings ... ..	...	...	...	26 10 0
Goods-shed, removal, &c. ... ..	...	...	...	175 0 0
Stationmaster's house, clearing ground, drainage, and fittings	...	...	...	24 19 0
Stove for platelayer's cottage ... ..	...	...	...	6 14 6
				1,576 15 0
<i>Miscellaneous.</i>				
Water-supply ... ..	...	...	...	281 15 1
Telegraph	Miles	0.55	£40	22 0 0
Telephone instruments	Sets	2	£13	26 0 0
Cartage and removal, &c., of cement from Soldiers' Creek	...	...	...	6 0 0
				335 15 1

Correct copy of original record.
20th May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 167.

CONTRACT No. 22A—NORRIS GULLY EXTENSION OF BELGROVE—MOTUEKA SECTION.

Final Certificate, being Schedule of Works as executed.—15th January, 1895.—Classified Summary.

	£	s.	d.
Grading	1,514	12	4
Bridges and culverts	1,134	12	3
Fencing	297	0	0
Miscellaneous	54	14	0
	<u>£3,000</u>	<u>18</u>	<u>7</u>

Description.	Item.	Quantity.	Rate.	Amount.
<i>Grading.</i>				
Cutting to bank	Cub. yds.	17,808	1/4	£ 1,187 4 0
Stream diversions to bank	"	980	1/6	73 10 0
Catchwater drains	Chs.	38	15/	28 10 0
Road diversions	Cub. yds.	490	1/4	32 13 4
Felling	Chs.	40	8/6	17 0 0
Clearing	"	80	20/	80 0 0
Metal	Cub. yds.	291	5/	72 15 0
Water-tables	Chs.	46	10/	23 0 0
				<u>1,514 12 4</u>
<i>Bridges and Culverts.</i>				
Excavation for foundations	Cub. yds.	341	1/9	29 16 9
Inlets and outfalls	"	577	1/	28 17 0
Concrete	"	432	45/	972 0 0
Stone pitching	Sq. yds.	86	4/	17 4 0
Glazed-tile drains, 12 in.	Lin. ft.	209	4/6	47 0 6
Concrete pipe-ends	Pairs	4	£7/10	30 0 0
Box drains	Lin. ft.	97	2/	9 14 0
				<u>1,134 12 3</u>
<i>Fencing.</i>				
Quality No. 3	Chs.	186	30/	279 0 0
Gates, iron	Pairs	1	£18	18 0 0
				<u>297 0 0</u>
<i>Miscellaneous.</i>				
Miscellaneous (no details)				54 14 0

Correct copy of original record.

20th May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 168.

CONTRACT No. 28.—PATTERSON'S CREEK BRIDGE FOUNDATIONS, ETC.

Final Certificate, being Schedule of Works as executed.—28th September, 1893.—Classified Summary.

Grading	£	s.	d.
Bridges and culverts	2,888	8	4
	3,851	3	4
	<hr/>		
	£6,739	11	8
	<hr/>		

Description.	Item.	Quantity.	Rate.	Amount.
<i>Grading.</i>				
Cutting to bank	Cub. yds.	23,616	2/	£ 2,361 12 0
" to spoil	"	3,248	1/6	243 12 0
" to bank at Springfield approach	"	2,350	1/4	156 13 4
Pitching, hand-laid, 18 in. thick	Sq. yds.	254	6/6	82 11 0
Felling	Chs.	22	£2	44 0 0
				<hr/>
				2,888 8 4
<i>Bridges and Culverts.</i>				
Excavation for foundations	Cub. yds.	630	3/6	110 5 0
Timber, ironbark	C.B.M.	88·50	42/	185 17 0
" New Zealand	"	38·00	35/	66 10 0
Piling, ironbark	Lin. ft.	1,428	7/6	535 10 0
Pile-shoes	No.	24	26/6	31 16 0
Ironwork in bolts, &c.	Tons	6tn. 9ct.	£28	180 12 0
Cast-iron in brackets and stay-tubes	"	19 tons	£20	380 0 0
Wrought-iron in cylinder-bolts	Lb.	2,020	4d.	33 13 4
Cast-iron in cylinders	Tons	62	£15	930 0 0
Sinking cylinders	Lin. ft.	162	£3	486 0 0
Concrete	Cub. yds.	454	40/	908 0 0
3 in. wrought-iron pipes in concrete abutments	"	"	"	3 0 0
				<hr/>
				3,851 3 4

Correct copy of original record.

20th May, 1901.

H. W. YOUNG,
Late Chief Assistant Engineer.

EXHIBIT No. 169.

SUMMARY SHOWING THE DETAILS OF THE COST OF CONSTRUCTION, WITH 5 PER CENT. ADDED, FOR ENGINEERING AND ADMINISTRATION, TOGETHER WITH 5 PER CENT. INTEREST ON SAME.

