

the Department on it?—Yes, sir; but during the thirty-six years I have been in the Government service I have been many times before Committees—though this is the first time I have had the honour of appearing before this Committee—and it is the general rule, so far as my experience goes, in petitions affecting the Public Works Department, that the Committee declines to hear the statement of the petitioner unless an officer representing the Department is present.

30. Was this petition sent to the Mines Department for report this year?—No.

31. (To the Clerk.) Is that so, Mr. Izett?

*Mr. Izett:* It was not sent this year.

32. *Mr. Bayfield.*] As to the allocation of this £4,500, I have a direct statement from the Railway Department that they have never received anything on account of this. I do not say that the Government may not have in some form passed cross-entries through their books. Have you inquired of the Railway Department as to whether they have received anything on account of this deficiency from the Mokihinui Coal Company?—No. I have mentioned already that I did not get your evidence till 3 o'clock yesterday afternoon, and I have only perused it since 6 o'clock this morning. But it does not seem to me that that can make any difference at all to your claim. We bought the Mokihinui Mine for £4,500. We paid £350 in cash, and the other £4,150 was taken by the Government in satisfaction of a debt owing by the company. On completion of that transaction a transfer voucher should have been passed to the credit of Railway revenue for the proportion of that sum that was due for deficiencies, and another transfer voucher should have been passed in favour of territorial revenue for the proportion due for rents and royalties. I have not ascertained if that has been done; but, even if it has not, how does that affect your claim?

33. *Hon. Mr. R. McKenzie.*] It would go to the consolidated revenue in any case?—Yes.

34. When those payments were made they would not go to the Railway Department at all; they would go into the consolidated revenue, excepting that portion which was territorial revenue?—Yes. Of course the Railway revenue is a part of the Consolidated Fund.

35. *The Chairman.*] Would they not be credited to the Railway revenue in the Consolidated Fund?—Yes, they would be credited.

36. *Hon. Mr. R. McKenzie.*] Supposing this money was paid into the Treasury, you would not ask the Railway Department to give you a receipt? As Under-Secretary for Mines you would simply pay the money direct into the Treasury? The receiver would pay direct to the Treasury, without putting it through the books of the Railway Department?—The receiver hardly comes into it. The Mines Department had to pay the money. We therefore ought to have made out two vouchers, one crediting Railway revenue with the proportion in respect of the deficiency, and the other crediting territorial revenue with the proportion in respect of the rents and royalties.

37. *The Chairman.*] It would show as a credit in the Railway accounts of the year?—The proportion in respect of the deficiency should. There would be an entry in the Railway accounts. I do not mean to say it would show separately in the printed accounts.

38. *Mr. Bayfield.*] Have you ascertained precisely what was due by the Mokihinui Coal Company for deficiency on the railway?—No, I have not had time to do that. You can call the General Manager of Railways, and he can give you information on that point. If the credit was not passed, the Westport Harbour Board might have some ground for complaint, but I cannot see that the Westport-Cardiff Coal Company can have.

39. Are you aware that when that assignment was given by the liquidator there was a written communication given either to Mr. Stringer or to the Government that the document had been signed under pressure, and that the company would sooner or later receive some consideration?—I am not aware of anything of the kind, nor can I see where any pressure could come in, because it seems to me that the assignment was a very good bargain for the liquidator. If he had not assigned, the Government would have proceeded to recover its debt by writ of sale, and the whole of the property under the hammer would have been sold to the Crown for very much less than £4,470. As it was we paid £4,470 for it.

40. *The Chairman.*] How can you say that?—If any person or persons other than the Crown had been the purchaser, they would have had to dismantle the property and take it away and use it somewhere else. It would not have been anything like the same value to anybody else. The Government paid the full value placed on that plant by the liquidator. They released the liquidator from his debt of £4,470.

*Mr. Bayfield:* Mr. Blow states that if that step had not been taken—I mean the assignment—the property would have gone to auction and would have fetched much less. It would have done nothing of the sort. Myself and others would have given more than that for the property. So that to state that there was a risk of its going for less is unfair, so far as I am concerned.

*Witness:* Why did the liquidator assign to the Crown for £4,470 if he could sell to any one else for more money?

*Mr. Bayfield:* Because he relied on getting fair treatment from the Government, and getting some consideration.

41. *Mr. Colvin.*] You cannot possibly know anything about the value of this property—only what you have got in that document that you have there. You have no other means of knowing personally that it would have brought less?—No, but I know that it was valued by the liquidator himself, and we paid the full price that the liquidator placed upon it. How could we have hoped to get more than that?

42. Your own officers—Mr. Hayes, who was then Mining Engineer, Mr. H. A. Gordon, Mr. Jamieson, and another man, who were working for the Government—valued the property at £7,286?—But that included the 2,800 pounds' worth of fixtures. Deduct that, and where is the difference.

43. The difference is this: You forget there was £308 they did not take into account for a telephone, and £1,000 admitted to have been done in prospecting?—But you cannot assess that as value of plant.