

consideration for the Government agreeing to this line being constructed it was stipulated that the company should supply a thousand tons a month. That was part of the agreement.

19. The company have also to maintain the line at their own cost?—Yes.

20. Looking at the whole circumstances, do you not think it would be fair and equitable for the Government to take the line over and work it—that it should be placed on the same footing as the Kamo Company?—Yes. The Kamo Company have also constructed a siding at their own cost, about 10 or 15 chains long.

21. Do you think it right that these coal-mining companies should be placed at such disadvantages as they are?—No. If you take it into consideration that the line was originally made to Kamo, I think Whauwhau ought to be placed on the same footing. But before recommending that the line should be taken over I think the quality and quantity of the coal should be ascertained. If there is quality and quantity there can be no harm done.

22. You say the quality is not, in your opinion, of a high class?—It is not coal suitable for export.

23. Do you know anything personally of the quantity?—Yes: I have been in the mine several times, and, so far as I am able to judge, not being an expert, the quantity is unlimited.

24. When you say the quality is not good enough for export, do you mean out of the colony?—Yes, or for use in the colony. I look upon export as from one port to another. It is a coal you could not export at a profit to Napier, Wellington, or any other New Zealand port.

25. But the coasting-steamers use it, and it is used in Auckland, is it not?—Yes, it is used for household purposes and by the steamers—chiefly the northern steamers.

26. The company say that the amount of coal carried in January and February was 2,203 tons, providing a yearly revenue to the Government of £1,320: would your knowledge of the matter lead you to confirm that?—That is for those two months: I do not think the average is a thousand tons per month. If you look at the railway returns you will find it does not look up well.

27. Do I understand you to say that generally you would be disposed to say that the Government ought to take over the line at the present offer?—I would recommend it without hesitation if there was communication with deep water; because then, I think, the larger steamers would go there to coal.

28. *Mr. Cowan.*] Would any public benefit accrue from the Government buying this branch line?—No, I do not think so.

29. *Mr. Peacock.*] You are aware that the former secretary of the company, Mr. Sloan, had a great deal to do with the management of the mine?—Yes. I think Mr. Sloan had severed his connection with the company before the siding had been completed.

30. But before he severed his connection with the company negotiations had been entered into with regard to making the line?—I am not aware of that.

31. Do you think it was subsequent to Mr. Sloan's connection with the company that anything was done with regard to getting the line constructed?—I think so. I forget the year, but the company had sent a deputation to Wellington while the House was sitting, and I think the object of the deputation was to try to impress upon the Government the necessity of constructing the line. I think that was in 1883.

32. My reason for asking the question is this: It is understood that Mr. Sloan led the company to believe that the Minister for Public Works had given a promise that the line, when constructed, would be taken over. If he made any such statement, you would say it was not in accordance with fact?—I should say it was not. I carefully guarded myself against making any promise of the sort.

33. Could the promise possibly have been given by your predecessor, Mr. Johnston?—That I could not say. If he had made such a promise, I think it would be on the papers. I may say that I do not think any statement can be borne out by fact, because I introduced the deputation to the Premier, Sir Frederick Whitaker, and when we interviewed him the Minister for Public Works was present, and they decidedly refused to construct the line. I have Sir Frederick Whitaker's memorandum on the subject.

34. Were arrangements for the construction of the line made during your term of office?—Yes; but the agreement was entered into with my successor, Mr. Richardson.

35. Then the probability is that, if such a promise was made, it would have been made by you?—Yes.

36. *Hon. Mr. Ballance.*] You say you refused to construct this as a Government line will you give your reasons?—The reason I had was that former Ministers had laid down the general rule that all sidings were to be constructed by private enterprise—sidings serving private manufactories or coal-mines.

37. Did you agree with that rule yourself?—Yes.

38. At that time had the quality of the coal been ascertained?—Yes. One reason why I indorsed that position was that I felt, if the power was once given to construct sidings to such places, there would be no end of them.

39. Do you think that still holds good?—Yes.

40. With respect to this line?—Yes.

41. You say that the quality of the coal was ascertained at that time?—Yes; the mine had been working for ten years.

42. I mean, had you ascertained that the quality was not up to your original expectations?—It was similar in quality to that taken from the other mine.

43. I understood you to say that it did not come up to your original expectations?—I did not say that.

44. You said that your recommendation to take over the line depended on two circumstances, quality and quantity?—Yes: if the quality of the coal should prove to be good, and such as would