

89. How are they a carrying company if they purchase the coal? They are not purely a carrying company?—They purchase the coal from McKenzie's because McKenzie is a struggling miner. He cannot afford to let his money stand out. His position is this: "I must have my money to pay wages. I cannot let my coal go all over the country and have to wait and collect the money in five or six months' time." So he says to the company, "7s. will pay me for the coal. Will you take it?" And we say "Yes," and we take it, and take the risk of bad debts and the money standing out in the meantime.

90. But that does not alter the fact that it is being done, and by so doing the company are not simply a carrying company?—That is the position.

91. The company purchase from these two other companies?—They have not yet entered into an agreement with McMillan, who holds the Wairio Mine; but the probability is that McMillan will want the same arrangement as McKenzie has got.

92. If that is so, Mores will practically control the output of the area served by the railway?—Three other pits have been taken up alongside Wairio, and I think others are being taken up. A man named Ferguson and another man—two working miners in the Nightcaps Mine—have come across and taken up a pit. They propose to put out about 20 tons a day, and if they could get 7s. a ton for it that would satisfy them.

93. *Mr. Webb.*] Where is Ferguson's mine?—Adjoining the Wairio pits.

94. And will they depend upon your line?—Yes. None of these had been opened until the line was in.

95. *Mr. T. W. Rhodes.*] You are a shareholder in the company?—Yes.

96. Would you be willing, if it were thought advisable, that this line should be taken over at a price determined by arbitration?—Certainly. I am prepared to put that before the Committee quite confidently—that we would be prepared to allow the line to be taken over at a price to be fixed by arbitration.

97. This is in the Wallace County?—It is in the Wallace County.

98. Can you tell me the valuation placed upon it by the Government for county purposes?—I have no idea what it is.

99. You said that Mores anticipated support from these other coalowners?—In the beginning, yes.

100. And, in a certain sense, are anticipating that now?—They certainly anticipated that until this agitation was on foot. Only very recently I fancy one of the companies up there purchased some rails from More with the intention of laying down a connecting line to the line-head.

101. At the same time, Mores are still unable to extend the line: they have not the right or the capital?—The company has not the right, and I do not think it has the capital, though I dare say it may be forthcoming. If these coalowners are prepared to guarantee a certain quantity of coal over that line I am prepared to give an assurance that the line will go into that district and that there will be a graduated scale of charges, which I will leave to this Committee to settle, if they desire to settle it; or I will leave it to be settled in any fair and reasonable manner that will allow of interest on the money invested and a certain interest for profit, so that we should get the ordinary rate of interest on the money invested in the concern and a certain small percentage for profit. Or I am prepared to do it in this way: to say that we will take the running-expenses and all the expenses at the end of the year, and on top of that a certain sum for interest on our money and for depreciation, and then find what the amount of coal that goes over the line works out at, and whack it up at that. I am prepared to do anything that is fair and reasonable, provided More's people get interest on their money and a fair return for enterprise and risk.

102. *Mr. Robertson.*] You would be prepared to submit the question of charges to arbitration?—We are compelled to do that any how.

103. *Mr. T. W. Rhodes.*] I gathered that you would have no objection to this proposed line being constructed if it were done by the owners of the coal leases up there themselves on similar lines to the Nightcaps line?—I did not say that. What I said was, provided they do it in the same way as Mores have got to do it, or provided they do it under the law or in the same way as Mores. The Nightcaps agreement is one that I do not approve of, because it provides for a super tax and various other things. That is what killed the Birchwood Road—that they had to pay 2s. 6d. to the Nightcaps Company. But for that the road would not have been so bad.

104. Was not your principal objection the undertaking being guaranteed—guaranteed to recoup them the cost?—No.

105. You are opposed to the construction of the line at all?—I am opposed to the construction of a Government line which will crush private enterprise immediately it has got to a starting-point.

106. You do not think it is fair competition?—It is not even a question of competition. I do not mind that. If the State were to purchase the whole of that coal area, and were to run in their own line, and were to say to More's people, "You have developed it, we will take over your line," it would be a fair thing. But it would not be a fair thing for the State to put it in to coalfields owned by people who have spent practically no money on them. There is a 60-ft. vein of coal up there, and it could be mined at about 3s. or 4s. a ton. There is any quantity of coal there. If the Government are prepared to take it up in that way, well and good; pay out those people who are in the coal areas now; pay them what money they have actually put into it; pay out Mores' railway what money they have actually put into it, and take the whole lot over. That is a fair proposition for the Government.

107. *Mr. Payne.*] Suppose this proposed line went into Wairio, and coal were coming down your people's line: do you think there would be any gain to the public at Wairio if the second line went in?—If the second line goes in there will then be no other.

108. The question is raised as to whether the public are best served by there being only one line—this line of Mores. I suppose there is nothing to guarantee that the public are going to benefit by the second line, so far as the price of coal to the consumer is concerned?—No, certainly there is not.