

72. *Mr. Robertson.*] The question of capital to carry on that extension which would serve the other properties has been raised. You have already indicated, I think, that when Mores promoted that line they were given to believe that they would get assistance from Mr. Rodger, Mr. McGregor, and others who were going to be served by the line—assistance in the way of constructing it to their properties?—I do not know that that is quite correct. There was a proposition of some sort by Mr. Rodger whereby the ground was to be given free, I think, and a guarantee was to be given, I think, of £250 a year for an extension from there in through to Birchwood way.

73. Here, for instance, is Mr. McGregor's letter: "I am sorry that Mr. Rodger, of Birchwood, is away, but he would willingly have given the land free of cost for the line, besides other substantial assistance"?—Yes. There was a guarantee of £250. But I do not say that that line was to go in up to these present coal-pits. It was to go round, I think, to terminate at the Peat Bog.

*Mr Rodger:* The proposition was to go in, and I offered them the sum of £10,000 to finance their railway, as I stated yesterday. That offer was declined, as also was the offer which I made in writing.

*Witness:* There was never any offer of £10,000.

74. *Mr. Robertson.*] Mr. McGregor, writing on the 1st June, 1909, suggests the railway being put up the route through the Wairio Gorge?—Yes; I think there was something of that sort. He says, "I have been pointed out your intended route, which looks expensive through such uneven country. I would like to know if you were pointed out the possibility of a route up the Wairio Gorge into Birchwood, and thence up an easy grade into the Morley Saddle and over into Moss's"?—Moss's, by the way, is the centre of the present coal areas that they are talking so much about. Moss was the first man. He took up 20 acres in the Morley Valley, and that is the centre of the Ohai Coalfield.

75. You have not got your reply to that letter, have you?—No.

76. He goes on, "I would point out that this route is worth considering, as Mr. Rodger would give the land free of cost for this access, as well as take a share in the undertaking." Would it be right to assume that your argument and Mr. More's argument is this: that if those gentlemen who wish their properties served by a railway would assist More in developing the existing line the whole of their interests would be properly served by it?—Certainly they would.

77. Would More be prepared to enter into a reasonable arrangement with them?—Undoubtedly, from my knowledge of More. I cannot actually speak for him, as that question has not been put to him.

78. Your argument is that instead of working to get a new railway put in round another route the existing railway should be properly developed, and if they would give assistance to develop it, by putting in, say, part of the capital which they are proposing to put into the new line, their interests would be properly served: is that a fair statement of your argument?—Certainly, that is a fair statement of it.

79. *Mr. T. W. Rhodes.*] Did you say that the interests of the coalowners would be properly served by the extension of Mores' line, and suggest that they should link up at your rail-head?—Yes.

80. You suggest that they should link up with Mores' railway, effecting the connection themselves, while Mores would charge a maximum of 5s. 6d. and a minimum of 2s. a ton, whereas by the proposed Government line the cost would be 7d.?—That may be so.

81. Are they adequately served when they could get so much better service otherwise?—Certainly. It would take me some time to go into that, and I am asked particularly by the Committee not to go into this question. It is perfectly obvious that a private undertaking like that, with the line put in as it has been put, cannot compete with the Government. One of the reasons is that the Government would get the whole of that coal over their line, and if they take it up to Dunedin and other places they will get all the revenue and benefit of the through rate.

82. *Hon. Mr. Fisher.*] After you get a "whack"?—I mean if it is taken over the proposed line. That will be an extension of four or five miles on a line of one hundred miles. It works out, possibly, at a few pence between Wairio and the head of the proposed line.

83. *Mr. T. W. Rhodes.*] Would not that be an advantage to the consuming public? Are not the public being penalized under present conditions?—No.

84. *Hon. Mr. Fisher.*] What are you charging now for the coal?—The price of the coal at Wairio is 12s. 2d., I think, to coal-merchants, and 13s. 2d. to outsiders, per ton.

85. *Mr. T. W. Rhodes.*] Then you are charging 5s. or 6s. a ton for haulage?—Let me explain. The Government charge us a considerable sum of money in the first instance. They charge us a running-right over that: I am not sure how much it is. We are under an agreement with the Government with regard to the running of their trucks. For instance, just the other day we got in a claim for £40 for some demurrage because the trucks had been kept there a few hours over the time specified in the agreement. That claim was to be paid by the railway company. Whatever profit there would have been that would have taken. It is not a fair thing at all to suggest that the railway company are making anything like 5s. a ton, because they are not. The difference between their buying-price at the top and their selling-price is 5s. a ton, but that is for a small quantity—a matter of 60 or 70 tons a day. That charge is necessary. The company are not making anything out of it at that, even if they get the whole 5s. 6d. When this Order in Council was first brought up the rates were fixed by the Government here, and they were fixed on a scale—not on what the traffic has turned out to be four years after, but on what it was prospectively at that time; and the amount of capital put into it was £15,000. Then there is the cost of upkeep to be considered. You gentlemen perhaps know as well as I what allowance has to be made for depreciation in a concern of that sort.

86. My point was simply this: that the public at present are being penalized to that extent and they would be relieved by a Government line?—Is there any guarantee that the price of the coal would be any less?

87. You also stated that Mores were a carrying company pure and simple?—Yes.

88. You also stated that they had purchased coal at 7s. a ton?—Yes.