

1886.
NEW ZEALAND.

PURCHASE OF DISTRICT RAILWAYS.

(LIST OF EXISTING DISTRICT RAILWAY COMPANIES WHO HAVE MADE APPLICATION TO GOVERNMENT TO PURCHASE THEIR RAILWAYS.)

Laid on the Table by the Hon. Mr. Richardson, with the Leave of the House.

LIST of Existing District Railway Companies who have made Application to Government to purchase their Railways.

Date of Application.	Public Works Record.	Name of Company.	Amount.
1885. May 18 ...	85/2954 ...	Nightcaps Coal Company's Railway ...	£ 7,224
1886. June 21 ...	86/2994 ...	Whauwhau Colliery Branch Railway ...	5,367
1879. Nov. 17 ...	79/5234 ...	Shag Point Coal Company's Railway ...	8,025
1886. June 9 ...	R. 86/1900 ...	Ocean Beach Railway, Dunedin ...	11,500
1885. Dec. 16 ...	84/6697 ...	Fernhill Coal Company's Railway* ...	6,000
			£38,116

* The company in this case did not indicate the amount which they wished to receive for their railway, but, as the cost of it is known by office records to have been about £6,000, that amount is inserted here for information.

No. 1.

The NIGHTCAPS COAL COMPANY to the Hon. the MINISTER for PUBLIC WORKS.

Re Purchase of Nightcaps Railway.

SIR,—

Nightcaps Coal Company, Invercargill, 18th May, 1885.

We beg again to renew our application of the 17th December last *re* the purchase of this line (belonging to our company) by your Government, and in doing so desire to point out a few facts and figures in support of our application, together with a map of the district through which the railway travels, and a copy of your District Engineer's report on the cost and value of the line, from all of which we feel confident you will admit the reasonableness and justice of our request, which you may rest assured would not be repeated without good and urgent cause.

We understand that any objections you had to the purchase of this railway were owing to the steepness of the inclines on one portion of the line only. Mr. John Roberts has, we understand, interviewed yourself and Mr. Blair, who, on again looking into the matter, informed him that, by a slight expenditure in reducing these grades, the line would fall in with the requirements of your railway-system.

From Mr. Dartnall's telegram of the 17th April, 1884, to the Engineer in Charge of the Middle Island, he estimates the first cost at £7,224, not taking into account the weighbridge, two coal sidings, and loss of interest during construction.

We would respectfully request that you would again consider the advisability of your Government purchasing this line, and we would be willing to accept the above sum, less the cost of making the necessary alteration in the grades.

This company was originally formed under promise from the Government of every assistance being given, they undertaking to use the coal on the railways, provided price and quality were suitable, which conditions have been amply verified during the last three years.

The line is a continuation of the Government line from Wairio to the Nightcaps, a distance of from two to three miles.

This railway was built on exactly the same lines as the Government railways, layed with 40lb. steel rails, securely fenced with barbed wire, and with ample station-yard at the Nightcaps terminus, where coal and public sidings, small goods-shed, platform, weighbridge, &c., were erected, capable of coping with the greatly-increased traffic in the future. The whole was constructed under the supervision and direction of Mr. Dartnall, the then District Engineer, and the line differs in no way from other Government lines, except that it was paid for by this company instead of by the Government. (See District Engineer's report of the 17th April, 1884.)

The line has now been open and worked daily for more than three years, and we beg to refer you to your own reports on working railways to prove, if need be, that it has been worked without a hitch, and at a low cost for maintenance during that time.

On the 3rd March, 1882, after spending close upon £20,000 on land, colliery, railway-plant, &c. (including £7,224 on railway, see report), the Otautau-Nightcaps line was opened to the public for goods and passenger-traffic, under "The Public Works Act, 1882," one train up and down daily, as at present; the Government working our portion of it from Wairio to the terminus at Nightcaps, and *vice versa*, as if it was their own line—namely, by charging the ordinary rates on all goods (coal included) and passengers running over it, and retaining all receipts, in return maintaining the line for the company, which arrangement has been carried out to this day.

Since the opening, some 35,000 tons of coal, a large quantity of wool, grain, timber, building and fencing material, live stock, stores, &c., also passengers, have been carried over the line at a profit to the Government, and the public look upon the line as part and parcel of the Government railway.

