

condition it would be best to apply to him. He can also give you information as to the management of the line generally.

39. But did I not understand you to say that Mr. Blair would be the best judge as to the equipment of the lines—as to the permanent-way, &c.?—Yes, as to its original construction and value when completed; but as to its present condition Mr. Maxwell has most information.

40. You have not made any personal inspection of the line?—No; I have been over the line, in connection with other works, but not since two or three years ago.

40A. You have not made any personal inspection which would enable you to give information upon it as it now stands?—No, I have not.

41. You cannot say whether the line is such a one as you would advise the Government to construct, if the question was one of construction rather than of purchase? I mean, suppose it was proposed to construct a line to meet the traffic of the district?—Do you mean from a commercial or an engineering point of view?

42. From an engineering point of view?—The line was very well constructed, and in a workmanlike and businesslike manner. The permanent-way was well laid; and it was quite as good a line as the Government usually makes for branch railways.

43. Do you think it is equal to a larger traffic than there is at present?—I should think so.

44. Do you suppose the cost of renewals would be considerable?—I cannot say, as I do not know the condition of the sleepers or the bridge timber. Mr. Maxwell will be able to tell you that.

45. And you could not say what would be the probable annual charge for maintenance as far as this line is concerned as compared with other lines belonging to the Government?—It would depend upon the amount of traffic, but I think it would be better to get that class of information from Mr. Maxwell: it is in his department.

46. Do you think Mr. Blair will be able to give the particular information about the line as it now stands from personal knowledge?—Possibly he will, but Mr. Maxwell is the person in whose charge the line is at present, and he must necessarily know most about its present condition. Mr. Blair's information should be of most value to you as to the probable cost of the line when it was made and its relative value if constructed now.

46A. *Mr. Cowan.*] In your opinion, from an engineering point of view, is £74,000 a fair value for that line?—Yes; I would say that it was worth that money.

47. The certificate you spoke of is the only certificate?—For rating purposes, yes.

48. Has a certificate for a larger amount ever been issued?—No, to the best of my belief it has not. That is the amount on which interest has been guaranteed.

49. And that amount, I understand, was fixed as the probable cost of the line?—Yes, in the original prospectus of the company.

50. By plans and specifications, I suppose, attached?—Yes, from the information furnished, as I read out of the Act.

51. But you do not know from your own knowledge whether or not the amount has been expended?—No. I do not know of my own knowledge exactly how much has been expended by the company.

52. Do you know from your own knowledge if the line is fairly equipped? [With rolling-stock?] No, with regard to conveniences, stations, &c.?—No, I have no personal knowledge as to whether or not the sidings and stations, &c., are equivalent to the requirements of the present traffic. Mr. Maxwell will be able to tell that.

53. I think you have already said that you do not know what the Government will require to expend to put the line in the same condition as the other Government lines?—I do not know its present condition, but what I said was, that I was not sure whether there would be a large expenditure required in the immediate future for repairs. I do not know the condition of the bridge-timber or sleepers. I have no doubt the line is kept in a proper state of repair from day to day, because that is part of the railway system; but the sleepers may require renewal.

54. Had you anything to do personally with fixing the amount originally certified?—No, not in this case.

55. *Sir Julius Vogel.*] Do you think the Government would be able to work this line with less difficulty than the company?—The Government is working it now, under an agreement with the company. If it were a Government railway it would save the trouble of keeping distinct accounts; and, if the Government had their own option, possibly they might run the trains to better advantage. I should think, generally, if all the railways are under one control, the administration must necessarily be cheaper.

56. Perhaps you would consider the question, and send in a memorandum?—I can do that, if desired; but, as I have already informed the Committee, this matter is in Mr. Maxwell's department. He could give better information on the subject than I could.

57. Do you consider the line an improving one?—I should judge from the character of the land that the traffic would improve as time goes on.

58. Do you consider that, if Parliament makes up its mind to buy the line, the terms upon which it is proposed to do so are reasonable?—I have not considered it from a commercial point of view; but, from an engineering point of view, I should think it was well worth the money offered.

59. Is that apart from the goodwill?—Yes; I did not consider the question of the goodwill.

60. You are simply dealing with the question of the value of the works?—Yes.

61. Without any consideration for the goodwill?—Yes; that was how I answered the question. I did not go into the question of the commercial value at all.

62. According to the standpoint from which these things are usually looked upon, with the prospects of the railway in the future, would it be considered to have a value in excess of the present cost?—I should say that, irrespective of the returns the railway is now giving, it may be said with certainty that the yield will increase, as much of the lands through which it travels are of such a character as would admit of increase in production.