

27. The company was then in financial difficulties?—No, only in our relations with the Government. Of course we were very heavy losers.

28. *Mr. J. Duncan.*] At the time the Government took over the property it was valued at £12,215. What had your company expended on the mine altogether?—In dealing with the coal and capital paid up, £40,000. We never took any dividends. One year we made £5,000, but we took no dividend—we reinvested all our money. The actual expenditure was £40,000.

29. And the property on which £40,000 had been expended was only valued at £7,516?—Yes, by the Government.

30. And the Government took it over for that?—They seized it.

31. *Hon. R. McKenzie.*] Is it not a fact that at the time the Government took it over at £4,470 it was practically useless to anybody else for mining purposes?—No, certainly not. I wish we had been left alone.

32. Was the mine on fire at this time?—I suppose it was on fire at this time.

33. And closed up?—Only partly.

34. But you could not get into it?—Not in that particular working.

35. How much would it have cost to open out the Cave area that the Government afterwards opened out?—I could not say. You have done that, and you would know what the Government expended.

36. How much would it have cost to open out the Cave area?—I could not answer that question right off. The engineer did submit an estimate. There was some talk of asking the Government to contribute half the amount, and negotiations went on with Mr. Cadman and Mr. Seddon. I think it must have been in the region of £12,000. That is within my memory, because the Government were asked to contribute £6,000.

37. At this time all the capital of your company was gone?—Yes.

38. And there was no one else who knew the history of the mine who would be likely to put new capital into it?—Undoubtedly we did not feel justified in doing it. We should have got capital if the Government had been reasonable in their haulage charges.

39. They were as reasonable with you as they could be?—That is a matter of opinion. If you worked the State Coal-mine now subject to a normal charge for haulage you would show a better return.

40. Do you know what it cost as compared with what came out of it?—I cannot tell.

41. I suppose you saw the State Coal-mine balance-sheet?—Yes.

42. As far as being a mine for ordinary working, it was practically useless when you abandoned it, was it not?—No, that was not the case. At any rate, there is the fact that the mine is profitable now and is likely to be.

43. But evidence can be called to prove that it is not?—According to the statement it showed a profit up to April last of £3,500-odd.

44. In the Seddonville Mine?—Yes, according to the report presented to Parliament.

45. No, that is not the case?—That was according to the newspaper report. That is what I am basing my assertion on.

46. *Mr. J. Duncan.*] Your company was in liquidation at the time the Government took over the property—it was in the hands of the liquidator?—No, we went into liquidation afterwards because we tried to arrange with the Government and did not succeed.

47. Had it been offered for sale to any one else outside?—No.

48. *Hon. R. McKenzie.*] Was not this the position: Your company had allowed the mine to stand idle for a considerable time before the Government took it over?—While we were negotiating with the Government.

49. But you were not working the mine?—Well, an explanation is made as to that.

50. But what I want is the fact. The mine was lying idle for a considerable time before the Government touched it?—When you say a considerable time, that might convey a totally wrong impression. I cannot tell you offhand, but to say “a considerable time” means a very long time, and we really endeavoured to do all we could. As far as I was concerned, I was working hard, and it meant £300 a year out of my pocket.

51. I want to know whether or not your mine was standing idle for a considerable time before the Government took it over?—I will submit the question to Mr. Hargreaves, and he will give me the exact time.

52. You do not know how long it was standing idle?—No. I should be glad to answer the question as far as I could, but it would be unfair to have to answer a question like that when my answer may not be correct.

53. Are you aware that there was a clause in the lease giving the Government power to resume if the mine was not worked?—Yes, we have not questioned that.

54. *Mr. J. Duncan.*] With regard to that £2,107, I have not quite seized the whole position. I notice that your petition claims “That the sum of £2,107 should not have been charged against the said Westport-Cardiff Coal Company, but should have been extinguished at the time of the passing of ‘The Westport-Ngakawau Railway Extension Act Amendment Act, 1897,’ as such deficiency was created through no fault of the said Westport-Cardiff Coal Company, but by the default of another company in the fulfilment of the conditions under which such other company was liable.” You say that amount should not have been charged against the Westport-Cardiff Coal Company?—Yes, that we believe ought not to have been charged. I sent a communication to the Chairman asking for information showing how that £4,500 which was said to be paid for the Mokihinui Mine had been disposed of. If that information could be got it would make things very clear to all of us.

55. *Mr. Colvin.*] The reason the mine was stopped on the first occasion was on account of negotiations going on between the company and the Government *re* the charges on the railway haulage, was it not?—Yes.