

371. What is the capital of the company? Please state all the circumstances?—£25,000 for developing the mines up to an output of 35,000 tons per annum, when it is to be increased. This does not include the company for making the railway, the capital of which is £75,000. This is called the Point Elizabeth Railway Company. Previous to the formation of this company I was in negotiation with Mr. H. Allan Scott, on behalf of the Midland Railway Company, to make the railway, find the plant, carry coals, and deliver, f.o.b., at a rate of 2s. per ton, the same as on the Brunner line, on a guarantee of an output of 35,000 tons for the first two years, and 60,000 for the following eight years. The Coal Creek Company was to have given a like guarantee. The line was to have been in working order twelve months from signing the agreement; but the negotiations were broken off with the Coal Creek Company on account of a difference over the branch lines. On the 1st May, 1889, the Point Elizabeth Company deposited plans with the Government, and applied under the District Railways Act for authority to make the railway; and the Cobden and Coal Creek Company did the same the following day. After considerable delay and expense had been incurred, the rival companies agreed to join together and form a new railway company, to be called the Paparoa Railway Company, to make the line, find the plant and rolling-stock, and carry for both the coal companies at a rate of 2s. per ton, f.o.b., on a guarantee of an output of 35,000 tons each company for the first two years, and 60,000 tons each company for the subsequent years. On application to the Commissioners for Railways to fix terminal rates, after many interviews the promoters of the Paparoa Railway Company were informed that 1s. 3d. per ton would be the rate charged, and from this decision no concession has been made. This would only leave 9d. per ton to pay working expenses and interest on capital and depreciation on plant; so that the promoters could not see their way to go on, and decided upon waiting until Parliament met and try and obtain some relief. But the Coal Creek Company withdrew from the arrangement, and independently applied to the Government to grant them the right to make the line up to the north boundary of their lease, 4 miles 70 chains from Cobden, leaving about 1 mile 40 chains to make to our lease. The arrangement they made is gazetted on the 14th August, 1890, page 912. This leaves us in a less favourable position than if the arrangement for making the line had been adhered to.

372. You would have then been free to pay your share of the railway?—Yes. From the schedule in the *Gazette* it shall be seen that we will be subject to 1s. 6d. for coal besides the 1s. 3d. terminal rates; and in addition there will be the charges and interest on the mile and a half of railway we should still have to make. The charge, however, would, I believe, be still 1s. 6d., as it is for ten miles or under.

373. Have you not endeavoured to make some arrangement in this matter?—No. Their manager left for London a day or two after this arrangement was gazetted, and I have had no opportunity.

374. Will the Coal Creek Company have to find their own trucks?—Yes, under their contract.

375. Could you have your own trucks running?—Yes, by arrangement with the company, I believe the Government can grant us running-powers over the line. Both companies hope, however, that the Railway Commissioners will find the plant and work the line.

376. I gather from your remarks that you, on behalf of your company, do not think that this arrangement as it at present stands, either with the Coal Creek Company or with the Railway Commissioners, is satisfactory?—No. We do not think 1s. 6d. is too much for six miles for hauling coals from our mine; but we do object to the terminal rate of 1s. 3d., and to our not being made aware of how it was arrived at. The demurrage clause also we object to, as it appears in the *Gazette*. We have a royalty of 6d., which goes to the Harbour Board also.

377. Have you any dead-rent?—Yes; for the first two years it was 1s. an acre. After that it is 5s., which merges in the royalty.

378. Taken altogether, then, the charges on the coal would amount to 3s. 9d.?—Yes, without counting any demurrage that might accrue. All these circumstances led us to go into the question of having a harbour under the shelter of Port Elizabeth; but the only schemes according to estimates we have as yet had would involve such an enormous expenditure that we are now making inquiries with regard to a mode of shipment by means of an ocean jetty similar to that at Bull, New South Wales.

379. *Mr. Moody.*] In the event of the erection of storage staiths, do you think they should be provided by the company or by the Government?—It would depend on whether the staiths were put on the wharf or at the mines. We intended to have storage at the mine, because our coals will stand it: some other coals will not.

380. Have you made any estimate of the cost?—We intended to put up storage for 1,000 tons, and with that and the trucks we should have always had about 1,200 tons on hand, and we should always be ready to load a vessel when she came.

381. *Mr. Brown.*] Would public staiths be any benefit?—Yes, very great. It is a great pity they were not carried out here in the original plan in Greymouth; but there was a great outcry at the time against them.

382. *Mr. Moody.*] I presume the different collieries would be prepared to pay rent if the staiths were erected?—Very likely.

383. *Mr. Brown.*] How would they work that? How would the storage be allocated?—I presume each mine would require a certain number of bins set apart for them. That is the only way it could be done.

384. Would you get the full use of the staiths in that way?—I think so.

385. Would it be more satisfactory to make the bins at the mines or down here?—I think it would be better for us to have storage at the mine, because the place appears to be just made for it.

386. *Mr. Moody.*] I suppose you are now only waiting until some arrangements are made by Government?—Yes; the Coal Creek Company have got three years to do that work—that is, to complete the railway—and seven months to commence it in.