

the Committee that Mr. McMillan has sublet that lease to two gentlemen named Timpany and Smith, and that these are the people who are putting out the coal, and they are under contract to put that coal on Messrs. Mores' railway.

*Mr. Armstead* : That is not correct either. There is no arrangement whatever to take McMillan's coal.

*Mr. Robertson* (to *Mr. Rodger*) : Is that the full list of the Southland Coal Company's shareholders ?

*Mr. Rodger* : There are also David Air Warden and Mabel More. I will put this telegram on the table as documentary evidence. [Telegram put in.]

11. *Mr. Rodger* (to witness).] Yesterday the Hon. Mr. Fisher asked you a question—that the railway that is proposed and is the subject of this petition is necessary, and that railway facilities are needed—and you replied that your only objection to that railway is that the syndicate or company are asking for Government assistance ?—Did I say that ?

12. That was your reply ?—Then it is not quite correct.

13. That is what Mr. Fisher was able to elicit from you yesterday ?—I shall have an opportunity, I hope, of going through my evidence. What I say is that the public and the coal-pits up there are adequately served and can be adequately served through Mores' line.

14. *Mr. Payne*.] The Southland Coal Company are in Invercargill : are they anywhere else ?—No.

15. In Invercargill they are in competition with other coal-merchants, are they not ?—Yes.

16. Wairio coal is upon the market for all and sundry ?—Yes.

17. There is no monopoly there ?—No.

18. Even the coal that you are paying 7s. a ton for they can buy ?—That goes to all coal-merchants as Wairio coal.

19. The Southland Coal Company do not take all that you pay McKenzie for ?—No ; they do not get any more than they can really sell, and they put in their order, the same as anybody else.

20. *Mr. Robertson*.] This is what the company says in regard to rebates : " These rebates, which can only be given if we get the use of Government trucks at usual rates, to be given to all consignors of coal alike and to be based on the total haulage of loose coal for all parties." Is that the company's attitude in regard to treating the different consignors of coal ?—Yes.

21. Would you say that that is the explanation of the treatment they offered Crawford—that they desired to treat all consignors alike ?—I can only say that that is their object. Whatever they have said to Crawford I do not know, but it has been with that in view—that all should be treated alike, and that everybody should be given a fair chance, and that no one man should get in and want to put 100 tons over the line to the detriment of the others.

22. *Mr. Rodger*.] Are you aware that in August of last year there was a petition presented to Parliament praying the Government to take over the Wairio Railway Company's line and extend it to Ohai ?—I believe there was.

23. Would I be right in saying that your people—More and Sons, or the Wairio Railway Company—did everything they could to block that project ?—No, I do not think you would.

24. You did a considerable deal to block it ?—We put before what authority we could this fact : that, seeing that More and Sons had struggled with this railway for three years and a half and it was now coming to completion, they did not think it was a fair thing for the Government to take it over at that date, but to wait until the railway was completed and in running-order, and then they would be prepared to deal with the Government, and let the Government take it over. Something to that effect, I believe, was put before the Government.

WILLIAM JAMES ANNAN MCGREGOR further examined. (No. 16.)

1. *Mr. Robertson*.] You were a member of the Wallace County Council in 1911 ?—Yes.

2. You signed the deed of delegation delegating the powers of the Council to the Wairio Railway Company ?—Yes. I objected to the charges which came down in the Order from Wellington. They were 8s. 6d. for the maximum.

3. You knew at that time that the Order in Council only gave power to take the line up to where it is now ?—Yes ; but we had been led to believe that this was to be extended.

4. Did you know that at the time ?—Yes.

5. You were quite in favour of the deed of delegation being signed at that time ?—We all were, in that quarter. I was in favour of it at the time. The only thing that I objected to was the charges in the Order. When it came down with those charges I saw there was something behind it all.

6. But you signed it ?—Yes.

7. And you had in your mind at the time the probability of extension to tap the properties that you are now wanting to tap by this new line ?—We understood it would come on. They had always said to us that that would be their final point.

8. *Mr. Rodger*.] At the time the deed of delegation was signed was there the least hint that any one wished to take up leases in the Ohai district, other than the 20-acre one that was held by More and Sons ?—Not at that time. The country had not been opened up. It was never suspected to be such a coal-bearing country.

9. At the time you signed that deed of delegation was there any hint that these leases were going to be granted ?—No, there was no hint.

10. Then the granting of these eight leases changed the condition of affairs, as far as the Ohai district is concerned, so materially as to alter our outlook upon Mores' tramway very materially ?—Completely.