

Another interesting point which the table of comparisons between the Fernhill and Walton Park mines brings to our notice is that the freights obtainable for coal from the Fernhill Mine have been higher all along than from the Walton Park Mine, the difference for the three years in favour of the Fernhill coal being: 1883-84—8'0ld. per ton; 1884-85, 9'38d. per ton; 1885-86, 7'23d. per ton. The Fernhill Company have evidently gone further afield for their orders, and consequently send their coal longer distances on the railways. They are therefore more valuable consignees to the Working Railways Department. As the Fernhill Company bring larger freights per ton at a very materially less cost to the Government, I think they (the Fernhill Company) are, on that account, justly entitled to some large amount of favourable consideration on the part of the Government. In making the above comparisons I have selected the Walton Park Company, not so much because I think they are unduly favoured, but because they are more similarly situated, each being at the end of a branch railway kept open almost for the sole object of securing the coal-traffic from these mines.

Take another instance of the very unfair manner in which the Fernhill Company are treated as against other colliery-proprietors. If the Fernhill Company wish to sell coal at the Abbotsford Station the charge would be 2s. 6d. per ton payable to Government, whereas it would only be the same from Walton Park, although the Walton Park coal would travel some three miles on the Government lines, part of which distance would be on the Main South Trunk line of railway; whereas the Fernhill coal would not travel at the outside more than a hundred yards, if that much, and all of this hundred yards would be on station-sidings only. Even though the Fernhill Company put in a siding of their own upon their own freehold, the charges would remain the same if the present regulations existed, although the coal never went on to the Government railways at all. It seems reasonable for the Fernhill Company to expect that the least the Government can do is to put all the coal-mines on an equal footing as regards freights; and the simplest way to do this would be by purchasing the branch line from the present proprietors and continuing to charge freights as from the mine.

That this line would pay the Government well when worked in conjunction with their other lines I think there can be no doubt, for there would be no increase of staff beyond, perhaps, on the average, one platelayer; while, on the other hand, a large amount of other traffic than the present one would shortly be secured. Doubtless, Mr. James Freeman would arrange to load all his coal on this line, and, by so doing, would very materially increase his trade, as he could afford to sell at a much less cost, and still secure for himself the same profits per ton. This would be caused by the long length of haulage below and above ground which he would be able to do away with, as also the high rents he has to pay for way-leave in order to get to the present loading-stage. In conversations which I have held with Mr. Freeman upon the subject of arranging for the loading of all his coal on the Fernhill Company's branch railway he has several times informed me that he would be willing to do so, and would put down a shaft close to the Fernhill Branch Railway, somewhere near the spot shown on the plan, and marked thereon "Approximate site proposed for Mr. Freeman's coal-mine," if he could make any satisfactory arrangements with the Fernhill Company for way-leave over the railway. The former management of the Fernhill Company, being somewhat jealous of Mr. Freeman as a coal proprietor, and fearing the consequences of giving him facilities to get his coal more cheaply into the markets, fixed the almost prohibitive price of 6d. per ton for way-leave only. Mr. Freeman would have had to put in and maintain at his own cost all necessary sidings for his traffic, to pay a considerable proportion of the cost of the maintenance of the branch railway, and also to pay all charges for the haulage of his goods and coal over the line; and, in addition to all, to give a guarantee of a fixed monthly revenue. On these terms being submitted to him Mr. Freeman very naturally declined them, as he had other, though not so suitable, outlets for his coal on more favourable terms than these; but he was willing at the time to pay something for the cheapening of costs to him. Moreover, by inducing Mr. Freeman to load his coal on this branch line there would be an indirect benefit to the Government, which would be no benefit at all to any one else. The traffic on the main line up the gradient to Abbotsford Station from Mr. Freeman's present loading-stage would be lightened to the extent of Mr. Freeman's traffic, and the wear and tear on that piece would, consequently, be diminished. Mr. Freeman would haul the coal up the extra height and load it into trucks at less cost to himself than he can do the same work at his present mine and loading-stage; and the Government loco would simply have to take the empty trucks up and bring the coal, &c., down hill from the new mine, instead of dragging the coal up a stiff incline. By arranging with the People's Coal Company their coal might all be loaded on the opposite side of the railway, on the sidings into the sand-pit, without any extra cost for working expenses to them; and then the set of points and crossings could be removed altogether from off the main line. On a single line it is most desirable to keep the number of points and crossings as few as possible, for one way or the other the points must be facing points, and therefore always a source, more or less, of danger.

