

would never have cropped up again. Referring to the valuation by the Government officers, Messrs. Gordon and others, I might reply that in any parliamentary paper with reference to the proposed State coal-mine, the detail of the Government valuation as set out there was £7,516, while in another part they refer to prospective works. That is what we have done. The State, in conducting their mining operations, have gone on the lines laid down by the Cardiff Company. Whilst on this subject I may add that the Government officials have always been very courteous as far as I am concerned. We were never granted any concession, but the State having taken over the control I respectfully submit that some consideration should be given. If I add to the £14,300, the liquidators' value of moveable plant and permanent works, the sum written off of £10,029, there is a total of £24,329, exclusive of £278 for wire. I at once deduct the £10,029 and the debt for royalty of £2,363, and this leaves a net value, to my mind, of £12,215, which we should receive against the Government valuation of £8,516. I have not dealt with the £2,107 for deficiency, for reasons which I have already stated. I think, without taking up your valuable time, I have given you the main features of my reasons for appearing before this Committee and claiming some redress. I wish it to be perfectly understood that it is not in any spirit of anger towards the Government or any one else. We only seek redress in a spirit of fair play.

3. *Mr Bennet.*] Did the companies pay the Government for the wire put into the mine?—We paid £293, and deduct £15 for instruments retained, leaving for the wire £278

4. Does the Government get any benefit out of the work done in the mine?—Undoubtedly the Government derived very great benefit; in fact, the Government was in clover. The country has been opened out for them, and though there has been some depreciation, it is nothing to be compared to what is set out here by the valuers.

5. Did you consider the profit they would get?—I may anticipate that question. They got about £12,215, whereas they say they only got about £8,500. So you will see they deducted their own settlement. There is no difficulty in setting before a committee the reasons why we should receive consideration. We were tenants of the Crown, and made great sacrifices in opening up the country. It is a great pity that we were not encouraged to go on.

6. How long is it since the mine was closed?—We closed in September, 1899, and the Government took possession in May, 1900. In the first place, a notice was served by the Government stating that their reasons for having taken possession were to deal with the fire difficulty; but when the actual deed was done we found it was very much more than that. There was a communication from the Government setting out that that was their reason for taking steps to deal with the matters pending. Only one section of the property was on fire, and could not in any way damage the whole property.

7. *Mr Reid.*] The company was floated in New Zealand?—I think only one of the shareholders is in England.

8. Is it all local capital?—Yes.

9. That was actually paid up?—Yes.

10. Was that amount subscribed and paid up?—Yes; we paid the full £1 per share.

11. And that was spent in the mine?—Yes, or round about it; and the actual sum from dealings in coal. The directors were in a position to pay a dividend, but did not. Every penny was spent in developing the property.

12. Were there any serious mistakes made in spending the money?—I do not think any serious mistake can be charged against us. There was one mistake, perhaps, in the first opening-out, but we were able to a considerable extent to recover any loss sustained in that way.

13. Do you think any accidents occurred in the work of the company then or since?—The most serious accident was the fire. It came on subsequently to closing down.

14. Was that the reason of the Government taking it over?—I have already said the Government gave the dealing with the fire as their reason.

15. All that was then existing?—Yes.

16. Did the valuation include the wire?—No; that is the possession of the Government, and was not on the list.

17. Was this in existence when you were in negotiation with the Government to take it over?—Yes; I have no doubt it was considered by the liquidator, but he was not successful in his negotiations with the Government.

18. The position is that the Government got the lot for a trifling amount?—Practically so. It means a good deal of money to other mines in opening-out.

19. Where does it do so in connection with the Mokihinui Railway line?—Because if the company had been kept to the conditions there would have been no deficiency, and the extra coal from that mine would pay the working-expenses.

20. Was that in the negotiation?—It was in the Act of Parliament passed in 1890. We got the railway construction authorised then.

21. You were parties to the agreement?—The petitioners asked for it. I sent a telegram asking that the rate of interest be put at 4 per cent. This was not agreed to, and it was put through at 5 per cent.

22. But all the companies in the district were asking for the railway?—Yes.

23. In what year was that?—We commenced directly after the Act was passed. If my memory serves me correctly, it was in 1890. As a matter of fact, the Board got the money at 4 per cent.

24. *The Chairman.*] I think the interest was 4½ per cent. The Harbour Board was paying 4½ per cent. to the Government at that time?—I may say I am quoting from figures that are published in the Post-Office statistics. At the assignment the Board was paying 4½ per cent., but as soon as they got their loans consolidated they got the money at 4 per cent.

25. Was nothing allowed for Mokihinui Company, or did you bear the whole burden?—Yes; that was so. The Bill was passed in 1897, which terminated the matter, leaving us still responsible