

the unallotted balance, or would you allot that balance?—I do not know whether the balance is earning interest equal to what it is costing; but if there is a difference, I should apportion that between the mines in the proportion of the capital expenditure.

58. The expenditure that has already taken place?—Yes, I think that would be as near as you could possibly get it.

59. You would not send down a memo. at the end of the financial year to your accountant saying, "Allocate this as I direct?"—If I were the officer who had to decide it, that is what I should do—send my decision to the book-keeper. But I do not understand your question.

60. We had evidence last year that the Minister sent down at the end of the year a memo. allocating this unexpended capital.

*Mr. Heyes:* That is incorrect. The Minister did not do so. Such a thing was never done. There was no evidence to that effect.

61. *Mr. J. Allen.*] If you adopted the principle that the interest on the unexpended capital was to be charged to each mine in proportion to the expenditure that had already taken place, would it be right to depart from that at any time?—It would not be departed from till the unexpended capital was spent.

62. Assuming that it remained—that there was still an unexpended capital—would it be right to depart from the principle once it was adopted?—I do not think so.

63. Do you see any difficulty in complying with this clause 108, and keeping a separate account for each mine in the books?—I can only say what I have said before, that what you have here in these papers is, in my opinion, as nearly in compliance with the Act as possible. I cannot suggest any way by which you could get nearer to it.

64. We want to know exactly what each of these mines is costing us, separately—what the profit or loss is. Would it be wise, in your opinion, to alter the law so that we could get the accounts in any way clearer, in order that we might know that?—Even if the wording of the Act were altered, I cannot suggest any alteration in the form of the accounts which would give you a result more accurate than this. The only difference would possibly be a splitting-up of those liabilities. I cannot see how you would get them absolutely correct; and it would not make the slightest difference in the result. You have here, without doubt, the exact result, subject, of course, to the books being kept so. The profit from each mine is clearly set out, also the capital expenditure on each mine. I cannot suggest any different form which would give you the results in a better way.

65. You can make no suggestion as to the unallotted capital?—No. These matters that you have referred to—assets common to both mines—need very close watching. I mean that cases might occur where the proportion of coal passing through the depots varied considerably, and it would be necessary for the clerks in charge to be very careful to see that the expenditure was arrived at in the right proportions.

66. If the right proportions were arrived at, one mine might show a greater loss or a greater profit than it ought to?—Yes. Of course, that applies to every business where the accounts have to be kept separate.

67. You have not read the evidence given last year. That is exactly what took place—that is, owing to the division of this expenditure one mine showed a greater loss than it ought to have shown. Can you suggest any way of getting over that difficulty?—The only way is to get men to keep the records correctly. The form of the accountancy need not be altered. It is a matter of judgment on the part of the officers in charge.

68. *Hon. Sir J. G. Ward.*] That does not affect the question of whether there should be two balance-sheets or one?—No, I do not think it has any bearing on that at all. Very often there is a difference of opinion as to what proportion should be charged to different departments, but that does not affect the form of the book-keeping. With such a matter as general management, for instance, some manager might say the division should follow the proportions of the output, while another might say it should follow the time the general manager put in in connection with each department.

69. *Mr. J. Allen.*] Under the head of "Creditors" last year there was the sum of £9,979. An attempt was made to allocate that between the two mines, and £2,213 of this amount was put to the Seddonville Mine. The question was asked Mr. Heyes, "Is that a correct allocation?" He said in answer, "Some of it is correct and some is not correct." Is that a satisfactory way of keeping the account?—I thought out the question of the sundry creditors and debtors to see whether they could be divided, but I can see possible difficulties. For instance, sundry creditors might represent purchases of goods and stores owed for at the 31st March, but at that time the officers might not know to what mine the goods were going. At the time the balance-sheet was made up you might not be able to tell which mine to charge with the stores. The same might apply to anything that was purchased. I do not quite see how you could allocate the sundry creditors between the two mines. The same thing applies to the sundry debtors. You would have to go through everybody's account and find out which mine each one got his coal from. The thing is possible, if you go to a tremendous amount of expense.

70. What about the cash in hand? Is it possible to allocate that?—No, I do not think so. I cannot tell what mine it belongs to. You would have to take all the receipts and disbursements for the year for each mine and separate them, and also divide up the percentage of profit for each mine. If one mine showed a profit and the other a loss, you would have to work out the percentage on each customer's account.

71. *Mr. W. Fraser.*] I understood you to say, in answer to Mr. Heyes, that you considered the balance-sheet was in accordance with the Coal-mines Act of 1905, section 108?—The words I used were "a reasonable compliance with the Act." It is as near as I think it is possible to comply with the Act.

72. Mr. Allen drew my attention to section 108, in which it is distinctly stated that with respect to each coal-mine a separate account is to be kept and a separate balance-sheet issued. Will you read the section for yourself, please?—Do you think that those words "each coal-mine" refer to all the subclauses?