

Supplementary Information furnished at the request of the Committee.

The line was proclaimed in *Gazette* No. 50, of the 25th May, 1882, page 762, "to construct and maintain."

A Mr. Hamill called at the Commissioner's office, in April, about a claim for wages, but nothing was known of such claim.

The Commissioners authorised the Traffic Manager to arrange to bring down coal from the mine on the 3rd February last, and arrangements were completed in April.

It is known to one of the local officers that Hamill worked on the line prior to April last, and maintained it in order.

Ten trucks of sand were bought from Mr. Gray, but I cannot ascertain that any ballast has been taken from Mr. Andrew's land.

On consulting my colleagues with regard to Hamill's claim, they are inclined to think that they could not recognise it.

Documentary Evidence of Mr. W. C. McGregor.

Extracts from examination, on oath, of Mr. A. H. Logan, before the Official Assignee, at Dunedin, in the matter of his bankruptcy, at meetings dated the 28th February and the 6th March, 1889 :—

"The bankrupt, examined on oath, stated as follows: 'I have been in business as a collier for about three years. I have no assets, except a property at Herne Bay. . . . In May, 1887, I purchased everything connected with the Fernhill Company, including the office, furniture, plant, leases, &c., from my father for £500. There is an agreement in writing to that effect. Everything that I bought has been sold by Sir Robert Stout, on the 1st February last, to Mr. Gray. . . . I had been financing with Mr. Toomey and Mr. D. D. Macdonald for some time since about last August or September—about £60 a month—and on every occasion I gave them security. The orders on different customers I gave to Mr. Macdonald. . . . I also received £65 from Mr. Hodge in September of last year—not a cheque. I have no household furniture or any other property. . . . I paid no cash when I purchased from my father. I had, however, money of my own—namely, a few pounds. I could always get money to carry on (borrowing it). I had been getting £4 a week, for a year or so, in the office connected with the mine. I did not know exactly what I had. I was then living with my parents. I am a married man with a family. I was latterly paying Mr. Gray £3 10s. per week as mine-manager. I am at present keeping the books in the office, temporarily, under no particular agreement.'"

"*The Deputy Official Assignee.*] Has the moneys borrowed from Messrs. Toomey and D. D. Macdonald gone to pay wages, railage, and other expenses in connection with the working of the mine?—Yes."

Hon. Sir ROBERT STOUT examined.

Hon. Sir R. Stout: Some of the remarks I will make, Mr. Chairman, must necessarily be of documents that have not come under my personal observation. I wish it to be understood that I will have to refer to documents that I did not see signed, &c. The following are shortly the facts of the case, so far as I know about it. The leases of two separate pieces of land were taken at Fernhill. One piece, I understand, belonged to D. Andrew, senior, who transferred it to his son of the same name, in consequence of his having become guarantor for his son-in-law.

Mr. Macgregor: I object to this evidence. Sir Robert does not know that of his own personal knowledge.

The Chairman: I must rule, Sir Robert, that that evidence is not admissible.

Hon. Sir R. Stout: David Andrew, senior, treated the land as his own, and I know of my own knowledge also that D. Andrew, senior, was the person who negotiated for the lease with Alves. I was well acquainted with the late David Andrew, senior. A piece of land was leased to John Alves. There was also another piece of land leased by John Andrew, brother to David Andrew the petitioner; and these two pieces of land were ultimately transferred to the Fernhill Railway and Coal Company (Limited). A large sum of money had been spent in making an aerial tramway to connect the coal-measures with the Southern Railway between Dunedin and the Taieri. It was found afterwards that that tramway did not pay. I think that the aerial tramway was made before the company was formed. It was made by a private company. A company was then formed called the Fernhill Railway and Coal Company (Limited). That company was registered, Mr. John Andrew taking 250 shares. The railway was constructed under the authority of Parliament. The money for the railway was found by the company—none of it was found by the Crown. There were some owners of land between the Fernhill and the railway-station who were not interested in the coal-measures at all. There was Mr. Freeman, Mr. Brown, and, I think, Mr. Sampson. I am not certain of him, but I think so; and the land was purchased from them in order that the line might be made across their land. There was a part of the railway which went across John Andrew's land, and that land was given by him to the Railway Company for nothing. The railway was constructed by the Government, and worked by the company—not by the Government. That is, the Government engines ran over it, but the maintenance was done entirely by the company—not by the department. So far as I know, the Government Department and Railway Commissioners never spent a shilling on the railway until this year, when they took possession of the line at Fernhill, in order to allow Mr. Gray to work his coal, and they spent about £200 in making the line fit for traffic. Now, I want to show the Committee my connection with the matter. The company borrowed money from a mortgage company in Dunedin, £5,000, on debentures of the company. [Mortgage produced.] This was borrowed in 1882. In order to help the company to get the money, Mr. Logan, Mr. Howorth, and Mr. Alves, became security for that £5,000. [Bond produced.] To