

200. *Mr. O'Connor.*] You say that coal cost 10s., and afterwards you say you are selling for 14s. in Dunedin: you pay 2s. 6d. charges?—No; we sell on the wharf.

201. Not counting the 2s. 6d.; then, you leave only 4s. to cover freight, depreciation, &c.?—Allow me to say, again, we pay 2s. 10d. for cutting the coal; the other charges bring it up to 7s., to which must be added royalty, 6d.; haulage, 2s. 6d. I should say at the same time that the company have already written off £45,000 for depreciation.

202. *Mr. Guinness.*] Will you give us what you would put coal for free on board at Grey-mouth?—I could not. Mr. Kennedy must give you these figures. I cannot give them to you.

203. These charges do not literally fluctuate as you say: they are surely subject to some correspondence by letter—they are on record in some way?—Yes; they can be ascertained.

204. It can be shown what they were, for instance, on the last day, or any particular day of the last month?—Undoubtedly.

205. *Mr. Withy.*] Are there any other points through which the output suffers—are there any disabilities which you may labour under, and for which the Committee might be able to report a remedy?—So far as I know, many of the difficulties are to be laid to the charge of the insufficiency of the harbour at Westport, and to the Government not pushing on with the work as rapidly as is desired.

206. *The Chairman.*] The Government charges have always been very oppressive to this industry?—We have always found it so.

207. *Mr. Fish.*] How long has your company been working the Westport Coal-mine?—About six or seven years.

208. Will you be good enough to tell us what has been the output?—I have already stated it at 116,000 tons for 1887, 130,000 tons for 1888, and at the rate of 150,000 tons per annum for the first six months of the present year.

209. Then, if you went back further the difference would be more striking?—Yes; but there was then another mine at work—the Koranui.

210. *Mr. Feldwick.*] There was an attempt made to open up the coal trade with Victoria: can you tell us how that fell through?—It was a question of price; also, because the gasworks there were bound up with the Newcastle coalowners; and I cannot tell what combination there may have been in Melbourne against us.

211. But the attempt failed?—Yes; and there again the question of harbour-accommodation was against us, for the vessels that could load alongside our harbour are not suitable for a long foreign voyage of that sort.

212. Do you think an import duty on coals would be of any use to the trade?—I have been asked whether it would benefit the local trade: it would, undoubtedly.

213. Would it shut out the Newcastle coal altogether?—That depends on what the duty is.

214. *Mr. O'Connor.*] Would it have the effect of raising the price to the consumer?—I do not think so.

215. *Mr. Feldwick.*] How about the price?—It all depends upon the back freight. There is no back freight from here; therefore vessels do not come here.

216. What is the price of coal in Westport for household purposes?—We sell to the trade at Westport at 15s. for screened coal.

217. *Mr. Guinness.*] Is it a fact that upon the amalgamation taking place the Grey Valley Company, in which you hold half interest, immediately refused to sell to three or four retailers, and gave a preference to two they picked out?—I do not know.

218. Have you not heard?—I believe that one man did complain that he could not get coal; but that is not in my department at all.

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FRIDAY, 12TH JULY, 1889.

Mr. JAMES MILLS, M.H.R., in attendance, and examined.

219. *The Chairman.*] You are managing director of the Union Steamship Company?—I am.

220. Your company has some arrangements with the coal companies of the West Coast: would you tell the Committee what is the nature of such arrangements?—Yes; we have freight arrangements with them.

221. Would you be good enough to explain, as far as you are at liberty to do so, some particulars of such arrangements?—Some years ago the Westport Coal Company, finding that they required a considerable amount of tonnage, and not being able to provide it themselves, entered into an arrangement with our company to provide them with the necessary tonnage to carry away their coal. The circumstances of the port were somewhat peculiar. They could not depend on casual tonnage, as coalowners can at Newcastle and other large ports. It was necessary for them to make provision for a continuous supply of tonnage, so as to keep their mines going with regularity. We undertook to supply vessels of a class suited to their port and as much tonnage as they wanted at certain rates of freight. The arrangement was that they should keep that tonnage fully employed as far as they could, and give our steamers preference in loading.

222. When was that arrangement first entered into?—At the end of 1886.

223. That was the first arrangement?—Yes.

224. Has that arrangement been varied?—Yes; the rates have been reduced as the harbour has improved, and more work can be got out of the steamers.

225. At the time your company entered into this agreement, were they not lessees of a mine there—the Koronui?—Yes; we had acquired that mine with a fleet of steamers we had purchased.