

and Good Friday, and during such time or times when the Wairio Coal-mine is not working, but in no case for a longer period than three weeks at one time) commencing not later than 9 o'clock a.m. and ending not earlier than 5 o'clock p.m." Does not that really place you in a position to regulate the quantity carried over the line?—Yes.

179. If you worked one day you could then let it lie idle for three weeks if you wished?—It is not our intention to do anything like that.

180. It is what you have power to do?—Yes. It would not pay us to do that when we have the capital locked up there. We want to get as much as we can out, and keep things going.

181. The fact remains that you can regulate the output, and it depends on you as to whether you will carry it—under that rule?—Yes, it appears so.

182. You stated that you would be willing that the Government should take over your line?—Yes.

183. Would you be willing that the value should be determined by arbitration?—Yes.

184. Which in your opinion would be the better of the two routes—yours or the one suggested by the petitioners?—I think the route that we have taken is the right route for a railway. I went over the other route before we put this line in, and we thought this was the better.

185. You know that a Government Engineer has been over that other route?—So I believe.

186. Do you know what his report is?—I have not heard definitely.

187. If he says he has an infinitely better grade, you would not be prepared to contradict that?—No. He ought to know, if he has taken the levels.

188. What is your real objection to the prayer of the petitioners being granted?—Simply that the Government line would take all the coal from us and our line would be no good.

189. You think it would be unfair competition?—Yes.

190. Supposing these people were granted the right to construct a line themselves, do you think that that would be a fair proposition?—Yes, if they have to do what we had—it would be fair proposition then: otherwise it would not.

191. With regard to Section 37, over which you have all surface rights, is it not a condition precedent to the grant of any of these licenses that the consent of the occupier of the surface should be obtained?—I could not say for certain.

192. But is it not so in connection with all—is it not a general rule?—I could not say.

193. With regard to the Southland Coal Company and the Wairio Railway Company, would it not be quite practicable for the Southland Coal Company to enter into an agreement with the Wairio Railway Company to handle all the coal that comes over that line?—I do not think it would be.

194. In view of your previous answer that the desire of your company was to carry as much as possible and in that way to make it a paying proposition, would it not be good business on the part of the Wairio Coal Company to have some one individual or company who would take the whole output?—No; it would pay us better the other way, I think—to distribute it among the different merchants ourselves, as we are doing at present.

195. Will you explain how it would be better from the Wairio Coal Company's point of view?—We get the profit that the Southland Coal Company would be getting.

196. There is no likelihood of a monopoly being created in this way?—No.

197. If all these coal leases that have been granted recently were to become coal-mines with a considerable output, would your line, even if extended, be able to carry the whole output?—Yes.

198. What is the total quantity that you could carry over your line under the most favourable conditions?—With the present weight of engine that we have there we could shift 350 tons a day. With a heavier engine we could do double that.

199. Unless the output exceeded 700 tons you could cope with it all?—Yes.

200. *Mr. Campbell.*] You said that you would be prepared to extend this line provided sufficient inducement were forthcoming?—Yes.

201. Would you be prepared to tell the Committee what you consider sufficient inducement, or, in other words, what rate of interest you are earning in the Wairio Railway Company at the present time? If you do not care to answer the question I will not press it?—It would be a hard thing to judge that just now, the way things are working. We have only got a start, and we do not know what we can do. We have only been running about eight weeks.

202. *Mr. Escott.*] When you first took up this proposal to put in the line did you contemplate extending it beyond the present terminus?—Yes; we had an idea of going right on up to the top of the hill.

203. That being so, how do you propose to extend it, seeing there is no power in your Order in Council to extend the line beyond the present terminus?—We would have to get it, the same as we got power before. We should have to get another Order in Council.

204. Would it not have been more reasonable on your part if you had got those powers in the first Order in Council?—Perhaps it would; but we did not.

205. Are you prepared to offer any better terms for carrying freight over your line than you have put in this schedule?—No.

206. Is that the best you can offer at present?—Yes.

207. You stated in answer to a question that you are prepared to haul all kinds of freight over your railway?—Everything: Yes.

208. Yet is it not a fact that under your Order in Council you have not the power to carry passengers?—That is so, I believe.

209. Then you never contemplated that your railway would take the place of, and perform the same services as, a public railway?—No: it was more for freight.