

24. Did you know that the decision of Judge Williams in that matter was that the Act gave no new right to the Commissioners, but that the railway belonged to the Queen, and hence it belonged to the Commissioners. If it had not belonged to the Queen it would not have been given to the Railway Commissioners?—It simply belonged to the Queen technically, and not equitably, and it is in that position now. It belongs to some one—to the Commissioners technically, but not equitably.

25. If the railway had not given this traffic to the line, you say you might have got it from other lines. Might the coal not have come from Newcastle?—No, not that kind of coal.

26. But the brown coal is used in the towns and for machinery purposes, and it could have been substituted by Newcastle coal, could it not?—Yes, that is so.

27. *The Chairman.*] The statement of Sir Robert Stout is correct that you did not employ Hamill, that he was employed by Logan and Gray?—I presume so.

28. *Hon. Sir R. Stout.*] It is also true that you got the profit?—Yes.

29. After paying working-expenses you get a profit of £25 a year?—Yes.

30. *The Chairman.*] Have you spent any money in maintenance?—Yes; since we took the line over we have spent about £470 in maintenance.

31. Does this piece of line stand in the Commissioners' books to credit or to debit?—To debit.

32. By how much?—I cannot say in figures, but I have stated to the Committee that since we have had it we have spent more in working-expenses, wear-and-tear, and so forth, than we have received in revenue, not only from the branch-line, but from the running into Dunedin. Practically we have run the coal into Dunedin for nothing.

33. When this man was doing the work for which he charges, were you running the railway, or was it being run by private people?—We always ran the railway.

34. And you got the revenue?—Yes.

35. And if this man Hamill had not been doing this maintenance at the time for which he has not been paid, would the Commissioners have had to put a man on in his place?—Yes.

36. Then this money would have been paid by the Commissioners, if this man Hamill had not been there to do the work?—Yes; that is so.

37. *Hon. Sir R. Stout.*] You have not opened a debit and credit account in connection with this line?—No; we have not done so.

38. I wrote protesting against any money being spent on the line without my consent?—You protested against our taking any notice of this man Gray.

Mr. Morrison: Sir Robert Stout asked if the train that ran up the Walton Park Branch did not also run to Fernhill. They are quite separate and distinct trains are they not?—Yes; that is so.

APPENDIX.

EXHIBIT "A."

(Referred to in the evidence of the Hon. Sir R. Stout, K.C.M.G.)

RETURN of COAL forwarded from FERNHILL each Year from 1st April, 1883, to 31st March, 1892.

| | | | | | |
|------------------------------|-----|-----|-----|-----|-------------|
| Year ending 31st March, 1884 | ... | ... | ... | ... | 9,047 tons. |
| " " 1885 | ... | ... | ... | ... | 11,405 " |
| " " 1886 | ... | ... | ... | ... | 7,500 " |
| " " 1887 | ... | ... | ... | ... | 5,459 " |
| " " 1888 | ... | ... | ... | ... | 7,944 " |
| " " 1889 | ... | ... | ... | ... | 8,352 " |
| " " 1890 | ... | ... | ... | ... | 8,767 " |
| " " 1891 | ... | ... | ... | ... | 7,930 " |
| " " 1892 | ... | ... | ... | ... | 6,254 " |

RETURN of PAYMENTS made by FERNHILL COAL COMPANY, through Ledger and Deposit Accounts.

| | | | | £ | s. | d. |
|---|-----|-----|-----|--------|----|----|
| From 1st April, 1884, to 31st March, 1885* | ... | ... | ... | 1,436 | 1 | 1 |
| " " 1885, " 1886 | ... | ... | ... | 970 | 19 | 9 |
| " " 1886, " 1887 | ... | ... | ... | 978 | 12 | 3 |
| " " 1887, " 1888 | ... | ... | ... | 926 | 16 | 6 |
| " " 1888, " 1889 | ... | ... | ... | 948 | 10 | 8 |
| " " 1889, " 1890 | ... | ... | ... | 1,167 | 12 | 6 |
| " " 1890, to 21st May, 1890 | ... | ... | ... | 153 | 2 | 8 |
| " 22nd May, 1890, to 25th October, 1890 | ... | ... | ... | 526 | 8 | 1 |
| " One week in February, 1891† | ... | ... | ... | 21 | 10 | 4 |
| From 2nd March, 1891, to 31st December, 1891† | ... | ... | ... | 574 | 0 | 10 |
| Total | .. | ... | ... | £7,703 | 14 | 8 |

* No record of payments made prior to 1st April, 1884.

† For periods not accounted for payments were probably made in cash, and of such there is no record.

E. G. PILCHER, Secretary.