Then, again, there is the Fernhill Company's own mine, from which they hope shortly to send fully four or five times the amount of coal into the market that they are doing at the present time. From the very inception of the mine nothing but poor coal—some has been much better than others, but all would properly be called poor coal—has been worked. There can be but little doubt that this is owing to the coal being opened up in a spur which, in reality, is only a slip from the main hills behind. The coal hitherto opened up is consequently broken and full of foreign matter, which makes it at the best only a second-rate coal. This is being remedied as rapidly as possible, for the present management are pushing on with very commendable zeal to cut right through this bad and broken patch until they get into the solid ground beyond where this slip broke off from. On the tracing annexed, both on the general plan and the plan of the workings, I show, by means of a blue circle, where I think the approximate line between poor and good coal will be found to run, and beyond which I therefore think the good coal will be found. This, you will see, is only some five or six chains from the point, in an easterly direction, where the roads have now been driven to. It will, consequently, not take very much longer to reach this solid ground. Should my expectations be at all fulfilled, the traffic on the line will soon be many times what it now is. Again, in a northerly direction, good coal could be reached after some little continuing on of the drives in the solid coal until the fault at (C) has been reached in that direction, when it (the fault) would have to be mounted, and the coal opened up on the top side. There would then be a field of coal opened up sufficient to supply all the requirements for Green Island coal for many many years to come. The coal, when thus opened up, would be worked very cheaply indeed, and would enable the company to get their coal used in lieu of much of the poorer classes of imported coal, thus securing a profit for themselves, bringing extra revenue to the railways, and reducing costs to our local manufacturers, and, through them, to the public at large. The whole of the hill-country behind the Fernhill Company's property is supposed to contain deposits of this brown lignite coal. It has been proved to exist in the same range of hills facing on to the Taieri Plains, and backing towards Fernhill; so that one may fairly presume, especially as the coal-measures are easily traced between the two points, that the intervening country is all coal-bearing, as it is undisturbed by any violent contortions which would lead any one to suppose that the coal has run out or has been thrown out. With such a very large field behind it, which can be more cheaply and easily worked through Fernhill than elsewhere (in fact, through Fernhill is almost the only way of working most, if not all, of the back-country), there will always be a colliery worked and a large traffic on the line. Unfortunately for the interests of the Fernhill Company, they have spent, as has already been shown, something like £11,000 in making a railway to their mine, instead of putting the money into the mine itself to develop the resources of the hills, and thus making it worth the while of the Government to construct the railway to obtain the traffic. By having pursued this course it makes it almost impossible for the mine to return anything like interest upon the money invested, particularly under the present method of working the line. Now that the company can see, or think they can see, their way to better prospects, they wish to have the money obtainable for the railway to prosecute their legitimate business—the opening-up of large coal deposits, and the employment of considerable numbers of workmen at good wages. As a portion of the money spent on the railway is really urgently required for properly opening up the mine, I think the Fernhill Company have done wisely in asking only about two-thirds of the cost from Government, and writing the balance off their capital account. Both parties to the bargain should be well satisfied, for the Government buy the line at a very cheap rate, and will probably be able, by means of this branch railway, to relieve the main line of some of its traffic; and the Fernhill Company, though heavy losers, obtain the use of the money for pushing ahead more energetically than ever in opening up good and readily-marketable coal.