

197. If there was that depth you could extend your operations by the amount you mention?—I mentioned 250,000 tons, but the trade might be increased within 12 months after the harbour was deepened to more than double that quantity.

198. What is your experience of the quality of the coal as a marketable commodity?—The best criterion, I think, is the demand. In New Zealand alone at the present time we are selling 60,000 tons a year, and we would have no difficulty in selling at least three times as much more if we could get it away from the harbour.

199. You are selling none in Victoria?—None at all at present, through the difficulty of obtaining suitable bottoms—bottoms suitable to the bar and large enough to carry coals to Australia. With regard to the quality of the coal and the prospects of the trade, I may state that we are asked for 900 tons for the "Bowen" which we cannot deliver, and we also had to decline an order of 400 tons for H.M.S. "Nelson." Here is a telegram with reference to the "Bowen" which can be put in as evidence. As showing how our coal compares with Scotch coal, I may state that four months ago the ship "Dunedin" came to Port Chalmers with refrigerating machinery, the ship "Nelson" brought out 400 tons of Scotch coal to work the machinery on the way home, but she came a few days late, and they had to take a lot of Westport coal to keep going; they were so satisfied with it that they put all the "Nelson's" Scotch coal ashore and took Westport instead.

200. Supposing a certain expenditure were made by the Government, is your Company prepared to guarantee an output, and to what extent?—I may mention that yesterday Mr. Burns (who also represents our company) and myself waited on the other company, the Koranui, which is likely to be at work presently, and we came to a joint arrangement that the two companies would be prepared, if vessels drawing 16 feet 6 inches can be admitted, to guarantee an output of 300,000 tons per annum.

201. The royalty is 6d per ton?—Yes; that would give £75,000 a year

202. Which would be 7½ per cent. on £100,000?—Yes; or to put it in another way 5 per cent on £150,000.

203. Supposing you did not succeed in putting out that amount, you would pay the difference?—We would pay the royalty on that amount, which would be a guarantee. If the works are proceeded with, the Company I represent will proceed at once with additional works capable of bringing the output to 500,000 tons a year. I think that is a sufficient guarantee of good faith. We have the plans ready now and are only staying our hands to see whether anything is likely to be done to the harbour, because manifestly it would be unwise to erect works for 500,000 tons when we have only facilities for sending away 60,000 tons.

204. It has been said that to get colliers suitable to the trade would be better than deepening the bar?—That might extend the trade in New Zealand, but it would be at the expense of other local companies here. There are complaints now from those upon whom we are encroaching. But it is utterly impossible to build steamers suitable for the present bar, and at the same time suitable for the inter-colonial trade. They could not be made large enough to pay. We want steamers carrying 1,500 to 2,000 tons to go across to Melbourne and Adelaide. With the present bar whatever vessels could be obtained would be confined to the New Zealand trade.

205. Of course, as long as the intercolonial trade is not available, you are competing with other New Zealand companies?—Yes, if the bar were deepened to the extent I have stated, a large number of home vessels would take Westport coal instead of going in ballast to Newcastle and taking coal thence to India and San Francisco. With an increased output we should increase our staff of men. We employ 120 men in the mines now, and about 70 in the steamers.

206. How many would you be likely to employ if you had the large trade you mention, supposing the bar were deepened?—With an output of 500,000 tons, we should employ at least 1,000 men in the mines, that represents between three and four thousand persons including their families, say 3,500. It is unnecessary to point out, that providing labour for a number like this, means a large increase to the Government revenue, besides the royalty, because these people would want to be fed, and would consume dutiable foods.

207. Supposing the Government were to increase the depth on the bar, what is the Company prepared to do in the way of increasing their shipping, and what guarantees would you give that you would increase it?—The Company do not expect to require to increase their shipping very much, because we have promises from the largest steamship carrying companies in Australia that they will send their vessels as soon as the harbour is improved—Simpson and Son, Harrold Bros., the South Australian Coal Company all of Adelaide, and several companies in Melbourne, all promise to send steamers as soon as we tell them there is water sufficient. In addition to that, Captain Stephens, who is managing director of one of the largest line of steamers in China, also promises to send his vessels to Westport. He has one steamer, the "Crusader," going regularly to Newcastle alone, and he was very anxious, twelve months ago, to send her to Westport for coal, she could carry 1,500 tons on 15 feet draft. The Company would however, if needed, provide the bottoms to meet whatever demand might arise.

208. *Mr. Macandrew.* What is your principal market at present?—All over New Zealand—Wellington, Port Chalmers, the Bluff, Lyttelton and Auckland.

209. What is the price of coal free on board?—12s 6d now, but most of our contracts have been at 1s. less.

210. What is the price at Newcastle?—10s.

211. You get 1s 6d more?—1s 6d more on contracts and 2s 6d more on open sales. We put up the price because we could not meet the open demand. The price would be much reduced to the public if there was a decreased cost of carrying the coal to market through harbour improvements, and the larger the output the cheaper the price at which we could deliver the coal.

212. In the event of the bar being deepened to allow large vessels to go in, your price would be regulated by the price of Newcastle coal?—For steam purposes, but not for gas purposes. The contract offered us would have left us a very good price, and fair rates for shipping.

213. The price you get here is 11s 6d; what is the price of foreign coal?—We get a larger price than Newcastle for several purposes. It is admitted by the Union Company and others that our coal is 15

Mr. Dickson.
21st June, 1882.