

3744. They will have coal in the market before the railway is available for Reefton?—They could have coal in the market before Reefton is available if they set to work at once; but it will be a very near thing, because I hope, before the end of 1891, to have the line open and working to Reefton.

3745. *Mr. Moody.*] Have you made any movement towards taking over the working of the Greymouth-Brunner Railway?—We have made offers to the Government, and I have tried to meet them in every way.

3746. *The Chairman.*] Describe what your offers were?—The first offer was, speaking from memory, to take over the working of the line from Brunnerton to Greymouth, and to pay the Government in the first instance 35 per cent. of the gross receipts on the traffic, of course including the through as well as the local traffic, and we were then to expend money to complete the line from Greymouth to Hokitika. We were, of course, to have the advantages of working that line; but in the event of the Government purchasing the whole of the company's line they were to pay to the company the amount they expended in completing the Hokitika line, including the rolling-stock, and all the accessories. And they were also to pay for any improvements which the company might make on the Greymouth-Brunner line, such as widening, doubling, or anything like that. The company were to maintain the line, the cost of which would be included in the amount they retained from the gross rates. This, however, was not considered good enough; and I then offered to increase the percentage to 40 per cent. of the gross receipts, and asked for a limitation in the amount of the total to be paid to the Government—that is to say, the company were to give the Government 40 per cent. of the gross receipts until a certain sum, which I think was fixed at about £13,000 per annum, was paid. After the £13,000 was paid out of the earnings, anything over that amount was to be divided between the company and the Government. That was not considered good enough; and then, with a view of getting a final and definite offer from the Government, in the face of capital having been arranged for in England, so that the line could be opened and set to work at once, I said, if the Government would make me an offer, and state 45 per cent. as their basis, I would submit it to the consideration of the Board, but would not commit myself to accept such terms as these; but until now I have received no definite reply from them.

3747. *Mr. Brown.*] And there it stands?—Yes, there it stands.

3748. *Mr. Moody.*] Of course, if you took over that it would include the harbour-works?—No; because the objection was raised that we should have the export and import trade of that harbour. I said, to overcome that difficulty we would leave the control of the harbour in their hands, and simply deal with the traffic. When the proposition was made it was evident that there was not much to be got out of Hokitika; nor would there be much profit to the company in giving them 45 or even 40 per cent. of the gross receipts. And I foresee that when we get our line open to Reefton, if we have to exchange traffic at a little place like Brunnerton, we shall have no end of difficulties. At present, of course, the arrangement is that passengers have to get out of the Government train at Brunnerton, and get into our train at the same point to be conveyed on to Ahaura, and in coming back they have to get out at Brunnerton and wait perhaps twenty minutes, half an hour, or even an hour, because the other trains do not fit in. If, however, we were to work the line right through we should make arrangements by which our through traffic and passenger-traffic could be run distinct from the coal-traffic, dealing with the latter by special coal-trains. If that arrangement falls through, then, when we get to Reefton, we shall be compelled to insist upon the running-powers which we have under our contract, and arrange to run trains through to Greymouth. It would not, of course, pay the company to complete the line to Hokitika and have an intermediate section of Government line between us and the other piece; we could not think of it.

3749. *The Chairman.*] Have you secured, under your contract, power to run over the Government line?—We have secured power, under the contract, to the extent of running on all Government lines which connect with ours. The terms of the running-powers are: We have to give the Government 60 per cent. for the through traffic over their line and they give us 60 per cent. for the through traffic over our line.

3750. Can you go over any line?—Only those which connect with ours.

3751. Can you go to Hokitika, for instance?—No doubt we could.

3752. Is that by special arrangement? because that hardly connects with your line?—I think perhaps that is rather open. I know we can run over the Government line to the Ports of Lyttelton, Nelson, and Greymouth; but beyond that I am not quite certain. It may be doubtful if we could run over the line to Hokitika; but it is specified in the contract as to the ports.

3753. *Mr. Moody.*] If you had taken their line from Greymouth to Brunnerton, would you have also taken the rolling-stock?—Yes, everything.

3754. At valuation?—No; we should take the whole line as it stands, and pay the percentage of the gross receipts, which is practically what they are receiving. The whole point is the convenience of working, and there would be a profit to the company in taking it upon that head alone.

3755. *The Chairman.*] Have you considered, from a railway point of view, what would be the best place for coal storage? I mean for an extra supply of coal to be stored to meet the interruptions to the shipping?—If you had proper facilities by which you could store coal so as to be able to shoot it into your coal-trucks at the mine it would probably be more convenient for handling; but where you have no provision of that kind it would be far better to get your coal stored at the wharf. Take, for instance, the Brunner Mine. There you have no room for storage sidings or anything else, and there is no question in such a case that the only thing to do is to store it on the wharves.

3756. What is the distance over your line from Greymouth to Reefton?—It is about thirty-eight miles.

3757. For what rate would you be able to bring coal down?—It is set out in our schedules. It agrees, of course, with the mileage. I think the maximum charge is about 2s. a ton according