

76. You were not in a position to pay up your liability?—Yes; with assistance in the matter of deficiency and haulage.

77. Did the Government not give you every opportunity to pay their debts to them?—I have no doubt; in fact, I would not question that.

78. If this property was so valuable, why did you not pay this small sum?—We wanted to get the deficiency clean wiped out; and we wanted consideration in the matter of haulage, as we had to pay 1s. per ton more than the lowest rate in the district.

79. Did the company's line run into yours?—Ours was joined on to the Mokihinui Company's line.

80. Surely a man who pays for running over twenty miles is entitled to more consideration than one who runs only ten miles: where was the sense of paying greater haulage for the shorter distance?—The Westport coal companies are all tenants of the Crown.

81. I want you to answer this question: If, as you say, the company only owed this small sum of money, why did you let the Government step in and foreclose on the property valued at £7,000 or £8,000 or £11,000, as you only had some £2,000 to pay, or with royalty £4,000?—I say this distinctly: if I had my own way the Government would not have had the property.

82. You were pointing out something in regard to Point Elizabeth, and you said the Government acquired the railway there: do you think that is also the case?—I feel this: as I have studied the question of consideration, I may say that the money was fairly paid, that the Government was legally in a position that they need not pay anything if they had acted upon their legal position, but very rightly they gave consideration. I submit, so far as my opinion goes, the Crown was in a position (if it liked) to have taken the line. The liquidator claimed the wire as a matter of course and sent in a claim, but it was unsuccessful.

83. What was the cause of the liquidation?—That is a question which I would be pleased to see put to the directors. We were forced into it owing to our failure to conclude successful negotiations with the Government.

84. What was the nature of these negotiations?—To insure the wiping-out of the deficiency, reduction of the haulage, and even a subsidy was suggested in the course of the negotiations, but nothing came of it.

85. What was the use of it when the company went into liquidation? Were there two coals, hard and soft coals?—Yes.

86. What was the proportion; was the hard coal more than the soft, or the contrary?—I am not a mining expert, but was merely the Westport agent of the company. The coal passed through my hands. I was simply a shipping agent attending to local matters. I think the soft coal was larger in quantity than the hard coal. I think our boring operations developed large quantities of coal, and we believe we had good quality and fair area of coal. The Government asked too much in regard to deficiency and haulage.

87. Did the Government make any additional charges, or make any alterations in rent?—No.

88. *Mr. Herries.*] Did the fire take place before the company went into liquidation?—Yes, very shortly before.

89. While the Government was in possession of the mine?—It continued into their time.

90. Was there much demand for the company's coal?—Yes; six months after the coal was in such demand that we could have sold the whole of it.

91. They were taking the pillars out?—Yes, only where they were fairly able to do so.

92. But six months after the rise in the price of coal came about you could have sold the whole?—Yes.

93. Is that the coal which was mentioned by Mr. Broom in his evidence of the 19th November?—Possibly. I am of opinion that the whole of that coal could have been made marketable by reason of the increased demand for coal generally.

94. Was anything left not worth taking out?—Yes; there was other coal which it would have paid to take out.

95. You made efforts to put the fire out?—Yes; but neither the company nor the Government succeeded in their efforts. The Cave area is being worked now.

96. The fire-area was not considered worth working?—We had good hopes of the Cave area. We thought the Cave area was very promising, and a sum of £500 was spent in prospecting.

97. If you had sufficient capital you say you would not have let the Government step in?—We might have worked it if we had got sufficient assistance from the Government.

98. You would have required some capital to have developed the Cave area?—There was a good market. We knew we had opened up a fresh area of coal from the indications we had.

99. *Hon. J. McGowan.*] As the results of the fire and the unsuccessful efforts to put it out, are you aware of any danger to a certain property while the fire was burning there?—The greatest danger was assumed to be the bridge over Chasm Creek. When the Government took possession we had a contract in existence for removal of the plant to a place of safety.

100. Did the company finish that?—There was a difference between the Government and the liquidator; the liquidator raised some points, and the matter ended.

101. *The Chairman.*] You were the promoter of this company?—Yes; one of them.

102. Do you remember, when the Bill came down for the extension of the Mokihinui Railway, it was said at that time that with the rise in coal-prices the railways would pay so well that the interest would stand 5 per cent?—I telegraphed that 5 per cent. was too much, but the Bill could only be got through with that provision.

103. The railway was made by means of the Harbour Board's funds, and under the authority of the Government—that was the position: was it not intended at first that the companies should ship their coal from Mokihinui?—As a matter of fact it was proposed so, and Mr. O'Connor did a considerable amount of work in connection with the matter, but personally I was against it.