

142. Do you know what the average profit of the Government lines is?—Something over 3 per cent.

143. Have you considered whether this railway would have paid as much as that?—I will not say that I have considered it. Naturally, it would take a long time to arrive at that return, just as has been the case of the Government railways. Their contribution has been increased by the extension of the lines.

144. That justifies the construction of this line: the ultimate benefit to the whole colony justify the expenditure of money which does not return anything?—Yes.

145. But, taking the interest of private persons, these are advantages which do not occur?—That depends upon their being the owners of the property, and so on.

146. You refer to the profit to the colony?—Yes.

147. But in the element of Customs duties that would not come into consideration with private owners?—No; that is the colony's.

148. Do you know whether any attempt was made to obtain settlement through the company? Did you ever apply to them?—Only in one or two cases.

149. Where was the land?—On the West Coast.

150. What was the difficulty?—I almost wish I had the answer with me, but all I know is that they could not deal with the application. It was some years ago, and I am trusting to memory, but I think I was told the application would be recorded, and the matter would be considered further on.

151. Did you not understand that the company would co-operate with the Crown in getting the matter settled?—I do not know at the present time. The reply is at home, but I will get it.

152. *Mr. J. Allen.*] What do you estimate it would cost to take a ton of flour from Canterbury to the West Coast?—The basis is something over 10s. a ton. I think the freight by steamer is 15s. a ton, but I am not sure. I think I am correct in saying so. I have seen a statement that practically 8s. a ton by railway would answer. I know the original basis was 10s. a ton. The steamer rate has increased from 12s. 6d. to 15s. a ton.

*The Chairman:* The Union Steamship Company charge practically the same rates from all ports.

153. *Mr. J. Allen.*] Then the difference between the price of flour in Canterbury and in Westland would be 15s. a ton?—There would be other advantages, because if we had railway the goods could be put into a truck and there would be no more handling of them.

TUESDAY, 11TH SEPTEMBER, 1900.

Mr. GERHARD MUELLER in attendance, and examined on oath.

1. *Mr. Bell.*] What are you?—Commissioner of Crown Lands and Chief Surveyor for the Auckland District.

2. When were you transferred there?—In 1891.

3. From where?—Westland.

4. Were you Commissioner of Crown Lands and Chief Surveyor there?—Yes. I went to Westland in 1865; I was appointed Chief Surveyor in 1871, and also Commissioner of Crown Lands in 1885.

5. You were there in 1885?—Yes.

6. In connection with the arbitration proceedings?—Yes.

7. Do you remember the withdrawal of the lands marked blue in the map from public competition?—Yes.

8. That was in January, 1885?—Yes.

9. Did you, notwithstanding the reservation of that land, receive applications for settlement on the land in Westland?—Yes.

10. And recorded them?—Yes; for about two years.

11. You had a number of applications in April, 1887?—Yes.

12. How many?—I had 138, I think, which covered 11,736 acres of land.

13. Did the Land Board take any action at that time?—Well, the clamour for land had been so great that I had to bring the matter before the Land Board, giving a schedule of the applications which had been made, and showing the rush that there had been for land, and urging on the Board to do something to meet the demands for lands that were made. A resolution was thereupon passed by the Board, pointing out the state of affairs in Westland and requesting that some means should be devised for allowing these people to be placed upon the land. The answer from the Government was that they could give no redress, because the lands were in the hands of the Midland Railway Company, and therefore they could take no action. From that time I received no more applications. I saw it was no use to record them, and for about six years no applications were received.

14. Were many sent in?—Numbers were sent in, but the applicants were always referred to the railway company, and there they could get very little satisfaction. If I remember aright, there were some five or six persons who managed to get some land from the company during my time. They were small sections, ranging from about 30 acres to 300 or 400 acres. The company made their chief selections of land in the Canterbury District, over the blocks of land they were entitled to select from there, but in Westland they took only two small blocks. All the rest of the land was taken up in Canterbury. Of course, there are a number of losses sustained by Westland which it is impossible to compute. There are no proper bases on which to work out the results. I have gone carefully into the matter, and have taken very great care that I should be on the right side: that is to say, I have based my calculations on the lowest statistical figures, so as not to appear in any shape or form to be making out a case for the Government.