

*Mr. Massey:* But we have had evidence that Mr. Hardy was in the vicinity for the whole of his Christmas and New Year holidays, and went all over these blocks, and he has given evidence as to the position and the quality of the coal.

*Witness:* I did not mention the quality of the coal. I stated the position of the coal.

244. *Mr. Massey:* You are not able to answer this question about the area which the company control?—I can tell you the area of the Mangapapa Block. There is a section of 1,500 acres and another of 12,000, making about 14,000 acres altogether.

245. And then, on the other side of the river—the Mokau-Mohakatino side?—I do not know what they have got at all.

246. You do not know the area of the whole block?—About 40,000 to 50,000 acres.

247. You know we have had it in evidence that the area of the block is 53,000 acres: you accept that?—Yes. I reckoned it at 50,000 acres when I fixed the price.

248. Talking about the lease, is it not a fact that at the end of the lease in ordinary course the land would be greatly improved and much more valuable than it is now?—One would think so, but in this case it is worse at the end of twenty-seven years than at the beginning.

249. Because the covenants have not been complied with?—Very likely.

250. Would it not be your duty to secure, if possible, compliance with the covenants of the lease?—That is what we set out to do at first.

*Mr. Dalziel:* May I ask a question?

*The Chairman:* On what particular lines?

*Mr. Dalziel:* With reference to the matter of damages claimed.

*The Chairman:* Does it affect your firm?

*Mr. Dalziel:* It does: it affects the whole question. I think also it will be of information to the Committee, because it will tend to show the influence on the minds of the Natives.

*The Chairman:* Very well.

251. *Mr. Dalziel:* Can you tell us, Mr. Hardy, if you were advised that you should claim damages for breach of covenant?—Yes. One of the clauses in the writ was that we claimed £10,000 damages.

252. That was for failure to comply with the terms of the lease?—Yes.

253. And the Natives would be informed that there was that claim?—The writ was read out to them. I know that Damon read it through.

254. *Hon. Sir J. Carroll:* That was, that they would institute an action to void the leases, and at the same time claim damages to the extent of £10,000?—Yes.

*Mr. Jones:* I ask to be allowed to put a question.

*The Chairman:* What is your question?

255. *Mr. Jones:* I have several. Are you aware, Mr. Hardy, that by order of the Court the shares in the land are all equal?—I did not take any notice of it. All I know is that the shares were to be held in trust for the Natives and divided up.

256. *The Chairman:* The question is, do you know?—I do not know.

*Mr. Jones:* I understood from you that about £40,000 was paid for the leasehold land on the north bank, of 14,000 acres.

*The Chairman:* I do not think that has any bearing on this inquiry.

*Mr. Jones:* It might assist the Committee. If they gave £40,000 for the leasehold on the north bank, and only £25,000 for 53,000 acres on the south bank—

*The Chairman:* I must rule that out.

*Mr. Jones:* The Chairman put a question about the Board of Trade sending an engineer out to examine this property—

*Hon. Sir J. Carroll:* The witness has already said he knows nothing at all about that.

*Mr. Jones:* The point is that they did not. The Board of Trade never sent any such person there.

*The Chairman:* What is your question?

*Mr. Jones:* Is the witness aware that the Board of Trade sent an engineer out to examine this property?—No, I am not aware.

*Mr. Jones:* What I want the Committee to understand is that the Chairman put a question there was no foundation for. The Board of Trade had nothing to do with it.

*The Chairman:* The witness knows nothing about that.

258. *Mr. Jones:* Are you aware that Mr. Dalziel and Mr. Skerrett, the latter in the pay of the Government, appeared before the Committee of 1910 as representing this company?—

*The Chairman:* I do not think that has any bearing on this inquiry.

259. *Mr. Jones:* I will ask another question: You stated that the coal on this property is valueless, comparatively, compared with that on the other side?—I said that as far as I could judge from what I saw, on account of its position—it being under the water-level—economically speaking, it was not worth much, especially when there was a good coal property in the immediate vicinity.

260. Under the water-level? Are you aware that right opposite, at a much higher level than on the north bank, there are seams of coal cropping out in the bank?—Not the same seam.

261. There are five or six seams. Are you aware that right opposite the coal-mine, on the southern bank, there is good coal visible?—I was told so by the manager there.

262. Then that is not under water?—There are two seams—one a small one of about 3 ft. or 4 ft., and another of 8 ft. lower down. It is the lower one that is being worked, and that is submerged. There is bound to be another one on top, and more, and I should say they are no good.

263. Higher up the river, plumb over the river-bank, are there not two seams visible of 5 ft. and 5½ ft., 50 ft. above the water?—I would not give much—

264. Will you answer the question?—If it is three miles higher up the river it is out of the question economically, because the freight to the coast would kill the thing.