

I suggested that they should extend their railway from McKenzie's pit right on to Ohai, where we want to go now, and I offered to finance them for that extension on this basis: I would find money up to £10,000, and would charge 5 per cent. on it; they could pay that money when they found it convenient, and I would take no interest whatever in their railway. They declined that offer. It went no further until More and Sons later on approached me again. They always had their eye upon Moss's coal, a sample of which you have before you now. It was at that time, I admit, their intention to come later on into that coalfield. But before I got back they had entered into an agreement with McKenzie Bros. to take their output at 7s. 6d. a ton on the trucks. That agreement was binding, and they had to take that coal willy-nilly if they put the railway in. If they had come further on and put the other coal in the market it meant that McKenzie's coal would be ousted altogether: they would simply kill their own trade. That was the sole reason for their not coming in; and induce them as I might to come in there they would not do it, as the letter I have read shows. That letter was written subsequently to my first offer, which was declined. That is the position now. The railway may come in by and by, but we have got to wait their time; and it would not be a suitable railway if it were brought in. To suggest that I fixed the route with them is an absolute fabrication.

1. *Mr. Armstead.*] You went over the route several times?—I have never been over it yet.

2. With me?—No.

3. Never driven over it?—No.

4. You did not drive across the White Cliffs?—Yes; but that is not the route you have taken.

5. It is within a quarter of a mile?—I have never been over that route. I have dealt with the suggestion that this railway that we ask for is going to benefit me personally. I certainly am working with the public interest in view, and I absolutely deny that so far as my land is concerned I shall derive one pennyworth of benefit from this railway, whether it goes in or whether it does not.

6. *Hon. Mr. Fisher.*] When you took up Birchwood it was a very large property, was it not?—There were 9,000 acres when I first took it up, and I acquired more, making the area 14,000 acres.

7. What do you own up there now?—6,000 acres.

8. And how much do you lease?—6,000 acres.

9. Is that Crown land?—Yes.

10. The Crown has some land in at the back?—Yes.

11. This proposed railway would increase the value of the Crown's land?—Yes, certainly.

12. What have you done with the balance of your property?—I have cut it up into farms ranging from 250 acres to 350, for dairying or mixed farming. I have sold two sheep-runs, and I have now got the homestead block, which is in the market. It consists of 3,000 acres, attached to which is 6,000 acres of grazing-country. I have about six other farms, which are all in the market. The prices were fixed three years ago, and were advertised in the papers right from Auckland to the Bluff. When the railway is finished I shall not alter these prices to the extent of one penny, except in this respect: that if I put up improvements, such as fencing or draining or buildings, I shall expect to get the net cost of these improvements added to the present prices.

13. *Mr. Robertson.*] Have you disposed of 5,000 acres that you originally held?—About 8,000 acres.

14. What is in the market now is part of the balance?—Yes, of the original estate.

15. *Hon. Mr. Fisher.*] What have you done with the pieces that you have cut up? Are they freeholds?—Every one of them. They are sold on easy terms. I think I have given these settlers better terms than the Government have ever done. They simply pay me 10 per cent. down. I carry them on after that for two or three years, and they are supposed to pay the full purchase-money within seven years. The cows and the milking-machines I give them on a 10-per-cent. deposit.

16. *Mr. Webb.*] And yet all these farms are not yet taken up?—We had in 1912 and 1913 two of the very worst seasons Southland has experienced since 1878, and that was the stumbling-block. A week ago I had six letters in my pocket from people asking to get on to these farms.

17. *Mr. Payne.*] How do the prices run?—They range from £4 an acre to £13.

18. *Mr. Robertson.*] When you say you hold 12,000 acres now, does that include the 3,000 acres leased?—Yes; I have 6,000 acres freehold and 6,000 leasehold.

19. *Mr. Payne.*] Would 2 acres carry a cow?—I have so arranged those farms that they have got from one-third to half of river-flat land, and they also have a terrace behind. So they are mixed farms. They can carry cows on the flat, and can grow the winter feed and grain on the terrace.

20. *Mr. Robertson.*] Farming up there is nearly all mixed farming like that, is it not?—It has been hitherto, but they are going in more for dairying.

21. *Hon. Mr. Fisher.*] You have a dairy there, have you not?—We have a cheese-factory, and the output has been steadily increasing until this year it has reached 121 tons.

22. *Mr. Payne.*] What will the flat carry?—You might put it at 2 acres to a cow. There are fourteen suppliers to the factory, and they are milking on an average about fifty cows each.

23. *Mr. Robertson.*] What is the value of the lands that you are cutting up?—£4 to £13 an acre.

24. *Hon. Mr. Fisher.*] Is there a school there?—Yes, and a post-office and other conveniences.

25. *Mr. Robertson.*] What is the attendance at that school now?—There are two schools. There was one originally, at which there were between thirty and forty children. Some reference has been made to the Wairaki Settlement. Owing to that settlement being old and the young people having grown up, the attendance at the school has been steadily reduced until there were very few there; and they built a new school, which was going to serve the eastern end of Birchwood and this Wairaki Settlement. So a certain number of the children have been taken away from the central school at Birchwood and put into the Wairaki School. There are now about twenty children, and there will be more during the coming season. There is another statement I should like to make. Mr. Armstead has suggested that this railway of ours will be a branch on a branch. I wish particularly to point out that ours is not a branch—it is an extension of the Government railway. Then there has been a suggestion