

No. 89.

The ACTING-SECRETARY, Mokihinui Coal Company, to the RAILWAY COMMISSIONERS.

SIR,—

The Mokihinui Coal Company (Limited), Wellington, 19th July, 1894.

In reply to your letter of to-day's date, I have to inform you that a due proportionate cost of the wharf from Mokihinui to Seddonville is included in the amount of £16,513 5s. 9d., for the reason that the wharf was absolutely necessary in order to land railway material, and without it or similar facilities to get the railway material at Mokihinui the railway could not have been constructed.

The total amount expended on the wharf is £574 8s. 3d., and the proportion charged to the railway is £276 18s. 3d.

I have, &c.,

W. A. TIDDY, Acting-Secretary.

The Secretary, New Zealand Railway Commissioners, Government Buildings.

No. 90.

MEMORANDUM of MODIFICATIONS proposed to Mr. HARGREAVES at Interview, 20th July, 1894, *re* Railway Charges, Cardiff Company.

UP to 10,000 tons, 1s. 3d. a ton; after that 9d., up to 15,000 tons; after that 6d., and nothing less. Charges only to be levied on actual output. In all cases 3d. a ton for haulage, and the balance to Mokihinui Company.

J. MCKERROW.

T. RONAYNE.

JOHN L. SCOTT.

20th July, 1894.

No. 91.

The CHAIRMAN, Westport-Cardiff Coal Company, to the RAILWAY COMMISSIONERS.

GENTLEMEN,—

21st July, 1894.

Referring to the proposed modified rates for haulage over the Mokihinui Company's line, as submitted to me yesterday, I have carefully considered them, and regret to say that I am unable to accept them on behalf of my Company.

I understand that the principle you have adopted in arriving at the original as well as the modified proposals is that, having valued the section of line to be used by us at £15,000, and agreed to allow the Mokihinui Company 7 per cent. interest on that sum—say, £1,050—you have taken as a basis for raising the necessary revenue to meet that interest the compulsory-output clause of our lease for the present year of 10,000 tons, and propose to charge us at the rate of 1s. per ton for "way-leave" only on that quantity, equal to £500 per annum, or about half the amount of interest.

You appear, however, to have omitted to apply this principle to the Mokihinui Company, as coal-owners requiring the use of this section of line for traction of their own coal, by charging them with their proportion on 30,000 tons compulsory output for the present year, to say nothing of bringing into account the proportion of earnings from ordinary goods- and passenger-traffic. Then, again, I object entirely to your valuation, at £15,000, of that portion of the Mokihinui Company's line proposed to be used by us, as most excessive—£10,000 being, in the judgment of experts, a most liberal value, which, at 7 per cent., amounts to £700 per annum; and I submit that, before apportioning even this latter sum, the earnings from goods and passengers must be brought into account, and the principle applied, as already stated, on the output of the respective Companies.

With regard to haulage only to be paid to you, I again submit that this should in no case exceed the through mileage rate of $\frac{3}{4}$ d. per ton per mile, as now in force on the Westport-Ngakawau Section. You will at once perceive the impossibility of the acceptance of even your modified proposals by my Company, as the initial charge of 1s. 3d. per ton on the first 10,000 tons fixes us with a contribution of, at least, £500 per annum (in addition to haulage at 3d. per ton for less than two miles), or five-sevenths of the total amount of interest on our valuation of £10,000. I am most anxious that this question should be settled, if possible, without an appeal to either Government or Parliament: but I fear that the wide difference between us may preclude such settlement.

I shall be glad to know whether you have any further proposals or modifications to submit before taking the necessary steps to bring the matter to an issue, as above stated; meantime, I shall be glad to wait upon you again should you think it necessary.

I have, &c.,

W. H. HARGREAVES,

Chairman, Westport-Cardiff Coal Company (Limited).

The Railway Commissioners, Wellington.

No. 92.

The RAILWAY COMMISSIONERS to the CHAIRMAN, Westport-Cardiff Coal Company.

SIR,—

23rd July, 1894.

With reference to your letter of the 21st instant, in regard to the rates for haulage of your Company's coal over the Mokihinui Company's line, I have the honour, by direction of the Railway Commissioners, to inform you that they regret your Company does not see its way to accept the modified terms proposed for the use by it of the Mokihinui Coal Company's private railway. I am instructed to add that the Commissioners have no further modification to propose.

I have, &c.,

E. G. PILCHER,

Secretary.

The Chairman, Westport-Cardiff Coal Company (Limited),
Wellington.