

210. *Hon. Mr. Fisher.*] If you intended extending your railway, why was no provision made in the Order in Council for such extension?—I cannot tell you that. We just surveyed the district and had a look at it to see if it was possible to get there: that was all.

211. You ran a trial survey over to the Morley Valley?—Yes, over to the top—on to the top of the hill.

212. But you never took the precaution of securing an Order in Council that gave you the rights?—No.

213. Why not?—I suppose that one reason for that is this: it is on the High School Board's ground, and I suppose there would not be so much trouble getting through there as through the private property we had to get through.

214. You say that the opening-up of this proposed new Government line would interfere seriously with your business?—Yes.

215. Would it carry any of the coal that you are carrying now?—Yes, all of it.

216. How would you get the coal from the mines from which you are getting it now to the new line?—By pulling it up, as they did before we went there.

217. That would be cheaper than sending it down your line?—Yes.

218. Then your line is built in the wrong place, after all?—No. It taps the coal at the foot of the hill. It saves that hauling.

219. But even with the cost of hauling it up the hill the Government line would be cheaper?—Yes.

220. Why is that?—The Government rates—we cannot compete against the Government. The Government can run a line like that cheaper than a private individual, I take it.

221. The Wairio Railway Company wrote a letter on the 4th March of last year to Mr. Hunter, representing Moss's syndicate, and you said, "We will be in a position three months after the opening of the line to take coal from you at the rate of 25 tons a day, and three months later at the rate of 50 tons a day, the price to be 7s. a ton"?—Yes.

222. What is the length of your line?—Five miles.

223. Would you charge 7s. a ton over the line?—That includes the buying-price.

224. I want to get the difference between the purchase price of the coal and the railway freight. What do you estimate is the cost per ton freight?—We get 5s. 5s. and 6s. We get 12s. 2d. and 13s. 2d. for the coal on the trucks at Wairio.

225. That is 5s. 2d. freight?—Yes.

226. What is the freight from Wairio to Invercargill on the Government line?—I could not tell you.

*Mr. Armstead:* 4s. 9d.

*Hon. Mr. Fisher:* What is the distance?

*Mr. Rodger:* Forty-four miles.

*Hon. Mr. Fisher:* Forty-four miles for 4s. 9d., and five miles for 5s. 2d.

*Mr. Armstead:* Is that a fair way to put it? You know it is not.

*Hon. Mr. Fisher:* I do not want to put the position unfairly. If you think that is an unfair statement you can put it round the right way.

*Witness:* That is not a good comparison, I think, because one is a Government line and the other a private line. What we are getting now on that coal the mine-owners will get when the Government railway goes there. They were paying 6s. 6d. and 7s. a ton for dragging the coal over the road before we went there.

227. *Hon. Mr. Fisher.*] What prospect do you hold out, so far as the Wairio Railway is concerned, of opening the country at the back—the Morley Valley country?—It would open the country just as much as a Government line would.

228. When do you propose to extend your line?—We could extend it pretty well at once.

229. But when do you intend to do it?—Whenever we get an assurance from them that we are going to get a reasonable percentage on the money that we lay out. If they can assure us of that the line will be extended at once.

230. If you opened up the coal-mines at the back in the Morley Valley which are said to contain a better quality of coal than your own, what would the effect be upon the selling-price of your coal? Supposing new mines came into competition with yours with a superior coal, what will the effect be on your mines?—I do not think there would be any competition. The rate on the coal would be the only thing that the competition would be in: it would not be in the quality of the coal.

231. It has been suggested that your reason for not extending your line is to lock up the mines at the back and to let you have free access to the railway with the coal that you are at present carrying: is there anything in that?—No, nothing in it that I know of.

232. Have you any capital to extend the line?—Yes.

233. You can if you want to?—Yes.

234. So that does not stand in the way?—No.

FREDERICK WILLIAM FURKERT, Inspecting Engineer, Public Works Department, examined. (No. 18.)

1. *Hon. Mr. Fisher.*] You have been over the route of this proposed railway, have you not?—Yes.

2. What would be the effect upon the Wairio Railway Company if the proposed Government line were constructed?—It is very hard to say. If, as I have heard stated here to-day, the tramway was put in there because it was considered that that was the best place from which to serve those mines that are now served by Mores' tramway, it seems hardly reasonable to suppose that those mines will abandon Mores' line, unless there is an outrageous charge on that line.