

wards converted into a coal-bin, which has been used ever since, and will be used as long as the mine goes; in fact, it will be invaluable to the company in the future for stowing away coal in prospecting the mine when the remainder of the mine is idle on account of trade.

*"Ballasting Railway Contract.*—This contract was let, tenders were called, and Messrs. Curtayne and party got the contract. These men commenced the work, which consisted of ballasting the whole length of the railway and taking out all the slack places in the formation. These men went on with their work for some time, until they got a progress-payment. This Mr. O'Connor gave them in Mr. Corby's hotel, which, I think, was about £100. I may say here the men were very dissatisfied respecting the work that had been done. It was let without any plan being made; the level-pegs were put in after the contract was let. The same night this progress was paid the contractors came to my house and asked to see the specifications. They asked to be allowed to take them to their hut for their mates to hear them read. I let them go, and they never returned them. These contractors did no more work after receiving the above progress. This contract remained idle till the end of the time specified for completion. Mr. O'Connor disposed of it to Mr. T. Corby to finish same, and to receive the balance due from the contract. Mr. T. Corby commenced this contract. I then wrote to Mr. O'Connor to be supplied with a copy of the specifications, as mine (copy) had been taken away with the other contractors. I duly received a copy of specifications, but not a true copy of the specifications which Messrs. Curtayne and party had. I remember one clause which was left out—viz., the size of the ballast in the original specification: nothing longer than would pass through a 3 in. ring was allowed to be put on. This made a considerable difference to the ballast and to the work. The ballast which was put on by Mr. Corby contained stones from 60 lb. to 70 lb. weight. At the time of this contract I wrote a long report respecting the contractor or his men lowering the level-pegs several times, and in one case they lowered the formation to make it fit with the altered level-pegs. This contract I refused to certify when it was supposed to be completed, and I never did sign it, as it was never done up to specifications.

*"System of paying Day Wages and Progress-payments.*—There was not any specified time fixed for either day wages or progressments. The day wages would sometimes be paid at the fortnight end, sometimes three weeks or a month. I think the pay has gone as long as two months; it depended on Mr. O'Connor's visits to Mokihiui, and other circumstances. It was never paid by cash. Sometimes Mr. O'Connor would write out the whole of the cheques separately himself for the amounts due to each man as shown on the pay-sheet. Sometimes he would give it me in one cheque. He said I could get T. Corby to give me the cheques for each amount separately, which he did several times. And sometimes when Mr. O'Connor gave me the cheque for the total amount I gave the men my own cheques in place of going to Mr. Corby's. I then got the sheets duly signed, and gave them to Mr. O'Connor. The progress-payments were paid at any time and place. Sometimes Mr. O'Connor would pay them at Westport and take a receipt for the amount, and then get the usual certificate from me for the amount paid. I do not remember passing any progress-payments, or the railway formation or bridges, unless I got instructions from Mr. O'Connor. The cheques given by Mr. O'Connor were always his own private cheques.

"The above report is entirely from memory, as I have neither books nor papers to refer to.

"I remain, &c.,

"MICHAEL STRAW."

Mr. Macarthy: I have referred to Mr. Straw as the mine-manager of the company, and I have also mentioned his name in connection with the wheels purchased from the Wellington and Manawatu Railway Company. I will put a few questions to Mr. Straw, and I have no doubt his answers will confirm what I have stated. (To witness): You recollect certain wheels, axles, and pedestals that were sent to you?—Yes.

Mr. O'Connor says that they were useless, and are now lying idle. Will you explain what you have done with them?—I have not the date when they came down, but four sets were put up shortly after I received them, and have been working ever since October, 1890.

The number sent to you were six pairs of wheels and axles?—Yes.

Do I understand that four pairs of wheels and axles are in use?—Yes.

And have been in use nearly all the time since you received them?—They have.

Is it possible that Mr. O'Connor is not aware that they are in use?—He knows they are in use. He drew my attention to them. He said, "I see you have got them at work."

And the pedestals, what has become of those?—They are all in use.

Have they been of good service to the company?—They have; they could not have been done without—in fact, in addition to these there are three different sizes of axles there; they are not of one diameter.

Mr. O'Connor has said something about his trucks, as to their adaptability and use?—The first trucks he brought out were a complete failure. The doors broke down, and there is nothing left of some of them. The first three or four he got from Nelson; then he sent tramway-wheels, and they collapsed and broke away. Then he had wooden doors in the trucks, and they gave way and had to be renewed. They were very old-fashioned. I have seen them in use since I was a boy. In fact, I do not think they are serviceable at all; they will not stand the weight. They would do for a short journey, but for three or four miles they are useless.

Mr. O'Connor's trucks are absolutely useless for the railway-line?—Yes, sir.

Mr. Macdonald: When you saw the wheels, did you object to them?—No.

Mr. O'Connor says the mine-manager objected, and was forced to use them by Mr. Barton?—That is a lie. He says anything.

He says, "They tried to work them in on my trucks, but they were abandoned and never carried an ounce of coal."—It is not true. They never were intended for his trucks.