

848. You said that 6d. per 100 ft. out of the 1s. was the Government proportion for hauling the timber eight miles from Brunner?—I spoke subject to correction; as far as I could gather, I said, that was the charge.

849. Does not that charge include something a great deal more than haulage?—I believe the wharfage is included in it.

850. It includes all the terminal charges at the port?—Yes. I was referring more particularly to the time when the company was running its own plant. We found the trucks and the engines, and the Government were getting equally with us for the longer distance.

851. But did not the proportion which was taken by the Government include all the port and terminal charges?—Yes.

HENRY SAMUEL CASTLE examined on oath.

852. *The Chairman.*] What is your occupation, Mr. Castle?—Accountant, living at Reefton.

853. *Dr. Findlay.*] How long have you been in Reefton?—With the Consolidated Goldfields of New Zealand and Progress Mine I have been five years.

854. I want you to give us your opinion as to the possible mining development of Reefton: can you give us any grounds for anticipating a marked increase in the mining development in your district?—Yes; I should certainly say there is likely to be a considerable increase as the mines get further opened.

855. What mines?—Both the Progress Mine and all the properties of the Consolidated Goldfields. The Consolidated Goldfields own a number of properties there. There is the Wealth of Nations that is only just being opened up. The Golden Fleece has only just finished her development, and as they get further opened there will be a number of men employed.

856. That is, the development of the mines at present opened up?—Yes.

857. Do you see a prospect of working profitably mining areas which are not just now being worked?—Yes; we have a number of other areas that have to be prospected yet, for which we have protection pending certain results that are being tried.

858. Could you give the Commission some idea of these?—Hardly that. Take, for instance, the Golden Fleece group—there are a number of outside properties in connection with that that have not yet been tested; and we are waiting for the results of certain tests in connection with cyanide and other matters before treating the low-grade ores that we know exist in the other properties.

859. What is your opinion with regard to the prospects of cyanide?—Cyanide at the present time, in my opinion, is only in its infancy—that is, as applied to Reefton. The tests that are being made in the various mines vary so much with different ores. At the present time they are trying different methods and are finding the cheapest way of treating them.

860. A certain amount of experiment has to be gone through before you get the right solutions?—Yes.

861. And before you can decide whether the process can be applied?—Whether it will pay to treat low-grade ores, of which we know a large quantity exist.

862. Can you say from your knowledge that there is likely to be a very large area to which cyanide will probably be applied?—From what I know, there will be a very large area, providing cyanide is a success. In one or two instances it has proved a success. Take the Scotia, the Drake, and another company of the Amalgamated, before they put up the cyanide plant which has just started. These mines, the Scotia and Drake, were abandoned. Now, by means of the cyanide process, they appear to be possible.

863. We were told this morning that the application of capital would probably take place in the future and extensively develop the mining interests there: that other companies are likely to go there?—I think that is very probable, because there is the Inkerman Company, which is an offshoot of another English company. They are at present in the development or prospecting stage; and there are slight improvements lately. Should there be a success there is no doubt it will be the means of bringing other companies into the field.

864. Is not the success of that company likely to invite capital?—Most decidedly; they are watching very eagerly for the outcome of the experiments being made for the Consolidated Company and other companies.

865. So far as the experiments have gone, I understand, they promise to be a permanent success?—Yes, they are looking very well at present.

866. Can you say whether you see any chance in the future of the mining population and the men working in and around Reefton being greatly increased?—I should say most decidedly, Yes. If the low-grade ores can be treated successfully, it must mean the employment of a very large number of men.

867. What is the number of men employed by the Consolidated Company at the present time?—There are five hundred on our pay-sheets.

868. Could you give us any idea of the number of people depending on them?—I think you might safely double that, and say one thousand. I should say one thousand souls, including the workmen.

869. Then, if the development you mention takes place, you might have a very large increase in the mining population of Reefton?—Yes, you might say half more on our particular properties.

870. And that observation applies to all the other mines?—I should certainly think so, with regard to that particular mine.

871. Have you any figures that will help us?—I took out the figures from the time the Consolidated Company took over the old companies. We took over the companies in February, 1896—Mr. Ziman did on behalf of the English syndicate—and for the year ending 1896 we had an average of 151 men employed. The first half of 1897 we had 190 men; the second half, 277 men; the first half of 1898, 300 men; the second half, 400 men; the first half of 1899, 440, and 440 to the close of the year; the first half of 1900, 450 men; and the second half, 500 men.