

partners connected with the Abt system, was willing to give information on the part of the company if you had chosen to avail yourself of his evidence?—You said so, but, after consideration, I came to the conclusion that, as he was not one of the engineers of standing to whom the matter had been referred, it would be better to keep to the contract.

98. Are you aware that when Mr. Maxwell went over the ground from the Otira Gorge he was accompanied by Mr. Rinecker and myself, and that he had every possible facility for obtaining detailed information from Mr. Rinecker relative to the Abt system of traction?—I am not aware that Mr. Rinecker was with Mr. Maxwell. I do not doubt your statement. You state it as a fact; I say I am not aware of it. Officially the Government did not communicate with Mr. Rinecker, and would not do so supposing he were here again. We keep within the lines of the contract. We appoint two engineers, and it is a matter for them to deal with.

99. Did I not raise the question relative to the engineers' report, as to their keeping within the scope of the inquiry?—The correspondence will speak for itself.

100. I think we had an interview—yourself, Mr. Hilton (one of the directors of the company), and myself—relative to the difficulties in connection with administering the contract, and suggestions were made during the conversation as to a means of getting over these, and also for rapidly completing certain parts of the line. If I am not mistaken, I think it was on your suggestion that we formulated the proposals which we now lay before the Government as a means of overcoming the friction and difficulties of the past three or four years. And I think it was yourself who said that we should place these proposals in a concrete form for the Government to consider them?—Certainly. I did not suggest anything. I listened to all you and Mr. Hilton had to say, and I said it was for the company, if they had any proposals to make, to submit them in writing.

101. In concrete form?—Yes, but I suggested nothing. You put the position of the company before me, and my reply was, "If you have any proposals to make, submit them in a concrete form." You went into intricate financial proposals, and I said it was better to have them in writing in a concrete form.

102. You said, I think, that it was better to submit them to the Premier, as he had more cognisance of financial matters than yourself. That was the cause of the company bringing forward the proposals?—No; it was because the company were in financial trouble. That is what you told me. You were in a fix because you had not got the money. You said you had certain financial proposals to make, and I told you that it was a matter for the Premier more than for me, and that you should submit them in writing in a concrete form.

103. *Mr. Tanner.*] Did I understand you to say that the bulk of these applications put in were applications for pieces of land which may be described as "keys" to local positions and strategic pieces which would not become valuable in themselves, but only in relation to other pieces?—Yes, "spotting."

104. And that applications of this description formed the bulk of the applications?—Yes.

MONDAY, 19TH SEPTEMBER.

Hon. R. J. SEDDON in attendance and further examined.

Hon. Mr. Seddon: There is a question to which I should like to refer before any further questions are put to me. You will remember Mr. Wilson asking me a question with reference to the working of a steamer upon Lake Brunner, and in answer to which I said that the whole of the profits made by the deviation would be applied in the working of the steamer. Upon this Mr. C. Y. O'Connor gave us a statement on the 21st of February, 1891. He shows that the saving in working the line would be about £525 per annum on a traffic of 200,000 tons a year; so that when you take into account the working expenses of the steamer, the interest on the money expended, and the cost of the alterations before getting to Lake Brunner, it will be seen that I was not very far out.

1. *Hon. Sir J. Hall.*] That is on 200,000 tons?—Yes; that is supposing the traffic to be 200,000 tons per annum. This is the statement of Mr. C. Y. O'Connor, showing the saving that would be effected in working the line.

Mr. Wilson: I object to that, for my statement is not in. That refers to a saving between point and point. My statement refers to the whole cost from East to West Coast. I have always pointed out that this was a matter of great importance in connection with the deviation. My statement shows a much bigger saving than that.

Hon. Mr. Seddon: We must adhere to the deviation as it was proposed at the time the consent was given. It does not make any difference as to alterations made between Lake Brunner and Springfield. Mr. Wilson has said since, "We have shortened the line." I say that that has nothing to do with the question. The question was, what advantages would accrue by granting the deviation. That is the question. I said that, taking the deviation as compared with the original line, there was no benefit on working the deviation, putting all things together.

2. *Hon. Sir J. Hall.*] That is, including the costs of construction and the costs of working?—It costs £700 more to construct, and it is a mile and a half longer; at all events, Mr. O'Connor only shows a saving of £525.

Mr. Wilson: Is it expert evidence we have received from Mr. Seddon? If so, I decline to receive it as such. Is it not a fact that one of the conditions of running that steamer was that it should be run when the traffic necessitated it.

Hon. Mr. Seddon: The Act speaks for itself.

Mr. Wilson: And that the steamer would be used when the traffic required it, and in that case the steamer would be self-supporting; that the cost of working the steamer would not come off the saving in the cost of the deviation.