

The line is an extension of the Government branch line, and goes up the Waitaki Valley. It crosses the Waitaki, just at the terminus, by a bridge, which is incomplete. The crossing is liable to damage. I cannot offer much opinion about the country. I have been beyond the terminus of the line and looked at the country from the tops of the hills. I am told it is very fine land.

301. And the condition of the line and its traffic?—The condition of the line is good. It is a fairly constructed line, with the exception of the bridge I have mentioned at the terminus, which is liable to damage from floods, and access across the Waitaki might thus be cut off at any time if there was a flood.

302. This bridge cost £22,000 I think?—The bridge as far as it is constructed is all right, but it is not complete. A portion of the river-bed remains to be bridged, which is crossed by an embankment. The Waitaki is a shingle river, and a severe flood might happen which would wash the embankment away, and trains would not be able to get across the river.

303. And do you think the line is capable of extension at a fair additional cost?—I think the first step would be to secure the bridge.

304. Would that be a very extensive work?—I think I have heard it estimated from £10,000 to £20,000, but I do not know that any detailed estimates have ever been got out.

305. And you cannot say anything of the nature and capabilities of the country through which the railway would run?—Not from personal knowledge.

306. And is the direction which the line takes one which would have to be taken if the line had been originally constructed by the Government?—I think it is the only convenient route for getting into the country.

307. Could you give any information as to the present traffic?—I have not got the data with me. The things generally carried are wool and grain, so far. The company had a net balance last year of £980.

308. Over and above working expenses?—Yes. The Government works the line under an agreement similar in character to that with the Rakaia-Ashburton Forks Company. It is worked at the risk and expense of the company, while the company makes its rates, or states what rates it wants charged, and we charge them.

309. And how many trains are there running during the week?—There is one daily service on that line, and a second train on Mondays and Saturdays.

310. Is there very much passenger traffic?—No; it is very light, as it is on almost all the branch lines.

311. Could you give the Committee any information as to the prospects of the line commercially?—The question whether the traffic will improve or not depends upon whether the country surrounding it is settled. As far as I can judge, there is a large country available for settlement there, but in whose hands it is I do not know. The country must be capable of settlement to a great extent, and if settled the traffic would increase with the settlement.

312. Are the rates on this line higher than the Government rates?—Yes; a good deal. Similar in character to those on the Rakaia-Ashburton Forks line. They have adopted very much the same rates.

313. It is hardly necessary, I suppose, for me to ask you whether you anticipate any increase of traffic if the rates are reduced?—I do not think it would increase much. All the traffic there is in the country comes to the line now, I think.

314. Are there likely to be more stations on the line if it is held by the Government?—There might be demands for more accommodation. I think it is quite possible.

315. Do you know the rate at which it is proposed to purchase this line?—I have read it in the papers?—It is £61,000.

316. Do you consider that sum would be reasonable for the construction of the line at the present time?—I could not offer an opinion without seeing the details. But the line is fairly well constructed, with the exception of the river-crossing in question, which I mentioned. It is better constructed on the average than most of the Government branch lines. It is so with this line, and the Waimate, and Rakaia-Ashburton Forks lines. They may in some particulars be inferior, but on the average they are better than the Government branch lines.

317. The traffic since the line was opened—have you got it?—I can give you the revenue and expenditure for each year.

The following statement shows the revenue and expenditure yearly from the 2nd July, 1881, to the 31st March, 1885, inclusive:—

Periods.				Revenue.			Expenditure.		
				£	s.	d.	£	s.	d.
2nd July, 1881, to 31st March, 1882 ...	...	...	...	1,292	6	0	1,551	14	6
1st April, 1882, to 31st March, 1883 ...	...	...	...	2,146	3	5	3,174	7	9*
1st April, 1883, to 31st March, 1884 ...	...	...	...	3,102	3	11	2,467	12	11
1st April, 1884, to 31st March, 1885 ...	...	...	...	3,442	16	3	2,462	9	7

318. And the year in which the rate was raised?—Yes; the date was the 1st January, 1883.

319. *Mr. Dargaville.*] I understand you to say that the company's business showed a net profit of £980 last year?—Yes.

320. ~~That~~ would represent rather more than 1½ per cent. net profit on the estimated value of

\* The expenditure in this year was exceptional.