

74. Was that before or after the commencement of the war? I suggest to you that the pre-war price was 9s. 6d. or 10s. ?—No, not at the commencement of the war.

75. I am suggesting to you that on that point your evidence is quite inaccurate. You say you are correct in stating that 13s. 4d. was the pre-war price ?—Yes, that is what I paid for it.

76. Where did you purchase it ?—I purchased it at a price in Wellington from Sanson—from the Vacuum Oil Company.

77. Did you buy it in small lots or in substantial lots ?—Ten cases.

78. I want you to look at this statement of yours showing receipts and expenditure over the tramway from year to year. Are the figures which you have set down year by year for receipts the actual freight earnings of the tramway ?—No.

79. Do they not include wharfages which you pay the Railway, tolls and freights which you pay, and steamer charges ?—Yes.

80. Take, for instance, the year 1915. The figure you have there for receipts is £4,192: does not that include, first of all, wharfage paid by you amounting to £237 ?—Yes. You have the balance-sheet in front of you.

81. Does it not also include tolls and freights £369, and steamer charges £1,157 ?—I do not repudiate the balance-sheet.

82. So that that £4,192 has to be reduced by £1,763 to get at your actual freight earnings ?—Tramway earnings, yes.

83. And for the same year your working-expenses were £2,257 ?—Yes.

84. I suppose we may take that as a typical year, may we not ?—No, we cannot take it as a typical year.

85. Well, let us take 1914. In 1914 you have the tramway earnings set down at £4,308: does not that include wharfage payments of £234, tolls and freights £411, and steamer charges £1,107 ?—Yes.

86. Making a total of £1,752, which is pretty much the same ?—Yes.

87. So that in that year your tramway freight earnings would be £4,308, less £1,752 ?—Yes.

88. And your working-expenses for the same year £2,534 ?—Yes.

89. Now, in those working-expenses there is included nothing for renewals or anything of that sort ?—Nothing for new material.

90. Is the new material in all your balance-sheets itemized separately ?—Yes, it is for the last few years.

91. In 1913 you set your tramway receipts down at £4,822, your wharfage again at £235, tolls and freights £480, and steamer charges £1,181; so that in that year your tramway earnings would be £4,822, less £1,896 ?—Yes.

92. And your working-expenses £2,414 ?—Yes.

93. Now let us take the figures for the last nine years, 1908 to 1916 inclusive. Taking the receipts, they total £36,613 ?—Yes.

94. And your expenses or payments for the same period £39,230 ?—Yes.

95. Included in that expenditure there is £5,417 covering the whole period ?—Yes.

96. So that if you deduct £5,417 from £39,213 you have—how much ?—£33,811.

97. That gives you for the nine years a profit on your figures of a little over £2,000 ?—Yes, £2,802.

98. Have you in your county ledger a special Capital Expenditure Account ?—Yes.

99. Have you it here ?—No.

100. You say your capital expenditure is about £25,000 ?—Yes.

101. Do I understand that that includes not only the original expenditure, but all the subsequent expenditure for materials and additions ?—Yes.

102. So that when you have “scrapped” 28 lb. rails and substituted 40 lb. rails you have in your Capital Account the original cost of the 28 lb. rails, and also the cost of the 40 lb. rails ?—We have been deducting the moneys received as we sold the old rails. It has been deducted from the Capital Account.

103. *The Chairman.*] Do I understand you to say that you debited the Capital Account with the receipts ?—We have simply credited the Capital Account expenditure with what we have sold.

104. *Mr. Myers.*] The proceeds of the sale, at a “scrap-heap” value ?—I do not know that you could call it a scrap-heap value. The scrapped material has been sold, the greater part of it for more than it originally cost.

105. Will you send us a copy of your ledger Capital Account ?—Yes.

106. If you have this tramway extended your working-expenses will be increased ?—Yes, naturally.

107. Have you made an estimate of the probable increase of expenditure ?—No, I have not.

108. Then, you will have interest upon a further sum of something like £30,000, although £7,000 of that we are not concerned with, will you not ?—Roughly.

109. And you solemnly say that you think the extension of the tramway would give you sufficient traffic to repay your additional annual expenditure ?—I think the traffic on the tram would increase in the whole district. If the connection were made there would be a tendency to increase the output in the district, and therefore there would be an increased amount of traffic over the tramway. Settlement follows the railway, and it would naturally follow that if they got better facilities for dealing with traffic settlement would improve.

110. I want to draw your attention to a statement made by Mr. Purnell in 1904 before the parliamentary Committee. He said, “It would cost £400 a year more to keep up the roads if traffic was diverted from the tramway on to the roads” ?—Yes.

111. Would you say that that is a reasonable figure ?—At that time it may have been. At the present time I would not say so at all, because since 1904 the whole nature of the traffic on the road has altered altogether.