

that they were putting in the line. The mining people wanted Government trucks up the line, and although the original intention was not to take Government trucks up, the representations from these people at the mines were such that the Mores reconsidered the matter and decided to put the railway in according to Government specifications, and to take Government trucks up the line. That line goes in from Wairio five miles, and taps what were then the only two coal-pits in the whole district. There were 30 acres in the Morley Valley out of which they were taking very little coal. Now, both Mr. Rodger and Mr. McGregor, who are in the forefront of this petition, were at that time very anxious indeed and did all they possibly could to get More and Sons to put in the line and to put it up that particular valley. The Mores saw Mr. Rodger and Mr. McGregor two or three times, and everything worked well till Mr. McGregor took up a large coal area in the Morley Valley, and from that time things seem to have gone differently. It was originally intended that the Morley Valley pits would connect up with the head of More's line, but the position is now changed. Mr. Rodger has been asked to come forward and say to the Government that a railway in there would not only bring out a fair amount of coal and be of benefit to all the people who have got coal-pits in the Morley Valley, but there is also the fact that it would open up all Mr. McGregor's land and also Mr. Rodger's land. Both Mr. Rodger and Mr. McGregor have some thousands of acres of land there, and it will mean putting about £2 or £2 10s. an acre on to the whole of that land if the Government railway goes in there. As far as the suggestion is concerned that the Government railway going in there is for the benefit of the settlers, that is all humbug. If that were the consideration, there are hundreds of places where the Government could put in railways for the benefit of the settlers which would be of more assistance than ever this one would be. If it is proposed that ultimately the railway if put in is to be other than a railway into several coal-pits and into Rodger's and McGregor's land, then it should certainly not be put in, and for these reasons: first, that the country through which it goes is not suitable; and, secondly, it is a branch line. You know perfectly well that branch lines are to be avoided wherever possible. Not only is this a branch line, but it is a branch line on a branch line, and surely that would mean continual trouble. The Nightcaps people put in a line from Wairio to Nightcaps twenty or thirty years ago. It actually belongs to the Nightcaps people although it is under the control of the Government. The proposed line, which is called Rodger's line, will run within a quarter of a mile of Mr. Handyside's pit-mouth, and Mr. Handyside or the Nightcaps Coal Company value their line, I think, at £30,000-odd. If the Government put the line in as proposed it will mean practically doing away with Mr. Handyside's line altogether. That possibly is not of very much moment to this Committee seeing that Mr. Handyside had that line for the last thirty years. In the last year or so the Government insisted that Mr. Handyside should take his grade down, and he spent from £8,000 to £10,000 in reducing the grade into his own pit.* That money will be absolutely wasted if the Government agrees to this proposal. Now, More and Sons put this line down quite disinterestedly, not with the object of opening up their own coal land, but to assist the settlers purely and simply. In the agreement between More and Sons and the Wallace County Council there is a clause which I guarantee is not in any other business agreement in New Zealand, and that provides that the price at which the coal is to be carried over the line is to be fixed by arbitration. That was not insisted upon in the first instance by the Wallace County Council, but after the County Council had agreed other interests got to work and it was insisted on and the clause was put in. More and Sons had no voice in the matter of the rate at which the coal should be hauled, and the County Council brought the rate down to 5s. 6d. per ton. Could there be anything fairer or anything less favourable to a railway company than a clause of that kind? Could there be any suggestion in any shape or form that they had fixed the maximum rate which they could charge and compel the people to pay?

3. *Hon. Mr. Fisher.*] Have you got that document here?—No, I have not.

Mr. Rodger. I can produce a copy of it. I agree with what has been said—that they reserved the right of fixing the rate, and if they could not agree it was to be decided by arbitration.

Witness. Mr. McGregor was a member of the Wallace County Council, and as such he knows that that clause was put in the agreement. Mr. McGregor evidently knew the advantage of this clause in the deed of delegation from the Council. He now knows it was an iniquitous clause to put in, and that it was very likely to work a great hardship on the Mores. More and Sons had really started the railway before the deed of delegation was signed, otherwise it would not have been gone on with. That does away with any suggestion of any monopoly of any kind. As I have said, the two people in the forefront of this agitation are Mr. Rodger and Mr. McGregor, and they will tell you how much land they own in the district. They will tell you what it means to them if this railway goes in. Mr. Rodger told me it was going to put thousands of pounds into his pocket if he could get the railway in there, and there is no question that it is going to do so. He has said that he had no interest in the coal leases. He may have a future interest in the coal, and if these coal rights are of so much value and if this property should be opened up, then let those gentlemen do the same as the Mores did. These people are on a much better wicket in so far as they own the coal up there, whereas the Mores do not. The Mores had no interest in it whatever. They have a purchasing interest in some coal coming out of there now, but that is all. The question of constructing this line did not come up until quite recently. The original proposition was to link up with Messrs. More and Sons' line, and a considerable amount of discussion took place on the subject. The cost of More and Sons' Wairio line was close on £15,000; it will cost that when finished. They have not had it started more than about two months, and the expenditure is not finished yet although they are running coal over it.

4. *Hon. Mr. Fisher.*] Do you mean the four miles and a half?—Yes, not including any extension whatever.

* I am since informed that it is on its own initiative that the Nightcaps Coal Company is reducing its grade.—J.A.