As evidence that it is largely used for traffic other than coal, we would point out that some time ago your Government saw fit to appoint a caretaker at Nightcaps (at a salary of 10s. per week) on the urgent representation of the settlers in the township and district, who are also desirous of more shed-accommodation, which we cannot comply with, as the outlay would benefit the Railway Department only.

This line has been of immense advantage to the district, having resulted in the sale of the Government lands at high prices, and the settlement on same by an industrious and hard-working population; and if purchased by the Government would undoubtedly be a good and sound investment at the price mentioned in Mr. Dartnall's telegram: the company being further willing to include in sale a free title to any further land that may be required at the Nightcaps terminus for railway-purposes.

The line is an extension of the Government system, to where it was originally intended to take it, namely, the Nightcaps Coalfield, which is the natural terminus and outlet for the entire district; besides which it acts as an important feeder to the main line.

Trusting that this application *re* the purchase of our line will meet the favourable consideration of your Government, and eventually result in our request being granted,

We have, &c.,

NIGHTCAPS COAL COMPANY,
Per J. R.

The Hon. the Minister for Public Works, Wellington.

No. 2.

THE WHANGAREI COAL-MINING COMPANY to the Hon. the PREMIER.

Re Whauwhau Branch Railway-line.

SIR,—

Auckland, 21st June, 1886.

We are advised by the deputation of Auckland members who waited on you relative to the taking over of this line by the Government that, if a definite offer were made to the Government by us, the matter should be referred to the Public Accounts Committee. We hasten to act on their suggestion.

Formal Offer.—The company ask the Government to refund the actual cost of railway, viz.:—

Land and compensation (approximate)	£1,000
Paid Government for formation	4,040
Paid for sleepers and cartage	327
	<hr/>
	£5,367

Cancellation of debt owing by us to Government for rails supplied for railway	£1,177
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That is to say, we will take £5,367, and the forgiveness of debt, £1,177. We would point out that this line was built by Government with their materials and under their supervision, so that the Government know that these figures are actual cost. The line is in perfect order at present.

We would bring under your notice a few reasons which we think should influence the Government in taking over this line.

Firstly. During the days of Provincialism Mr. Ormiston, then member for Mangapai, got a grant of £2,000 passed in the Provincial Council for the purpose of making a tramway-line from the Whauwhau Mine. It was recognized and put aside by the Government for that purpose. In the meantime Mr. Ormiston died, and the provincial system was abolished, and Sir Robert Douglas was returned as member for the County of Marsden. The Kamo Coal Mine was discovered, and Morrin and party bought the mine. By this time Sir George Grey was Premier, and was prevailed on by the Kamo people to use the £2,000 that was put aside for the Whauwhau line to paying

compensation to the people through whose land the Kamo line passed. These are facts, and can be proved by Sir George Grey, Mr. Blackett, Engineer, and all the parties in connection with the railway.

Secondly. Our late secretary and large part-owner always assured us that the Minister for Public Works in the late Government promised him that on the completion of the line it would be taken over by them. This may be a fact or it may not—unfortunately Mr. Sloan is away in England, and not get-at-able. Anyway it was used by him as a strong inducement in floating the company, and many shareholders were influenced thereby to take up shares, and more than one director joined on this understanding. Knowing of the £2,000 voted, and hearing of the promise on all sides, the directors accepted it as a fact, and went so far as to view the money sunk in the line merely as a loan to be repaid the bank when the Government should take over the line.

Thirdly. We would now ask your consideration of a few facts in connection with the present line. The line, as you no doubt are aware, runs from the Kamo-Whangarei line to the Whauwhau Mine, and is a few chains over one mile in length. The amount of coal carried for the last two months, January and February (average months), on which we paid Government freight, was 2,203 tons, at 2s. per ton, equal to a yearly revenue to the Government of £1,320. We need scarcely point out the injustice of charging us full haulage-rates, whilst part of the line is a yearly charge against us for interest and maintenance of between £600 and £650. The mine at the present time is in splendid working order, and is capable of putting out ever-increasing quantities.

