

gave his reasons for doing so in almost the same language and in an identical manner to that which was used by the mine manager about twelve or fourteen months before, and the opinion arrived at was the same as that given by Mr. Williams as far back as twelve months previously, the mine manager's opinion being also thereby verified. Just after the mine manager wrote his letter of the 5th July, Mr. Denniston, mining engineer for Westport, Kaitangata, and Shag Point, was asked to inspect the submarine workings of the portion unfilled with water, which would probably be about three-fourths of the area worked. In his report on it he states that the appearance of the pillars and workings showed that there was sufficient and ample support; but that if falls existed to the extent shown upon the Government plan, it would be only right and proper on the part of the Inspector to stop all workings with respect to the taking out of any further coal; and in the same report he most strongly condemns the action of the Inspector in having allowed the water to accumulate. Mr. Binns's statement, to the effect that the company took this action either as to the stoppage of the submarine workings, or as to allowing the water to accumulate, or as to the withdrawal of the men, which led to the closing of the whole mine, is entirely inaccurate. In giving notice for the withdrawal of the men in his letter in February, he asks for the acquiescence of the mine manager (thereby showing that the order came from him) as to the withdrawal of the men. The mine manager, in his reply, stated that he could not do otherwise than acquiesce in the advisability of withdrawing the men who would be working in the most imminent danger, and he stated that this danger had been clearly and emphatically pointed out by him twelve months previously, which would certainly result by allowing the water to accumulate. Therefore the order for the withdrawal of the men, which practically was the closing of the mine, was entirely the action of the Inspector, although I, as managing director, said I should be sorry to see 100 men working where the water might burst on them at any moment. In fact, the lower workings became immediately filled with water after the men were withdrawn. I then asked that the Government should cause an inquiry to be made into the circumstances of the case, and the closing of this public coal field. This, however, was refused by the Government. A second application was afterwards sent to the Government, pointing out that there was a very large sum of money involved in the matter, and also referring to the importance of the industry to the public, but they again refused to grant any inquiry into the matter. I have no hesitation in saying that, if the inquiry which was asked for in July, 1883, had been granted, the result would have been that we should have been allowed to have pumped the water from the submarine workings, and kept them dry, and the opinion expressed both by Mr. Denniston and by Mr. Williams would have been fully borne out, that they would have stood until doomsday. I fully believe that entirely through the action taken by the Inspector the mine has been injured to the extent of from about £10,000 to £20,000. At the time of the withdrawal of the men there was a most efficient plant at the mine, which was second to none in the colony, and through this unfortunate action of the Inspector it has necessitated prospecting the field both north and south, which is now being done by the diamond drill, and which, by a telegram I received this morning, I am informed is now down 603 feet.

2. *Mr. Macandrew.*] There is one question I should like to ask you, Mr. Rich. I understand it is your decided opinion that if the inquiry you asked for had been granted the mine would now have been in full working order?—I have no doubt at all but that the mine would have been now putting out about 150 or 200 tons of coal per day. The day before we closed the mine we put out about 125 tons.

3. What would the railway haulage on 150 tons of coal amount to?—I should think on an average to about 6s. per ton.

4. What would you estimate the actual cost which would be incurred in replacing the mine in working order?—I should estimate that the expense of the diamond drill would be from £1,200 to £1,500; then, the sinking of two shafts, and taking down and erecting machinery from the closed workings to the new works, would cost about £12,000.

5. *Mr. Macandrew.*] Then, you have actually sustained a loss of £12,000, irrespective of profits?—I have no doubt about it.

6. You say that Mr. Denniston is an expert?—Yes; I should say he is second to none in the colony.

7. And you have got a written report from him concerning the action of the Mining Inspector?—Yes; condemning his action in the strongest possible language.

8. How long has the mining manager been engaged in this occupation?—For fifteen years. He has also been manager of the Kawakawa Coal Company for eight years.

9. And you consider that his opinion is of very great value?—I do.

10. *Mr. Bruce.*] Will it be possible, Mr. Rich, to resume working in that mine again?—I may state that it is the opinion of the Government Inspector that it is one of the most valuable coal properties in the South Island. I have no hesitation at all in saying that there are plenty of seams there, and there is coal enough to last for centuries. Dr. Hector, Dr. Haast, and Professor Ulrich have all expressed their opinion that there is an immense field of coal lying seaward, and that the land is full of coal.

11. *Mr. Bruce.*] Would the fact of the mine having been flooded have any bad effect in the event of work being resumed?—No; we shall not go near the closed workings; but there is plenty of coal still available by opening up.

12. *Mr. Macandrew.*] How long have the works been absolutely stopped?—Since about the 30th March. They were stopped shortly after my return from England.

13. Have you any idea of the quantity of coal lost by the stoppage of the works?—The loss in the output to the company since the closing of the mine would be about 15,000 tons. But the quantity of coal which was already opened up, and ready to be opened up, would be about 200,000 or 300,000 tons, which is irrecoverably lost to the company by the flooding of the mine.

14. *Mr. Rolleston.*] Is it not the case that the water had risen to a very considerable height for some time before any application was made for a Commission of inquiry?—No; not to such an extent but that it could be easily pumped out, which the company were perfectly prepared to do.