

5. How long has it been running?—About six weeks. It has only just started. They have not got the screens up yet, but they are actually carting a certain amount of coal over it and have been doing so for the last six weeks. They have been four years in getting the line in, and there has been some further ballasting to be done to satisfy the Department. In fact, there is actually an officer of the Public Works Department now in charge of the line, and he will be there till the inspection is made, and then close on £15,000 will have been expended. If it had been suggested by Mr. Rodger and Mr. McGregor and others who held the coal at the back that they were not likely to link up with this line, then the probability is that it would not have been more than a tram-line for the purpose of trucking out the coal from the two or three pits immediately at this end of the line. When the line was proposed Mr. Rodger guaranteed in the first instance £250 a year for some years from the carriage of his produce.

6. *Mr. Escott.*] Is that guarantee in existence in writing?—I do not know. That was the arrangement. A certain rate was set and it was worked out at so-much per cent. on the money. An amount was allowed for depreciation, and then the haulage rate was worked out at so-much per ton on the coal going over the line. Mores stipulated somewhere in the neighbourhood of 10 or 15 per cent., and the whole of the people owning coal in the district had the list of rates submitted to them. As Mr. Rodger and Mr. McGregor say, these people wanted a charge of 5s. a ton, and they put it at 5s. a ton on the output of 100 tons a day. They had to charge that otherwise they would have been running at a loss, but as soon as the output got up to 250 or 300 tons it was put on a sliding scale and I think the charge then came down to somewhere about 1s. 9d. or 2s. a ton. That necessitated something like 90,000 tons a year going over the line. Now, if this Government railway goes in as suggested it means there will be practically no other result but the killing of this line at present there. I have not seen the signatures to the petition, but the petition was sent through the whole district and signed by a great number of residents. You all know what it is to get a petition signed. This petition was hawked about at every saleyard in Southland during the last month. At the Thornbury sale Mr. — had the petition. He is a big farmer in the district and I know he is interested in some of the coal at the back which the railway will serve. It was taken through Wyndham and other districts, and I will guarantee to say that dozens of people who signed the petition did not know where the coal was or anything about the line. They were asked to sign the petition and did so.

*Mr. Rodger:* You might stick to the facts.

*Witness:* That is a fact.

*The Chairman:* I do not think we need go into it. It is sufficient for us to know that the petition is signed, I think, and that argument is irrelevant altogether.

*Witness:* I have not the advantage of knowing what Mr. Rodger has put before the Committee or the Government. There have been several statements made outside, and one does not know how much truth there is in them, but I understand that these people were to put in the line and find the money and the Government would give them debentures or something of that sort and ultimately take over the line. Is that the case?

*Mr. Escott:* That has already been submitted to us.

*Witness:* I do not know that I need take up your time much further. The scheme is to put in a Government line. I might point out that the extension of the proposed Government line is about a mile beyond the present extension of More and Sons' line. I see something in the petition about carting coal over the roads. There would not need to be any carted over the roads provided they could link up about a mile with a light tramway. The Government trucks at the present time go to within about a mile or a mile and a quarter of this vast coal area and the coal owned by these petitioners. That cannot be such a very serious thing as the petitioners would try to make out. More and Sons have not only put the line into where they are at the present time, but they have mentioned, and practically promised, an extension of the line to where these pits are—where the proposed line will terminate—immediately they can see their way clear to go on with it; but they cannot do it in five minutes or a day. That coal has been known there no doubt for twenty-five or thirty years: coal has been coming out of there for twenty years.

7. *Hon. Mr. Fisher.*] You mean from Ohai?—From the Mount Linton coal-pits—the district that this line proposes to tap: the Morley Valley pits. Coal has been coming out of Mount Linton for the last twenty-five years, and the quality of this coal has been known for all this time. It seems a strange thing that they have left it to More and Sons, who are sawmilling people—they are not financial exploiters, or anything of that sort—to put in this railway up to a point—five miles—to relieve the roads and to allow these coal-mining people up there to get their coal to market. They have allowed that to go on. They allowed them to start, and gave them every assistance in starting; and when that has been done they turn round and say, "Put in a Government line." Let these people up there, if they desire a line into their place, put it in in the same way as this other line has been put in—there ought to be no difficulty about that—then they would be on a fair footing with More and Sons. If More and Sons have put that line in there under those conditions, with an arbitration clause as to what the rates are to be, surely they have done all that could be expected of them; and they have not endeavoured to reserve anything to themselves. One other point: there is no passenger traffic, I think, on More's line. There was some talk of getting passenger traffic on the line, but the Government regulations were such as to make it practically impossible. If they were compelled to carry passengers there would not be two passengers a day, on an average, going up the line, and it would mean that the extra cost rendered necessary to bring those passengers down would have to be put on to the coal, which would increase the price of the coal-haulage that they desire to keep down to as low a figure as possible. That is what More's people are charging—a matter of from 10 per cent. to 15 per cent. on the cost of their money—and they have not got any coal of their own: this is to assist those people. If a man who has a little money is able to come to the Government and say, "I want this scheme, or that scheme, carried out; I will put up the money in the meantime, but the Government must take over the work in the finish," that is the most insidious method, I think, of