W. C. Walker, Esq., obliged at any moment, under pressure, to sell the Crown Grants in their possession, and thus bring down the commercial value of what land remains unsold, and what has been sold to private individuals. In point of fact, the Government at any time might find the contractors whom they have paid in land, and who from priority of selection are sure to be in possession of land of a superior character, setting up a sale of Waste Lands in opposition to their own; and, bound by no law or regulation to keep the price up to £2 per acre, or whatever is the price fixed by the Regulations of the Province, forced by circumstances, they might undersell the Government.

55. What would be the effect on local taxation of such masses of unoccupied Waste Lands?-I cannot quite see that the simple possession of large blocks of unimproved Waste Lands, under this system of payment, would have any effect upon local taxation peculiar to itself. The contractor may be content to let the land remain unimproved, waiting for a more advantageous labour or produce market; or he may have selected it in connection with and to secure other investments: in both of which cases he would be liable for rates for road purposes for his unimproved Waste Land, the same as other holders of freehold land of that nature in the district; or he may have sold it to others for bona fide settlement at whatever price he chooses to take for it, higher or lower than the Government upset price per acre; or he may commence to farm it himself. But I cannot imagine any case which would place his land, in respect to local taxation, on any different footing from that occupied by others

56. Hon. Major Richmond, C.B.] Are the blocks of land set apart for the contractors always in the vicinity of the work?—If the lands to be selected by the contractors were to be confined to the close vicinity of the work done, I can conceive there might be exceptional districts where many of the objections against this system of payment would disappear. But in the case of the Great Southern Railway of Canterbury, it was not so provided: but on the contrary, the contractors had perfectly free selection allowed them.

EVIDENCE TAKEN BEFORE THE SELECT COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

WEDNESDAY, 28TH AUGUST, 1867.

PRESENT:

Mr. Wood, Mr. Cox, Mr. Murison, Mr. Hankinson, Mr. McNeill, Major Heaphy, V.C.

Mr. Stevens in the Chair.

Mr. Patterson. 28th August, 1867. Mr. Patterson, C.E., called in and examined.

1. Major Heaphy.] In reference to answer No. 18, given before the Committee of the Legislative Council—what are the causes that an ordinary carriage-road would be so expensive?—The principal causes is from the difficulty of procuring metal nearer than Greenhill, a distance of thirteen miles south of Invercargill, so that in the first instance there would be a railway carriage of thirteen miles for the stone, and a further cartage of sixteen miles, on the average.

2. What facilities would there be for obtaining ballasting for the Mataura Railroad?—At the Invercargill end of the line there are partial supplies, and at the Mataura end, abundant supplies at the Mataura Plains. I have been informed that there are further supplies at other places along the line.

3. Is the ballast mentioned as being abundant at the Mataura unfit for metal?—The material I

allude to at the Mataura is gravel, and not stone fit for metalling.

4. What wood would be used for "sleepers?"—I should think totara and black-pine would be

the best.

5. Is totara or black-pine available on the spot?—There is a considerable supply of black-pine, but I do not think there is much totara.

6. Mr. Stevens.] With reference to question No. 12, asked before the Committee of the Legislative Council, do you intend your estimate to be on the basis of the distance to the Mataura being thirty-five miles?—The country between Invercargill and Mataura is of a very uniform character, and I based my estimate on the general knowledge I possessed of that district. I believe that the length of thirtyfive miles assumed by Mr. Holmes in putting the question is over stated, and the probable length of the line from Invercargill to Mataura would not exceed thirty miles.

7. Mr. Wood.] Suppose it were contemplated to construct a railway of a 3 feet 6 inch gauge with iron rails, suitable for light engines and carriages, what do you think would be the average cost per mile?—The mere reduction in gauge would not effect any considerable saving in the construction in that country, probably from £300 to £500 per mile. My estimate for a railway on a gauge 4 feet $8\frac{1}{2}$ inches, is from £5,500 to £6,000 per mile; and for a railway with works of a similar description, but with a gauge of 3 feet 6 inches, from £5,000 to £5,500 per mile.