

then to the Idaburn Valley, and by going three miles further you would get to the Manuherikia Valley.

220. That would be about a hundred miles?—About one hundred and six miles: I made estimates for it on to Manuherikia.

221. You have given us the figures £602,000 from Chain Hills to Taieri Lake?—To the Lander we put down £215,000 more.

222. £895,000 to the 106th mile?—That is from the start.

223. *Hon. Mr. Ballance.*] What is the estimate of the additional to Lauder?—Thirty-nine miles, £215,000.

224. Have you the original estimate of the cost to Middlemarch?—The first estimate in section founded on fair information was made in April, 1884. Middlemarch was not made a section, but we put the section to Taieri Lake down at £560,000.

225. When was that made?—In 1884.

226. Have you an estimate calculated before the line was made?—Not on the section to Middlemarch. I have an estimate to Blair Taieri, which is but three miles short of it, at £430,000.

227. When was that made?—That was made in 1882.

228. You have no earlier estimate than that?—No; not in sections. I have a first estimate of another line, but it was a different class of line altogether. That estimate was made in 1877. It was for a much inferior line. That gave the section to Taieri Lake, but of a very different sort of railway to the one provided. It was for a very light line—in fact, one of the lightest construction known, and which we estimated we could make for £370,000. The present line has much better works.

229. You have stated the estimate to be £560,000 in 1884; now it is put at £682,000. Can you explain the difference?—Yes: we had not sufficient data.

230. Then where is the difference?—The difference is all in the Gorge.

231. How in the Taieri Gorge?—The Gorge cost more money than we at first thought it would.

232. Did the labour cost more?—No; the labour did not cost more, but there was more work to do than we expected.

233. Was there any excessive expenditure?—No. The work has been done remarkably cheap. I do not know any contractor that made anything great out of it.

234. *Mr. J. McKenzie.*] It was the other way?—I did not hear of any but one who made anything by it, and this one's profit was not excessive.

235. *Mr. Cowan.*] You give us a notion where the line should go to: it is based on the idea, is it not, that the work was to be done by the Government?—Yes.

236. Suppose a syndicate were to take the risk of carrying it further, would that alter your views?—No; I think that carrying the line to Hawea is premature.

237. If Parliament were to give them an opportunity, would there be any professional objection?—No; there would be no professional objection to doing so.

238. This Bill provides for a sum equal to £6,000 a mile for a line from Middlemarch to Hawea. Is that a fair estimate of the cost—£850,000 for 140 miles?—Yes, I think it is a fair estimate.

239. It has been proposed to this Committee that one-third of the exact cost should be knocked off from the work done rather than go to arbitration. Would you approve of such a process?—No.

240. Would that be too much to knock off?—We would knock off nothing; but I would rather sacrifice something than go to arbitration.

241. You say the Government would get the worst of that?—Yes.

242. Do you think that one-third would be a great concession to make?—Yes.

243. Then would you say what proportion you would agree to?—I cannot say.

244. But you would prefer to make a concession rather than offer an arbitration?—Yes.

245. Are you prepared to say what concession you would make?—No.

246. But you think that knocking off one-third of the cost would be excessive?—Yes.

247. *Mr. Whyte.*] But we had an alternative put before this Committee by one of the promoters. He said that if they took it over at the actual cost they would expect a grant of land; but under an arbitration they would require no such grant. Looking to the proposal to strike off one-third of the cost, if your opinion is correct that it could not be done cheaper now, then arbitration would be the best plan for the colony?—No; it does not follow. I do not like arbitration. Governments fare badly in arbitrations, and what you have stated is in favour of this theory.

248. You said that to strike off one-third of the cost would be excessive. Would there not therefore be reason to expect something to be made out of arbitration?—No; it depends on who were the arbitrators.

249. But surely to refer it to arbitration would be better than to give one-third of the cost?—It all depends on the arbitrators.

250. *The Chairman.*] What charge is made in respect to Dunedin Station?—Nothing is charged yet.

251. On Dunedin over-bridge is there a charge made?—Nothing has been charged as yet.

252. *Mr. O'Callaghan.*] Is there any rule in the department?—No; but I think it would be fair to charge a portion of the terminal station against the Otago Central Railway. But in dealing with a company they might say, "We would have our station somewhere else."

253. *Mr. J. McKenzie.*] Will you give us some idea of the chance of the line paying to Taieri Lake?—If the country were well settled I think it would pay. I think there will be a considerable amount of traffic from the Maniototo Plain. It is very good land.

254. Eventually it would be extended further?—Yes. I see a question is asked in this memorandum about the land. The whole of the land is bought for the portion under construction