

26. I understand that these people are prepared to guarantee that this line will pay?—Yes, so they will.

27. Is not More's line a branch line on a branch line?—That is not a Government line and we work our own line with our own engine.

28. Your argument was that there was some disability about a branch line being on a branch line?—Yes. As far as More's line is concerned the first thing the Government said was, "Pay us £600 to put in a siding to begin with."

29. *Hon. Mr. Fisher.*] The inference you convey is that if the State had it it would not pay?—No, I did not say that. I dare say that if the State had it it would pay. I am not suggesting for a moment that it will not be a payable line.

30. *Mr. Payne.*] What was in your mind when you used the argument that it was a branch line on a branch line?—In the first place, branch lines always cost more to operate than main lines.

31. But you have admitted that it is likely to pay?—Yes. My argument was simply that as a permanent Government line it would be a branch line on a branch line.

32. Then there is no disability about it?—There is this to be said—and it is a question of policy—that you must consider where your main line is going. Some people suggest that your main western line should go through at Tuatapara, and then on up to the lakes, in which case it would strike close to where this line is. Others are endeavouring to get the line through from Otautau.

33. There is no disability about this being a branch line on a branch line?—Not other than as I have stated.

34. So your argument falls through?—If I were running the railways it would be a disability to me; but it might not be to others.

35. With regard to Mr. Handyside's branch line, you make some inference that this new line would interfere with that. His main object was to get the Nightcaps coal into Wairio, I presume?—Yes.

36. If he has achieved his object by the money that he has expended on this line, he cannot be hurt by the proposed line, can he?—I am not appearing for Mr. Handyside, but he certainly would be hurt very much by this line. I think. If he has spent during the last twelve months £8,000 to £10,000 to cut down a grade, at the request of the Government, I should think the Government would be hurting him very much by putting in a line within 100 yards of his pit.

37. He has done that to get his own coal into Wairio?—He has done it because the Government compelled him to. The Government said, "Your line is not doing its work well enough for us: you must bring that grade down."

38. What do you anticipate would be the result of running this new line, as regards More and Sons' line: would not there be traffic for both of them?—There could not very well be traffic for both of them, I think. More's line is put in to serve a coal area and the coal-pits and the country surrounding. It just means this: whereas the Government can run a line at a certain cost and a certain percentage—4 per cent. or $4\frac{1}{2}$ per cent., or 5 per cent. possibly at the outside—that does not pay a private individual. The Government have had that coal there all these years and have not put a line in to assist anybody there, but left it to private enterprise—to More and Sons, who are not in any shape or form monopolists or anything of that sort, but merely business people, limited in their capacity to make anything like big dividends.

39. Your argument boils down to this: it is a question whether the settlers of this country shall be served by a $4\frac{1}{2}$ -per-cent. line or a 15-per-cent. line?—No, that is not a correct way to put it, either, because you can use that sort of argument all over the country.

40. It is the custom in the Old Country to grant, by Act of Parliament, running-rights to one company over another company's line. Do you think that More and Sons would be willing to grant these people running-rights over their line if they carried on the extension?—I should think so. More and Sons have been prepared to meet these people in every way they possibly could, and I do not see any reason why they should depart from that policy now.

41. *Mr. Escott.*] Can you tell me whether the Nightcaps Coal Company is a proprietary concern or a limited-liability company?—I think it is a limited-liability company, but I do not know.

42. Mr. Handyside is the managing director?—I think so.

43. When you speak of this line being Mr. Handyside's you mean the company's?—Yes.

44. Do you know whether the Nightcaps Coal Company are offering any objection to this petition?—I have no idea.

45. Can you tell me under what authority the Government have compelled them to spend £10,000?—I cannot tell you that, but I know they are doing it, and it is said they are doing it under compulsion from the Government.

46. Are the Government running the coal over that line? They are providing the rolling-stock and carrying the coal, are they not?—Yes. I believe the line is to all intents and purposes a Government line. The Government keep a Stationmaster there.

47. *Hon. Mr. Fisher.*] You suggest that if this railway were to go, as is proposed, within a quarter of a mile of the Nightcaps Mine, that would interfere with Mr. Handyside's business?—No, I did not say that. If the line goes within a quarter of a mile of Mr. Handyside's pit-mouth his private lines will be of absolutely no use.

48. Why?—He could run over the Government line much cheaper.

49. Are not the Government running over Mr. Handyside's line now?—If the Government are going to run a railway up that hill which there has been all this trouble about, and are also going to run a Government line to within a few hundred yards of his pit—another Government line—it seems strange to me: that is all.

50. Do you suggest that if the Government were to undertake the construction of this line within a quarter of a mile of Mr. Handyside's pit, Mr. Handyside's railway-line would carry one ton of coal less?—Yes; there is only a limited demand for brown coal.