

12. But you could not pay the Government?—No. You will recollect that the Government have taken the amount of £2,107, which I am now asking the Committee to inquire into as to our being charged with it.

13. Did the company oppose the Government taking over the property?—The liquidator, as the evidence shows, opposed the Government taking possession of the property. The matter went on for some time in Christchurch as between Mr. Stringer, acting for the Government, and the liquidator, Mr. Hargreaves; and Mr. Hargreaves reluctantly gave in, relying upon what was regarded by all of us as certain, that we should get some consideration sooner or later. Mr. Hargreaves, however, gave up contesting the matter.

14. *Mr. J. Duncan.*] Was the company in liquidation at that time?—Yes. On the working of the property we made a profit, and all our profits were reinvested in the mine. We took no dividends, because the money went back in development. We showed a profit one year of some £5,000.

15. Still, it was in liquidation at the time?—Yes.

16. It was worked by the liquidator?—No, not by the liquidator. The Government took possession in 1900. The date of liquidation, I think, was 1901. The date of the petition for liquidation is 22nd April, 1901.

17. Was that owing to pressure on the part of the Government?—We had practically abandoned all hope then. The Government's pressure was part of it. We did not go into liquidation for some time, but tried to make arrangements, and did not succeed.

18. What was the valuation of the property?—It was shown by Government officers in 1901 at £7,516 2s. 11d. for the plant, material, and property seized.

19. And you owed the Government at that time £4,470?—Yes, but we do not admit £2,107. It was valued at over £8,000, including the telephone and the value of the prospecting-works. We spent all our capital and reinvested all our profits.

20. Were you in the position, then, that you had to let this property, valued at £8,000, go for £4,000 because you could not help yourselves?—Yes, because we were fighting the haulage-rate, which we regarded as very excessive at the time, and the directors decided that, failing in that, we should give up.

21. The successful working of your mine depended on your getting cheaper haulage?—Yes.

22. The railway was Government property?—Yes. They did not make any reduction. The profits on that line I have taken out myself for seven years, and, ending March, 1908, from the railway returns of 1902, they are shown as £11 11s. per cent.

23. *Mr. Scott.*] When did your company realise that they had not been treated fairly by the Government?—All along.

24. When did you first protest?—In 1903, by petition; before that, at the hands of the liquidator. I can get the liquidator up to give evidence if necessary. The Minister raised the point that the liquidator opposed the petition. As a matter of fact he opposed what has been done. A material point in the matter is that I am going to ask the Committee to inquire fully into the item of £2,107 referred to in the petition. Since I was before you I have information that the sum of £4,500 was supposed to be paid for the Mokihinui Company's mine.

25. To whom?—That is the point. I applied to the liquidator, Mokihinui Coal Company, for information. My statement is this: that, having sold their land to the Government for £4,500, the Government had the opportunity to pay us the £2,107. The property was sold by Messrs. Kennedy Macdonald and Co.

26. *Hon. Mr. R. McKenzie.*] This is a new point?—Yes, a new development regarding £2,107-odd.

27. *Mr. Greenslade.*] May not the amount have gone to the Harbour Board?—Their answer is that they cannot tell, owing to the way they get their accounts from the Railway Department.

28. *The Chairman.*] What you claim is this: that it was due to the Harbour Board, that the Government seized your plant and charged you with the haulage deficiency?—We fulfilled all our conditions, and the other company never paid a shilling.

29. *Hon. Mr. R. McKenzie.*] I say that you did not fulfil any of the conditions?—We did, with regard to the output, having regard to the railway haulage; hence the deficiency under the Act, and we were penalised for it.

30. *Mr. Greenslade.*] You say you have made every reasonable inquiry, and cannot find where the £2,000-odd has gone?—Yes. It may be discovered that the Government have retained that money, in which case we should certainly be reimbursed.

31. You have ascertained where some of it has gone?—Yes.

32. Who received the small portion?—I have a memo. of the sale from the auctioneer [produced]: "Sold to the New Zealand Government, on 21st December, 1898, for £4,500." That has reference to the Mokihinui Company.

33. *The Chairman.*] It seems a remarkable thing that the liquidator got nothing?—The liquidator got his expenses.

34. *Mr. Scott.*] I should like you to explain how you come to claim on this telephone-wire?—We paid for it, sir.

35. Did the Telegraph Department not erect that?—Yes, and we paid the Department.

36. For the wire and other materials, and workmanship?—Yes.

37. The Government collared that, too, along with the rest?—Yes.

38. And you have not got a penny?—Not a penny.

39. *Mr. J. Duncan.*] It was a legal sale?—Yes, we do not dispute that.

40. Sufficient notice was given?—Yes. It was contested for a considerable time by Mr. Stringer for the Government and Mr. Hargreaves for the company.

41. The amount realised was slightly above the claim?—It was in excess.