

11. You saw Mores' rebates?—Yes.

12. It is not fair to assume that the coal could all be charged at 5s. ?—That is so : but take, say, 3s. 6d. as a fair average between 2s. and 5s. 6d. ; we will say the average cost over the whole twelve months is 3s. 6d., and if we add that to the 7s. there is 10s. 6d. right away to get it to Wairio, whereas by the other route it comes down for 10s. 7d.—only a penny difference.

13. *Mr. Payne.*] On what do you base your figures?—On the schedule rates paid by the Government, and taking Invercargill as the mean distance for which the coal will be hauled.

14. *Mr. T. W. Rhodes.*] If the amount required in connection with the undertaking exceeded the £12,500, would the petitioners be prepared to find it?—I am willing to undertake to raise the capital of our company to a little more than half of what the actual cost of the extension may be. I had assumed that we were already allowing £2,500 more than we should be called upon to pay.

15. *Mr. Payne.*] This argument about a branch line on a branch : why do you use that?—It was made such a point of yesterday by Mr. Armstead that I wished to meet him with his own argument.

16. But you admit there is nothing in it?—No, because I have it from the new General Manager of Railways that branch lines are to be discouraged as much as possible, because of their increased cost. It means that there must be a separate plant, a separate engine, separate men to work these branches, and the cost must necessarily be much greater—that is to say, the cost of running. Our scheme would be very materially affected if it were a branch—in fact, I would not submit the offer that we have submitted.

17. But yours is a branch line, is it not?—No. You may take it as a branch line from Riverton to Wairio, but it is an extension of the Government line. The Government railway at present ends at Wairio, and this is a natural extension.

18. *Hon. Mr. Fisher.*] If you were to ask the Government to extend that line in order to open up the country at the back for settlement—leaving coal out of it altogether—which route would the Government Engineer go by?—By the way we propose. It is in the report.

19. *Mr. Payne.*] Are the grades with the coal coming down?—No, on the present line they are against the coal coming down.

20. Do you consider that the More people are asking for unfair rates on their expenditure?—Certainly I do.

21. Their rates are more than would cover fair interest on their capital, plus charges and a small margin of profit?—Yes, and I know a little about finance.

WILLIAM CRAWFORD, Builder, Gore, examined. (No. 14.)

1. *Mr. Rodger.*] You are a shareholder in the Mossbank Coal Company?—I am.

2. The Moss Bros., who were the lessees of the 20 acres to which Mr. Armstead has referred in his evidence, were the promoters of the company of which you are a shareholder?—Yes.

3. As a shareholder of the company you have approached the Wairio Railway and Coal Company for connection from your mine down to their present terminus?—Yes; I approached Mr. More, the General Manager of the Wairio Railway Company, shortly after we took up the lease. I was not very well acquainted with the laws in connection with coal areas. I asked Mr. More if there would be any chance, after my taking up this area, of linking up. He said No, there was no provision made for linking up. I said, "Are you prepared to cart our output?" He said, "We are not compelled to cart your output."

4. It would be better, I think, if you just answered my questions. You did approach them with a view to linking up your mine with their terminus?—Yes.

5. You considered the rates that they proposed to charge—5s. 6d. a ton, with a sliding scale down to 2s.—exorbitant?—I did.

6. You made them an offer, did you not, provided they would grant you the right to connect, to give them 3s. a ton for all the coal that you were prepared to put upon their railway?—Yes.

7. So long as they would carry it from their terminus to Wairio?—Yes; from the terminus of their railway to Wairio; we had to pull it down by trolley two miles.

8. You offered to guarantee them at that rate—3s.—an output of 100 tons a day?—Yes.

9. That offer was declined?—Yes.

10. Absolutely?—Yes.

11. You asked the secretary then; and you have a letter, as a matter of fact, which you are prepared to post to the clerk of this Committee, in which he states that the company did not want to haul coal, but to purchase it?—Yes. I have the correspondence.

12. You undertake to produce that letter or to post it to the clerk of this Committee?—Yes.

13. Then you had an offer from the secretary of that company to purchase your coal at 7s. a ton, so long as it was delivered at the terminus of their railway?—Yes.

14. They limited such purchases to a maximum of 25 tons a day for the first three months?—Yes.

15. But they said they could possibly take 50 tons a day after that period?—Yes, they thought they might be in a position to take 50 tons.

16. It was not certain?—No.

17. Did Mr. Thomas More, the managing director of the Wairio Railway Company (Limited), state to you that there was nothing in the Order in Council which required them to carry coal for any party or parties?—Yes. He has stated that it is simply a matter of obliging on his part—that we could not compel him to cart our coal.

18. *Mr. Webb.*] You were offered 7s. a ton by this company?—Yes.