

only were there faults discovered of from 20 ft. to 60 ft., but occasionally we were hemmed in by a framework of stone coming down vertically, and the men had not room to work; they were practically in a frame of from 8 ft. to 10 ft. This increased the cost of coal-getting, and smashed the coal up, and we found that our costs were increasing. Not only were there enormous faults, but we had to abandon the whole of the rise workings and to commence working to the dip, and to put in expensive pumping apparatus. Altogether, we had to spend close on £5,000 on extra plant and for pumping operations, while we also had to look ahead to provide power to extend our workings. All the original mine workings have had to be abandoned, and we have now, practically, had to open up a new mine. We have been "in trouble" since we started our new mine, and the result now is that our coal is costing us more to produce than we get for it. That is partly because of the faults and the intermixture of stone in the coal.

28. This accounts for the diminished production during the seven months of this year?—Yes; not only that, but the coal is diminished in quantity and its quality affected, and we are in a thicker trouble than we have been since we started. If the Government desires, it can tell the Committee the position we occupy at present. About six months ago we found it necessary to give our men notice of the possibility of closing down. The village of Seddonville is near the mine, and there are probably about four hundred people there. The railway is valued nominally at about £80,000—that is, the extension of the Westport line from Ngakawau—and that line was built chiefly for the purpose of opening out this district to connect with the Mokihinui line. The Mokihinui Coal Company contemplated shipping their coal from the Mokihinui River, but one fine morning they found that they could jump across the river, and there was no trade there. During the Atkinson administration, provision was made to join the two lines, and to open up the district, but especially to open up the Mokihinui coal-mine. When this line was being built, our company was started, and soon after the Mokihinui Company found themselves in deep water, and eventually wound up. Now, the whole of that section of the railway is dependent on the revenue, with the exception of a very small goods-traffic, from the product of coal. Our company has contributed the bulk of the revenue—in round figures, about £9,000 a year. If we maintained our output, our contribution on coal alone would probably come to from £10,000 to £12,000 a year. Owing to the causes I have mentioned, the whole position has been altered. By reason of the numerous faults, and the very circumscribed area we are in now, all these things have tended to show us that it will be impossible for us to continue longer, as we are now working at a loss; and, further, we have spent the whole of our capital. We have spent altogether on the mine over £40,000. In consequence of our engineer's report, and the troubles we are in, we sent for Mr. R. B. Denniston, the well-known expert, to survey and report after consulting with our engineer, and the result was to this effect: First of all the best thing we could do was to open where we are now working. This has cost us between £2,000 and £3,000, and even if we are able to get the coal, we cannot go on because the coal is costing us more than we can get for it in the market. We must write down the amount of this £40,000, according to Mr. Denniston, to about £8,000, but according to our own engineer, and I prefer his view, to about £15,000 or £16,000. We have never paid anything to the shareholders of the company from the time we started, as all the profits have been expended in developing the mine, and that is the position we are in at present—our capital is gone. The only thing we have got is the plant, and the business as a going concern. The Committee will be able to judge themselves as to the possibilities of the district, and will probably arrive at a decision as to whether it is possible for the Government to arrange with us to keep this mine open.

29. *The Chairman.*] You claim that the effect of your company's competition with the Westport Coal Company has been to reduce the price of coal?—Yes; undoubtedly.

30. At Lyttelton?—All over the colony.

31. What was the price of Westport coal at Lyttelton prior to your going into the market?—I paid £1 8s. 6d. for screened coal, and then it was gradually reduced to £1 5s. 6d.

32. I think you said the present freight charged by the Union Company was 6s. 3d.?—Yes; to Lyttelton.

33. Which you consider a very reasonable charge?—Yes.

34. Has that freight been reduced in recent years?—Yes; it used to be 10s. about ten years ago.

35. Was it reduced gradually, from 10s. to the present rate?—Yes; it was reduced to 8s. 6d., then to 8s., and then to 6s. 3d.

36. Of course this had some effect in reducing the price of coal?—Yes.

37. Has the freight been reduced since your company started?—Yes; we paid 8s. 6d.

38. When you first started?—Yes.

39. But, notwithstanding your having to pay that 8s. 6d., you managed to reduce the price of coal?—Yes. The effect of the Westport-Cardiff Coal Company going into competition has been to save the consumer from £60,000 to £70,000 a year.

40. The Committee understands you to say that if the present system of loading coal at Westport from the staiths were abolished, and superseded by the hydraulic method, the effect would not only be an improvement in the condition of the coal, but to reduce the price?—I think that would be the effect.

41. It is contended by some people that the quality of coal for steaming purposes has not been affected by loading through the staiths, but you differ from them?—Certainly, there is no doubt about it. I make this distinction, that the quality of the coal is not altered, but the condition of the coal is, and the condition of the coal has everything to do with its payableness.

42. *Mr. Carson.*] I suppose the present loading is effective so far as despatch is concerned?—Yes.

43. But if altered, it would preserve the condition of the coal?—Speaking generally, that would be the effect. When we come to deal with our particular case, it might not enable us to reduce our price, but it would put our coal in a better position.