

The production of coal before the construction of the railway was four and five thousand tons per annum. The line was opened in June, 1879, and in that year there was over 18,000 tons; the following year 36,000, and again 30,000, and when the mine was closed we were in a position and should have turned out 50,000, and shall probably do so again if the Government will give effect to the recommendation of the Waste Lands Committee.

After 1881 our coal landward ran out, and we applied for a right to mine seaward. We got 193 acres and the right to put in submarine workings until the mine was closed in 1883. We are now doing fairly well; we are putting out from 800 to 1000 tons per month, and that amount will go on increasing. But the mine having been closed makes it up-hill work.

3. *Mr. Cowan.*] What was the exact cost of the line, the price here as it stands is stated at £8025?—I do not know how they make that out; I got it £8112 10s. 5d. as cost of the line; I paid also Messrs. Allen Bros. £210 for the land, and I owe the Government for rails £1292; that of course would bring it down to £6800.

4. Does this line serve any other industry?—Yes; it confers very considerable benefit on a brick and drain pipe works.

5. Are these industries connected with the mine and conducted by yourself?—Yes; they are in connection with the mine; there are other kinds of goods also carried on the line.

6. How is the line worked?—By the Government; it has been from the opening of the mine.

7. Do they charge you freight upon your coal?—Oh! yes; or rather our consignees.

8. Can you give the Committee any idea of the sum you have been paying per annum for freight?—I do not know exactly how much it has been.

9. How much a ton?—I think it is under the regular scale; they wanted to alter it and pay me a rent for the line, but I said *no* I could raise the price of coal to my customers, myself, if I thought fit; I did once make up the average of freight and found that it was about 6s. per ton; that is to Dunedin, Oamaru, and Timaru, and the general average being 6s.

10. What is it from the pit to the main line?—The charge is the same as if it were on the main line; the regular tariff or scale of charges.

11. A through route in fact?—Yes; a through route; but the freight is less the further you go: if you went five miles it may be half-a-crown; but for fifteen miles it would not be three half-crowns.

12. You cannot state what it is from the pit to the main line?—No; they charge to the consignees from the pits mouth. What I think the Committee should bear in mind is this: there is a great expense in terminal charges; we receive empty trucks for instance: all that kind of work, shunting, &c., is done by ourselves, and the Government get the benefit of it. There always has been a revenue from the mine; that revenue was very considerable at one time before the mine was closed. I have a return from the Public Works Department, it shows how the out-put increased and decreased.

13. But your figures do not agree with the figures of the Department as to out-put?—Mine are correct as to out-put; probably, Mr. Cowan, this would be the excess of coal which went away in drays or was sent by steamer. The figures of the Department would refer only to coal which went over the line.

14. Can you give the Committee any idea as to the probable permanence of the coalfield?—There is an unlimited quantity of coal there; it is merely a question of funds in opening up the field; I know that there is any amount of coal. The Inspector told me some time ago that it was an extensive and splendid field. But if you have to sink shafts it will cost from £2000 to £5000, or perhaps £6000. When we were stopped it was done on the assumption that the sea had broken in. Our Manager gave evidence before the Waste Lands Committee of which Committee you, Mr. Cowan, were a member. You will probably recollect that the last question asked the Manager was "Do you mean to say that the salt water had nothing to do with the flooding of the mine?" The answer was "Absolutely nothing; it was fresh water, the sea has had nothing to do with it"; after the mine had been closed for over 15 months we determined to pump it out. We applied for Professor Ulric to come and see and report upon the mine, but he rather objected. Mr. Binns came and gave us authority to work where he had previously stopped us. We pumped it out to 150 feet below the sea level without any difficulty. The Manager informed me a few days since that he had not much water to contend with; thereby proving that there was no inbreak from the sea.

15. Suppose the same contingency to arise again; that you were stopped seaward, is there a sufficient coalfield landwards to keep this railway going?—Yes; I think so; in 1883 I offered to guarantee 25,000 tons per annum. I would not care about offering that at the present time, for it depends on whether the Government are going to assist me to re-open this mine. We have now coal enough for our own small trade; but to open up the field as it was when allowed to be flooded would take £10,000. It would take that amount to make the mine as good as when it was closed.

16. What I wanted to know was whether the permanence of this field was sufficient to warrant this line being taken over by the Government?—Yes; there is an unlimited quantity of coal there, and there has been a good deal of capital put into it. I think you could easily get the evidence necessary to prove the permanence of the supply.

17. *Mr. Wilson.*] Who would give it to us; do you think we could get it from Mr. Gordon?—You could get it from Mr. Twining, for he was specially employed to inspect and estimate the quantity of available coal for the Kaitangata Company.

18. *Mr. Cowan.*] Will you explain the kind of tenure?—I am paying £350 a year rent to Mr. Hutchinson for the next nine years, after that the right to mine becomes mine for fifty years including the above term, the principal portion of this is submarine coalfield.

19. Do I understand that Mr. Hutchinson's land is freehold?—No, only leasehold; but he pays a peppercorn rent; it will come to me at the end of nine years. The Government will have to pay for all machinery, shafts, drives, at the end of the lease or the incoming tenant.