

230. *Mr. Macarthur.*] What would be the saving?—The value of old rails is about £3 15s., and the new steel rails £7; that would be a saving of £3 5s. [See statement subsequently furnished by Mr. Hales, printed on page 19.]

231. How long do you think the kauri sleepers will last?—About seven or eight years—that is, you would have to renew them gradually.

232. Do you know what the sleepers cost?—3s. each—that is, 5,334 sleepers, £781 12s. 11d., for the Kaihu Valley Railway.

233. That would lay about two and a half miles?—Yes. This material was on the ground before the Government had anything to do with it.

234. *Mr. Monk.*] Is there not some error as to the sleepers costing so much—3s.—because puriri sleepers only cost 3s. 2d.?—I do not think we ever get any sleepers delivered for less than 3s.

235. Do you know whether any attention has been bestowed on the use of branches cut out of large timber. It has been stated that the branch timber has been cut out of some small stuff so long as it is hard?—That may be so, but of course only timber of the best quality is accepted.

236. I merely put the question to you to know whether supervision has been exercised in that direction?—We always exercise the greatest supervision, but the kauri is a very difficult timber to deal with in that way.

237. *Mr. Macarthur.*] I would like to know about the matter of progress-payment: on what principle do you vouch for the payments if you did not supervise the work?—On the certificate of the engineer; he sent in the details every month, and on these, advances were made to the company from the Trust Fund.

238. Then you had no guarantee that they (the contractors) would be paid by the company?—No; of course I had to trust the company; it was made as an advance direct, and the money was handed to them direct to pay.

239. *The Chairman.*] Then, they might pay it to the credit of their account if they chose?—They might do so, but it would be deceiving the Government, for whom I was acting. The intention was to hand the money to the contractor.

240. But the Government had no guarantee that the contractor would have got it?—No. I got the certificate of the engineer that this money was due on the contract, and on that certificate I signed, generally with the secretary and one of the directors of the company. A cheque for the amount was passed into the secretary's hands for payment, and on my vouchers I retained the engineer's certificate, which I have.

241. *Mr. Macarthur.*] If that railway were converted into a tramway worked by horses, would it not be worked more cheaply?—I do not think so.

242. Do you know anything about the titles to the land—as to their completeness or otherwise?—None of them are complete, I think, yet.

Mr. DANIEL FALLON examined.

243. *The Chairman.*] I understand you are a contractor of the Kaihu Railway?—Yes.

244. How many miles were on your section?—2 miles 21 chains.

245. And the amount of the contract?—Was about £12,450.

246. When did you stop operations?—In April last.

247. And how far do you consider you were on with the contract?—I consider I have about seven-eighths of the formation done. I think there are about 4 chains of cutting and about 13 chains of bank to complete.

248. And how many bridges?—There is the 90ft.-span bridge at 18 miles 40 chains; I think there are three 20ft. spans, one 40ft. span, and one 90ft. There are two of 75ft., five of 15ft., five of 20ft., and one of 75ft., with three of 20ft. and one of 15ft. attached to it. Nearly all the timber for the bridge-work is on the ground. The trestle-work of the big bridge is up, with the exception of the far side and the longitudinal counter-struts.

249. How long might you take to finish the contract, supposing you were to go on with it again?—In favourable weather, in about four months. All the ironwork is completed, and the whole of the bridges are completed or in hand.

250. What payments have you received from the company?—I have received one payment of about £636 12s. 7d.

251. Is that the only payment?—Yes. Of course the £500 deposit was returned to me.

252. And you have a mortgage of £5,000?—Yes; a second mortgage on the endowment.

253. You have not received in money and in mortgage sufficient for the work done?—Oh, no! I think the last payment was £670 odd, less 20 per cent. that was deducted for the contract.

WEDNESDAY, 19TH FEBRUARY, 1890.

Mr. THEOPHILUS KISSLING examined.

254. *The Chairman.*] You are District Land Registrar, Auckland?—Yes.

255. Could you supply the Commission with a statement showing the position in regard to title to the various lands over which the Kaihu Valley Railway runs?—I will do so, but it may take some days. You mean the position in which the Government stands in respect of its mortgage to the lands which are covered by the Kaihu Valley Railway Company.

256. *Mr. Macarthur.*] I would go a little further than that, and say as to the position in which the Kaihu Company stands in respect of its titles?—Yes. [For copy of statement, see pages 19–21.]