

71. But I am speaking rather of the extension of this new line, so that what you have to look at is the earning-power of the tramway and the expenses and interest?—Yes, but the saving would be of benefit to the district.

72. But I suppose you have not gone into the question as to whether or not there would be sufficient traffic to pay the extra cost of working this tramway and the interest on capital?—I have not, but I surmise that the traffic would be sufficient to do so.

73. Even with posts, supposing a certain area of country were cut up and more posts are required, you do not suggest that that is a permanent trade?—No, that would not be permanent.

74. With regard to O.B. timber, I understand you to say that a Wellington merchant pays the miller 8s. 3d. f.o.b. Ohakune?—Yes, and there is 2½ per cent. discount for cash.*

75. I suppose that is the general trade discount right through, so that we can disregard it?—Yes.

76. Add to the 8s. 3d. how much for freight to Wellington?—3s. 10d. at present: that is 12s. 1d.

77. Then I suppose there is cartage from the railway at Wellington and to the merchant's place of business?—Not necessarily so. The merchant may have it carted direct to the job from the station; but there is cartage in the other case. I should imagine that would be 6d. per 100 ft., which is a fair average. That will be the cost of cartage from the station in Wellington to the timber-yard.

78. Can you tell the Commission what price the Wellington merchant pays for, say, South Island timber: take any kind you like?—I think it costs them at Greymouth—I am not speaking of actual knowledge of the fact—about 7s. 6d. per 100 ft. That would be f.o.b. Greymouth.

79. Do you know what the freight is to Wellington?—These figures I can only give from my general knowledge and not from actual knowledge of the position. My general idea is that the freight is 3s. 6d. per 100 ft.

80. Do you know what the charges are in Wellington?—I think the wharfage is 6d.

81. Is there anything else to add?—No, nothing else. If you take the price at the wharf there would be yarding, which has to be added to the cost of the timber that comes from the South Island, but not on the timber that comes from the North Island, because it is sorted in the sawmillers' yard if it goes to the job direct. Sorting and classing is a service by itself. If the merchant buys his timber in ship-loads from the South Island he has to reclassify it in his yard, but if he gets it from the Main Trunk line the timber is sorted and classed in the sawmillers' yard.

82. What would be a fair amount to allow for sorting?—For sorting and classing, 9d. per 100 ft.

83. Then there is cartage, as in the other case?—Yes.

84. That gives you, for the Westland timber, a cost of 12s. 3d. to the Wellington merchant, as against 13s. 1d. for the Main Trunk timber?—Yes.

85. Is the difference of 2d. per 100 ft., taking this new line, going to help you?—Well, my figures so far as the purchase of timber is concerned, or the selling cost of timber, must be wrong, or my freight must be wrong, because we have not been in a position to sell O.B. timber to Wellington merchants for many years.

86. Do you not think that the difference must be something more than 2d. per 100 ft.?—The difference may be more than 2d., but if a saving of 2d. were effected it would help us to get a portion of the business.

87. Is there any difference in quality?—My opinion is that the North Island timber is of better grade than the South Island.

88. A good deal of timber comes from Pelorus now, does it not?—Yes.

89. Would not that be even cheaper still?—No, I do not think it is cheaper.

90. It would be handier so far as obtaining small quantities is concerned?—No, it has to come across by scow, and you would not expect to get 2,000 ft. of timber by a scow. You must not mix up the timber that has to come across by scow and be sorted, and the timber that comes by truck.

91. Do you not think, after answering the questions I have put to you, that you would want to save a good deal more than 2d. per 100 ft. before you could compete with the South Island timber in Wellington?—No, I do not think so. The charges may increase on the West Coast and 2d. may be an important factor, and if we could displace only a quarter of the Wellington trade we would be doing good business.

92. But you would not be doing good business for the Railway Department if you could only get a quarter of it?—It would be earning about £4,000 for them, gross. In regard to the timber from the North Island, almost 50 per cent. of the untrucked value has to be added on to it for railway freight—all ordinary timbers.

93. *Mr. Skerrett.*] I understand you to make the point that the proportion of through freight on the timber that is assigned by the Department for the carriage from Greatford to Himatangi is insufficient to enable it to be carried profitably over that portion of the line?—As a layman, I should say so. They charge 5d. per 100 ft.; that is equal to 10s. per truck in railing from Marton or Greatford Station round to Himatangi, which is about half the distance; and they charge 3s. for bringing it down from Ohakune to Marton.

* Witness subsequently wrote: The price of O.B. timber—viz., 8s. 3d. per 100 ft.—I gave in answer to the Chairman, is the price we charge to the general public. We allow a trade discount of 5 per cent. to the timber-merchants (in addition to the 2½ per cent. cash discount), which makes the price for the purpose of comparison 7s. 10d. per 100 ft. on trucks instead of 8s. 3d., and making the delivered price 11s. 8d. instead of 12s. 1d.