

works costing £400,000, instead of granting land, would a company make the railway to Wanaka?—It is nearly as broad as it is long.

180. You would not then be “hampered”?—There is this difference: they would have power to settle the land: if the Government did not settle the land, their money would be thrown away, because there would not be any traffic.

181. *The Chairman.*] Would it not be to the interest of the Government to settle the land as much as the interest of the company?—Yes; but Governments do not always follow their interest or their duty in regard to the settlement of the country. But, however, that may be, what can I expect when the Surveyor-General of the colony says here that the interior of Otago ought not to be settled for years to come, but to be left for pastoral occupation.

Mr. O’Callaghan: He meant as to the freehold.

Hon. Mr. G. F. Richardson: I understood Mr. McKerrow that he did not wish to see the freehold parted with for some time.

Mr. O’Callaghan: He meant “settled in freehold.”

183. *Mr. Kerr.*] Did I understand you, Mr. Pyke, to say that there was no gold-mining there: that it is not a mining district?—No; there are mines all around it, but none that the line will touch or interfere with.

TUESDAY, 5TH JUNE, 1888.

Mr. W. N. BLAIR, Assistant Engineer-in-Chief of the Colony, further examined.

184. *The Chairman.*] The Committee, Mr. Blair, want you to give some further evidence with regard to the Otago Central Railway. I sent by the clerk a memorandum containing some of the particulars upon which we require information. Have you a reply ready for the Committee?—I have your memorandum, and can give the items of information to which it refers. [Appendix B, C, D.] Would you prefer that I should give the items separately?

185. Perhaps it would be better if I should put each clause in the form of a question which you could answer. The Committee would then have this memorandum before them. In the first place, I would ask, can you give us an estimate of the cost of construction?—The total cost of the line—that is, to the 31st March, 1888—has been £388,143. That has been an expenditure for grading, bridging and culverts, fencing, engineering and office, land, surveys, and other charges. I shall give you the items separately.

186. *Mr. Whyte.*] For how many miles?—That is for thirty-three miles.

187. *Mr. O’Callaghan.*] Does that include surveys?

The Chairman: He is giving evidence on totals first; he will go into details afterwards.

Witness: I will give you the items, omitting shillings and pence: First there is grading, £247,717; bridges and culverts, £93,318; fencing, £3,249; engineering, £17,125; land, £3,986; surveys, £12,197 9s. 2d.; other charges (platelaying, &c.), £10,548: total, £388,143. Then, the value of the permanent-way on the ground, that is set down at £18,591.

188. *Mr. Whyte.*] That is not yet charged?—It is not yet charged to the line, but it is included in the statement showing the expenditure each year, which I think you asked for, and which I produce. It gives you the information you require. It is a schedule of the votes and liabilities, and the amount expended each year since the work began. [Schedule handed in.]

189. Does that amount for permanent-way go outside the thirty-three miles?—No.

190. Then it has to be added?—Yes.

191. *Hon. Mr. Ballance.*] Will the £18,000 complete it?

The Chairman: No; that applies to permanent-way on the ground only, which is not sufficient to complete the thirty-three miles.

Witness: The total estimate of the line to complete the thirty-three miles would be £501,333. The liability at the end of the year 1888 was £24,540. The estimate to complete the formation to Sutton is £52,350; which would make the cost, including the Sutton formation, £465,033. That is the last estimate we have prepared: that is, exclusive of permanent-way materials the cost would be £1,100 a mile.

192. *Hon. Mr. G. F. Richardson.*] Then what would be required in addition to complete the Sutton would be £33,000?—£36,300.

193. *Hon. Mr. Ballance.*] Would that be included in the £52,000?—No; it is included in the £1,100 per mile.

194. *Mr. Whyte.*] Will you be good enough to give us the exact total?—£501,333.

195. That would be over £15,000 per mile. Can you give us the estimate to Middelmarsh?—Yes: to complete the line to Middelmarsh, which is seven miles further, the cost would be £525,683.

197. *Hon. Mr. Ballance.*] What is the total cost of that seven miles?—For formation and rails the cost would be £24,350.

198. *Mr. J. McKenzie.*] That portion is easier made, is it not?—Yes; that is on the flat. The portion below is all gorge.

199. *Hon. Mr. G. F. Richardson.*] You mentioned a sum of £682,000 to Taieri Lake: that was for sixty-seven miles?—Yes.

200. *Mr. Whyte.*] Then there is a sum for surveys: that would be for the line into Hawea?—Yes.

201. So that the syndicate would have the benefit of that?—Yes.

202. *Mr. J. McKenzie.*] What was the first estimate of cost?—The first reliable estimate—that made in 1878—was for £1,100,000; that was right to the lake. It was for 160 miles; but the distance is 184 miles.

203. Would you have no separate estimate of the portion of the thirty-three miles constructed