1.		2.	3.	4.	5.	6.	7.	8.	9.	10.
Reference to Exhibits.	Exhibit										Section.	Net Value or Cost of Works.	Five per Cent. for Engineering and Colonial Administration on Net Value or Cost of Work.	Total Value or Cost of Works: Columns 3 and 4.	Three Months prior to Date of Contract.	Date Sections opened for Traffic.	Period for charging 5 per Cent. Interest on Total Value or Cost of Works.	Five per Cent Interest on Total Value or Cost of Works: Columns 5 and 8.	Total Value or Cost of Works, with 5 per Cent. Interest: Columns 5 and 9.
Page			£	£	£			Yr. mo.	£	£
143	143	Brunnerton-Stillwater ...	11,682	584	12,266	Sept., '86	Aug., '89	2 11	1,788	14,054
56	70	Timber for bridges... ..	144	7	151	...	...	...	...	151
57	71	Bridge renewals	607	30	637	...	...	...	...	637
55	70	Stillwater weighbridge foundations	140	7	147	...	...	...	...	147
84	86	Stillwater carriage-shed ...	146	7	153	...	...	...	...	153
137	134	Siding, Brunnerton	180	9	189	...	...	...	...	189
142	142	Stillwater-Kaimata, £72,974, less revaluation of rolling-stock, £3,451	69,523	3,476	72,999	April, '86	Dec., '92	6 8	24,333	97,332
45	60	Stillwater carriage-shed ...	576	28	604	Mar., '91	Dec., '92	1 9	53	657
77	83	signals	183	9	192	Jan., '91	Dec., '92	1 11	19	211
38	53	" Station additions	280	14	294	Mar., '90	Dec., '92	2 9	40	334
39	53	" fencing	115	6	121	Jan., '90	Dec., '92	2 11	17	138
48	63	" additions	130	6	136	Jan., '92	Dec., '92	0 11	6	142
51	68	" triangle	110	5	115	Jan., '92	Dec., '92	0 11	5	120
53	69	" "	202	10	212	Jan., '92	Dec., '92	0 11	10	222
36	51	Kaimata-Stony Creek	9,782	489	10,271	Nov., '89	Dec., '92	3 1	1,584	11,855
54	70	Kaimata shelter-shed	147	7	154	Sept., '92	Dec., '92	0 3	2	156
44	58	Kotuku Section	24,267	1,213	25,480	April, '91	Dec., '92	1 8	2,123	27,603
81	84	" girders	2,062	103	2,165	June, '91	Dec., '92	1 6	162	2,327
104	94	" "	10	...	10	...	...	...	...	10
49	63	Lake Brunner Section	28,582	1,429	30,011	Nov., '91	Oct., '93	1 11	2,876	32,887
89	88	" girders and freight	2,930	146	3,076	May, '89	Oct., '93	4 5	678	3,754
82	84	Lake Brunner Section, supplemental	674	34	708	...	...	...	...	708
50	66	Teremakau Section	25,566	1,278	26,844	Nov., '91	Mar., '94	2 4	3,132	29,976
59	71	Inchbonnie quarry-works ...	281	14	295	...	...	...	...	295
104	94	Teremakau, extra protective works	192	10	202	...	...	...	...	202
89	88	Teremakau bridge-work and freight	2,051	103	2,154	May, '89	Mar., '94	4 10	520	2,674
52	69	Ditto	4,469	223	4,692	Mar., '92	Mar., '94	2 0	469	5,161
95	90	Teremakau pile-shoes	293	15	308	Oct., '89	Mar., '94	4 5	68	376
144	145	Stillwater-Nelson Creek ...	55,992	2,800	58,792	May, '87	Aug., '89	2 3	6,614	65,406
78-983-4	83-4	" telegraph-poles	82	4	86	...	...	...	...	86
31	42	Ahaura Section	27,004	1,350	28,354	April, '89	Feb., '90	0 10	1,181	29,535
102-3	94	Ahaura Section, sleepers purchased, McKeone	1,854	93	1,947	July, '89	Feb., '90	0 7	56	2,003
37	53	Ahaura temporary station ...	1,071	54	1,125	...	...	...	...	1,125
58	71	Ngahere stationmaster's house	85	4	89	...	...	...	...	89
89	88	Ahaura Section girders and freight	7,330	367	7,697	May, '89	Feb., '90	0 9	288	7,985
80	84	" sleepers	112	6	118	...	...	...	...	118
32	44	Totara Flat Section	36,299	1,815	38,114	Aug., '89	Feb., '91	1 6	2,858	40,972
43	57	Post-office, &c.	165	8	173	...	...	...	...	173
47	62	" sheep-pens	37	2	39	...	...	...	...	39
104	94	" cast-iron pipes	33	2	35	...	...	...	...	35
89	88	" girders and freight	8,390	420	8,810	May, '89	Feb., '91	1 9	770	9,580
33	46	Mawheraiti Section	36,738	1,837	38,575	Aug., '89	July, '91	1 11	3,696	42,271
89	88	" girders and freight	10,098	505	10,603	May, '89	July, '91	2 2	1,148	11,751
73	82	" "	2,047	102	2,149	Sept., '99	July, '91	1 10	196	2,345
34	48	Squaretown Section	41,394	2,069	43,463	Aug., '89	Feb., '92	2 6	5,432	48,895
89	88	" girders and freight	420	21	441	May, '89	Sept., '91	2 4	51	492
35	50	Permanent-way, Mawheraiti-Squaretown	10,179	509	10,688	Sept., '89	Feb., '92	2 5	1,291	11,979
40	54	Reefton Station	6,809	340	7,149	June, '91	Feb., '92	0 8	238	7,387
85	86	" grading	12	1	13	...	...	...	...	13
87	87	" sundries	43	2	45	...	...	...	...	45
88	87	" "	34	2	36	...	...	...	...	36

