

245. And you had to wait seven months after you got consent before you started the construction of the line according to the deviation?—Yes, on account of the force of circumstances which kept us back.

246. Hon. E. BLAKE.] If I rightly understand, you had put yourselves under obligation not to borrow any more money until you had finished the Reefton line, and, as it was not finished until 1892, you were therefore not in a position to finance for the other part of the line until that had been done; and you say that the delay in consenting to the deviation debarred you from financing?—Yes; because when we asked for this deviation, and I submitted to my directors a new contract, I said we could get this deviation without any new Act. Then, when the Government drove us to go to the House, and the news was read in London that the Government were not assisting the company, we could not get the assistance we required.

247. *Sir R. Stout.*] Who read it?—I have no doubt those who received their communications from the colony.

*Sir R. Stout:* Then you yourselves injured your own finance. We cannot be responsible.

Hon. E. BLAKE: I think you said the Government themselves brought in a Bill?

248. *Sir R. Stout:* So it did. I do not think it necessary to trouble the Court about the Abt Incline, the company's objection to that being that the Government asked their engineers to report on matters that should not have been reported on. Is that not so, Mr. Wilson?—Yes, that is the only objection I have raised.

249. That the Government should not ask for the opinion of their engineers?—My contention is, that under the contract—

250. Which section?—Sections 3 and 4 specify: Section 3: "The said railway, and all other works in connection therewith which are provided for in this contract, shall be constructed, maintained, and worked under the provisions of these presents, and shall be well and faithfully constructed of sound materials, and of sufficient strength and durability, having regard to the nature of such works, upon plans, both general and detail, to be from time to time approved of by the Engineer, and so that the details shall as nearly as may be conform to the approved standard drawings in use on the New Zealand Government railways." Section 4: "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."

251. What do you assert beyond that?—That the Government went into important construction details, which did not affect the work. The design affected the cost of the work, and the light incline was quite as efficient for working the heavy mineral traffic.

252. Did not the Government engineers conceive it to be their duty to learn all about this new system of the Abt incline, and to investigate the matter as fully as possible as to how it would carry the heavy traffic, and also the cost of carrying the heavy traffic. You think they had nothing else to do except to give their opinion?—Yes; I gave them information to enable them to do that.

253. What did you give them?—Merely on the question of fact, I gave them grades, curves, the weight of the rails, and the weight of the engines.

254. What did they say they wanted?—They said in their report to the Governor that they considered it would be an improvement if I eliminated the switchback, and by doing so curved the line around the end of the Rolleston Creek, and brought it down with a double curve, or "S," such as used on many lines adopting the Abt system. The reversal, or switchback, is used in cramped country where you cannot get in your curves. They said it would be important; but I contended they had no right, in their report, to question the engineering design of the line so long as it was capable of dealing with heavy traffic and of doing the work at a reasonable cost. I considered it was beyond the scope of their inquiry. The Government considered, however, that my objection could not be sustained, because we had shown such a saving in the cost of the incline as compared with the cost of the tunnel. The extra expense of putting in the "S" was not a trifling matter. I say, that one alteration increased the cost something like £30,000.

255. Might it not amount to this: the Government engineers considered that their proposal was more satisfactory for the future working of the line than your proposal of an Abt incline?—I have to set against their opinions the experience of years.

*Sir R. Stout:* I am not saying your opinion was not right. But the suggestion, as to the two engineers the Government appointed, came from you.

Hon. E. BLAKE: I think I observed during the proceedings before the Committee the objections by the company in respect to the delay regarding the Abt incline were withdrawn.

*Sir R. Stout:* Yes.

*Witness:* It was withdrawn, as it was intimated that if there was unnecessary delay we should not get our report through the Committee; so we withdrew it. I still maintain it now. I do not raise the question, however, excepting as to the right of the Government to go into the question of design, on the ground that their reference did not give them scope for it.

256. *Sir R. Stout.*] That was done by the engineers who were appointed by the Government to report. They suggested, after seeing your plan, that the line would be more efficiently worked if that plan were altered and a "S" turn put at Rolleston Creek?—That was their opinion.

257. But you know that is what led the Government ultimately to give way to them?—Yes; but they had the good luck to have the opportunity of discussing the system with the partner of Abt in Germany (Reinke), who came to the colony.

258. Even if the Government had delayed in regard to the Abt line, you have never been ready to construct the line over Arthur's Pass, and running it there?—If you will refer to the correspond-