

was opened four years ago there has not been much time to thoroughly develop the land. I might also state that the Government, since the line has been open, have been supplied with coal on the Invercargill section at a price which gave them a considerable saving because previously they used imported coal from Newcastle, and Westport coal at a price beyond what they could since get it at from the Nightcaps. Owing to competition, in the last year on the Invercargill section of the line they have got their coal at £1000 less than they used to get it two years before.

2. *Mr. Wilson.*] What is that?—Take 7000 tons a year as the contract; if you calculate the difference between 9s and 12s a ton the price which we got two years ago, you will find that it comes to a little over £1000.

3. *The Chairman.*] You state that your Company is not a public one in the sense of being a registered Company?—No; it is a private partnership.

4. The Committee desire to see the balance sheet and other accounts?—Yes; I have brought the balance-sheet and accounts with me.

5. What did the line cost?—The railway cost altogether £7224; it is all fenced. It is constructed the same as the Government lines; the difference being that we pay for it and the Government made it in accordance with the plans of their own engineers. The length of the line is two miles twenty-four chains; but we have laid off a large station-yard, sidings (and done other things for the benefit of the public,) which bring up the total length of permanent way to 2 miles 62 chains.

6. *Mr. Wilson.*] You say that the line is $2\frac{1}{2}$ or $2\frac{3}{4}$ of a mile including siding?—Yes; and there is a large station-yard laid off which the public use; we do not require it for ourselves; we knew the capability of the district, and we knew that it would be required, and we thought it better and cheaper to make it at the time we did.

7. Can you show us the traffic that goes over the line otherwise than the coal traffic?—The traffic returns show everything; if you take the last 12 months ending the 30th April over a thousand bales of wool have been sent from there, more or less, I might not be correct as to about 40 or 50 bales.

8. At what price?—I do not think it is much; but it is easy to show the proportion of benefit to the public.

9. Will you tell us the amount of public benefit you expect from the Government taking over this line?—In addition the above, one settler alone sent 15,000 bushels of oats, as I have already said there are fifty-five or sixty settlers (farmers) holding from 120 to 320 acres each; there is also a large quantity of timber for building purposes, fencing material, stores, bricks, &c., sent by rail to the Nightcaps.

10. Your books will not show the amount of money coming from the outside public?—No; we do not get anything from the Government. They work it as if it were their own line; we do not get anything except that they pay towards maintenance of the line. I think there are three or four men employed for a distance of about 13 or 14 miles as plate-layers. I think their share would be about one-fifth of their wages through the year. About £40 or £50 would cover the whole of the up-keep. They charge us ordinary rates on all goods (coal included) and passengers.

11. Did you acquiesce in this arrangement?—We could not help ourselves; it was the best we could do. These is a considerable passenger traffic also at the same rate as if it were their own line. If we liked of course we could shut up the line; but that would hurt us and hurt the public. The Government have treated us fairly well in the matter of coal contracts, and we do not want to be nasty over it. If you wish any confirmation of my evidence, Mr. Johnson, the Chairman of the County Council of the district is in Wellington, and can give you information as to the public benefit. The present Member representing the district, Mr. Henry Hirst, knows the whole of that country; being a Member of the House of Representatives, we did not think it would be the correct thing to ask him to give evidence; but if the Committee wished further information he could give the fullest and best information as to the capability of the country.

12. *Mr. Cowan.*] This branch is in reality a continuation of the main line?—Yes.

13. Is this price that you ask the net cost?—Yes.

14. What interest do you pay?—We pay 8 per cent. on our overdraft, costing us £550 or £600 a year.

15. How long has the line been opened?—From 4th March, 1882,—four years in round numbers.

16. You say that during that time it has been costing £550 a year?—Yes.

17. Can you give the Committee any idea of the amount of freight paid to the Government since the line was opened?—I could not show it exactly; but some 40,000 tons have been taken over the line in the four years.

18. How much do they charge a ton?—Half-a-crown from Nightcaps to Wairoa; but then it is still 2s. 6d. for the first eight or ten miles.

19. So that they would charge for eight miles the same as two miles?—I might state that there was no out-put until the line was opened in 1882; there was nothing worth speaking of before 70 or 80 tons perhaps; but the average is now somewhere about 10,000 tons a year.

20. Your Company has given every facility to the Government for working the general traffic?—Yes; I might state for your information that about six months ago the Government evidently recognised the value of the line for they appointed a caretaker to look after the goods. We have nothing to do with him; we do not require to have anything to do with him; we work our coal separately altogether; but I might again state that we have storekeepers, a school, a hotel, a post office, a blacksmith, a butcher and other tradesmen in the township.

21. How many men do you employ in the colliery at the present time?—We are able to put out coal very reasonably now; we do not employ more than 25 to 30 men.

22. Can you give us some idea as to the permanence of the coalfield?—There is as much coal there as will serve Otago certainly for the next 100 years at any rate.

23. What kind of coal is it?—It is a pitch coal.