

32. But what about your nearest section?—It might be two miles and a half off.

33. And how long would that railway be there before you would want it extended further to your homestead?—It would do for the rest of my time.

34. But you have been and would be anxious to see the line into your homestead?—No, I am not at all anxious for it.

35. Have you not got a lot of coal on your own land?—That has to be proved. I have not proved it. We have what we call the Old Homestead pit, which has supplied the district for a number of years. There is coal there, but we cannot say in what quantity.

36. But you know there is a lot of coal there, do you not?—No, I do not know that there is a lot.

37. Were you not very anxious to assist Mores in the first instance?—Yes; we thought it was going to be a boon to the district, but it turned out otherwise.

38. But it has not had an opportunity yet of taking the coal off the road?—It is going to be a long time before the opportunity comes.

39. Listen to some of your earlier letters: "I have just learned that you are considering the idea of putting in a light railway to tap the coal country west from Nightcaps. Unless you have definitely decided your route I think it would be a good plan if you could meet the settlers of this quarter for the benefit of considering the route and as to the possibility of the carriage of goods, &c., for those of us in these parts. I am sorry Mr. Rodger, of Birchwood, is away, but he would willingly have given the land free of cost for the line, besides other substantial assistance if the line was likely to touch in on Birchwood. I would be pleased to meet you and fetch you out to meet the settlers on a date that you could name.—Yours faithfully, W. J. A. MCGREGOR." Then, again, "I beg to thank you for your reply of 29th instant, received, and for offering to allow us to discuss your projected venture in these parts, to the benefit of all. I have to go north to-morrow and will not be back till about the 17th, when, if not too late, and we could arrange a date, I would be pleased to wait upon you on behalf of Mr. Rodger (in his absence) and others. Two points I wished to mention for comparison and consideration were the route (intended) and the feasibility of being able to use Government rolling-stock (*i.e.*, trucks), as in the tapping of the Morley Valley it would be no time before more coal would be going out than what goes out from Nightcaps, as the superior quality would run all other produced south of the West Coast off. I have been pointed out your intended route, which looks expensive through such uneven country. I would like to know if you were pointed out the possibility of a route up the Wairio Gorge, into Birchwood, and thence up an easy grade into the Morley Saddle and over into Moss's." "Up the Wairio Gorge:—that is the present route. It substantiates what I said in my opening remarks—that this line was put up the Wairio Gorge by Mr. McGregor. He is acting for Mr. Rodger, apparently, here. The letter goes on—"The special features of this route are, from a working point of view, cheapness of formation, less wear-and-tear on rolling-stock—a little longer, perhaps—but what I would point out is the standing worth of the line as an asset to the country later on as compared with the intended route." That was a route that was somewhat similar, at all events, to the route that is at present proposed?—Not at all.

40. It goes on, "It not only taps the better coal of the west, but good farming-land on Birchwood as well, where Mr. Rodger intends putting up a dairy factory on his return from Home." Here is another letter: "Owing to the uncertainty of obtaining sufficient Government trucks, as pointed out in your memo of March 20 duly received, and the expense we would be required to go to in erecting a line to reach your terminus, the offer as contained in our former memo of 8th instant must remain in abeyance." This is with reference to linking up at the present terminus. Now, here is a letter from Mr. McGregor also, which will speak for itself, dated 23rd March, 1911: "Referring to the offer of the concessions to mine coal on my property at Mount Linton, as contained in my letter to you of October 3rd, 1910, as such offer has never been accepted by you I hereby withdraw the same and make the following substituted offer in lieu thereof—namely, in consideration of your nominees extending your proposed railway from Wairio on to Mount Linton, with the object of mining for coal thereon, and removing the coal when mined by means of such railway, I hereby offer you the following concessions." Mind you, that is in face of the fact that Mr. McGregor says now there is no certainty of coal there. He is quite anxious that we should get the railway into there to take out the coal. "I hereby offer you the following concessions: (1.) If the railway is extended to Mount Linton I will grant you the right to mine for coal thereon on payment of the following royalties—namely, 9d. per ton on the first 50,000 tons, and 6d. per ton on all coal over and above the first 50,000 tons. . . . (3.) I also agree to transfer to you or your nominees any rights which I now have or may hereafter secure over the Government coal reserve, on refund of expenses to me in connection therewith. (4.) The railway-extension from Wairio to Mount Linton mentioned above shall be completed within a period of three years from this date, otherwise the above concessions will lapse and determine. Please signify to me in writing your acceptance of the above offer within one month from this date." That is the reason why, possibly, something was not done with it—because they could not guarantee that they would. These all go to show, Mr. McGregor, that you were much interested in this railway in the first instance?—I certainly was.

41. And that you thought you had a lot of coal on Mount Linton?—No. You could find out for yourselves if you think there is coal there.

42. I will put those letters in. [Letters handed in.] Is it only just lately that you have found, after giving all this assistance to Mores, that it is not going to do what you thought it was going to do; and will you tell the Committee why you cannot connect up with the end of Mores' line?—No, because we could never get a satisfactory answer from Mores.

43. Is not the answer given by Mores a fairly satisfactory one?—I believe that has been withdrawn.