

output for some months; and it was not till November, 1894, that the difficulty was met by the Government taking over the railway, and making equitable terms with the Westport-Cardiff Company for haulage. The company has paid no dividend, and up to the end of 1898 had expended about £30,000 in works and plant. The total output of coal to September, 1899, when the company closed the mine, was 227,930 tons, divided into 44,728 tons of screened coal, 127,316 tons unscreened, and 62,884 tons nuts. The cost of the coal to the company was 5s. 9d. a ton at the bins, and, according to Mr. Hargreaves, the late chairman of the company, the cost f.o.b. Westport was 11s. a ton, made up as under: Cost of coal at bins tip-head, 5s. 9d.; royalty, 6d.; commissions, agencies, and management, 7½d.; Miners' Accident Fund, ½d.; railway-haulage, 3s. 2d.; depreciation, plant, &c., 8d.; stores, &c., 3d. Total, 11s. The nuts were sold, f.o.b. Westport, at 7s. 3d. a ton to the Union Steam-ship Company, and to smaller consumers at 11s. 6d. per ton. There was a contract to supply the Railway Department, Lyttelton, at 16s., which would involve a loss of 1s. 3d. a ton to the company, if the above estimate is correct, as the freight and expenses from Westport to Lyttelton are given at 6s. 3d. a ton.

It is necessary to go somewhat fully into these matters, and the circumstances which led up to the mine being closed in September, 1899, in order to appreciate the position of the company and the mine when the outbreak of fire was discovered on the 28th January, 1900. We therefore quote somewhat largely from Mr. Hargreaves' evidence. That gentleman says—and we accept his statement as being correct: "The company employed 120 persons when in full work. We closed the mine in September, 1899. The reasons for closing the mine were the failure of the mine to produce marketable coal, and the want of necessary funds to open up the 'cave area' district. Our manager, Mr. Broome, reported that the marketable coal in the area opened up by our workings was practically exhausted. The Hector block disappointed us; the coal turned out to be soft, variable, and stoney. We worked the pillars as far as we could. We went to the dip, which entailed pumping-gear and new haulage, and after opening up three places in the dip the indications were that it was cut off by faults. We then opened up the Bridge section, at a cost of about £3,000. In six weeks from the time of opening, we had thirteen or fourteen faces open; out of these, nine proved to be soft coal—there is no hard coal there, but there is some fairly good steam-coal. In August Mr. Broome reported most unfavourably, and said he could see nothing but closing down."

Mr. Hargreaves enters at great length into the negotiations carried on with the Government with the object of continuing operations, but we do not consider the matters alleged by Mr. Hargreaves under this head to be pertinent to the questions we have to consider. No practical results came from such negotiations; but the position was that in August, 1899, the company had practically expended all its capital, and was saddled with a property in the shape of a coal-mine which the directors believed was absolutely worthless, and for which they had to pay £450 a year rent, and the heavy charges involved in protecting the property, and fulfilling the covenants in the lease—in short, their position as a company was hopeless. This was not a sudden failure of a company hitherto prosperous; the decline had been going on for several years, but as hope of improvement faded so probably did efficiency in working lessen, and the temptation to obtain saleable coal at the cost of sacrificing quantities of coal, which under better conditions would have been won from the ground and sold, increased. The plan of the workings shows that a very large area of ground had been gone through in proportion to the quantity of coal won.

With these preliminary observations as to the general position of the company and mine, we proceed to deal with the specific matter of the management and inspection prior to the closing-down in September, 1899. It is to be noted that the petition of Messrs. Corby and others to Parliament, which formed the initial step to the proceedings leading to the appointment of the present Commission, does not allege anything against such management or inspection; but we have taken a considerable mass of evidence as to the management and inspection of the mine, and we are of opinion that throughout the company's operations, and especially in the earlier stages, there was not thorough and effectual ventilation, and that the requirements of the statute and regulations were not enforced with sufficient strictness, and that the miners had some ground for hesitating to complain, for fear of dismissal should they do so. Prior to 1897, when the fan was erected, the ventilation was worse than subsequently; but, making all allowance for special occasions when for a little while there might be excuses for a shortage of air, we are compelled by the weight of evidence to report that the ventilation generally was not equal to the requirements of the law, or the health of the men employed underground. No complaint appears to have been made to the Inspector as to the deficient ventilation, but in January, 1899, certain miners wrote direct to the Hon. the Minister of Mines, complaining of the ventilation in the mine; and this letter was in due course referred to the Inspector, Mr. R. Tennent, and he most unwisely—and, indeed, improperly—communicated its contents to the mine-manager, Mr. Broome, and Mr. Bayfield, the local agent of the company at Westport. In company with these two gentlemen, Mr. Tennent went to the mine, and asked the men whose names were appended to the letter if the signatures were theirs, which they more or less candidly admitted. Mr. Tennent admits to being somewhat angry with the men, but we do not think he acted with the roughness alleged by Beirne. The manager dismissed Beirne, on the ground that he was not a safe man to have in a mine, and it appears that the Inspector interceded for him, and tried to get him reinstated. We may point out that, the letter having been sent to the Minister, and not to the Inspector, the divulging of its contents was not technically a breach of section 44 of the Coal-mines Act, but substantially it was a breach of the spirit of the Act. Mr. Tennent candidly admits this was an error on his part, and, as the matter has been departmentally referred to the Chairman of this Commission for a report, we do not think it of sufficient importance to frame any recommendation on it. The Department of Mines will no doubt deal with it.

In our investigations we laboured under the disadvantage of being unable to enter the mine (except the Bridge section), as it was sealed up, and the internal fire was still burning, and we had