

10. On their own terms: it would have to be on the terms of the syndicate that at present has control?—I think it probably would. We have no power of cancellation of that Order in Council except for breach of the conditions.

11. The Government cannot step in at all?—No.

12. *Mr. T. W. Rhodes.*] Were the powers of delegation of the Auckland tramways submitted to the Department?—Not the terms of delegation. The Order in Council provides that they may delegate their powers.

13. They provide for resumption, do they not?—They are very strict terms indeed, I believe. They are not required to submit them to the Department, and they have not submitted them. I have no reason to suppose that the Wallace County Council would not be equally strict in delegating their powers.

14. Will you tell us the terms on which the branch line to Waihi was constructed?—That is a regular Government railway. The only thing that is exceptional about that is that the money-market was stringent at the time and the Government had some difficulty in raising large sums of money, and the Waihi Company said, "We will find the money for you." That was all. It is a Government railway.

15. So would this be if it were constructed and taken over?—The difference would be that this is purely a branch line for the purpose of bringing the coal away from these mines, whereas the Waihi Railway is a section in the Main Trunk line between Auckland, Tauranga, and Gisborne. Then again, in this case the Governor by Order in Council has authorized the construction of a tramway in this district, which tramway has been constructed out of private moneys. The owners of that tramway would probably complain if the Government at a later date constructed a railway of their own to run in competition with that tramway.

16. *Hon. Mr. Fisher.*] But would it enter into competition with it?—Absolutely. It would take every ounce of traffic away from the tramway, I should think.

*Members of the deputation:* No.

*Witness:* You have the advantage of me, gentlemen, in that respect. I have never been there, but I see from the map that the two are just parallel.

17. *Hon. Mr. Fisher.*] If you had been over the ground you would have seen that the proposed railway would not take an ounce of coal that is travelling over the other line?—I could not say. Mr. Furkert has been there, and he can be called on to give evidence.

18. *Mr. Escott.*] Do you recall the conditions under which the line is being constructed to the Pukemiro Collieries?—That is not merely a railway to the Pukemiro Collieries. It is the main line of railway to Raglan, and on its way it will be of use to the Pukemiro Collieries. The short branch line to the colliery is being constructed by the company at its own expense.

19. Are the company not finding the money and the Government doing the work?—Not for the branch line—at least, I think not. We are forming the railway from Huntly quite near to their colliery, this being a section of the main line of railway to Raglan. It is a great advantage to the company to have that railway section formed, of course.

20. *Hon. Mr. Fisher.*] With a guarantee from the people who are behind this—a guarantee that the Government get interest—and an undertaking by these people to rate their properties as security, do you look upon it as an unsound financial proposition?—No. I think we should be very glad indeed to have the same terms offered with regard to many other lines that are projected. The only two points I wish the Committee to remember are (1) that it has been usual for coal companies hitherto to provide their railways themselves, and (2) that we have recently authorized a tramway running into this district, and I think this railway would act as a competitor to that tramway.

21. The country at Ohai cannot be tapped except by a separate route or by a continuation of More's tramway. Supposing More's tram-line people sit down on that and say, "We have a monopoly, and unless you accept our terms we will not give you an extension, but will impose such charges on you that you cannot get out of the district": what would you say to that? You have no power to resume?—We can take power to resume. We got an Act passed authorizing us to resume the Manawatu Railway, and we can get an Act passed authorizing us to resume this.

22. From a business point of view which would you prefer to see—the resumption of More's line or the construction of a deviation upon the terms suggested?—A good deal would depend on which of the two lines is the better. I should like to see the plans and the longitudinal sections of both lines, and I should probably favour the acquisition of the line that was capable of carrying the larger measure of traffic, even if that happened to be More's tramway.

23. *The Chairman* (to Mr. Rodger).] In the event of this line being constructed will you only have the coal traffic?—I think I mentioned in my evidence that there will be wool and cheese and other produce. May I say that Mr. Blow is perfectly right in stating that there was no provision in the Order in Council for carrying coal in bulk. The only provision was for carrying coal in bags, and the rate was 8s. 6d. per ton: but the County Council in delegating their powers fixed the rate for bulk coal at 5s. 6d. a ton.

*Mr. Blow:* The Order in Council provides for coal in bags at 5s. 6d.

*Mr. Rodger:* Mr. Blow is also right in stating that the Order in Council provided for revision of these rates from time to time, and I believe the County Council have retained those rights in their deed of delegation; but at the same time the utmost that we could expect from these gentlemen is a sliding scale coming down from 5s. 6d. to 2s. a ton when the output has reached 90,000 tons a year. Those were the best terms that they could give us, and even they have been withdrawn recently.

24. *Hon. Mr. Fisher* (to witness).] Is it usual to put in these Orders in Council a maximum of 5s. 6d. a ton for a distance of four miles?—The rates are always suggested by the promoters, and then they are submitted to the Railway Department for review. The Railway Department pass those rates as being reasonable.