Mr. Myers.] Mr. Nash suggested that this land would range from £8 up to £100?—Yes. I would like to call attention to this fact; that the officers who advised me on this point have quite recently valued another block which has been sold by auction, and the valuations, which were on the same basis, have, as a result of the auction, increased by 20 per cent.

Mr. Luckie.] Where was that?—At Stratford.

Mr. Myers.] Your point is, the same men who handled that land have expressed their opinion to you in regard to the price of this land?—Yes. Now, allowing that I am wrong, and putting it at £140,000, that means a total saving of £300,000. On the estimate of £300,000 it reduces the net cost to something like £400,000.

What you say is this: that as a matter of fairness, if you are taking advantage of any reductions in your estimates of cost, you should also, having regard to the evidence given at Palmerston make a reduction in your estimate of the value of the land that will be left in the neighbourhood of the present site at Palmerston North if the deviation is made?—That is so. Now, I would like to say further that in connection with these estimates I have thought it inadvisable to make any deductions on account of the value of tracks, buildings, and appliances which would be released by the deviation. We would have a single line of track from Longburn to Palmerston North, a double line of track from Palmerston North to Terrace End, a large length of sidings, a great many turnouts and buildings which could be made use of elsewhere. At a very low estimate—and this is affecting the total cost to the Government and not effecting the comparative cost—I would allow £60,000 for those.

Mr. Luckie.] After removal?—Yes, deducting the cost of removal, the value for use elsewhere would be not less than £60,000. I have not taken that into consideration.

Of course that saving would be made by the adoption of any scheme?—Certainly not. If you are going to remain at the present site you still have to use the rails between Longburn and Palmerston North and between Palmerston North and Terrace End. You would still go on using the sidings, and the estimates prepared for the alternative schemes do not include the cost of these extra tracks at all. This saving is only effected in the deviation scheme.

Mr. Marchbanks.] That material would be used in the station?—Yes, and in estimating the cost of this station that has been taken into account. If you care to go into the particulars of Mr. Fulton's estimate I could show you.

Mr. Myers.] Mr. Maxwell said that you would require to erect your buildings so that the formation would be at least 2 ft. above the highest known flood?—Yes.

Has all that been attended to?—Yes. Our scheme provides for the formation being well above—as a matter of fact 18 in. above—a flood higher than that which has been called attention to.

You are in entire agreement with what Mr. Maxwell says, and it is really rudimentary?—Yes. This flood is largely due to certain conditions in the Mangaone River and Kawau Creek, which are being dealt with quite independently of us altogether.

Turning to Mr. Fulton's estimate, he has made an estimate of the cost of carrying out his scheme of £200,000. You say it will cost double or more than that?—Yes.

I think you can illustrate that quite readily?—Yes. Mr. Fulton in his estimate has two separate items—namely, £30,000 for sidings, and £30,000 for sidings and signals: that is £60,000 altogether. In evidence he stated that he was including about eight miles of siding at £4,000 a mile, which is £32,000.

What is the length of siding necessary for your requirements?—At least twenty-three miles. In the station at the present time there are seven miles.

And that is totally inadequate?—Yes, absolutely.

You say as the officer responsible for this part of the Railway administration that twenty-three miles of sidings are required?—Yes, that is so.

And what about the item of £4,000 a mile?—£4,000 a mile is a low estimate for track where you have no interruptions at all; but in a station where you are laying tracks and interfering with the track the whole time, as you would be at that station, our experience is that the cost is practically doubled. However, not doubling it, but making the minimum allowance, he would have to provide eight miles more than he has provided for. Putting that at £32,000, he has to include his turnouts, which, at a very low estimate, and a far lower estimate than I have put down—namely, £10,000—would mean £42,000.

That is assuming you are going to use the present sidings which are there?—Yes, that is so.

Would you be able to do that?—No. I said I would put it at £8,000 for extra cost, making it round figures, but that would not look at it. That would mean £50,000 altogether. For sidings Mr. Fulton provides for £60,000, and he includes in his estimates signals. I asked the Signal Engineer what it would cost, roughly, to interlock this station, and, assuming the ordinary interlocking system, which is not a power plant, he said it would cost at least £20,000. That would involve a staff of twelve or more signalmen. Putting that at £20,000, and adding that to the £50,000, there is £70,000, and I am sure that is a very low estimate. You have to add £10,000 to Mr. Fulton's estimates for that particular item of sidings and signals.

You say that the signal arrangements would require a staff of about twelve men?—At least twelve men.

That is, if you give effect to Mr. Fulton's scheme?—Yes; that is for mechanical interlocking.

Supposing you adopted the deviation scheme, what about the staff then?—In the deviation scheme the signalling would not cost anything like that. It is included in "miscellaneous." I think it quite feasible that we could work it with not more than two thirds of that staff. If you introduce a power plant for signalling, then probably the cost would be doubled. It might be economical, but it would probably double the initial expenditure.