

You have stated, Mr. Armstead, that the idea was to put the tram-line in for carrying purposes only. Seeing that you or your firm had the conduct of this matter through the Public Works Department in order to get the Order in Council, why was it you made no provision in the Order in Council for carrying loose coal, seeing that coal was the principal product that would be carried over that railway?—I did not in any shape or form have anything to do with the Order in Council going through. Certainly my firm put the Order in Council through, but I had nothing personally to do with it. I knew nothing about it till it got to the Wallace County Council, and when it got to that office it was discovered there was no such thing in regard to loose coal. The coal was supposed to be in bags, and a rearrangement was made with the Wallace County Council to carry loose coal.

78. But there was no provision for it, and no coal was carried over the line in bags?—No, that is so, but the Order in Council was altered by the Wallace County Council.

79. If the object was carrying only, surely you should have had it as the primary point in the order and provided for that?—You know that More and Sons were open and *bona fide* in everything they did.

80. If it was to be a carrying company only, why was it that they did not provide for that?—I could not say that, but it was provided for when it came to the Wallace County Council. I never saw the Order in Council till it got to the Wallace County Council.

81. You have said that you had in view during the whole time the extension of your railway to Ohai where we are wanting our railway to go to?—Yes.

82. Why was it that you did not ask for permission to provide for such an extension in the Order in Council if that is so?—You know what trouble we have had to get that railway-line where it is. You know perfectly well that that was in the minds of More and Sons at the beginning. That was what your offer was made on.

83. It was not in the Order in Council?—There are a lot of things not in the Order in Council. We can always get a fresh Order in Council.

84. You say the intention was to be a carrying company only. You have taken no notice as to whether your terminus would be accessible, let alone convenient, for the settlers. It is an absolute impossibility for any wagon or vehicle to get into your terminus apart altogether from the line that goes down from the mines?—The terminus of the mine is designedly a quarter of a mile from where the coal company's pit is, and that was done so as to allow other connections to come down.

85. I am talking about access from the farmer's point of view. There are no means of getting to your terminus with a wagon or vehicle?—No road access.

86. And while you say you are a carrying company for the benefit of the settlers, yet you did not lay out your railway accordingly when you got the Order in Council?—Yes.

HORATIO JOHN HOOPER BLOW examined. (No. 6.)

1. *Hon. Mr. Fisher.*] I understand you have here a report from Mr. Furkert which has a bearing on this matter?—Yes.

2. Would you please read it to the Committee?—I have just got the report, which is a departmental record. It reads as follows:—

Hon. Minister of Public Works.

Public Works Department,
Wellington, New Zealand, 15th June, 1914

Wairio-Ohai Railway.

IN accordance with your telegraphed instructions, which reached me at Oamaru, I met Mr. Rodger and proceeded to Southland with him. I went over the country between Wairio and Birchwood, and examined the route proposed to be followed by the suggested extension of the railway from Wairio to Ohai. I also looked into the possibilities of reaching the same point by an extension of the Nightcaps line, and also by an extension of the Wairio-Birchwood tramway of Messrs. More Bros.

I found that a large number of coal leases have been taken up in the vicinity of the proposed terminus, the conditions of which leases require that the lessees shall turn out certain minimum quantities of coal in the first year, and thereafter increasing quantities up to a total of 33,000 tons. Two of these lessees are at present served by More's line, leaving 24,000 tons as a minimum output which must be maintained by the other companies.

In addition, boring operations are now in progress to ascertain whether further areas will prove carboniferous, and the indications are extremely favourable—in fact, I might say it has been established with certainty that the coal extends for some miles beyond the portions already taken up.

Although the lessees are bound to not less than 24,000 tons, this amount was based, no doubt, on the present facilities for transport, which consist of wagons on the road. I think I may here state that were the lessees to attempt to turn out this quantity of coal, even for a period of three months, the roads would become absolutely impassable unless a large amount of money were spent on them in entirely reconstructing them, and thereafter in carefully maintaining them. With railway facilities it is reasonable to expect that a very much greater output would be maintained. In view of the fact that the Nightcaps Mine, which has railway communication, turns out something like 70,000 tons per annum (rising in 1912-13 to 92,000 tons), the estimate of Mr. Rodger, of 100,000 tons to be obtained from the six projected mines, seems a safe one, always provided that a market can be found for this coal. From what I was told by some of the mine-owners interested, and also by More Bros. two years ago, when they were starting their tram, it is at present quite impossible to cope with the demand for this coal, it having been sent as far as Timaru, while Nightcaps coal goes as far north as Cheviot; and the fact that more coal is not turned out of these mines at present is simply accounted for by the absence of reasonable facilities. The road, once a metalled one, I am told, in very good order, is now in a state of extreme disrepair, no metal being visible for long distances.