

should have the advantage of an average, which was not a great concession. The Governor has no power to deal with your railway rates at all. There is no power beyond the Railways Act, which the Minister of Railways exercises.

18. You maintain that the Railway 4d. rate is not the 4d. mentioned in this agreement?—No. The Public Works are not empowered to make railway rates by agreement.

19. You maintain that besides the 4d. the Railway charge you have got this additional 4d.?—The Railway has not charged 4d. on the Government line. This is 4d. from Roa to Blackball, and not from Blackball to Ngahere. It is on the company's private line. The 4d. you are making us pay is 4d. from Roa to Blackball. You do not give us any credit for building the line. Then, on top of that, we pay this 2s. 6d. from Blackball to Roa, which has been the gazetted rate for a great number of years. That is 2s. 10d. in all; and when in course of trying to get some of our coal on the market the Public Works people allowed some of the coal to go over the unopened Government line, they made us pay 5½d. a ton more. Every single penny of that is taken out of our capital; and there are further iniquities than that. I wish to state that every ton of goods that goes in to the large community that was resident at Roa Government Township is mulcted by excess rates. Then our mine-props we bring from the lower country—they stick 10 or 20 per cent. more on same, because they carry over our line.

20. You consider this 4d. you have agreed to is in addition to what the Railways are charging?—Whatever the Railway is charging has nothing to do with the agreement.

21. You maintain the Railway has not charged this 4d. by agreement?—You cannot use a private agreement to impose railway rates. It is not competent for the Railways to take cognisance of this agreement except you gazette the rate. If you do that you will kill the company. It is a Government lease, and there is the Blackball Company alongside of us on a private freehold, and you are carrying out their coal for 2s. 6d. and you are putting these new penalties on your own lessees; that is the position.

22. Is it not a fact that this rate has been gazetted?—No, the gazetted rate is 2s. 10d., being 2s. 6d., the legal rate, and 4d. for the company's extension—2s. 6d. from Blackball to Greymouth plus 4d. for your railway. That is what you are legally entitled to collect from us. You cannot take cognisance of the agreement.

23. That is a question of interpretation of the agreement, I think?—There is a possibility of litigation in it—that is what we have done.

24. You raise the question, or raise complaints of the construction of the line—the length of time it took. They do not apply to the Railway Department?—No.

25. It is all directed against the Public Works Department?—It is divided into two parts; one in connection with the Public Works and one in connection with the Railways.

26. You are not accusing the Railway Department?—No, we never suggested it.

27. You say that is one argument why the Government should take the railway?—That is the main argument. That the Government meant to and could have finished it was shown by the very earliest promise that they would finish on the 31st March, 1908. They kept the matter hanging on and on after that.

28. You have no complaints with the Railway Department, except about the freight?—That is all.

29. *Mr. Veitch.*] With regard to this grade, was it the Railway Department or the Government who insisted on your putting in the centre-rail?—The Department.

30. The grade is less than two miles?—About 1 mile and 40 chains.

31. How does that part of the coal-bearing area compare with the Coalbrookdale?—It has the best analysis of any coal in the colony. It is equal to very nearly the best Welsh.

32. Have you ever had any difficulty in selling the coal?—We have never been properly in the market yet. We have had it tried on the Tyser and other large shipping companies, and we have supplied as much as we could to the Admiralty, but we have been shut down for the last eighteen months.

33. Did you get favourable reports on it?—We got an excellent testimonial from the Admiralty and from the Tyser line.

34. Briefly, this is your proposal: Your company has nearly £200,000 of share capital and debentures—£35,000 additional capital promised, and now you want £15,000 to purchase the railway—to bring the capital up to £200,000. Assuming that the Government agrees to this, and assuming that your company still fails to go on, would you be prepared to enter into an agreement that you would sell the mining property to the Government?—If we failed the Government would resume possession of its lease.

35. Unless your mine is kept working this line is of no use to the Government?—No. The company has opened out the area out to the centre of the field, and it is estimated that there is something like 60,000,000 tons of coal there.

36. *The Chairman.*] And about 4,000,000 tons in view?—Yes, in the particular portion of the seam we are working in.

37. *Mr. Veitch.*] Is the working of the mine expensive?—Not exceptionally so. There are two very big inclines there. Blackball is down in a deep gorge. [The witness here explained the position of his company's mine to Mr. Veitch.]

38. How does the working-cost per ton compare with other mines?—I do not know about the Blackball Mine at all. Our cost would be about the same as the Westport Coal Company. They have similar inclines at Granity—similar to ours—and the cost of bringing the coal down is just about the same as from Granity.

39. *Mr. Sykes.*] Your railway-line opens up about three miles of country?—The valley is two miles up from Blackball to Roa.