

of thousands of pounds?—The question is, of course, a very difficult one to answer, and I can only give you an opinion on it. I should be very sorry to go into details, for I have not come here prepared with statistics, but I should say the loss would be very great. In looking at the matter from a colonial point of view, there are many losses that would arise. One would have to take into consideration the great loss in the railway traffic between Lyttelton and Springfield. Then there is the loss of revenue to the local bodies and the stagnation in the mining industry. These are matters in which there has been a loss not only to the Coast, but to the colony. If you take these and many other industries into consideration, and spread the loss over ten years, it would be very great indeed.

101. Can you state what the amount of damage might be estimated at?—It would be my opinion only. I should take these things into consideration: the loss of traffic to the Government railways, the stagnation in Westland through the non-completion of the railway, and the general loss that necessarily implies. I think, taking those matters into consideration, the loss would be £100,000 a year. Taking that for ten years it would not be an extravagant estimate to put the loss at a million of money. The people of Canterbury and Westland must have thought that the gain from the construction of the railway would be a large one, seeing that they invested so much of their money in getting up the agitation for the construction of the railway.

102. You were one of those who advocated the railway and anticipated great advantages from it?—Yes.

103. Would you have been a party to getting the colony or anybody else to spend £3,000,000 on a matter which would only return £25,000 a year, or 1s. a head all round?—I should be very sorry to do so.

104. *Dr. Findlay.*] You have followed closely the history of the railway?—Yes.

105. You think the loss would be a million?—I think that is a reasonable estimate.

106. You have not gone into figures on the question of the traffic and of the cost of construction?—No; I have only a very superficial knowledge of it.

107. Do you know Mr. James McKerrow, the late Commissioner of Railways?—I have met him.

108. Do you know Mr. Maxwell, who was also one of the Commissioners?—Yes; I have met him.

109. Do you know Mr. Gordon?—I know him well.

110. He had some experience in mining and so on?—I think his opinion is worth considering in regard to mining matters, but I do not know what it may be in regard to railway matters.

111. Mr. McKerrow and Mr. Maxwell went there in 1892?—I believe so.

112. Your figures agree pretty well with those given by Mr. Acton-Adams. Mr. McKerrow gives the estimated loss as £815,000, Mr. Maxwell estimates it at £683,000, and Mr. Gordon at £1,262,400. The statutory cost of the construction of the line from Springfield to Reefton is £1,706,000, and the interest on that would be, at 3 per cent., £51,180. Taking the mean of the three estimates the loss would be £11,700 per annum. The value of the land grants by the Government is £618,000, which at 3 per cent. would give £18,540. It works out that the total loss between the £51,300 for interest on the cost of construction and the B1 value of the land granted would be £18,540, so that the net loss to the company would be £30,000 a year. If you take that for the ten years it is fair to say that it should be put as a set-off to the profit of a million which you suggest would have been made?—From the company's point of view it would be.

113. If the Government constructed the line and I can show that there would be a loss of £30,000 per annum that would have to be deducted from the advantage of the line?—Yes, assuming that your figures are correct.

114. Of course, that leads to this from the company's point of view: that this would be a most disastrous contract to undertake, and if the Government took it over it would be a great advantage to the colony at the expense of the company?—I should say these losses would not have continued for any length of time, because traffic would have increased, and that would have tended to reduce them.

115. Mr. Gordon considers that the increase would not be as rapid as the West Coast people estimated. He puts it at £2,000 a year for the first three years, and that would take a great many years to work off the estimated loss?—That is so; but in the case of the Greymouth-Hokitika Railway and other lines constructed the experts always underestimated the increase of traffic there would be.

116. But the Greymouth-Hokitika Railway cannot be taken as a fair basis in estimating the result of working the whole of this line?—Our experience is that the same conditions have been found in other cases.

117. If you have two large centres of population, such as Greymouth and Hokitika, and a line connecting them, it would be very much more profitable than a line from Christchurch to Springfield?—From that point of view it would, but still the cases are almost identical. You have there very large populations to connect, as compared with the small populations at Greymouth and Hokitika, which are connected by the coast railway.

118. I am arguing on the question of principle, and say that on principle you cannot apply the basis of the Greymouth-Hokitika Railway to another railway on the estimate of its length. If it were five times longer you would not expect that it would return five times more?—No. It would not be a safe guide. Of course, I concede that point, but if I concede many more points you will want to know what has become of my £1,000,000.

119. It is wise to keep in the region of generalities?—Perhaps it is better.

120. *Mr. Bell.*] I venture to remind the Committee that when I make a claim in respect to