A large sum of money has been spent in storage-bunkers and permanent "dead work," all tending towards the development of the mine. This yearly revenue could be considerably augmented by throwing the line open to passenger-traffic. By the expenditure of a few pounds for a platform near the mine all the settlers and miners living in the neighbourhood of the pit would use this line for goods as well as passengers. Our wages alone amounted to £320 last month. The district is rapidly being settled. Our coal is a first-class steam coal, and is used by the local steamers and the island steamers, &c., and is growing in favour.

So far the Government has not assisted this company at all; the advantage has all been to the Government. The line was built under their own supervision, according to their rules and regulations; it is run over by their own rolling-stock, and kept in repair by them at our cost; whilst we are charged full haulage for every ton of coal that leaves the pit-mouth.

We would sincerely ask your Government to assist us in this matter, not only in redemption of your predecessor's promise, but in doing so you will aid and foster a legitimate native industry, which we know is the endeavour of your Government, and also enable us to work our other coal lands, on which we know coal to exist.

We have, &c.,

WHANGAREI COAL-MINING COMPANY,
Per T. JAMES, Secretary.

The Hon. the Premier, Wellington.

No. 3.

The SHAG POINT BRANCH RAILWAY COMPANY to the Hon. the MINISTER for PUBLIC WORKS.

(Memorandum.)

APPLICATION made in 1877 to Minister for Public Works to construct line. After considerable delay, was advised by the then Minister for Public Works, Mr. J. D. Ormond, that the District Railways Act was to be brought in, by which the company could make the line with a guaranteed interest. Directly the Act was passed, and acting upon the above advice, the Shag Point Company had the necessary survey made, plans, &c., called for tenders, and accepted same conditionally—i.e., of receiving the Governor's assent for the line under the District Railways Act. The company's solicitor took the steps required by the Act just when the company were daily expecting the Governor's assent. They were advised that the Attorney-General could not recommend that the Governor's assent should be given, as the Act was not meant to apply to such a short line as the one in question. £1,000 would not repay the company for the expenses incurred and loss sustained through this action of the Government. As there was considerable difficulty in obtaining the land from the adjoining proprietors to make a private tramway, the Government were asked to take steps to get it under the Public Tramways Act. The Government at last declared the foreshore a Government road, and we were advised we could commence operations for the tramway. Acting upon this, the company purchased the necessary sleepers, arranged for the rails, and went to considerable expense in earthworks. Again the company were brought to a standstill, as it was found that, through a defect in an original survey, there was no foreshore. A great loss and expense were thus again sustained by the company.

The Assembly being in session, an application was made asking that—as the company considered it the duty of the Government to make the line under the Public Works Act—if they would have it included in the schedule of lines to be made, the company would complete surveys, &c., and find the necessary capital for the completion of the line. This was finally agreed to by the Government.

The line had been completed, and was opened for traffic on the 17th June last, and has been handed over to the Government in perfect working order, and is now being used by the Railway Department; and the line is the means of contributing at the present time from £6,000 to £7,000 a year to the railway returns, and by the early part of next year will reach £10,000, besides supplying the locomotives with coal at such a price as to cause a further saving of £10,000 per annum; and also that the coalfield in the occupation of the company is public property, and that a small portion—sixty acres—was recently put up to auction, and brought a bonus, over and above the annual rentals, of £570. The company are therefore of opinion that, as the coalfield is public property, and

realizing a revenue to the colony as before stated, and has been opened up at an expense of over £20,000, and capable of turning out 150 tons per day, the Government should take the necessary steps to recoup the company the cost of the line, £8,024.

The company have always been under the belief that, when the line was handed over to the Government, they would be paid the cost of construction, or be allowed interest on their capital, as the annexed telegram will show. The company therefore trust the Minister for Public Works will see his way to relieve a young and struggling company from this burden, when the very reproductive nature of the work is taken into consideration.

F. D. RICH.

New Zealand Government in Account with the Shag Point Coal Company (Limited).

1879.	The Shag Point Branch Railway :—	£	s.	d.	£	s.	d.
Nov. 5. To	Jesse Coates's contract	5,808	5	11			
	New Zealand Railways, carriage on rails and timber ...	247	19	7			
	Legal expenses	201	1	0			
	Sundries: Blacksmith work, &c.	4	12	8			
	Reid and Duncan, survey	470	0	0			
						6,731	19 2
	Public Works Department, for rails, points, and crossings ...					1,492	14 9
	Total					£8,024	13 11

No. 4.

