

38. How would the coal at Kawhia be got to market?—By means of trams to steamers, or something of that sort.

39. What distance would it have to be taken by tram?—I am not sure.

40. The company holding these two blocks of land would have an immense advantage over the owners of any other area of coal-bearing country in the Taranaki District?—An absolute monopoly, as well as being within five miles of railway.

41. They would have practically a monopoly of the coal-bearing deposits?—Yes.

42. You know from your own personal knowledge that there is plenty of coal on both properties?—I do.

43. You know that the coal is of fair quality?—Of very fair quality; at any rate, it is fetching a very good price—about 30s. now at Waitara, from the opposite bank.

44. What does it cost to get it to Waitara?—About 15s.; but I would not tie myself to that figure.

45. You have been connected with this property for a very long time?—Since 1876.

46. Have you received any offers for your interest in the property?—Yes. There was an agreement made betwixt myself and the Natives in 1882 that I should form a company with a capital of at least £30,000 to work this coal, and spend £3,000 per annum, I think it was, in the working of it.

47. What I want to get from you is whether any offers have been made to you by individuals in this country, or by capitalists in England, to purchase your interest in this block at any time?—Immediately I entered into this agreement that I speak of I sent to Adelaide, and some of my friends came over. They thought £30,000 was too little. They came here with a capital of £45,000 to work the coal. They brought £5,000 with them, and a letter of credit for £40,000. They came up to Mokau and looked at the property, and were very well satisfied with it; but about this time some evil-disposed persons prompted the Natives to throw my coal into the river, which I had taken out to send away by a steamer to Adelaide.

48. In what year was that?—1884 or 1885. I am not sure.

49. Nothing came of it?—These people said, "We cannot come here and spend our money in this manner"; and they took their money away. As to this compact that there has been so much talk about, the Natives vitiated it and not I.

50. What I was getting at was this: It has been stated that within recent years you received from England an offer of £100,000, or thereabouts, for your interest in the property: is that correct?—Yes, it is.

51. Have you any documentary evidence of it?—I think so. Here is a cable bearing on the subject. [Document produced.]

52. This is dated from London, 9/4/10, and is addressed to "Jones, care Stafford Treadwell." It reads, "Returned Madrid associated with company willing purchase Mokau £100,000, two-thirds cash. Proposing construct harbour-works in accordance with your views, provided option given for next six months, will remit by telegraph immediately £100.—John Carr, Allison Smith." That is a cable which you received from London from the persons whose names are attached to it?—Yes. Mr. Carr is the man who built the Napier breakwater. He is a man who is well known in New Zealand, and who knew all about Mokau.

53. He had a personal knowledge of Mokau?—Yes.

54. Was that an offer for your interest in the property, or for the whole property? Did it include the freehold interest?—No, only the leases. I had no authority over the freehold.

55. You were willing to accept the £100,000 for your interest?—Yes. Here is an indorsement on the cable: "Arranging extension lease minerals. Wait fortnight see Doyle." That was my agent in London.

56. That was your reply to that cable?—Yes.

57. You were willing to accept the offer?—Yes, for this reason: that building a harbour was equivalent to two or three hundred thousand pounds additional value being put on the property when large steamers could come in for coal. They were prepared to do that work without its costing me or the Government anything.

58. You think this would have been a good thing, not only for yourself but for the Native owners, if it had been agreed to?—I think so—and good for New Zealand too.

59. What prevented the offer being accepted?—When I got the cable Mr. Treadwell and myself went and saw the Prime Minister.

60. Mr. Treadwell at that time was your solicitor?—Yes. I showed the Prime Minister this cable, but I did not show him the amount of money I was to get. He was very courteous and said, "Well, that is your private business; but if your people build a harbour and go on with this matter it will be a grand thing for the Natives and for the country." He said, "Mr. Carroll is up at Gisborne. I have telegraphed him to come back." At this time there was a proposal on the board that would have settled everything, in my opinion—namely, that I should surrender my leases and the Government buy the freehold, and in return for the leases they would give me an extension of the mineral leases as set forth on the back of my cable. There were two considerations. One was that I had received no benefit from the leases all the time I had been on the property; and the Prime Minister said, "You are entitled to some consideration for that, and I will also give you a further extension upon the building of the harbour." He said, "I am very glad to see it; it will settle all the bother. You see Mr. Carroll about it when he comes back. I am going to Invercargill." Mr. Carroll came back from Gisborne, and Mr. Treadwell and I waited on him and laid the matter before him. He said, "I saw Sir Joseph Ward before he went to Invercargill." Mr. Treadwell and I discussed this matter with Mr. Carroll about the same agreement that I am telling you of. There was no difference in it. Mr. Carroll said, "I think it is a very good thing and a solution of the trouble. It is a good thing for the Natives and all of us."