

31. *Hon. Mr. Fisher.*] There is nothing to show that you ever, when you asked for the Order in Council, intended to extend the line, and you have no power to extend it?—We could get the same power as we got then.

32. You might get it. I mean that you have never applied for it?—No. I would like to point this out: The Committee are evidently prepared to deal with this petition and recommend the refusal or granting of the request. Assuming that Mores' line is in the wrong place, what guarantee is there that this proposed line is in the right place: is there any at all?

*Mr. Rodger:* The Engineer's report.

*Witness:* The Engineer has not been asked to report on this route or the other route down here [indicated]. I heard his report read. Was he asked to inspect this route down here?

33. *Mr. Robertson.*] Why was the railway not continued there [place indicated]?—The company had not the capital. If the company had had £50,000 at its back it would have run the railway down here [indicated] and finished up there [indicated]; but it had not. And even then it had to go to the bank, and is now overdrawn some £4,000.

34. How long have you been connected with the Wairio Railway and Coal Company?—Since its inception.

35. How long ago is that?—I have been connected with it since the first mooted of a railway, some eight or nine years ago.

36. How long have they been taking coal out of the Wairio Mine or McKenzie's mine? Which is the older of the two?—I think that McKenzie's is the older of the two by possibly some years. McKenzie must have been taking coal out of there for the last ten or twelve years.

37. How did McKenzie get his coal out of there before? By road?—Yes.

38. He carted it all the way down to Wairio?—Yes. It cost him 5s. 6d. to 6s. a ton for carting. The Wairio Company endeavoured to do the same thing, and it broke them, and the company are in liquidation now. The mine has been purchased by Mr. McMillan to try and save the money he put into it.

39. How did the Mores become connected with this proposition? You say they have no interest in the Wairio Mine or the McKenzie Mine. Where did they come into the proposition at all?—They came into it, speaking from memory, about four or five years ago. I carried the railway proposal all over the place. I carried it to Dunedin and to the Westport Coal Company, and there was no result. I finally took it to Mores.

40. Where were they?—They are sawmillers in Riverton: that is what they are.

41. Did Mores undertake just to put in a railway?—As a carrying company, pure and simple.

42. You say they were induced to put in this railway because they believed they were going to tap the properties behind?—Certainly. That route was gone over. Mr. Rodger and Mr. McGregor drove both Mr. Tom Moore and myself over the ground and up on to the road, and we thought then that a grade could be got to the top of the hill. That was four years ago.

43. You mean that Mores were encouraged to go on with their proposal for the railway, believing they were going to be supported by Mr. Rodger and Mr. McGregor?—Certainly, and by the owners of the coal-pits up in the Morley Valley and the district. That is shown by the letters I have put in from Mr. Rodger and Mr. McGregor. More and Sons naturally anticipated support from them.

44. What does that coal sell at at the pit-mouth—at Wairio or McKenzie's?—Seven shillings a ton at the railway-head.

45. That includes the cost of carting to the railway-head?—Yes.

46. Approximately half a mile?—Yes; from a quarter to half a mile.

47. What you mean is that it is delivered at the rail-head at 7s. a ton now from the Wairio and McKenzie's mines?—Yes.

48. Do you know if Mores would be agreeable to a fresh Order in Council being issued containing provision for Government resumption of the line?—I could not say that. I do not know that Mores have ever seen the Order in Council, as far as that is concerned. All they know is that it gives them power to take a line up in there to tap this district: and as long as that power is reserved to them, I think that is all they are worrying about. If the Government think it should be taken over in some way I do not suppose Mores' people will stand in the road, provided they get what money they have expended on it, and something towards their enterprise.

49. You state emphatically that they have no interest in that clause in the Order in Council which makes the working of the railway depend on the working of the Wairio Mine?—Certainly: they have absolutely no interest. The Wairio Coal Company is at present in liquidation, and is under reconstruction. It was repurchased by Mr. McMillan.

50. Who purchases the output now from the two mines?—The railway company purchases McKenzie's, and McMillan makes his own arrangements so far for his coal; but coal has only been coming out of McMillan's pit the last week or two. That does not come before your Committee, but I could tell you all the reasons why that should be.

51. I think you had better state those reasons?—It would take me too long, and would be outside the scope of this inquiry, but there are reasons. McKenzies put their own price on the coal.

52. You see there is a suggestion that there is practically a little "combine" with the railway company and the mine-owners—that the railway company have control of the supply of coal from that district, and are keeping control of the supply of coal from those two mines; and it is therefore not to their interest to assist in the development of any other mining properties there. That is the suggestion; and in view of it, I will leave it to you as to whether you think it advisable or not to state the reasons why that arrangement has been made for the selling of the coal to the railway company?—With regard to any suggestion like that, I have endeavoured to show as far as I can that that cannot be so. I have endeavoured to show that if there had been any suggestion of a combine they would have taken the coal themselves. They could have taken all the coal in the district at the time they first put the railway there: they could have taken it up to within the last twelve months.