EXHIBIT No. 170.

RETURN SHOWING THE DETAILS OF LAND SOLD OR AGREED TO BE SOLD BY THE RECEIVER, INCLUDED IN EXHIBIT No. 110, PAGES 102 TO 107, AND TO BE DEDUCTED FROM THE TOTAL, £24,964 19s. 1d., AT PAGE 102.

Name of Person from whom Company originally purchased.	Name of Present Purchaser.	Area sold.	Price per Acre.	Less Cost of Survey and Transfer.	Net Total.
Mrs. Warner and others ...	Robert Latta ...	A. 30 R. 0 P. 0	£5	£20	£ 130 s. 0 d. 0
W. Perkins ...	W. R. Cook ...	470 0 0	22/6	£50	478 15 0
Total, Stillwater—Jackson's Section					608 15 0
Finlayson, Gilmer, and Savage	Mrs. Borjesson	15 0 0	£8	£20	100 0 0
J. Doolan ...	Totara Flat Dairy Company	4 3 11	Lump sum, £118	£15	103 0 0
J. Galway ...	Wick and Ross	16 0 0	£4	£5	59 0 0
" ...	New Zealand Government	5 0 0	£4 10/	£5	17 10 0
D. Donald ...	J. F. White	32 2 18	£5	£15	148 1 3
Total, Stillwater—Reefton Section					427 11 3

NOTE.—The areas sold are approximate, and subject to survey.

JAMES COATES, Receiver,
New Zealand Midland Railway Company (Limited).

EXHIBIT No. 171.

POHANGINA BRIDGE CONTRACT.—SCHEDULE OF QUANTITIES AND PRICES.

Contractor, William G. Bassett. Date of Contract, 26th September, 1888.

Description of Work.	Item.	Quantity.	Rate.	Amount.
Piling (totara) ...	Lin. ft.	630	4/	£ 126 s. 0 d. 0
Timber, sawn, and in place—				
Totara ...	100ft. B.M.	11,350	28/	158 18 0
Broad-leaved birch... ..	"	2,500	35/	43 15 0
Ironbark... ..	"	30,000	45/	675 0 0
Wrought-iron—				
Plate-, angle-, and channel-iron, in place ...	Ton	202½	£23	4,657 10 0
Bolts, straps, spikes, &c.,	Lb.	8,817	/2½	96 0 2½
Cylinder-bolts,	"	12,384	/4	206 8 0
Pile-shoes,	"	810	/3	10 2 6
Cast-iron in cylinders, painted one coat, on site	Ton	291	£14	4,074 0 0
Sinking cylinders in ground*	Lin. ft.	594	30/	891 0 0
Erecting cylinders whole length	Ton	291	15/	218 5 0
Concrete in cylinders	Cub. yds.	538	32/	860 16 0
Painting trusses, &c.	Sq. yds.	4,049	/9	151 16 9
Painting cylinders	"	568	/7	16 11 4
Carting plant supplied by Government	Lump	...	...	10 0 0
Office ...	"	...	...	40 0 0
Rivets ...	Cwt.	206	17/	175 2 0
Maintenance, one month ...	...	...	...	25 15 2½
				12,447 0 0

* The cutting-ring of the cylinders was 6 ft. diameter, and the ordinary rings were 4 ft. 6 in. diameter.

Labour, per day, 9s.; cart-horse and driver, per day, 16s.; smith or carpenter, per day, 11s.
A true copy.—E. BOLD, Public Works Office, Wellington, 29th May, 1901.

EXHIBIT No. 175.

STATEMENT SHOWING COMMISSION, STAMP DUTY, EXPENSES AND DISCOUNT IN CONNECTION WITH THE ISSUE, IN 1889, OF THE £743,800 5-PER-CENT. FIRST-MORTGAGE DEBENTURES.

