

26. That the Railway Commissioners then asserted their right to the line, and objected to your petitioner, James Gray, working same as his own property, along with the coal-mine, as he had been in the habit of doing.

27. That the said Railway Commissioners prosecuted your said petitioner, James Gray, for insisting on his right so to work the said line.

28. That the said Railway Commissioners have taken possession of the said railway line as thrown, and have expended money in putting same in thorough repair.

29. That your petitioners are informed and believe that it is intended to introduce into your honourable House a Bill dealing with the branch railway line in question.

Your petitioners therefore humbly pray,—

(1.) That, in the event of the Government of New Zealand paying for the said railway line in cash or otherwise, a sum or sums may be deducted from the amount so agreed to be paid sufficient to meet the claims of your petitioners, as above set out.

(2.) That, in the event of a Bill being introduced to vest the said railway line in any person or persons, a clause may be inserted providing that he or they, before assuming possession of the said railway-line, or in any way dealing with it, pay to your petitioners such sum or sums of money as may be recommended to be paid by the Petitions Committee of your honourable House.

(3.) That such further or other steps may be taken in the the premises as may, in the opinion of your honourable House, be required in order to protect the interests of your petitioners.

And your petitioners will ever pray, &c.

Dated at Dunedin this 18th day of August, 1893.

DAVID ANDREW.

JAMES GRAY.

JOHN HAMILL.

JOHN TOOMEY.

L. O. BEAL, Jun., C.E.

ROBT. B. DENNISTON.

MINUTES OF EVIDENCE.

TUESDAY, 5TH SEPTEMBER, 1893. (Mr. C. H. MILLS, Chairman.)

Mr. William C. Macgregor, in opening the case for the petitioners, said : The object for which this petition is presented is nowhere more clearly stated than in a reply by Mr. Seddon to Mr. Fish, which appears in *Hansard* of the 25th July, 1893, page 114, "*Fernhill Railway*.— . . . The Government were not aware that any compensation was payable either to Mr. Andrew or to anybody else in connection with the matter. The company had undertaken to acquire and pay for all lands required for the line, and so far the Government understood that had been done, and the Government were not at all liable. . . . A Bill was being prepared declaring the line to be vested in the company, and the Government would introduce it: and if any person was aggrieved, and had a good case, he could bring it before the honourable member with a view to having an amendment made in the Bill." That is the object of our petition. The petitioners are here to prove their claims, and they will be aggrieved if this line is vested in any person or persons without provision being made for the payment of these claims. The report from the Railway Commissioners (just read by the clerk), which I have now heard of for the first time, appears altogether to discourage any legislation, other than an Act vesting the line in what they call "the equitable owners." That is precisely what the petitioners wish to be done, provided always that the said "equitable owners" are made to pay for such claims as are stated in the petition and proved. Now, at the risk of wearying the Committee, I shall state as shortly and concisely as I can the history of this line.

The Chairman.] Is that something beyond what is in the petition?—Yes; it is in a different form. This line was constructed so far back as 1882. It was formed, constructed, and worked by the company in conjunction with certain coal-mines, to which only they had access. A few years afterwards, about 1885, the company unfortunately lost all its capital and became practically defunct. It has not been paying licence fees for many years, and the records in the Government Stamp Office bear a significant memorandum opposite the name of the company: "Sold to one person." Who that one person is, we do not accurately know, for there is no record of it. However, this much appears to be clear: That, in 1885, Mr. John Logan (father-in-law of Sir Robert Stout) was apparently the owner of the mine, subject to certain incumbrances; that in 1886 Mr. John Logan transferred his interest to his son, Mr. A. H. Logan—his interest in both the mine and the railway-line. I do not think it is suggested that this Mr. A. H. Logan was in any real sense the proprietor of the mine. He was, I am instructed, penniless, and practically a "dummy." Then, in 1887, we find that a mortgage was given over this mine and railway-line for £500 to Messrs. Stout and Mondy, of which firm Sir Robert Stout is the senior partner. Still, Mr. A. H. Logan continued in possession, or ostensible possession, working the mine and line under the name of the "*Fernhill Colliery Company*." In 1888, in or about September or October, Mr. A. H. Logan, posing as the proprietor, brought an action against the City Corporation of Dunedin for damage caused to this mine by the Silverstream Water-race. He lost that action, and heavy costs were given against him. In January or February, 1889, the judgment was given. In February, 1889, on being pressed for the costs, Mr. A. H. Logan became bankrupt on his own petition. Curiously enough, some fourteen days before he became bankrupt, the line and mine were transferred to Mr. James Gray by an agreement of transfer from Sir Robert Stout. Again, I do not think it will be suggested that Mr. James Gray was in any real sense—he may have been in a legal sense, not in any substantial sense—the owner of this line; because, curiously enough, shortly before this, application had been made to the petitioner, John Toomey, to know whether he would allow a transfer of the line to be made to him. Mr. Toomey, having something to lose, said that he could not think of such a thing. The object of