

that? My calculation is one-twenty-fifth; but you must deduct the mining area, which would bring it down to one-twentieth. If we take that, it is fair to assume for the whole district that a quarter of a million pounds' worth of land is idle, and, taking the 5-per-cent. basis, the annual loss is £12,500, which for the ten years gives £125,000. That is for the whole of the reserve. Another aspect of the case is, of course, the increase of population. I may be charged with taking too sanguine a view, but my view is that if the railway had been gone on with the population of the West Coast would have increased by 50 per cent. I have thought the thing over in every way, and have heard evidence putting it at less, but I think it is fair to say that had the work gone on as we wished the population would have increased by 50 per cent., to say nothing of the increase in Nelson, and the Waimea, and Canterbury. My basis is the census of 1896. The railway was supposed to be completed in 1895, and I take the census of 1896, where the population on the West Coast is shown to be thirty thousand. Viewing it from the colonial point of view, that increase in population would mean an increase in the Customs revenue per head, and it works out, so far as that portion of the colony is concerned, that there would be an increased Customs revenue alone of £34,562 per annum. If you multiply that by ten—that is, five years before the time the contract expired and five years after—the whole would come to £345,620. That is for the West Coast. Then it is fair, still carrying out my line of thought, to consider the increase in population elsewhere, and allow for the increase in Canterbury; so that the difference in the Customs revenue in ten years would amount to nearly £691,000.

127. *Mr. J. Allen.*] Do you consider that there would be an increase of 50 per cent. in the population of Canterbury?—No. I take another 50 per cent. of Westland increase, and divide between Canterbury and Nelson.

128. *The Chairman.*] You are computing the loss which the country has suffered from the non-completion of the railway, but the railway was not to be completed before 1895. Is it relevant to show us the loss which accrued prior to the date of completion?

*Mr. Bell.* Yes; because the population would be increasing in view of the completion of the railway. This population would not increase with a sudden jump, and the settlement of the land would be of the character which the witness describes. He therefore takes the commencement of that increase to before the railway was constructed.

*Witness.* Then, sir, with regard to the matter of gold. We know that the reserves have been made, and we also know where, and that by the non-completion of the railway and by not having the advantage of this increase of population the productiveness of gold has been seriously curtailed. The thing is to arrive at a fair idea of what that would amount to. Again, going upon my assumption of a fair increase of population and taking the gold output for last year as roughly three hundred thousand pounds' worth, if we had had that railway, with an increased population the increase in the value to the colony should have been something like one hundred and fifty thousand pounds' worth of gold. It would mean another £150,000 a year to the colony, or in ten years one million and a half, 5 per cent. on which is £75,000.

129. *Mr. J. Allen.*] Do you mean the loss is owing to our not having got the gold as early as we might have done if we had the railway?—Yes. I will briefly refer to coal. The part of the Coast with which I am most familiar is the northern part. Coal does not enter into the question at Westport, but at Greymouth it does; and having a fair knowledge of the whole evidence with regard to the Midland Railway, and evidence which we have had outside from time to time, although at one time I did not think it was possible for the railway to compete with sea-borne coal, I altered my opinion some time ago, for there was evidence to show that it could be taken more cheaply by rail to Canterbury. Mr. Kennedy made a substantial offer of £50,000 per annum to carry the coal from the West Coast, and Mr. James Mills also practically admitted that, so far as Greymouth and Christchurch were concerned, the coal could be carried more cheaply by rail.

130. *Mr. Bell.*] Have you got an estimate of the coal loss?—No.

131. Timber?—No. Another element of the whole position is the value of trade. If we take the basis of the trade of the colony in 1895 at £14,950,353, and in 1898 it had increased to £18,748,555, there must be from that volume of trade a large percentage of benefit to the colony. If, again, I go back to my increase of population of 30,000, the proportion is practically £50,000 per annum for the part of the district in regard to which I am giving an opinion. I think it would be quite a fair computation to say that 10 per cent. of that should be taken as the benefit to the colony. That would be £5,000 per annum, or in ten years £50,000.

132. Do you know Wellington well?—Yes; I know the town fairly well.

133. Did you know Wellington before the construction of the Manawatu Railway?—Yes.

134. And the state of its trade?—Yes.

135. Do you know what the facilities of communication between Palmerston and Wellington did for its trade?—There is no doubt there was an immense increase of prosperity.

136. Could the increase in prosperity of Wellington in ten years be estimated otherwise than by hundreds of thousands of pounds?—No.

137. Do you see any reason why the same process of computation should not be applied to the estimate of the benefit which the colony would derive from the construction of a much longer railway from coast to coast of the Middle Island?—I should think it would be a very fair deduction.

138. *Dr. Findlay.*] Have you estimated generally what the colony has lost?—Between £900,000 and £1,000,000; something under a million.

139. From your point of view, the construction of the railway should have been pushed on in the interest of the colony?—Undoubtedly.

140. Do you think there should have been any hesitation on the part of the Government in pushing on the railway?—I do not.

141. Have you considered the question I put to Mr. Roper as to how far this line would pay, measured by the rates charged on the ordinary Government railways?—Yes; I have thought of that.