

CORRESPONDENCE HANDED IN BY MR. ARMSTEAD.

DEAR SIR,—

Mount Linton, 3rd October, 1910.

In consideration of you or your nominees extending your proposed railway from Wairio on to Mount Linton, with the object of working the coal thereon, I hereby offer you the following concessions :—

If the railway is extended to Mount Linton, to grant you the right to mine the coal thereon on payment of the following royalties on the coal mined—viz., 9d. per ton on the first 50,000 tons, 6d. per ton on the second 50,000 tons, and 3d. per ton on all coal mined over 100,000 tons—excepting the area of 20 acres being mined by William Smith.

Yours faithfully,

W. J. A. MCGREGOR.

P.S.—I agree also to transfer any rights I may secure over the Government coal reserve on Mount Linton to Messrs. More and Sons (Limited) or their nominees.— W. J. A. McG.

Messrs. More and Sons (Limited), Riverton.

DEAR SIR,—

Mount Linton, Southland, N.Z., 22nd May, 1909.

I have just learnt 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. Any night or day between now and 1st June that would suit you 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.

W. More, Esq., Riverton.

DEAR SIR,—

Mount Linton, Southland, N.Z., 1st June, 1909.

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 this 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. 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, as 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. The other pits in the Manuka Hills could be tapped as well by this line. I would be glad to point out that this route is worth considering, as Mr. Rodger would give the land free of cost for its access, as well as take a share in the undertaking. The development of this line in this manner would mean a great expense of handling saved in coal or other goods, as besides Birchwood, Mount Linton, Rannoch, and the settlers, Beaumont Station would also benefit.

Yours faithfully,

W. J. A. MCGREGOR.

Thomas More, Esq., Manager, Messrs. More and Sons, Riverton.

DEAR SIR,—

Mount Linton, Southland, N.Z., 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 the 3rd October, 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 :—

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.

2. There shall be excepted from the area to be mined the following sections: Section 15, Block 5, 102 acres, Wairaki Survey District; Section 6, Block 26, 640 acres, Wairaki Survey District; Section 26, Block 26, 248 acres, Wairaki Survey District.

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.