

Canterbury and Westland should have their connection completed, because one has what the other cannot produce, and their means of communication should be made as cheap as possible. The damage might be anything from three to five millions.

*Mr. Bell*: May I be allowed to explain that the real difficulty I have is that the witnesses feel the damage is so great; I have a difficulty in getting them to state the minimum to the Committee; but I think I shall be able to show that the statement of Mr. Roper is not extravagant.

28. *Rt. Hon. R. J. Seddon*.] I understand Mr. Roper to say that he thinks the damage to the colony would be, approximately, between two and three millions?—I do indeed.

29. *Mr. Jackson Palmer*.] You are satisfied that it would be over half a million?—Oh, yes.

30. *Dr. Findlay*.] And the maximum might come to five millions?—I should not be astonished if the loss to the colony amounted to five millions: that is, speaking of the term of ten years which has been suggested.

31. I may assume that you have taken some account of the interest of the company in the line?—Yes.

32. Were you associated with the league to whose industry is due the passing of the Act of 1894?—I was a member of it.

33. May I ask you whether, in arriving at your conclusion, you have assumed the traffic on the line would be taken at the ordinary rates of Government railways—that is, so much on the mileage?—I have, undoubtedly.

34. Have you considered the amount which the company or the colony would have lost if the line had been constructed, and conducted in this way?—No, because I do not think there would be any loss. One has to remember that such lines do not always pay at first. For example, there is the Moorhouse, connecting Christchurch with Lyttelton: When that was constructed there were many people who said that it would never pay interest on the outlay; but we find that there are more people carried on the trains there in one day now than there were in a month previous to the construction of the tunnel. So that one cannot possibly estimate the increase of traffic.

35. Are you aware that a man named H. A. Gordon made a careful examination of this railway route and the country it would affect, and he went carefully into the interest and profits to be derived from it?—No.

36. Do you know Mr. Gordon?—No.

37. I refer to a mining engineer, who for a great number of years was in the front rank of his profession. You do not know him at all?—No.

38. Do you know Mr. James McKerrow, who was a Commissioner of Railways?—I know him by name.

39. Do you know Mr. J. P. Maxwell, who was also one of the Commissioners of Railways?—Yes, by name.

40. Are you aware that Mr. Maxwell, Mr. McKerrow, and Mr. Gordon went very fully into the prospects of this line in 1892?—Yes.

41. Did you take sufficient interest in the matter to look at the parliamentary papers and reports with respect to it?—I did not take the trouble to do so.

42. Do you know that Mr. McKerrow estimated that the loss to the company, if they constructed it and continued to manage it, would have been some £900,000?—Well, even if it was so—and I am perfectly prepared to answer from that point—still I think from the colonial aspect that, although there might have been a loss on the working of the line for some years, it is quite conceivable that the colony as a whole might obtain more from the increase in population.

43. Are you aware that Mr. Gordon went into the estimate, and found that there would be a loss on the working of the railway of £4,000 a year?—I have heard that it was so, and it is quite possible; but that is a mere nothing in comparison with the advantages which would have been conferred upon the colony.

44. Are you aware that the company in 1892 said to the Government, "If you will convert the land-grants into bonds we will give them up: in other words, if you will give us bonds for the B1 value we will give the grants up?"—I admit that, but I do not see how it affects the question.

45. The land-grants were valued at £618,000, and the company said they would give it up for bonds. They also agreed that, if the railway was to be of the supreme value you suggest, they would faithfully complete the line if they got the guarantee on the £618,000. Do you know of that?—Yes.

46. You know they were prepared to give the colony an indemnity for that?—Yes.

47. Do you think that is what the Government should have done?—I do not think I should be justified in criticizing the action of the Government at the time, for I had no particulars; but I think it would have been a very fortunate thing for the country if the Government had undertaken the work itself. I think it was a mistake we made in dealing with a company which was unable to carry out its contract.

48. Have you gone into the matter sufficiently carefully to say shortly whether the company could ever have carried on the line at a profit?—I do not know whether they could have carried it on at a profit, considering the extravagant way in which they went to work. I do not think they could have made a profit, but I think the colony would.

49. What I want to ask you is whether, as a set-off to the somewhat surprising figures which you gave us, there should not be brought into account the loss which the colony or the company would have suffered if they completed this line?—I cannot answer more clearly than I have done. I think it is probable that the company, if it continued its system of management, would not have made the line pay for a considerable time; but I think the colony would progress so much that, as far as the colony is concerned, there would be a large amount of profit made.

50. What I want to show you is this: You have proceeded on the assumption that if this railway was completed, and the traffic was carried on on the ordinary Government rates, there