

872. So that from 1896 till now there has been an increase of how many?—350 men.

873. What reasons would you principally ascribe why the mining development has not taken place earlier: you have mentioned cyanide?—A most important factor was the difficulty of getting machinery—the very heavy road-expense of getting stuff there.

874. Can you give us any other reason why the development did not take place earlier?—Want of capital.

875. Is it not true that the past ten years is not a fair guide to the future development for that reason: that capital was not directed to this district as it will be in the future. We want to know how far this existing railway is likely to be benefited by the future development of the mining industry. The Commission desire to know what reasons you have for expecting that the industry will develop in the future at a more rapid rate than it has done in the past?—I have given you a reason already with regard to the treatment of low-grade ores. If the treatment of low-grade ores is a success there must be a much larger number of men employed, and therefore a much larger amount of traffic on the railway.

876. It really depends largely on the success of the cyanide?—To a great extent.

877. You cannot give me any information about dredging?—No, not in that district.

878. Nor with regard to coal or timber?—No.

879. *Mr. Bell.*] It was stated a short time ago that the Consolidated Company was paying a dividend of 15 per cent.?—The Progress Company has been paying three dividends a year.

880. The Progress is one of the companies in which the Consolidated holds a large number of shares?—Yes.

881. *Dr. Findlay.*] What does the Progress pay?—A dividend of 3s.—that means 15 per cent. on the capital of the company.

882. *The Chairman.*] Can you tell us whether you consider the population of the Reefton district has increased proportionately to the increase of the miners working for the Consolidated during the last four years?—Yes, appreciably. I should say by one-half.

883. Proportionately?—You could take my figures with regard to ourselves.

884. As far as the general population of the district is concerned, what is your opinion on that point as to the actual increase during the last four or five years?—I should say it has increased by one-half during the last five years. We have increased more than that, but probably one or two of the other mines have decreased a little.

HORACE BAXTER examined on oath.

885. *The Chairman.*] What is your occupation, Mr. Baxter?—Audit Inspector, Railway Department, residing in Dunedin.

886. *Mr. Bell.*] You have prepared a statement from the books of the amount which it is estimated was earned by the railway between May, 1895, and July, 1900, by reason of the construction of works going on beyond Jackson's?—Yes. [Exhibit No. 8.]

887. In estimating the passenger traffic, how many of the first-class passengers were allowed to go by coach?—All.

888. And the second-class passengers?—About 25 per cent. for coach and local residents.

889. With regard to the second item, "Public works material and stores forwarded to Jackson's"?—The particulars were obtained from the actual payments of material forwarded to Jackson's from Greymouth, or, rather, which were forwarded to Jackson's for the Public Works Department.

890. Then, as to the third item, "Goods and stores for co-operative workmen, Otira extension": those figures have been taken out of the books?—Four months' actual traffic of each year have been taken, and a percentage taken from that.

891. *Dr. Findlay.*] Can you give me what the first-class passengers amount to in money—No.

892. And the second-class: 25 per cent. you allow for the coach and local residents, and 75 per cent. are put down as what?—Men and their families who were at Jackson's or beyond owing to the extension of the line from Jackson's to Otira.

893. Were they men engaged on the line and their families?—Yes.

894. You say it is entirely of the families of men engaged on the line?—The return is based on the total second-class passenger traffic from Jackson's, less 25 per cent. for coach-passengers and local residents.

895. I suppose it is merely an estimate?—Necessarily.

896. You made no record?—No, the information was obtained from the Stationmaster at Jackson's—he was at Jackson's during that period of time. It is an approximate estimate. A very large margin has been allowed.

897. Then, with respect to the item "Goods and stores for co-operative workmen, Otira extension," you say you took it for four months of each year?—Yes.

898. What period of the year did you select? Why not take it during the whole year? Would that involve a great deal of labour?—Yes; it would be a difficult matter to get.

899. But is it impossible?—It did not seem to me practicable to get the information in the time. There are no local residents' goods in this.

900. Can you say with certainty that these stores were exclusively for co-operative workmen: that some of them were not for residents there?—I cannot say that. I can say this: that the total quantity of stores for the Otira Section came to £1941. We took £200 off that so that we should be well within the mark.

901. But you were really in the region of conjecture as to how much should be taken off and how much should not?—Necessarily.