

32. *Hon. Mr. Herries.*] When this charge of 4d. was made, was there any idea in the mind of the Department of doing it on the strength of that agreement?—No.

33. The agreement was entirely separate?—It was entirely separate.

34. Then the 1d. was the charge for the use of the trucks, and 3d. was for the cost of work?—Yes, for working the incline.

35. This 4d. charged has nothing to do with the 4d. the company agreed to pay?—It is quite independent of that. With regard to the 3d. per ton, the company could have worked their own line. It involved the purchase of two locomotives to do it, and more capital expenditure.

36. They would have to have their rolling-stock?—Their own locomotives, which would probably be imported and duty paid. The cost would probably be between £7,000 and £8,000. That matter was discussed, and the company could not see its way to do their own haulage from Roa to Blackball.

37. *Sir A. R. Guinness.*] There is no reason why this company should be discriminated against as against the Westport Company?—There was no discrimination. The charges made were for services rendered, and the company entered into the agreement with a full knowledge of the position.

38. Does the Westport Company work for nothing?—

*Mr. Maxwell:* They are charged 1d. as against our 4d.

39. *Mr. Sykes.*] Which would have been the greatest cost, the Westinghouse brake or the other?—There is no comparison; to equip an engine costs £190 and for a wagon £30. When the line gets through the Oira Tunnel, the Westinghouse-brake applications will require consideration.

40. *Mr. Veitch.*] Is the Paparoa coal tested at your Department?—It has been tested, and by, I think, yourself. We have had considerable experience with it, and the coal was satisfactory. We could get it large enough—the trouble was its extreme friability. We are quite prepared to take coal from the Paparoa Coal Company now if it will stand carriage. This is a defect common to New Zealand coal. We are only too anxious to get native coals if the mines can supply it.

41. *Hon. Mr. Herries.*] The company maintain their line?—Yes.

42. With regard to the rolling-stock, the Department maintains the rolling-stock?—Yes.

43. Supposing there was any damage?—If any damage took place on their line the company would pay for same. The Westport Company paid for many trucks on their incline.

*Mr. Maxwell:* Mr. Ronayne is, I think, giving an erroneous impression. The Westport has two inclines which rise up to a height of 1,800 ft. one after the other at Denniston. The Westport Company takes the trucks up part of the gradients, which are as much as one in a quarter, at thirty miles an hour—and they started doing that—they broke the axles and tore the draw-gear out of the wagons, though they are doing it properly now. When you hear about the Westport Company's incline it should be made clear there is no such thing obtaining on our line, and therefore the Westport incline has no bearing on the subject whatever.

*Witness:* Any damage that might result to a wagon on the Roa line under similar conditions the Westport Company would pay for.

*Mr. Maxwell:* Not only are they charging what they call an enormous price wagon rental, 9d., but they are also charging us with any particular damage that may occur when they are running their engine with our trucks and on our line, which is a very carefully constructed line. We are made to pay an extravagant rate for the hire, and we are going to pay for damage too.

*Witness:* There are no discriminating rates. If any damage takes place on a foreign company's line they have to pay the damage. As a matter of fact the Paparoa Company has not paid a shilling, and is not likely to be called upon to pay. The company, as Mr. Maxwell says, is liable for damages to stock which occur on their line.

44. *Mr. Sykes.*] What damage do you assess on a vehicle?—An axle might get bent and axle-boxes smashed up; the wagon is sent to a workshop and repaired at actual cost of repairs plus about 15 or 20 per cent. workshop commission.

45. *The Chairman.*] You have not given us the real reason why the Department made the differential rates between the Westport Company and the Paparoa Company?—The rate from Ngahere to Greymouth was fixed by the Midland Company and the Railway Commissioners. When the Midland line was taken over it remained at 2s. 6d. per ton, Ngahere to Greymouth, and the Blackball and Paparoa companies agreed to pay 3d. and 4d. respectively extra to the 2s. 6d. for the branch line if constructed.

46. *Sir A. R. Guinness.*] It was never gazetted?—Yes, it was gazetted years ago.

*Hon. Mr. Herries:* It was gazetted on the 9th February, 1911.

47. *Sir A. R. Guinness.*] You gazetted a different rate for this railway as against the Westport Company?—The rate was fixed according to the tariff ruling at the time, and has been reduced from 3s. 2d. to 2s. 6d.

48. You think the charge is rather an excessive one?—If we had more business we could reduce it—I refer to the 3d.

*Mr. Maxwell:* It is an extravagant charge.

*Hon. Mr. Herries:* How many days in a year do you estimate you will be taking coal down, Mr. Maxwell?

*Mr. Maxwell:* Usually there is broken time, but about forty-five weeks.

*Hon. Mr. Herries:* Do you do three hundred days in a year?

*Mr. Maxwell:* Forty-five weeks is a fair average to take for any of those mines.

*Hon. Mr. Herries:* Six days a week?

*Mr. Maxwell:* The mine works five days one week and six days another.

*Hon. Mr. Herries:* How much do you estimate you will put out in full working-order?

*Mr. Maxwell:* We hope to get out 160,000 tons a year, and to be putting out something like Westport. When we get the incline and so on fixed we hope to put out 300,000 tons a year, on an eight-hours shift; but the Westport Coal Company does more than that in some cases.