

1. *Mr. J. Duncan.*] I should like to be clear with regard to the position of the £2,107 charged against the Westport-Cardiff Coal Company. Do you say that the company had no liability regarding that amount?—We feel that we ought not to be charged with the £2,107. The Government took over the property of the Mokihinui Coal Company for £4,500 as stated by the auctioneer. The liquidator states in his report that the company owed the Government £3,633, and also distinctly states that it was for rents, royalties, and interest, and deficiency under the Westport-Ngakawau Railway Extension Act. I mentioned to the Committee previously my difficulty in giving satisfactory evidence as to the Mokihinui Company being in no way charged with any share of the deficiency, and if they were not so charged it was unfair that the Westport-Cardiff Company should be saddled with it.

2. You consider that you should rightly not have been charged with it?—Yes, we contend that we should not rightly have been charged with it.

3. You think that is a sum which should have been borne by the Mokihinui Company?—Undoubtedly. They should have borne their share. It is difficult to state the exact amount—it may be more or less than £2,107. Seeing that the liquidator has set out the amount, if the Committee could get before them precisely what was due for rent and what was due for royalty, and deduct that from the amount paid by the Government, they would then see the position as regards the deficiency on the railway.

4. Then you say your company owed the Government £2,363 for royalty?—Yes.

5. You also mentioned a sum of £3,633?—That was the other company.

6. Then, you consider that you should have got the difference between £2,363 and £4,470, and the value of the material and plant seized by the Government?—Yes, it comes to more than that. I submit, as a minimum we are entitled to the differences set out by the Government valuers.

7. That is, £7,516?—Yes, less £2,363.

8. That is the basis of your claim?—Yes. I should like to add that, while reference is made to our indebtedness for royalty, other companies have had concessions from the Government, and rightly so. The difficulties in opening that country were so great that it was only fair that they should receive concessions. The Westport Company also have had considerable concessions in the early stages of its procedure.

9. But you are not asking for that?—No, but I only desire to mention the fact. I do not ask in any way that we should be allowed that £2,363, but I do ask that we should be paid the difference as set out by the Government valuers.

10. The £7,516 was the value of the plant, material, and property taken by the Government?—Yes, plus £1,000 as the value of the prospecting-works.

11. That would be less £2,363?—Yes.

12. *Hon. R. McKenzie.*] You say that the Mokihinui Company owed the Crown £4,470?—I stated on the authority of the liquidator that they owed the Government £3,633 for rents, royalties, and interest under the Westport-Ngakawau Railway Extension Act.

13. Did your company at that time owe the Mokihinui Coal Company anything for haulage?—No.

14. What were your total liabilities to the Government?—We only admit the £2,363 for royalty. Of course we are charged with £4,470, the Government seizing on that plus £2,107.

15. *Mr. J. Duncan.*] In one of the reports I notice it says that the whole of the works, plant, and material is valued at £24,329, and yet the Government Inspectors valued it at £7,516 3s. 11d. Is that the same property?—Yes. That would be the evidence I gave in 1903.

16. What is the cause of the discrepancy—was it valued at the same time?—Yes. The figures in my statement were arrived at as follows:—

								£
Deduct from	...	...	...	...	...	...	...	24,329
Written off by company for permanent work	...	...	...	...	...	...	...	10,029
								14,300
Add wire	...	...	...	...	...	...	...	278
								14,578
Less royalty	...	...	...	...	...	...	...	2,363
								£12,215
Net value	...	...	...	...	...	...	...
As against Government value	...	...	...	...	...	...	...	£7,516

17. When was that?—That was in my statement when giving evidence in 1903.

18. And what date was the valuation arrived at by the Mining Inspectors of the Government?—In August, 1901.

19. Is that the Cardiff valuation?—No, the Government.

20. And the larger valuation was made two years later?—No, but I made my statement in 1903.

21. What would be the date when the valuation was made?—About the time we ceased operations.

22. Was that £24,329 the balance-sheet valuation?—Yes.

23. *Hon. R. McKenzie.*] At that time what was the paid-up capital of the company?—The actual capital called up and expended was £16,000-odd.

24. Who made that valuation of £24,329—you yourself?—No.

25. Who?—A much more competent man—Mr. Broome.

26. He was manager of the company?—Yes.