

70. All that expenditure was beneficial to the Coast: is that what you say—or beneficial to the colony?—I said it was beneficial to the Coast, and it stands to reason that it should be so.

71. I understood you to put it as a benefit to the colony?—No; to the Coast.

72. Then you point to the fact that you were enabled to open up a large coal-mine at Blackball?—The construction of our railway enables the coal-mine to be worked.

73. And that connection has created a large traffic, and put money into the pockets of the traders and people on the Coast?—Yes.

74. Then you referred to the timber, and said that the export of timber from that district was largely owing to the construction of the railway?—Yes.

75. That is to say, where the railway runs through the forest land the timber is made available for export from the port?—Yes.

76. Then you referred to the opening of sawmills, and the £9,000 per annum which is paid for the haulage of the timber and the large number of hands employed, and you say this is all part of the benefit from the construction of the railway conferred on the colony. Now, Mr. Dalston, will you or will you not admit that if all you say is true—and I have not the least doubt it is—that the construction of the piece of railway on the Coast has conferred such a benefit on the colony, that the construction of the whole line by the company would have conferred a much greater benefit upon the colony and on the Coast than the construction of this piece of the line?—Certainly, I admit it.

77. You did not, I think, give us any estimate of the advantage which you thought the bit of railway constructed had conferred upon the colony?—Oh, no; I could not give that. There are a great many things to be considered.

78. You admit that this bit of railway is an advantage, and you must admit that the construction of the railway from Nelson *via* Brunnerton would be a far greater advantage to Nelson and to the Coast?—That is so, of course.

79. With regard to working-expenses and profit on the railway, do you in making up your charges for working-expenses charge any office expenses?—Yes.

80. Do you know what proportion of them?—I could not say off-hand. The salaries of the staff other than the working railways staff were apportioned to the various departments—the timber department, the working railways department, the land department, and the audit department—all bore their own share of the office expenses.

81. Would Mr. Wilson's salary be charged to working railways expenses?—A proportion of it would.

82. Were any portions of the commissions charged to working railways expenses?—No.

83. In your return you show "Engineer-in-chief (salary and commission), £43,192." How much of that was charged to working-expenses, or was any portion of it so charged?—None of the commission would be charged working railways.

84. Were there any engineers' fees paid by you except those contained in the £43,192?—Well, a locomotive driver is called an engineer sometimes: do you include them?

85. Leave them out. Did you pay any engineers' fees out of the working railway account?—No; none. The fees in the statement I put in were paid to Mr. Wilson in connection with the construction of the railway, and not for working railways expenses.

86. *Dr. Findlay.*] They did not all go to Mr. Wilson himself?—No. He had a large staff to keep up.

87. *Mr. Bell.*] But no part is charged to working railways expenses?—No. I might as well make that expenditure plain now. Mr. Wilson was paid no salary as engineer, but received a commission on all amounts paid to contractors. Out of this commission he maintained, free of cost to the company, the entire engineering staff, including Mr. Napier Bell, Mr. H. W. Young, and also the inspectors, clerks, draughtsmen, &c.

88. You have told us that in the last year but one of the company's working the line the profit increased from something over £4,000 to over £6,000?—Yes.

89. Then, in the last eleven months the profit was a little over £3,000?—Yes.

90. Or very nearly 50 per cent. of the previous profit?—Yes.

91. Is it not a fact that during that last eleven months you had entirely ceased construction of the railway?—That is so.

92. You were not carrying any contractor's material or any contractor's passengers?—No. You remind me, that will no doubt account for the jump in 1894—the carrying of construction material.

93. That would be not a normal profit but simply a profit resulting from the fact that the construction was going on?—Yes.

94. With regard to the dead loss made by the Government, are you aware that the Government have properly charged maintenance to the cost of working-expenses?—I think Mr. Blow says that should properly be charged against capital account, and if there had been a capital account opened this charge would have gone against it.

95. Are you aware that in the year you speak of there being a dead loss to the Government there were serious floods on the Coast?—I am not.

96. You do not know that large sums had to be expended in restoring the line?—I can only take what you say. I know that at various times I made applications to see the vouchers, and asked for more detailed accounts of the expenditure on the railway, and I could never get them.

97. Have you been refused them?—Yes.

98. By whom?—By Mr. Blow. He told me the vouchers of the expenditure on this railway were bound up with the general vouchers of the colony, and if I wished to see any one voucher I could do so.

99. Have you had copies of every voucher?—I have had copies of none of the vouchers.