

49. *Mr. Veitch.*] Will it pay the Railway Department to buy this railway for £15,000?—

50. *The Chairman.*] We have two great questions before us: if the Government buys the line—for I presume it would be subject to departmental charges—is that not so, Mr. Ronayne?—We get 3d. per mile.

51. *Mr. Maxwell.*] The *Gazette* notice is that coal is charged 1s. 10d. for the first eight miles and 3d. per mile afterwards. You would pay 1s. 10d. for the first eight miles?—Except otherwise specified, it is 1s. 10d. as you say, but the rate Ngahere to Greymouth is specified as 2s. 6d., which governs the position.

52. *Sir A. R. Guinness.*] The average for the lot is a good deal more than 3d.?—

*The Chairman:* The Committee has two things to consider, and they are whether they are to recommend the Government to buy the line, or whether they are to do away with the preferential rates or not?—

*Mr. Maxwell:* That is so.

*Hon. Mr. Herries:* How many tons do you expect to put out a day?

*Mr. Maxwell:* 160,000 tons a year—1,000, 1,200, or 1,500 tons a day.

*Hon. Mr. Herries:* What do you expect to average a day?

*Mr. Maxwell:* 600 tons a day. The incline will bring 1,200 tons a day of eight hours when they are working conveniently.

*Hon. Mr. Herries:* And the rolling-stock we have got there—can it cope with that amount?

*Mr. Maxwell:* We provided additional wagons for the company's business.

*Hon. Mr. Herries:* Is the rolling-stock you have got there coping with the demand of the Paparoa Coal Company?

*Witness:* The rolling-stock on the Westland Section is very ample for all present requirements.

53. *Hon. Mr. Herries.*] Two locomotives would be enough?—Yes, for that particular service. We shall have to send two more for working the No. 2 State coal-mine when the mine starts putting out coal.

54. *Mr. Sykes.*] Mr. Ronayne, does the 2s. 6d. rate charged for conveyance of coal from Blackball to Greymouth show such a profit as to allow for working-expenses, cost of construction, depreciation?—Take 2s. 6d. as the original rate between Ngahere and Greymouth. Assuming that rate is required to meet interest and working-expenses, the company wants the same rate for an additional mileage costing £150,000. Assuming the 2s. 6d. rate to be a just and fair one, in any case the branch line was built on the assumption that there would be sufficient additional revenue derived from the carriage of coal over the branch line to justify its construction, in accordance with the agreement between the Public Works Department and the company.

55. Your rate is not based on the cost of construction?—No, we have a large number of local rates.

56. *Hon. Mr. Herries.*] The cost of construction was never taken into consideration—sea carriage?—No.

57. *Sir A. R. Guinness.*] The Westport Coal Company, I believe, is the most payable section of railway in New Zealand?—That is so.

58. *Hon. Mr. Herries.*] You never get sixpence?—

*Sir A. R. Guinness:* No, it goes to the Harbour Board.

*The Chairman:* How long will it be before the company is in full swing and everything going well, Mr. Maxwell?

*Mr. Maxwell:* I think, in about two years. In about twelve months we ought to be putting out 80,000 to 100,000 tons, and the next year we ought to be getting up to 160,000 tons. That is the minimum on which we could pay interest.

*Mr. Ronayne:* Have you finished development-work?—We have finished.

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