

locomotive had to be fitted with special brake-gear, and two locomotives specially sent for working that traffic; it was assumed that a locomotive would be required continually to work their business, and on that assumption the rate was fixed at 3d. per ton. There is no reason, in the event of the business increasing largely, why that rate should not be reviewed. If the Department was justified in keeping the engine there 75 per cent. of the working-time, the Department could be asked to review the rate.

6. *Sir A. R. Guinness.*] With regard to the question of that centre-rail and the snow-line: Mr. Maxwell informs me that he has been up there and that the line of railway from the company's at Roa to the Blackball Company's mine at Blackball is many hundred feet below the snow-line?—I have never seen any snow up there; I have seen the rails in a very frosty condition.

7. The snow does not lie on this piece of rail?—Severe frosts are prevalent, and at times the rails would have an iced surface and the ordinary brakes would be useless.

8. You said that the Government took possession of the Midland line and that Sir Joseph Ward fixed the rates from Ngahere to Greymouth at 2s. 6d. per ton?—Yes.

9. Can you produce any documents signed by the Minister of Railways fixing that rate?—I believe I can.

10. We doubt the correctness of Sir Joseph Ward having done such a thing?—

*Mr. Maxwell:* With regard to that Midland rate, there has been no *Gazette* notice, I infer, at the Department of Railways. What I am illustrating is that I am aware of what those charges were, and in the course of my travels I came across a circular from the Railway Department to its officers and to the public describing what advantages generally the public had gained when the Midland was taken over by the Government, and all the assessable charges. Both had charges, and all the assessable charges were going to be worked out—and were all worked out except in the case of the Blackball Company—instead of collecting the proper rate from the Blackball Company it collected 3d. more than it was entitled to. The Government had the benefit of it. I did not know we were paying the rate until the trouble arose—the Government legal rate of 2s. 6d. per ton had come into operation, but the Railway Department had not collected 2s. 3d. but 2s. 6d.

*Sir A. R. Guinness:* The Department collected it although they had not received proper *Gazette* notice increasing the charge. If they had done so and they wanted to know why the coal companies were having to pay 3d. per ton more for the same work than the Westport Company were paying at their coal-mines—

*Witness:* The Cabinet may have been influenced by the fact that the Harbour Board finances were not too good and that they wanted the revenue. This, of course, is only a suggestion.

11. *The Chairman.*] Do I understand that this discriminating rate obtained exclusively on the Paparoa Company's line. Is it the case with the Westport Company?—There are different local rates all over New Zealand, but in respect to the Paparoa and Blackball Companies both agreed in writing to pay an additional rate for the branch line, Blackball to Ngahere.

12. Are the Blackball adjoining lines on the same charge?—The Paparoa is just an extension of the Blackball line.

13. Then this discriminational rate of 4d. per ton for the two miles is exclusive to the Paparoa?—Yes; 4d. Paparoa, 3d. Blackball, under agreement. They have an additional mileage—that is, from the terminus. Then there is 3d. for the working of the incline.

14. *Mr. Maxwell.*] You do not charge the Westport Company—you have two miles of railway there?—It does not follow, because that rate was made many years ago.

15. *Sir A. R. Guinness.*] The Westport Company has an extension to Conn's Creek of about two miles?—Yes.

16. Does not the Railway Department take charge of and carry on the whole of the traffic over that branch for the Westport Coal Company?—The Railway Department does not maintain that line.

17. I mean, running the traffic?—Yes, for a certain charge.

18. One penny per ton on the coal?—That is so.

19. That is the gazetted rate?—Yes.

20. You have got the same conditions as from Roa to Blackball, two miles, although it is only 1.60?—We are working that line under a special agreement. It is not our line.

21. *Mr. Maxwell.*] Are you not working the other line exactly the same as you are working with us?—The conditions are dissimilar.

22. *Sir A. R. Guinness.*] I want to know what they are?—It is a very different thing.

23. *Hon. Mr. Herries.*] These rates are gazetted?—

24. *Mr. Maxwell.*] What is the length from Waimangaroa to Conn's Creek?—About two miles.

25. You run the Government engines and trains and carry passengers from Waimangaroa to Conn's Creek?—Yes.

26. And bring the coal from Conn's Creek down?—Yes.

27. And what coal you bring down you charge 1d. per ton for?—Yes.

28. That is the Westport Company's; to Roa you only carry goods—you do not run any passenger-carriages up?—No.

29. On the coal you bring from Roa, 1 mile 60 chains, you charge 4d., and to the port you charge 1d.?—The position with regard to Conn's Creek is this: You could take eighty wagons up to Conn's Creek with an F engine—it takes a powerful W engine to take fifteen up the grade of 1 in 25 to Roa; the number of wagons you can bring down at the time from Roa has to be limited—it is a question of the holding-power of the brakes. I think we limited the load to about twenty trucks. It is really a special service—it is somewhat similar to working the Rimutaka incline.

30. Do you know what grade the Conn's Creek is?—I should say, 1 in 50.

31. My impression is that it is 1 in 40?—That is a fairly heavy grade; there is a series of rapids in the adjacent stream, and the line runs parallel to the stream.