

the working of the Nightcaps Coal Company's line itself, then of course my illustration as regards a turnpike road does not apply to that case; but what I understood from Mr. Dargaville at the time was that £300 a year represented the net profit made by the Government in all, through carrying the Nightcaps Company's coal, not alone on the Company's line but also on the Government line. The turnpike road illustration would however still hold good as regards such of the lines as do not individually yield to the Government a net profit over their individual working expenses. Even in cases where the Government did probably make some direct profit from working the Company's lines too, there would be great difficulty in determining what the profit actually was, unless it was very large, and if the Companies worked the lines themselves in order to keep the accounts separate they would probably make no profit at all. Any small profit which the Government might make would also probably be due to the economy attained by working the whole of the traffic on a uniform system, and it is doubtful if a profit due solely to that cause could fairly be claimed by the Company.

45. I wish for an illustration of what you mean by the justice of the matter?—I merely understand that to be the platform on which the Companies make their claims, and on which it might be possible for them to make out a case. I cannot see that the Government would be better off if they purchased these railways than they are now; they have got all the traffic anyhow. It is to be presumed that when the Companies made these lines they expected to make a profit out of them. They would not probably have undertaken them for the benefit of the country at large. I should also, perhaps, point out that there is a distinct line of demarcation between these railways and the district railways which Parliament has already agreed to purchase, inasmuch as the latter had powers of rating, and were guaranteed interest, which does not apply to the railways now in question.

TUESDAY, 20TH JULY, 1886.

Mr. CHARLES EDWARD TWINING, examined.

1. *The Chairman.*] What is your calling Mr. Twining?—A Mining Engineer.

2. Can you give the Committee information as to the Nightcaps Coal Company in connection with this line?—As compared with most colonial coalfields I consider that it is one of the easiest worked and there is more coal proved than in the majority of them; that is, of course, of those that are being worked.

3. Can you give any information as to the advantage that the public would derive from the line being taken over by the Government?—I believe that it will give to the public fuel at a cheaper rate than they can get it at present. The railway is used by the public to about an equal extent as the colliery is; but I am not a resident there.

4. You wish to speak of the coalfield?—Yes.

5. *Mr. Cowan.*] Do you know the extent of this Company's property?—Yes; they have over 500 acres.

6. Is there coal over the whole area?—Yes; I believe there is not a square chain that has not coal under it.

7. Will you describe the quality and extent of it; but in the first place, what kind of coal is it?—I consider—but I am interested—that it is about the best coal we have on the East Coast of the Middle Island.

8. Are you a shareholder?—I am a shareholder; but altogether outside of my being a shareholder, I consider that it is what I have described it to be.

9. What depths of seam are there?—There is a three-feet-six seam, and there is a nine feet seam (which we are working), and there is a two feet seam below that; I think there are other seams from the out-crops. I believe there is one twenty odd feet below; but the nine feet seam will last a very long time.

10. Suppose this purchase is made you do not expect a large increased traffic of goods and coal within a reasonable time?—I think it quite possible if another coalfield should be opened; I do not go so far as to say that would happen very soon; but until population increases it will be impossible to open up another one.

11. Have you any knowledge of the district that will be served by the line?—I can speak from 1882 when I went to select the ground; at that time for a distance of fourteen miles from Otauto there was only one house, now the whole district is taken up by settlers.

12. About 335 tons of grain were carried last year from the Nightcaps district, do you think that is an increasing or decreasing quantity?—It is an increasing quantity; it has gone on increasing from the time I speak; I do not think there was a plough put into the ground prior to the railway being opened, and now nearly the whole is being cropped.

13. Do you think these quantities are likely to be continued?—Yes; I do.

14. In the Nightcaps return the total since 1881-82 is put down at 38,855 tons; do you think that quantity, is it likely to be an increasing quantity?—An increasing quantity, certainly.

15. Have you formed any opinion as to the profit it will be to the State if the Colony possesses this 2½ miles of railway?—It will be used by a large number of settlers; being a nominal terminus as you may say it will be of use to a very wide district for carriage of produce; it is even now nearly as much used by the public as it is by the Company.

16. Do you know the sum of money they offer it for—£7200 odd pounds?—Yes.

17. Do you think that a reasonable price?—Yes.

18. Is it a fairly built line?—Yes; it seems the same as an ordinary Government line; 40lb rails and it is all fenced.