	£	s.	d.
Commission and expenses	54,695	1	7
Stamp duty on debentures	3,725	0	0
Discount at 7½ per cent. (debentures issued at 92½)	55,785	0	0
	<u>£114,205</u>	<u>1</u>	<u>7</u>

A correct abstract from the records of the New Zealand Midland Railway Company (Limited).
The New Zealand Midland Railway Company (Limited),
NORMAN H. M. DALSTON,
General Manager.

EXHIBIT No. 176.

GENTLEMEN,—

Wellington, 14th June, 1901.

I beg your leave to submit for your consideration the following suggestions:—

You will remember that the Crown handed in a memorandum stating that two sums of £37,876 15s. 1d. and £12,366 4s. 2d., making a total of £50,242 19s. 3d., should be excluded entirely from your investigation. Of these two sums the former represents moneys contributed by the debenture-holders pursuant to demands made by the Government therefor after the Crown took possession of the railway. The latter sum of £12,366 4s. 2d. represents the net profits earned by the railway while being run by the Government after seizure. It is obvious from the memorandum in your hands that the Crown desires to exclude from your investigation the net profits made by the Crown while running the line during the time I have mentioned, and that, if an error has been made in calculating these net profits, that error should be corrected. I assume that the Government desire to exclude from your inquiry the real net profits, whatever they were, and I therefore beg to call your attention to the fact that the Crown has inadvertently made a mistake in estimating these net profits at £12,366 4s. 2d.

If you will be good enough to turn to Exhibit No. 70, you will find the sum of £915 3s. 1d. which the Crown witnesses admit should be charged to capital account and not to ordinary maintenance or annual expenditure. This sum, the details of which are given in the exhibit referred to, was spent on improvement, and I draw your attention to the letter of Mr. Macandrew accompanying the exhibit, in which he says, "I have included in the list only those works that are considered to be improvements to the line, and have not taken into account the amount spent in ordinary maintenance."

Again, I draw your attention to Exhibit No. 2, and you will find that a sum of £1,287 8s. was spent in the year ending 31st March, 1899, on new rolling-stock and signals; that a sum of £2,713 15s. 4d. has been charged for new rolling-stock and signals on the Reefton-Jackson's line between 1889 and 1900; that £2,287 6s. has been charged during those years for protective works on the Reefton-Jackson's line; and that £127 11s. 4d. was spent in 1898 and 1899 on protective works on the Springfield-Otarama line. You will find that all these sums, making a total of £7,331 3s. 9d., have been deducted as ordinary annual expenditure or maintenance from the revenue earned by the railway while it was being run by the Government. It is quite plain, and it will, no doubt, be at once admitted by the Crown, that these deductions have been made improperly—presumably inadvertently. There should, therefore, be added to the sum of £12,366 4s. 2d. this sum of £7,331 3s. 9d., which, as I have shown, represents additions to the rolling-stock and permanent improvement of the line. The net earnings should, therefore, be £19,697 7s. 11d., instead of £12,366 4s. 2d. I do not include, as I submit I might, a sum of about £2,000 included in the item of £10,446 10s. 4d. appearing as maintenance in the year 1898-99 on the Reefton-Jackson's line. I might refer you to Mr. Christopher's evidence to show that a large amount of repairs were done to the line, but that in making these repairs the work was done in such a way as to add to and increase the permanent value of the line. However, this might be a contested item, and I desire to confine my present observations to items which are beyond contest. If, then, I am correct in assuming that the Government desire to ask you to exclude the money the debenture-holders paid and the net profits earned by the line, will you be good enough to exclude the items I have drawn your attention to, and state in your report your reason for so doing.

I have sent a copy of this letter to Mr. H. D. Bell.

I have, &c.,

F. G. FINDLAY,

Counsel for the Receiver.

The Chairman and Members of the New Zealand Midland Railway Royal Commission.

Crown Solicitor's Office, Wellington, New Zealand, 15th June, 1901.

GENTLEMEN,—

Dr. Findlay has handed me a copy of his letter to yourselves of the 14th instant.

I desire to point out that the matters referred to by Dr. Findlay are matters of account between the company and the Government, under section 123 of "The Railways Construction and Land Act, 1881." Those matters of account have not been referred to the Commission, nor is it possible that the Government could submit the principle or method of its accounts to the determination of any tribunal.

I submit that sections 123 and 124 of "The Railways Construction and Land Act, 1881," show that the Governor determines the matters in connection with this account, and that the only remedy of the company is an application to the Supreme Court, and that application is limited to the matters specified in paragraph (2) of section 124.

I have, &c.,

H. D. BELL,
Crown Solicitor.

The Chairman and Members, New Zealand Midland Railway Commission, Wellington.

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