

company to make it as a private line?—No, I do not think that had anything to do with it. I think it was made under Act for the convenience of the company—to facilitate their making it.

5. Was it a special Act?—It was “The Railways Authorization Act, 1884.”

6. To what extent are the Government allowed to make sidings without special legislation?—They are not allowed to go outside a limit of deviation of ten chains.

7. Is there any Act under which sidings of greater length can be constructed?—Not that I am aware of.

8. *The Chairman.*] The next line is that belonging to Shag Point Coal Company. Can you give any information about it?—The line was made by the Government at the company's expense, under authority of one of the Public Works Acts. I am not acquainted with the transaction personally. The Under-Secretary for Public Works could, I think, give evidence as to the making of the line. The line is worked by the Government for the company. I find that in 1879 there was some correspondence between the then Commissioner of Railways, Mr. Conyers, and the Minister for Public Works; and the Commissioner was of opinion that the line should be placed on the same footing as the Kaitangata line. Now, the Kaitangata Company have their own engines and work their own line; but, as I understand it, the Shag Point Company did not desire to work their own line, and they asked the Government to give them assistance by sending their engines on to the line with trucks, and taking away the trucks from the line full. That is the basis on which it was worked; and the Government have continued to do so from the first—about May or June, 1879—to the present time. The line is worked for coal and nothing else.

9. You know the terms on which it has been offered to the Government—£8,025?—No; I have heard that the company at different times suggested that the Government should pay a rental for the line, or that they should buy it; and I never could see any reason that they should either buy it or lease it, because the obligation, if any, is on the part of the company.

10. *Mr. Cowan.*] I do not think you have stated what the Government charge for freight on the line?—The Government add the length of this branch to the mileage of the Government line on which the coal is carried. If coal is sent forty-seven miles, to Dunedin, it would be charged as for forty-nine miles—that would be 2d. per ton added to the total charge. It is not a commensurate payment for working the line; but I think the Government of the day, in order to encourage the industry, were prepared to give assistance in working the line—that is to say, they were willing to run their engines and trucks down, and take them away filled with coal, even though the amount they received in rates was not commensurate.

11. Supposing that the company closed their mine in consequence of not being able to dispose of the railway, would that not be a very serious loss to the general revenue of the railways?—It would not at present, for the mine is not working to any extent; it is supplying the locomotive department with a little coal. Of course, it is very unsatisfactory that the mine should have been shut up owing to an accident. We were carrying a large amount of coal from it at one time, as the returns show.

12. Can you give the Committee any idea of how much the revenue was benefited by carrying that amount of coal?—No, I do not think I could. We have to perform a service for earning the revenue, and there is very little profit derived from carrying coal, as it costs a good deal of money to deal with it. The benefits would be indirect rather than direct. The establishment of an industry of that kind, and the population working it, bring indirect advantages to the railways.

13. Can you say what extent of country is dependent upon this coal for supply?—The company sent most of this coal to Palmerston, Oamaru, and Dunedin; but I could not say that I think that all this district was depending on the company, because there are other coals in the market. The Kaitangata, for instance, was sold even as far north as Oamaru, and the brown-coal mines sold round Dunedin. The company sent coal to Oamaru to some extent; but a large amount of imported coal was used there in preference.

14. What mileage of railway is used by the Kaitangata and Shag Point mines?—They are about equal distance from Dunedin. They are about a hundred miles apart.

15. The owner of this line states, in his evidence, that the Government are under obligation to him to take over the line: do you know anything about that?—No, I do not.

16. He talks of a promise from a previous Minister for Public Works?—I am not aware of that.

17. *Mr. Peacock.*] Are you aware of the position in which coal-branch lines are in England with regard to the railway companies, as to who makes them?—No; I have no knowledge on that point.

18. *Dr. Newman.*] Do you know whether there is any agreement in connection with this increase in the length of the line between the Government and the company?—I am not aware of any.

19. *The Chairman.*] Can you give the Committee any information about the Ocean Beach Railway?—For some years the Government worked the Ocean Beach line in connection with the Government railways. It ran from the old Dunedin passenger-station to Anderson's Bay and the Ocean Beach. It was always worked at a loss, and in 1880 or 1881 the operation of working by the Government ceased, and since that time we have only run occasional trains for the company to the races and agricultural shows held there. When the new goods-station in Dunedin was projected, it was found inconvenient to connect the Ocean Beach Railway with it, and before the goods-station was begun an arrangement was made with the company that they should have a railway-crossing at Anderson's Bay Road, so that they should then be able to run their trams to Crawford Street. For some time, I understand—I have no personal knowledge of it—they ran tram-cars on the line; but I believe the result was not satisfactory. At any rate, they have since given up working it as a tramway. Then, later on, in 1884, they came to make a fresh agreement with the Government, that, on holidays, when there was no objection to the Government using its goods-yards,