

45. They may be of use in the future?—Not at all. They simply give access to the mines. This particular one gives access to nine mines.

46. If they find the money there is no loss to the State, and if the State took it over and controlled it there would be no chance of exorbitant charges?—If a railway is authorized it must be authorized under the Act, and the scale of charges must be submitted to the Government for approval.

47. *Hon. Mr. Fisher.*] Has it come under your notice in connection with this line that the proposition is not merely to open up nine mines, but a line that is going to give access to a great many settlers who at the present time are unable to get over the roads at all in winter?—It would certainly not pay except for the mines.

48. *Mr. Robertson.*] The Nightcaps line would be in the same position?—Exactly. The last part of that line was constructed by the company itself.

49. They saw the line up to Wairio would not pay except for the coal traffic over it?—I am not aware of that. I have not been right up to Wairio.

50. All the Nightcaps coal comes down that way and forms the bulk of the traffic?—No doubt the Nightcaps coal traffic was given great weight in determining the construction of that railway, and probably the Pukemiro coal traffic was a great factor in the case of the Huntly-Awaroa Railway.

51. *Hon. Mr. Fisher.*] And the same in regard to the Ngakawau line at Westport?—Yes.

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THURSDAY, 23RD JULY, 1914.

JAMES ARMSTEAD made a statement and was examined. (No. 5.)

1. *The Chairman.*] What are you?—I am a solicitor at Invercargill, and I am a member of the Wairio Railway and Coal Company (Limited). I might say, gentlemen, that I have not had an opportunity of seeing the petition before to-day, nor have I had an opportunity of hearing the evidence which has been given in support of it. However, I desire to make a few observations in regard to the petition. The Wairio Railway and Coal Company has been in existence for six or seven years. In the first instance, I might say that this coal land has been known to be there for the last thirty years. Mr. McGregor and Mr. Rodger have lived there for many years and have known that the coal has been there. The coal has been worked for the last twenty-five years to my knowledge. What the petitioners have said with reference to the extent and quality of the coal there I believe to be perfectly correct. The question, however, has been that of getting the coal to the market. That is a matter which has been under discussion for some considerable time, and it certainly handicapped the whole of the output. Some six years ago Messrs. More and Sons, sawmillers, of Riverton, were asked to undertake the putting-down of a line to the coal-pits to get the coal out. The carting of the coal was cutting up the county roads, and the County Council absolutely prohibited the carting of coal in the winter months, and put an embargo upon more than 2 tons being carried on one set of axles; but that did not have the effect of keeping the road clear. The road was so cut up that you could hardly get through it. That was the state of things when More and Sons first thought of putting the line in, at the request of some of the coal-pit owners in the district. Mr. Rodger and Mr. McGregor had several interviews with More and Sons, and both Mr. Rodger and Mr. McGregor were very anxious that the line should go in in the way it was. The line was surveyed round the route that is now proposed by this petition. I think the representations of Mr. Rodger and Mr. McGregor had a lot to do with bringing the line round the way it went. At that time Mr. Rodger told the Mores that if they would put the line down for about five miles—it is now within a quarter of a mile of Mr. Rodger's freehold property—he would carry the line through ultimately to his own property, probably right down to the homestead. A letter was written by Mr. Rodger to the Mores to that effect.

2. *Mr. Rodger.*] Can you produce that letter?—I do not know that I can, but you know it was sent. I am of course speaking from memory. Nevertheless, arrangements of some sort were discussed by which Mr. Rodger was going to carry this railway on. There was also some guarantee given of a certain revenue from that portion of the line, and then ultimately it was to go down through to Birchwood. I say this deliberately: that it was the representations from Mr. Rodger that decided the matter of the line going up the valley. From where it was tapping the coal-pits on this side of the hill there was an absolute flat run into Mr. Rodger's homestead. It was also pointed out that the line in going up that valley goes up and taps the coal at the bottom of the ridge. Now, as soon as the idea was suggested of the railway going in that direction some of the coalowners in the district were long-sighted enough to take up coal areas on both sides of the ridge, and that coal in the valley which it is suggested cannot be worked unless the Government line goes in can and will be worked from the bottom. It is within a mile and a quarter of the terminus of the present line. However, I am not here, gentlemen, to advocate a Government line one way or the other. I only desire to tell you how it will affect the Wairio Railway and Coal Company. The Wairio Railway and Coal Company does not own one pound of coal. They put the railway in for the coalowners in the district, and although they have made application for some coal they do not own one pound of the coal in the district. If they had wanted to put that line in and create a monopoly, what they might have done was to take up the whole of the coal area, which they could have done. When they started the line there were only 20 acres taken up in the Morley Valley. They could have taken up a vast area of country, got a tramway laid, and then they would have been practically secure. They did not attempt to do that, but said they would be a carrying company only. They said it was for the mining people