Wednesday, 14th September, 1892. Hon. Mr. Seddon's Statement.

The Hon. Mr. Seddon: I want to call the attention of the Committee to the statement made by the company in asking for the deviation of the line at Lake Brunner, that it would be shorter and cheaper. That statement will be found on page 1 of D.-8B, of 1890. If members will look at the paper they will find these words, which are contained in Mr. Wilson's letter of 4th December, 1889: "Secondly, the line would be about three-quarters of a mile shorter, and would probably be less costly to construct." I have here a telegram from Mr. Napier Bell to Mr. Wilson, dated 12th February, 1891. It reads as follows: "Deviation, eighteen miles sixty-five chains; old line, seventeen miles four chains, reckoning from termination Stony Contract to Organipuku Crossing." that the deviation was then understood to be 1 mile 61 chains longer than the original line. I believe it has since been found to be a little shorter than that, and that it may now be put down at about a mile and a half longer. Taking Mr. O'Connor's original report, therefore (the one of the 15th April, 1890), the line being longer than the original line, the advantages claimed for it by him are done away with. And, again, having to work an additional length of line will affect the cost of working. Not only that, but you must add the cost of working the steamer on the lake to connect with the south-west district by the road that is made to Lake Brunner; so that, taking it altogether, there will be no saving at all; and then there is the increased cost of flattening the grades before the line gets to Lake Brunner. It may be said that the grades on the deviation line are flatter than on the old line; but an alternative plan will give the same grades on the old line that have been got on the new line, with a little addition to the length of the old survey. Then, of course, there must be added to this the increased cost of making the new line. Instead of being less, as originally supposed, it is admitted by the company to be £600 to £700 more; and probably it will turn out to be more than that; so that, as regards the Government insisting on having the fullest information on the subject, and the necessary guarantees, subsequent events have proved the wisdom of the course taken. Referring now to Part D of the petition—namely, as regards the proposals for the Abt Incline-system, I will just read clause 4 of the contract:

4. The company shall not, without the consent of the Governor first had and obtained, deviate from the line of 4. The company shall not, without the consent of the Governor lirst had and obtained, deviate from the line of railway as surveyed, or alter any gradients upon the said railway as the same are shown upon the plans of that portion of the said railway from Springfield to Brunnerton, deposited in the office of the Minister for Public Works, marked P.W.D. 11554, 11555, 12007, and 12009, copies whereof have been handed to the company before the execution of these presents: Provided that so much of sheets 45A, 46A, 47A, and 48A of the said plan 11555 as apply to the "incline-line" at Arthur's Pass shall not be deemed to be part of the said plan: Provided also that the company may construct the incline-line instead of the tunnel-line, if the Governor, after having obtained the opinion of two eminent engineers to be nominated by him, is satisfied that the incline-line, when made, will be suitable for mineral and other heavy traffic, and, in his opinion, worked at a satisfactory cost; and if the cost of the construction of the entire line from Springfield to Belgrove shall be less than two million five hundred thousand pounds, a reduction shall be made in the grant of land to the company proportionate to the amount saved by the substitution of the incline-line for the tunnel-line.

Now the application to adopt an Abt incline-line instead of the tunnel-line was made by the company on the 19th of August, 1891. After looking through the proposals they were submitted to the Engineer-in-Chief. I may say that my first idea was that we should have to send them Home to two eminent engineers in the Old Country, and my object in referring them to the Engineer-in-Chief was to ask whether the information supplied by the company was sufficient to enable engineers at a distance to decide upon the proposals. Mr. Hales's reply was, "No, certainly not;" and then, after going carefully into the matter, he reported on the 3rd of November, 1891, what further information should be supplied by the company; and two days afterwards the company were asked to furnish the further information. This is Mr. Hales's report:

Under-Secretary for Public Works.

MR. Wilson's report very fairly describes the character of the country in the Otira Gorge, along which the line for the railway has been laid out, and the difficulties likely to be encountered in constructing and maintaining a line of railway on the route as surveyed. Some of these difficulties are, however, common to both the original tunnel-line and the incline-line which he recommends; besides, the latter, being along the bank of the Otira River for a considerable distance, will require protective works of considerable magnitude, and will always be liable to damage from scour

There is no reason to suppose that the cost of constructing the railway on the tunnel section has been underestimated, as suggested by Mr. Wilson; and Mr. Hay's report shows what may also be reasonably assumed, that the cost of working the traffic on the incline-line will not be less than that on the tunnel line.

The report and the tracing of sketch-plan and sections drawn to a small scale do not, in my opinion, sufficiently describe or show the character of the country and nature of the works proposed for the construction of the incline-line to enable the Government to decide on the matter; and the engineers to whom the question may be referred would have to be supplied with more extended and detailed plans, sections, and cross-sections, as well as other information regarding the character of the country to be traversed by the railway, and of the works designed for its construction, before they could be expected to decide on the merits of the scheme.—William H. Hales.—3/11/91.

When this matter was submitted to the Engineer-in-Chief, Mr. Hales, before reporting himself, had the whole question carefully looked into by Mr. Hay, who has gone into details in connection with the matter. Mr. Hay is a Master of Arts, and a member of the Institution of Civil Engineers, and on questions such as the one submitted I understand that his opinion as an engineer would have very great weight with any engineer in New Zealand or the Old Country. This is what he says: [Mr. Hay's report of the 24th October, 1891, read. See Appendix, p. 74]. On receipt of this and Mr. Hales's report we wrote, three days afterwards, asking the company to supply this further information. As I have said, we wished to have it so that we could be in a position to submit it to two eminent engineers, as required by the contract. Had we appointed engineers at Home to have acted for the Government the result would have been that, on the information sent, they would have been in doubt, they would then have written out for further information, and there would have been the delay of this letter coming here and a reply being returned thereto. Mr. Wilson and myself had several interviews in reference to