

40. Is this line of any pastoral value?—Not the slightest, I should think. It only makes an access to the Paparoa Government lease and the rest of the Government area.

41. Are there any milling-bushes near by?—Not up there.

42. And the land is of no practical value?—No, I do not think so.

43. Did the Government enter into an agreement to build their portion of the railway within a certain date?—No, they merely engaged that they would, in reply to our requests pressing them, get this completed by the 31st March, 1908. That was the first time they made any promise.

44. And being aware of the slow methods adopted by every Government in regard to railway-construction, you as business men did not enter into an agreement: you were satisfied to accept their word?—It was unreasonable to accept it. Had it been proceeded with in a proper manner in 1904, as announced, it would have taken only £30,000 to complete it. It was not a very unreasonable opinion to think that they would have completed it.

45. *Sir A. R. Guinness.*] How much increase did they estimate?—They said £30,000 to complete. They charged against the line in the last Public Works Statement £145,000. I do not know what charging up against that line means. The Government should tell you that, not I.

46. *Mr. Sykes.*] Are there any further coal-areas adjacent to your property which your company could utilize?—There is one Government lease, but we have not seen our way to negotiate about it. We have not sufficient capital of our own to consider it.

47. There are other Government leases?—Yes: there is another near the terminus of our line, but I do not know anything about it.

48. *The Chairman.*] Did you say that should the Government take over this line your company is prepared to guarantee all the money received from it in the development of it?—I would certainly undertake to guarantee that. We would require every sixpence of it. We are not using our money now to pay interest. No interest is payable on any money we have got until we pay out of profits. Any money that is spent there is going into the work.

THOMAS RONAYNE, General Manager for Railways, examined. (No. 3.)

1. *The Chairman.*] What is your name?—Thomas Ronayne.

2. What are you?—General Manager for New Zealand Railways.

3. Will you please give your evidence on this petition?—There is one item *re* which Mr. Veitch wanted some information: that is with regard to the Railway Department insisting upon the centre-rail for a grade of 1 in 25. The position as it presented itself to the Railway Department was then that the altitude of the country there is pretty high, and at times there are snowstorms and probably ice on the rails. It was considered absolutely necessary in the interests of public safety that the centre-rail should be put in position. The Department was quite aware that the railways elsewhere having gradients of 1 in 25 were working without the centre-rail, but the Department was also aware that in such countries they had special brake appliances—that is, the Westinghouse brake was fitted. The Westinghouse brake was not fitted to any of the trucks rolling-stock on the West Coast.

4. *Mr. Veitch.*] It was not in New Zealand at that time?—The first Westinghouse brake was introduced into the New Zealand railways in 1876. It was run between Wellington and Lower Hutt. The difficulty in the event of a train breaking away on the 1-in-25 grade would be that there is a comparatively short distance of flat country at the Blackball Station, after which you immediately get on to 1-in-40 grade, which runs down to the Grey River, and in the event of wagons getting away on the 1 in 25 it would be a hopeless proposition to pull the train up, and possibly loss of life would be the result. Hence the insistence of the Department for having the centre-rail provided. I might say, on an easier grade—1 in 27—it is being provided on the No. 2 Point Elizabeth Mine Railway, where the conditions are somewhat similar to the Paparoa case, the Department has insisted on the Public Works Department providing a centre-rail. Had the rolling-stock been provided with the Westinghouse brake we might not have insisted on the centre-rail. In any case it would have been necessary to increase the braking-power on the existing wagons. There is only one brake-block supplied to each wagon; it would be necessary to have four brake-blocks something similar to wagons fitted with the Westinghouse brake. Referring to rates, when the Midland ran down as far as Brunner I believe the rate was 3s. 2d. Ngahere to Greymouth. Subsequently it was reduced to 2s. 6d., the Midland Company taking 10d. and the Government line 1s. 8d. When the line was taken over by the Government and the Midland Railway was purchased the rate remained at 2s. 6d., and that was the origin of the 2s. 6d. rate, which has operated since before 1899.

5. *Hon. Mr. Herries.*] That was from Ngahere?—Yes. Ngahere to Greymouth: Midland Company 10d., Government line from Brunner 1s. 8d., total 2s. 6d. Then there was the proposal to build a line to Blackball, and the Public Works Department entered into an agreement with the companies to provide interest on the capital which was being spent on the line, and independently of and in addition to the rate of 2s. 6d. then existing from Ngahere to Greymouth. The 2s. 6d. rate was the recognized tariff charge, and was required to work the line and to give a reasonable profit as between Ngahere and Greymouth; and, in my opinion, it was a perfectly just proposition to get some return for the capital invested in the new line between Ngahere and Blackball. The deviation was rendered necessary because it involved reversing the trains at Ngahere for all time. If the alteration had not been made it would have involved a very considerable expenditure for all time, causing much unnecessary shunting. I am referring to the deviation at the Junction. So far as the construction of the line is concerned the Railway Department was in no way responsible for the delay. As a Department it had always tried to meet the Paparoa Company in every possible way. It has never hampered their working, but given every possible assistance; in fact, they had friendly treatment so far as I am concerned. The charge of 1d. per ton for the use of the trucks on that line is a charge which is common to a good many lines. Then there is the cost of working the company's line. The