

the line was £42,816; but that appeared to include discount on debentures, £2,737, and interest, £3,687. Deducting these items brought the cost down to £36,392 net. Then, besides these deductions, there was also another item of £2,479 which might or might not be considered proper to deduct—namely, the alleged loss by the company on the original purchase of material for the line. If that is deducted, it will leave a net amount of £33,913, and I believe that was the amount that was offered.

84. Can you speak of your own personal knowledge of the country adjacent to the line?—

85. Do you know personally anything about the line or the district in its neighbourhood?—Yes; I know the line and the country through which it travels. For the first mile or so it goes through good land, and then through a gorge for a couple of miles. After that you get on to the plains. There the land is, I believe, very good indeed. It goes by the name of the Plains of Paradise. At some few miles beyond the end of the railway you get into a district which appears to be very good land for some considerable distance.

86. Is it an improving line?—I should think so.

87. And there is a prospect of the traffic increasing?—Yes; I should think so. Referring again to the value and cost of the line, and the amount of £33,913 offered for it, the District Engineer's valuation, made some time since, was £40,500, so that it would appear that the work was done very cheaply. It is probable, however, that some items, especially lands, were valued by the Government engineer at more than the company paid for them. There is no evidence as to what price was paid by the company for the land. I think £10 per acre would be a low price for it. That would come to about £1,000 in all; but we are probably getting it for nothing.

88. Could the line be further extended with advantage to the district and the Government?—I should think so. It was originally proposed to construct sixteen miles of the railway at a cost of £100,000, but the company has only carried it to the extent of half that distance.

89. *The Chairman.*] Was that estimate made by Mr. Coyle?—I do not really know; but I thought it was made by Mr. Macgregor.

90. *Mr. Dargaville.*] Are there any engineering difficulties in the way of extending it to the originally contemplated length?—No; it is pretty stiff rolling country, but not exceptionally difficult as compared with many other New Zealand railways.

91. *Mr. Montgomery.*] Have you examined this line as an engineer, so as to be able to give an estimate of its value based upon the cost of construction at present prices?—No; I have not made an estimate of the line in detail, but I should say, generally, as an engineer having had a large experience in constructing railways, that £34,000 is a cheap price for eight miles of such a railway as that.

92. If you had been employed by a private person to purchase a railway, would you not have examined it with great care, and given an estimate of its value?—Certainly so, if there was no trustworthy estimate already existing; but I was never instructed to purchase this railway myself, or to make an estimate of it myself. We were already in possession of an estimate of it, made by a Government engineer.

93. *Dr. Newman.*] Do you know what was the condition of the fences, rails, and rolling-stock?—I inspected the line when it was first opened; in fact, I gave the certificate for its being opened. They were in good condition then.

94. What date was that?—About April, 1883. I found then that the line was in good order. The rails were of a good class, and the line well laid; and I certified that it was safe, and a good line for traffic.

95. Do you know whether it has been kept up to the mark since then?—No, not of my own knowledge; but Mr. Maxwell can tell you about that.

96. *Mr. Barron.*] You have not seen the line lately?—Not since 1883.

97. From the opinion you formed at that time, do you consider it equal to a much larger traffic than goes over it now?—Yes; I should say it was equal to a very much larger traffic.

98. There would be a heavy bridge required if it was extended farther?—Yes; the extension is more difficult than the part already made. The next eight miles are reckoned to cost £60,000, as against £40,000 for the first eight.

99. And the present portion of it goes up to the river at Douglas's place. The railway does not open up the best part of the country that would be opened up if it was extended the other eight miles. In your opinion, the other eight miles would open up better country?—I should think that the line as at present constructed would draw the traffic from the country beyond it for six or eight miles. I should say that you would in time get a good deal of traffic even without extending it, but, of course, only from country within six or eight miles from the end of the railway.

100. Do you know how many trains are worked?—No, I do not; the traffic is very small.

101. *Mr. Cowan.*] Is this line worked by the Government in the same manner as the Ashburton-Rakaia line?—I believe it is; at least, practically so; but I am not quite sure as to the terms on which the Government works it. That is in Mr. Maxwell's department.

102. From an engineering point of view, do you think £33,913 was a fair buying price?—I should think that the line would be cheap at that price.

103. The amount on which rates are levied is £40,500?—Yes; the company valued it at £42,816; that was the amount they wanted a certificate for; but we had the thing carefully gone into at the time when they got the first certificate, and the engineer reported that the value was only £40,500.

104. Did you represent the Government on that occasion?—I did not; but I did not make the valuation; the District Engineer did that, and reported that the line was worth £40,500. We told the company we would not give a certificate for more than that, and it was given so.