

7. Was the amount of capital spent by the Company on the construction of this line one of the things that contributed to their means being cramped?—No; the thing was the mine having been submerged and closed by the Government for nearly two years and the expense of pumping it out.

8. They have £9000 locked up in the line?—Yes; that includes about £1000 worth of rails that were lent by the Government but which have never been paid for; but the Company are willing that they should be charged as a set-off as against the interest.

9. What would be the effect if Government were to purchase the line?—It would have the effect of enabling the Coal Company to develop the resources of the mine more speedily and completely than otherwise.

10. Is there any certainty that the money would be applied to that purpose?—There is not the slightest doubt of it; the Waste Lands Committee in the Session of 1884 recommended that the lease of the coalfield should be extended, and that a sum not exceeding £5000 should be contributed by the Colony by way of subsidy of £1 to £2 towards replacing the mine as it was before. The lease has been extended; but no money has been paid. I believe the owners would be contented with half the £5000 to give them a fair start.

11. You feel convinced that if the line were purchased by the Government the effect would be to renew efforts in the development of the mine?—Yes; the effect would be to increase the out-put of coal to a very large extent; there is an unlimited quantity of coal there.

12. As far as you yourself are concerned, being Minister of Public Works at the time, you are quite clear that the Company at the time they were constructing the line were led to expect that the Government would take it over?—Yes.

13. *Mr. Ballance.*] Was there any understanding of that kind?—There was no written understanding; the whole thing was purely verbal. I considered that it was a great thing to get the line made; the Colony would not at that time undertake to do it itself; and there were many difficulties put in the way of making it; there were others who wanted to have a say in it. It was desired to take it across the land of another person who tried to levy black mail upon it; ultimately it was made along the fore-shore. There was all sorts of ill-feeling and jealousy in the district at the time; the owners were threatened with injunctions, &c.

14. *Mr. Dargaville.*] In addition then to the question of the expediency or otherwise of the Government purchasing this line the Company have an equitable claim?—Clearly so, I think; the more so that when the line was in full work it was worth about £10,000 a year to the main line.

15. *Mr. Cowan.*] I gather that it is your opinion that the use of the line depends entirely on the development of the coal?—Yes.

16. Are you aware that they are proceeding to mine under the ocean?—Yes.

17. I take it that the same misfortune as happened 2 years ago may happen again?—There was no misfortune at all. It was alleged that the sea was getting into the mine; and it turned out that not a drop of salt water had been in it. The misfortune was the Government being advised by a raw youth and declining to take the advice of experienced men and experts. The Company pleaded hard to have a commission appointed even at their own expense; but that was refused. It was one of these cases in which the department ruled the roast. "Thus saith the Lord" and it has to be done.

18. But it was done with regard to the safety of life?—That was the ostensible plea.

19. *Mr. Ballance.*] And what was the real reason?—Well; I will grant that was the real ground although a mistaken ground.

20. *Mr. Cowan.*] The Government were advised that lives were in danger and the mine was abandoned?—Yes; I suppose so; but it turned out quite unfounded.

21. The value of the railway depends entirely on the development of this coal?—Not of that under the sea because it extends landwards as well; but the best coal comes from under the sea.

22. *Dr. Newman.*] You say the Company have an equitable claim. Was any sum ever put on the estimates for this purpose?—No.

23. The House refused it?—No; I think it cost the Country 1s. for making the line; the Company finding all the rest.

24. The actual cost to the Government was 1s.?—Yes; the House never refused to vote money; that question was never put. The line was placed on the Schedule under "The Public Works Act" so as to get rid of local difficulties; and that is how the Government came to have anything to do with it. It was authorised by Schedule in 1878; and it was explained at the time that the funds were to be found by the Company.

25. The Colony was not pledged to find the funds?—Certainly not.

26. Can you tell us who are the actual owners of this line?—It is owned chiefly by Mr. Rich and his brother-in-law, Mr. Williams.

27. And if the Government bought the line it would increase the coal trade?—I am certain it would enable the owners to expend money more freely in repairing and developing the mine.

28. If £20,000 came down from heaven to Mr. Rich it would help still further I suppose?—Possibly. It would be a very good thing for the Colony if there were a few thousand more men like Mr. Rich; he is very enterprising and is a man who ought to be encouraged in his enterprises.

29. *Mr. Gore.*] You say that the success of this line depends on the coal out-put?—Yes.

30. You know, do you not, that there is other coal in the district inland?—Yes.

31. Would this line be of any use if these other coal mines were opened up?—I should think that it would be better for the other mines to make a line of their own—to make it straight to Palmerston South.

32. This line would be no use in working the coal on Allan's ground?—It would suite Allan's ground just as much as the other although rather round-about as compared with what was originally proposed.