

February, 1897, £3,699; for the twelve months ending February, 1898, £5,331. For the twelve months ending February, 1899, the expenditure exceeds the receipts by £2,840; for the six months ending August, 1899, the expenditure exceeds the receipts by £1,353; and for the six months ending February, 1900, the receipts exceed the expenditure by £3,325.

36. Now, as to the rate of construction. There were eighty-two miles constructed in 1895. How long did the company take to construct those eighty-two miles?—Seven years.

37. How much has the Government constructed in the last five years?—I can only take the figures given by Mr. Bell, and I understand it is twenty-six miles.

38. Completely constructed?—No. I do not think there is a section open and running yet.

39. *Mr. Graham.*] None of the sections?—I fancy the twenty-six miles represent the section from Jackson's to the Otira Gorge.

40. *Dr. Findlay.*] You lived on the West Coast for some time?—Not continuously.

41. For what period continuously?—I think the longest time would be about a year.

42. You were then in the service of the company?—Yes.

43. Can you say from your own knowledge that the line constructed has been of very great service to the West Coast?—Yes. I think the Government witnesses admit that it is so.

44. *Mr. Bell.*] With regard to your opinion as to your having constructed the cheapest and easiest part of the line, do you mean to say that the company did not construct the cheapest and easiest part of the line?—I do not mean to say so; but what I mean to say is that you wished the Committee to understand that we deliberately picked out the cheapest and easiest sections, and it is not so.

45. But, as a matter of fact, you did construct that which was the cheapest and easiest part of the line. I refer you to the return of the estimated cost. The estimated cost of the whole line from Springfield to Brunnerton is £1,500,000, and the estimated cost from Springfield to Jackson's is £1,296,500?—Yes.

46. The section you did complete constituted the difference between those two?—Quite so; but from that difference you must deduct the £60,000 which we spent at Springfield.

47. Jackson's to Paeroa, £34,100; Paeroa to Laketown, £21,300, and so on?—Quite so.

48. You did not touch the section which was estimated to cost £1,296,500?—No, except the £60,000 just referred to.

49. Then, with regard to the other portion, from Stillwater to Belgrove, the estimated cost of the whole is £1,330,000, and the estimated cost of the portion you did not touch—that is, from Reefton to Belgrove—is £1,055,000, the sections which you did touch being sections estimated to cost from £20,000 to £60,000?—Quite so; but you will remember that we spent a further £60,000 at Belgrove. I think it will be admitted that the directors would naturally construct—not because it was the cheapest—that portion of the line which would most quickly return receipts.

50. That is what I said?—Quite so.

51. Do you suggest to the Committee there was any difficulty in the company proceeding with the work from the Nelson end or from the Springfield end?—Most distinctly there was.

52. Distinctly there was?—Yes.

53. But you know that Nelson and Lyttelton are better ports than the Port of Greymouth?—I am not going to admit that.

54. Will you state to the Committee the difficulties which the company have had in continuing the construction of the line from the Springfield end or the Belgrove end at the same time that they went on at the Greymouth end?—I have already answered that.

55. I did not catch your answer?—I say the line was constructed at the end which would most rapidly return a profit and enable the company to go on with further construction.

56. Then, it was not a difficulty of construction, but a difficulty of finance?—You will remember that in 1892 you admitted it was a difficulty of finance.

57. Never mind what I said in 1892. I am asking you whether there is any difficulty, except a difficulty of finance, in the company performing its contract by continuing the construction from the Nelson end of the line and from the Christchurch end?—

*Dr. Findlay:* I will admit that at once.

58. *Mr. Bell.*] Well, you have given the Committee a list of the benefits which the Coast has derived from the construction of the railway. You say that the Coast has been improved by the easier means of access from Greymouth?—Yes; and from Christchurch, too.

59. Is that an advantage to the people on the Coast?—Yes; certainly.

60. An advantage in which the settlers have shared?—Certainly.

61. It improved the condition of their lives and made them more comfortable?—Yes.

62. And it improved their financial position, too?—I could not say.

63. But what is your opinion: you gave an opinion on the other matter?—One is a fact and the other is only a matter of opinion.

64. What is your opinion as to whether they are not better off by having the railway and these means of access?—I think there is but one opinion, that where there is a railway every one is benefited.

65. And they are better off in pocket as well as in social matters?—I could not give an opinion on that.

66. You believe that one of the benefits is a greatly improved postal service. You point to the fact that time is money to the merchants, and that they are considerably better off through the facilities which the railway has afforded them?—Yes.

67. Then you say that during the construction of the line the company spent over £7,000 per month in wages?—Paid to the contractors.

68. Which the contractors expended in wages?—Yes.

69. And you employed seventy men permanently on the line open?—Yes.