

75. The rest is not capable of carrying one sheep to the acre?—It is not.

76. *Rt. Hon. R. J. Seddon.*] Do you remember the fifteen-miles limit on Lake Brunner where the original line was laid off? Does that take in the goldfields?—Round where the line is now or on the south side?

77. Where it was originally to go?—It would have taken in very little of the goldfields area.

78. If stated it would be to the advantage of the company owing to its right to take auriferous land it would not be correct?—It would not be correct. It might touch some mining land, but it would be very little.

79. Would it be to the advantage of the colony or of the company to make the reservation?—It would be an advantage to the company.

80. So that the alteration of the contract was in favour of the company?—Yes; because under the original contract we had the right to take alternate blocks.

81. The alteration would give them an advantage in raising money?—Yes.

82. You know the deviation round Lake Brunner: was that an advantage to the company?—Very much so. The work of construction was very much easier, and the line passed through far better timber country than going round the south side of Lake Brunner. There was much better land for cultivation all along the Puerua Lake.

83. The application for the deviation came from the company, and not from the colony?—It came from the company.

84. The line would be taken through good country, and although there was time lost in going on with the work during the litigation which took place, still that time was made up by the easier construction of the line?—That is so.

Mr. HENRY LESLIE MICHEL in attendance, and examined on oath.

85. *Mr. Bell.*] You reside on the West Coast?—Yes; at Hokitika.

86. What are you?—I am a merchant and shipowner.

87. You are also Mayor of Hokitika?—Yes.

88. How long have you lived there?—Some thirty odd years.

89. You are quite familiar with the conditions of population and trade on the Coast?—I should think so.

90. You had one experience of effects of the construction of a railway—in the construction of the railway between Hokitika and Greymouth?—Yes.

91. Did the construction of that railway make any difference in trade and traffic between the two places and also in settlement?—I should say distinctly, Yes. The number of passengers travelling between Hokitika and Greymouth before the railway was constructed was not more than a hundred or a hundred and fifty a month. Now it is to be numbered by thousands. Some six sawmills have been erected along the line, and the traffic has far exceeded the most sanguine expectations of those who advocated its construction.

92. Were you one of those who took part in the agitation in 1884 for the construction of this Midland Railway?—Yes. We had a branch of the Railway League in Hokitika, which was connected with the principal body in Christchurch. We raised a considerable amount of money, and held many meetings to urge its construction. The Municipal Council voted £100 to the object, and other sums were contributed by the residents in order to carry on the agitation.

93. You thought it would be a great advantage to the Coast?—Decidedly so. We were anxious to break up the state of isolation in which we were placed, and we thought we never could make any headway unless we had a railway to the East Coast.

94. And now you have practically made no headway?—None whatever. We are practically in the same condition as we were in thirty years ago.

95. You and Canterbury would have been joined together for the purpose of breaking up this isolation if you had the railway?—Yes.

96. Have you seen any reason to change the opinion you then held?—None whatever. I still attribute the want of progress on the West Coast to the want of the railway. I believe the want of the railway has kept us back a decade.

97. I want you to confine yourself to that question, and not to the question of the loss caused by the reservation for the company with which we were dealing through the last witness. There are two matters in which the colony has suffered serious loss—first, there is the area of six million locked up from settlement; and, secondly, that the railway which you gentlemen agitated for in 1884 has not been constructed. It is to the second point I wish you to keep your attention. The railway should have been completed in January, 1895, and it is estimated that it cannot be completed for another five years, so that that gives a period of ten years in obtaining the advantages to be derived from it?—Yes. I have said that it has kept us back a decade. We believed that this railway was necessary to us from both a social and a commercial point of view. It would have led to the expansion of trade and greatly improved the social position of that part of the colony. Instead of that the West Coast has now become, through its isolation, not one of the most pleasant places to live in, and many people have left there.

98. As to Canterbury, did the people there justly anticipate an advantage to trade by the completion of railway communication with the West Coast?—Yes. I think that even our experts did not sufficiently estimate the advantage to trade by opening up communication between the coasts.

99. There are two questions to consider. There is the question of the actual profit you would have made, and then there is the question of the disadvantage to the district through being left without the railways?—Yes.

100. I want you to take into consideration what you anticipated and what has been the actual result, and to tell me whether the difference is to be computed at hundreds or hundreds