The DUNEDIN, PENINSULA, and OCEAN BEACH RAILWAY COMPANY to the Hon. the MINISTER for PUBLIC WORKS.

SIR,—

Dunedin, 9th June, 1886.

I have the honour, under instructions from the Dunedin, Peninsula, and Ocean Beach Railway Company (Limited), to place their railway-line and concession under offer to the Government for the sum of £11,500, this price representing considerably less than half the actual cost of construction.

I shall feel greatly obliged if you will bring this matter before the Cabinet, and for your kind consideration I would respectfully lay before you the following facts in favour of this line being acquired by the Government :—

1. This railway is the only one constructed under "The Railway Companies Act, 1875," and is actually an extension of the Dunedin and Port Chalmers line; and, owing to the fact that the Government have not fulfilled a promise made when the line was first constructed to give the company a station-site in the city, the company has been unable to work their railway separate from the Government system with advantage.

2. That, owing to the Government not supplying the site for the terminus as agreed, the company have thereby been much hampered in the running of trains for ordinary traffic.

3. The whole of the present revenue—and that an increasing one—is for passenger-traffic on race- and show-days, and for the carriage of coal to the gasworks only. (Statement of receipts since June, 1883, attached.)

4. If the railway were the property of the Government, the Port trains could be run over this line, as a part of the suburban railway-system, at very trifling extra cost, and the returns would be increased to an enormous extent.

5. It would, in the hands of the Government, prove of immense value to the Defence Department, as, with little cost, it could be extended to both Lawyer's Head and St. Clair, to within a few chains of the batteries, and at any time could be utilized for the conveyance of men or ammunition.

6. If required, the twenty-one years' lease of the South Dunedin Endowment (as per plan enclosed) could be secured, and the formation of a series of coal sidings would greatly relieve the present station-yard accommodation, and would satisfy the residents on the flat, who have for some time past been calling on the Government to supply this want.

7. Running through a densely-populated district, this railway will speedily prove to the Government one of its most remunerative lines; and it must also be taken into account that, in addition to the passenger-traffic, a large goods-traffic would be secured. Several coal companies are anxious to establish coal dépôts at Anderson's Bay, Musselburgh, South Dunedin, and St. Clair, and would send all their coal by rail, saving handling, and thereby reducing the price to consumers by at least 2s. 6d. per ton.

8. Then, again, all the stock, machinery, &c., going out to the show-grounds at Tahuna Park would be taken by rail; a siding into the park could be easily made, the distance being only about two hundred yards. Freight on stone and bricks from Beggs's Quarry and sand from the beach is estimated to produce from £400 to £500 a year.

Finally, I would respectfully point out for your special consideration that the price asked by the company for the line does not amount to the value of the station-site which the Government at that time agreed to give the company as before mentioned.

Awaiting your favourable reply, I have, &c.,

MONTAGUE PYM,

Dunedin, Peninsula, and Ocean Beach Railway Company (Limited.)

The Hon. the Minister for Public Works, Wellington.

No. 5.

The FERNHILL RAILWAY COMPANY to the Hon. the MINISTER for PUBLIC WORKS.

SIR,—

Vogel Street, Dunedin, 16th December, 1884.

Referring to Mr. Howorth's interview with you on the subject of the maintenance of the Fernhill Railway, I am directed to ask—1st. Whether the Government will maintain the line? 2nd. If not absolutely, upon what terms?

The directors desire me to point out that although the railway is not a Government one, yet the Government to all intents and purposes have the benefit of it as a feeder to the main line.

The Walton Park Railway being a Government line is maintained at Government expense, and it is submitted that the Fernhill Railway should be placed as nearly as may be on the same footing.

Should any difficulty arise from the fact of the Fernhill Colliery Railway being a private line, the company is quite willing that the Government should take it over, either by purchase or upon such other terms as will bring it within the category of a Government line.

The second question is asked in the alternative.

Awaiting your favourable consideration,

I have, &c.,

E. F. EATON,

Secretary.

The Hon. the Minister for Public Works, Wellington.

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