

23. With the knowledge that the district is to be liable for half the interest, is this purchase such that you would consider it a judicious investment?—I think the question as to what is to be done in regard to the ratepayers is not one that relates to a professional opinion at all. I do not think it would be my business to offer an opinion as to whether the relief of ratepayers should be taken into account.

24. You said that this would yield 2 per cent.?—I said that at the present rate of profit it would be about that. According to the audited accounts the company made £2,000 last year: if they continue at that, it would be equal to nearly 2 per cent. on £110,000.

25. With the knowledge that the district would divide up to 4 per cent. with the Government, and that there would be profit of 2 per cent. to the Government, would this purchase be judicious with reference to its conjunction with the general system of railways?—I do not think it properly devolves upon me to give an opinion except upon professional matters. It appears to me to be purely a question of policy, what the colony may be prepared to do about these ratepayers.

26. Have you any knowledge in regard to the way in which the company have worked the line—whether the cost was moderate or extravagant?—I do not think there has been much extravagance about it; practically none, so far as I know.

27. Are you aware that five paid servants travel with each train?—No, I am not. There would probably be three in any case—driver, fireman, and guard—necessarily. I also understand they have what is called a “travelling stationmaster.” I do not see any extravagance in that; they must have some one to attend at the stations whether he travels or is stationary.

28. And porter?—Very likely; but then, a porter who is carried about instead of being stationary. You could not say that one stationmaster and one porter for thirty-seven miles of railway is extravagant. I think it is very cheap management.

29. These five officers and a paid secretary in Dunedin, together with all the expenses connected with traffic, would be over £2,000. Could you indicate to the Committee what reduction you could bring to bear on that—on the working of the line?—A paid secretary connected with direction or management would not be necessary if it belonged to Government. As to requiring a stationmaster and a porter on a length of thirty-seven miles, I do not think we could dispense with them. The only particular gain I can see from connection with the Government would be in the mode of working. I am tolerably certain that if we had the control of the running we could fit their trains to ours and ours to theirs so as to work cheaper. I have no doubt we could save £1,000 a year on trains running on the Government lines.

30. Not on the railway?—On the system—that is, by having one system throughout.

31. You are aware that, with respect to the branch-railway to Riversdale, a certain amount of money has been expended: do you think that would be an additional incentive to the Government to become owners of this line?—I am not aware what has been spent on the Riversdale Branch; but it would be inconvenient to have a Government branch connecting with a private line. I do not think I could assess the amount of inconvenience.

32. Is it your opinion that that fact would be another incentive to the Government to become possessed of this line?—If the Riversdale line is built it is certainly another reason for desiring to possess this railway.

33. As regards Riversdale and Switzer's, there is a provision in the public works appropriations for that railway?—So I understand.

34. Then, suppose that work to be continued—there has been already a considerable amount of money spent—seven miles of extension finished: do you think that would be another incentive?—Yes, decidedly.

35. *Mr. Gore.*] What is the condition of this line as compared with the Government line which has been in use for a number of years: would there be any necessity for a large amount of repairs?—There is no doubt a certain amount of repairs would be necessary. I think that in future they would be heavier than in the past.

36. Do you think they would be heavier than on the Government line?—Not on the average.

37. *Mr. Barron.*] You have seen a statement by the company of the working expenses: can you inform us whether there would be any material reduction if the line is acquired by the Government?—

*Mr. Wilson:* Or any increase?

*Witness:* They would naturally increase year by year as the line grows older, even if there were no increase of traffic; if there is an increase of traffic the expenses would increase with it: but I do not see anything in the figures that would lead me to say there was extravagance.

38. *Mr. Barron.*] This line stands in the way of the Government having a direct connection between Dunedin and the Lake District?—Yes—between Dunedin and the Lakes.

39. Then, from that point of view, you think it is more desirable that it should belong to the Government than to the present proprietors?—I think there is no doubt it is desirable.

40. Apart from everything else, supposing the question of purchase were referred to you as to whether this were a reasonable price to give?—If you put it in this way, “Would you advise the Government to build this line at a cost of £110,000,” I would say “Yes.”

41. *Mr. Wilson.*] Have you looked into this question of the rates?—That is beset with many difficulties. If you take this question of rates into consideration it is not easy to say whether it is a reasonable price. I have looked very closely into the subject, and into the provisions of the District Railways Act and other points relating to this question. There are a great many difficulties surrounding it. How the Government should elect to treat the ratepayers it is not for me to say.

42. *Mr. Cowan.*] It would appear from your statement that £1,000 a year would be gained on the working expenses?—Indirectly.

43. But, if that is so, it is fair to say that it would pay 3 per cent.?—Yes, if the £110,000 were invested in building the line, and it continued to make the same profit. I can only say that if I had a clean sheet and were asked as to the advisability of building the line at that cost, I would say