

1561. Do you urge that anything should be done to push on the work?—I think the contractors should be made to comply strictly with the terms of the contract.

1562. *Mr. Guinness.*] At the present rate of work, how long will it take them?—It would take three years to complete, while they have a plant that is capable of doing it in half the time. The work was lately 10,000 tons behind the contract.

1563. *Mr. Izard.*] Then, they are so far behind in their work that they will not be able to do it in time?—I will not go so far as to say that. They are bound to a monthly output; but it appears that they do just as they like. The Government appear to favour them. The consequence is that a lot of very valuable machinery is getting destroyed.

1564. Is there no penalty for non-compliance?—Yes; I think 6d. per ton.

1565. Is it enforced?—I cannot say.

1566. How far is the railway completed along towards Mokihinui?—As far as the Ngakawau River.

1567. What distance is that?—About nineteen miles; but there is only about ten miles utilised.

1568. Is it not all formed?—Yes; all formed and railed, but only nine miles used; the remaining portion is a burden and a loss. The bridges and sleepers are going to decay.

1569. There is a small local traffic to Ngakawau?—Yes; very small.

1570. *Mr. Feldwick.*] There is a train once a week or so?—Yes; once a week, and sometimes twice.

1571. *Mr. Izard.*] Do they carry passengers?—Yes, a few, and a few goods; but, as it costs 2s. 6d. per hundredweight to have goods carried from the railway terminus to Mokihinui, most of the goods go by a small steamer, which carries them from Westport for £1 per ton.

1572. Do you suggest that if the line were extended it would pay?—Yes, certainly; persons taking up property at Mokihinui would then have some outlet. Any one will see from Dr. Hector's report and plan it is impossible to get any connected workings between the Granity Creek lease of the company and that being worked; but I understand that, notwithstanding the many public protests, the Government have allowed the output of one to cover the deficiency of output in the other, and thus helped to establish a baneful monopoly.

1573. *The Chairman.*] You were Provincial Treasurer in Nelson in 1874?—I am not quite sure about the exact date, but about that time I was.

1574. In those days, were these coalfields under the control of the Nelson Provincial Government?—Yes.

1575. The licenses granted to those interested were prospectors' licenses?—Yes.

1576. What length of time were these licenses granted for?—One year; but they were renewed from time to time.

1577. Any one holding a prospectors' license having discovered coal was entitled to a lease?—Yes.

1578. Referring to the Albion-Ngakawau: do you know what they are doing?—Yes.

1579. Are they to be of any service in the way of opening up the coalfield?—Yes. The coal is of a soft character, and is almost useless unless for coke. The company propose erecting coke-ovens for smelting purposes.

1580. Do you think what the company purpose doing is worthy the consideration of the Government?—Yes; because they are utilising a quantity of stuff which would otherwise be wasted.

1581. It would be unfit for every other purpose?—Yes; for commercial purposes.

1582. Might it not do to make up by pressure?—It would, but that would be too expensive.

1583. Do you think the Koranui Mines were worked systematically?—No; it appeared to me they were not properly worked. Some of them fell in.

1584. You have used the expression of "dummies" in connection with the executive of the Westport Harbour Board: the Committee would like you to explain, so as to be clear as to your meaning?—I mean that the Government have picked out subordinate officers, and gagged them by their instructions, as members of the Westport Harbour Board.

1585. What offices do these gentlemen hold?—Mr. Bird, R.M. and Warden; Mr. Kelling, Clerk to the Warden; the Postmaster at Westport, the Stationmaster; Mr. Wilson, the Assistant Engineer; Mr. Martin, District Engineer; and Mr. Rogerson, Collector of Customs. These gentlemen represent the present Westport Harbour Board. They are men of good business habits and high moral character. If they were allowed to act in a reasonable way they would no doubt be a protection to public interests, but they are not; they have to pass any resolution the District Engineer puts to them. I have been informed, on good authority, that a large number of accounts, involving expenses of several thousands, are simply placed upon the table. The Engineer places his hand on them and says, "These are to be passed," and they are passed.

1586. Not *in globo*?—No; in bulk, without any member of the Board knowing what the items are; and everything in connection with the Board is done in the same unsatisfactory and irresponsible way.

1587. Then, the Committee understand that these dummies are so many figureheads?—Yes; they have to follow the dictates of the Engineer, and through them the law is set at defiance.

1588. Have any of these gentlemen any experience in the works?—Oh, yes; the Engineer and his subordinate. The Postmaster has some experience of a technical nature; and every one of them are good business men.

1589. You say that the present action of the Government in this matter is outside the meaning of the Act?—Yes; strictly at defiance of it.

1590. Would that amount to a breach of faith towards the debenture-holders who have taken up bonds?—I cannot say it is a breach, because they have a colonial guarantee for them; but I feel that a large amount of money has been sacrificed through unskilful workmanship and bad supervision.