

definite; and it would have been absurd then to have contemplated immediately putting in a line to the Morley pits. Mr. McGregor in his evidence said that it was always intended that the line should go on to Morley. So the point that is endeavoured to be made—that these people were limiting their line designedly for some reason or other—is surely contradicted by that evidence alone. Secondly, with reference to the Order in Council, clause (18), which may or may not have been justified at that time—that is the clause which allows the company or the local authority, at its option, not to run on Sundays, holidays, and such times as the Wairio Coal Company may not be working: at the time that railway was projected the authorities here who perused the Order in Council pointed out that some such regulation as that was necessary to give some little elasticity; that we were compelled to run a train not earlier than 9 o'clock in the morning, and not later than 5 at night under certain rules and regulations; that these were hard and fast; and that the Order in Council had to be complied with: it was suggested then that some little elasticity might be given to the Order in Council, and that is the reason why that clause was put in—so that if there was nothing coming out over the line, and nothing to come out, the railway would not be compelled to run; or, if they did not run because of that reason, it would not be a violation of the Order in Council. Thirdly, with reference to the power of resumption: it has been suggested, and strongly suggested, that for some reason or other this power of resumption was designedly left out. I confidently say that, irrespective of the Order in Council altogether, the Government have the power of resumption. I say that I do not think the power of resumption is necessary in any Order in Council. I am not sure, but I think the Government have full powers. I will say this with reference to clause 18: that the company are prepared to delete it altogether or to substitute therefor any other reasonable clause that this Committee or the Government officials or anybody else may suggest as being a fair and reasonable clause; and, further, that if the Government has not the power of resumption, then we are quite prepared to grant it to them. The next point is with reference to rates. The rates were fixed by the Government; and I wish particularly to distinguish “through” rates. You had “through” rates mentioned yesterday, and I think the point I desired to make is perfectly clear to all the members of the Committee, and I will not labour that further. Next, the local authority has power to review the rates at any time, and, if not satisfied, to go to arbitration. Mores’ people have advanced a scale of rates on a sliding basis, contingent on the amount of traffic going over the line, and further than that they cannot go. I would point this out: that with 50 or 60 tons a ton coming over the line at the maximum rate chargeable under the Order in Council the railway people are losing money. I give that with all assurance. It is an absolute fact. Whatever the rate may be, Mores’ people have endeavoured, as far as they possibly could—seeing that the railway has only been running some six weeks—to fix a reasonable rate for drawing out that coal. Now, I will admit that Mr. Rodger’s scheme is an attractive one, but there are one or two points which I think I might just casually mention. The syndicate proposed to be formed will be a limited-liability company with a capital of £12,500, all of which will be called up and expended—at all events, practically all of it will be expended, anyhow. The company then give a guarantee with reference to loss on the line, and they also give a guarantee as to interest on the money. If that company is a limited-liability company, and if the whole of their capital is called up, it just means that the guarantee is not worth anything at all. Then the company, I see, is to share its profits, if any, with the Government—for five years, anyway, and possibly for ten. These promoters and the Government are to run this railway in copartnership. Again, they seem to anticipate that there may be a loss, and they provide that in case there is a loss there shall be a surcharge on all the traffic going over the line, to meet that loss. What is that surcharge going to be? Is the surcharge going to be sufficient to cover the loss? If it is, then it is perfectly obvious, I think, that Mores’ people are only doing that; they are only charging a running rate which will give them a fair interest on their money, and a little over; and these people are proposing to do practically the same thing. There has been a lot of talk as to what the Government rate would be, yet we do not know what, under this scheme, the conveyance of the coal will cost at the bottom. It says “a small surcharge,” which may mean 3d. or 6d. or 1s. It may be a surcharge to cover the loss. There may not be anything like the amount of coal coming out that they think there is going to be, and it may mean at the finish that it is going to cost more under that surcharge than it is going to cost over Mores’ line. Next, I want to point this out: the Government have granted a charter to Mores’ people to construct this line, and I submit with all confidence that they are morally bound not to compete with Mores’ people. I will instance the case of the Auckland Corporation and the Auckland Tramway Company. You gentlemen are probably aware that last year the Auckland Corporation delegated its powers to the Auckland Tramway Company to run cars; subsequently they wished to get a charter and to delegate to a bus company the right to run buses practically in competition with those cars; but the Government here, recognizing that that was not a fair thing, passed legislation by which they limited that and limited competition. One person having a charter, they limit that person then, and will not allow competition as against that person; but have made provision by which any feeders to the prime undertaking may be granted. Now, I confidently submit that our proposition is practically on the same footing as that, and that we are entitled to the same consideration. We say that if the local authority were approached by other people who wished to put in a line, then it might reasonably apply to our case. But we are not saying that: we do not object to these people applying to the local authority to put in another line. But I do say that after that action by the Government as indicating their policy, if this proposed line is put in it will be a direct contradiction of what they have laid down and practically passed into law; and, further, that our equity is much stronger than that of the Auckland Tramway Company. Now, as to the result of putting in the proposed line, I submit confidently, and it is borne out by a considerable amount of evidence, that it will absolutely cripple Mores’ enterprise. I wish you to recall, in discussing this, that if Mores’ line goes in there it takes the whole output of that district,