

*Mr. Escott* (to *Mr. Armstead*): Is that the best offer that has been submitted?

*Mr. Armstead*: Yes, at the time I dare say it was.

*Mr. Escott*: And no better offer has been since submitted?

*Mr. Armstead*: No; it has been almost impossible to make an offer until one could get the thing in running-order and know what it will cost. It is all very well for *Mr. McGregor* to ask us for an offer, but eighteen months or two years before the thing was completed we had no idea what it would cost.

FRIDAY, 24TH JULY, 1914.

JAMES ARMSTEAD further examined. (No. 12.)

1. *The Chairman.*] The meeting was adjourned yesterday until this morning in order to give *Mr. Armstead* an opportunity of perusing the evidence and making a further statement. We are ready to hear you now, *Mr. Armstead*?—There are one or two points that have struck me in looking over the evidence, and I should like to put them before the Committee. Clauses (4) and (5) of the petition are as follow: "That the development and settlement of such minerals and lands are matters of the utmost moment and interest, not only to this district but to the whole of the Dominion. (5.) That the coal in the field referred to is of excellent quality, all of it equal to and some of it better than *Kaitangata*." "The development and settlement of such lands and minerals are matters of the utmost moment to the whole Dominion." That statement is put forward in a petition by these gentlemen whose whole interest in that coal has been taken up practically within the last few months—at all events, within the last year or two—men who have had interests up there and might have developed these areas years and years ago, because it was well known to all the people up there that the coal was there; but it has suddenly become "of the utmost moment and interest" to the district. If there is any credit due for the opening-up of this field and the development of this coal it is due to *McKenzie* the miner, to *Smith* the miner, and to *More and Sons*, the people who put in the line. It may be that it is "of the utmost moment to the district," although it seems difficult to believe that it is of such vital importance, seeing that at present a line is constructed and the Government trucks are actually within a mile and a quarter of the whole of these pits. Is it of the utmost importance? Surely the petitioners are asking you to accept something which is not according to fact. As I say, the coal is now coming out of that district. *Wairio* coal has been coming out of there for the last month or six weeks now. The *Invercargill* waterworks are using *Wairio* coal. There are about 100 tons a day coming out. The output has averaged for the last month or six weeks 60 or 70 tons a day, at all events. *Mores'* railway is capable of taking out 300 or 400 tons a day. It is surely only a matter for these people to link up with *Mores'* line. There are the Government trucks taken in five miles for them. Surely it is for them to bring the railway along that other mile and a quarter. Clause 6 reads, "That your petitioners and our fellow citizens and countrymen are deprived of the benefits of this gift of nature." That gift of nature has been known there for the last thirty years. They may have been deprived of it; but the only people who were game enough to endeavour to put it on to the market and make it available to the public are not the petitioners, but *More and Sons*, and they are the people to whom credit is due. As I said before, some credit is due to *McKenzie*, and some to the people who owned and hold the *Wairio* line.

2. *Mr. Robertson.*] You wish to argue, I take it, that the people who pioneered the getting of the coal out of the deposits are going to be injured if this petition is granted?—They are going to be smashed.

3. *Hon. Mr. Fisher.*] Will *McKenzie* be smashed?—Yes, I should think so. It is before the Committee that it is of the utmost importance that there should be a line in there, for some reason or other, and in connection with that I wish to point out that everything has been done that could reasonably have been done towards it, and that those people who have pioneered the work and have lost their money in it would be smashed now by a Government railway going in. That is the position in a nutshell.

4. You say that *Mores'* line people would be smashed by this proposition?—Yes.

5. Are *Mores'* line people carrying a single ton of coal out of the area which this line proposes to serve?—Not at the present moment.

6. Are they likely to?—Yes, immediately these people avail themselves of the opportunity they have of getting coal to *Mores'* terminus.

7. You want them to cart the coal over places where there are no roads, to the end of your line, but you will not extend your line up to their pit?—Certainly we will extend our line up to their pit.

8. You have not the power?—We can surely get it.

9. You told us yesterday that you had not the money, even if you had the power?—We may even get the money. If these gentlemen have all the money that they say they have and are able to offer to the Government, why should they not give a little of that money towards helping *Mores* to complete the line?—It would not cost, perhaps, more than £3,000 or £5,000 to run the line to the point where the Government line goes. It could be put in in twelve months—certainly in much less time than it would take to put a Government line through.

10. Is not the fact of the matter that you do not want these people to come into competition with you in the selling-market?—Certainly not. The *Wairio* Railway Company have absolutely no selling-rights in any shape or form. They are a carrying company pure and simple. They confined themselves to carrying, and never took up a yard of coal land in the district, although the whole of this coal area was open to them and known to them. I think it is right that the Committee should know that *McKenzie* will be smashed and the railway company will be smashed by this proposed line;