

in connection with the Government trains. The printed correspondence of last year shows that that operation ceased, and the company did not work in connection with the Government. They took the matter up again in February, 1885. The Government made fresh arrangements for working with the company. That arrangement subsists up to the present date. We exchange traffic. Goods are booked through from Dunedin to Kingston, and *vice versa*. The character of the country through which the line passes is good. I should think there is a good deal of grain grown there. The crops are good, so far as I am aware; but I have not any personal knowledge of that. I believe the route is considerably used by travellers and tourists from Dunedin to the Lakes. I think it is a line on which traffic is bound to grow, both as regards passengers and goods, if proper facilities are given.

2. *Mr. Dargaville.*] What is the length of the line?—Thirty-seven miles.

3. Have you heard what is the price named for the purchase?

*Mr. Cowan:* £110,000.

4. *Mr. Dargaville.*] Do you consider, Mr. Maxwell, that the line is well provided in the ordinary sense?—I have only this information on that point: I understand that the Public Works Department made an estimate of the value of the works, and found it to be about £95,000. I think that appears in the correspondence. This is the only information that I have on the subject as to what the value might be.

5. You are aware that the Public Works Department had a valuation of the line made about two years ago—prior to last session? What officer was employed to make that valuation?—I do not know. I understand £95,000 to be the valuation of the department. I cannot give you any detail. I should feel bound to accept that estimate.

6. *Mr. Dargaville.*] That is under £3,000 a mile. Can you, speaking from recollection, tell us what is the average cost of the railway-line?—It would be between £7,000 and £8,000 a mile—that is, including all stations.

7. *Mr. Gore.*] But not including rolling-stock?—Yes—everything.

8. *Mr. Dargaville.*] You say that this line is in good order with the exception of the sleepers?—It is in fair order for its age. That is the result of an examination unofficially made a few months ago. That is, I see nothing to find fault with particularly.

9. *Mr. Cowan.*] In this offer there is a schedule, in addition, of things to be given with the line. You will see there that two locomotives are included in the value stated. Can you give the Committee an idea of the value of these two locomotives?—I suppose they would be worth £2,500.

10. Could you roughly give the value in these schedules?—No, I could not, indeed: I could look through them and speak of them some other day.

11. Then we will take the two locomotives at £2,500. £110,000 is quoted for the thirty-seven miles—that is, £2,972 per mile (about); that has to be reduced by the £2,500: will you now tell the Committee if you think it is a judicious purchase to make by the Government?—According to the present results of working, as I have been informed of them, I think it will return 2 per cent. If it continues to do the same work as they say they did last year, at the same rates and fares, the return would be nearly 2 per cent., roughly speaking.

12. I asked you if you thought it would be a judicious purchase. I wish you to consider that question in connection with that of this line being an addition to the general system of railways?—It is hardly a question for me to say whether an investment that would return 2 per cent. is a judicious one or otherwise.

13. From a traffic point of view it would be an advantage to the Government to have possession of the line on reasonable terms?—I think we could probably work a little cheaper: not on the line itself; but I think it probable we could work the Government lines a little cheaper in connection with it if we had the line ourselves.

14. You have said that if it is acquired on reasonable terms it would be an advantage. I think you said “considerable advantage”?—I think it would be advantageous to the Government to possess it if it were acquired at a reasonable figure.

15. This figure, £2,972 a mile, seems to be a reasonable figure?—That is rather in excess of the value of the actual work.

16. By how much?—£95,000 was the valuation of the cost of the railway: it seems to be £15,000 in excess of that.

17. Are you aware whether or not this was computed in the £95,000?—I believe that to be merely the value of the work.

18. Do you speak from your knowledge or from hearsay?—Not from my own knowledge, but from documents in the Public Works Department. They state that to be the valuation. I think you will find it in the printed papers presented last session. It must be something about that. I have no personal knowledge of it. I am speaking of the cost of the works—the actual outlay.

19. Ninety-five thousand pounds for thirty-seven miles—that would be near equal to £2,567 a mile. With that knowledge, would you still say that the railway is dear at the figure quoted?—I stated that it is not for me to say whether it is advantageous for the colony to go into an investment of that kind or not. But I can say this much: Were it put to me in this way, “Would you consider it a good thing to make this railway at a cost of £110,000?” I would say, “Yes, undoubtedly.”

20. It brings additional business to the Government lines?—How much I could not estimate.

21. But you are certain that the possession of this railway would be an advantage?—Yes; I think we should gain by having it.

22. Are you aware of the provisions of the District Railways Purchase Act? I would draw your attention to the provision that, on all district railways purchased by the Government the atepayers divide the cost of working up to 4 per cent?—In general terms, I have perused the Act. I know about it.