

the debentures. That is evidence that we are prepared to take a certain amount of risk to get the work done. In regard to it being a payable proposition, I am estimating that there will be an output of 100,000 tons of coal a year. There are two companies referred to in the petition, and they are prepared to turn out between them 75,000 tons a year. The remaining leases granted require that the lessees shall turn out not less than 25,000 tons a year, so that I am safe in putting it down at 100,000 tons.

3. *Mr. Robertson.*] Is that 25,000 tons for the whole of the leases?—Yes, the aggregate for the whole lot. The minimum output per year would be 100,000 tons. Taking Invercargill as the mean distance over which the coal would be hauled, the rate applicable would be 7d. per ton. That rate on 100,000 tons would amount to £2,916 13s. 4d. If we take the cost at 6s. 3d. per running mile—and I estimate that each trip would bring down 200 tons of coal—there would be 500 trips necessary to carry the 100,000 tons, and that would equal £1,937 10s., showing a profit of £179 3s. 4d. That is from the coal alone; but in addition would be the profit from the carriage of the produce that would come from the country beyond. There would be the profit from the carriage of wool and cheese, and I have no doubt that when the railway goes in there will be a greater output of both those commodities. Then there is the carriage of manures and seeds, and there will be a greater demand for those things as the facilities increase. The figures I have quoted are very much on the safe side, and I think the profit to be derived will be very much more than what I have stated. With regard to the suggestion that we should put the railway in as a matter of private enterprise, after conferring with the people in our district the syndicate thought that, as the Government is going to reap such a large benefit from the coal, they should meet us by taking part of the risk. I think we have done the fair thing in splitting the difference, and we are taking more than half the risk. We are taking all the risk with the exception of half the cost of the railway. The petitions which have been presented are sufficient evidence that the public are in sympathy with the scheme. They are very anxious to see the railway put in, and I might say that only in three instances where signatures refused to us, the reason being that they were not *au fait* with the proposal and did not like to take the responsibility of signing. There are at present two railway schemes under consideration in Southland western district. They have been put before the public, but in each case there are alternative routes, and it is a question which one should be adopted. The instigators of those two different schemes are signatories to this petition, and they do not think they are at all prejudiced by our scheme. They look upon it as a benefit, because it will act as a feeder to those other railways. I should like to read a resolution which appeared in the *Otago Standard* last week: It was absolutely unsolicited, and it reads, "That this branch of the Southland League whole-heartedly supports and approves of the policy of Mr. A. W. Rodger, jun., of Birchwood, in opening up coal lands in Wairio-Nightcaps district, and urges the Government to grant every facility in the way of communication, and especially to grant the right to build the railway proposed." That was absolutely unsolicited, and it is further evidence of the fact that our scheme is going to clash with no other proposal that is at present before the Government. While the public desire the extension for the coal facilities, we in our district want it so as to be fairly well provided with ordinary facilities for getting to and from our properties. For the last six years we have been absolutely cut off during the winter months through the bad roads. Those people who have taken up the leases must of necessity use the road for the output from their mines, and that is a very serious detriment to the settlers behind and to the development of the country.

4. *Hon. Mr. Fisher.*] With regard to the existing railway to Wairio, you might make it plain to the Committee why it is the country is unable to make any treaty with regard to the use of that line so far as it goes?—I thought I had made that clear before when I was present at the Railways Committee last year. [Plan explained.] First of all, it is a tram-line purely and simply, and a tram-line will be absolutely unsuitable for the heavy traffic there. The first thing that strikes one going out from Wairio is the loop, which necessitates shunting every truck of coal that comes down from the mines. The grades are bad, and are not, I believe, according to the limits set by the Public Works Department for a Government railway. If we did extend the tramway to Ohai we would have to make a long detour in order to get a decent grade, which would mean extending the railway some three miles. Messrs. More and Sons, who were the originators of this scheme, were blocked by one farmer, and they had to apply to the County Council for an Order in Council to take the land under the Public Works Act. They have been negotiating for the purpose of purchasing the property, but there is no settlement yet. They are still at variance as to what the compensation should be. [Order in Council read and put in.] Now, the Wairio Coal-mine is one of the mines at present tapped by that tram-line. It is under the control of the Wairio Coal Company (Limited), which simply means that they can at any time shut down that mine for three weeks, open it for a day, close it down again for three weeks, and so on for all time. We are absolutely at the mercy of that company. They can practically shut the railway down altogether. I understand the representatives of the company will appear here to-morrow, and I would like to reserve anything I have to say further till they are present.

5. What is the date of the Order in Council?—18th October, 1911.

6. And there is no power of resumption?—No.

HENRY NORMAN BELL examined. (No. 3.)

1. *The Chairman.*] What are you?—I represent a milk-condensing business in Southland.

2. Do you wish to say anything to the Committee?—Yes. We are the largest consumers of coal in Southland, and it is a matter of great importance to us to keep down our expenses by getting coal of high quality and value at a cheap rate. The coal of Southland is extremely low