

for a number of years. It is a question of harbour facilities. At present the harbour is not likely to attract vessels of large tonnage, such as can profitably undertake long voyages.

254. *The Chairman.*] To what extent would it require to be improved so as to come into that category which would attract more shipping to the port?—It would need to be fairly accessible to vessels drawing, say, 21ft.

255. *Mr. O'Connor.*] It does not seem to be far from that now?—Recently there has been from 17ft. to 15ft. at high water and springs.

256. The lowest has been 17ft.?—I understand there has been a shoaling-up, owing to the long prevalence of westerly winds: more wharfage- and staith-accommodation is required. The accommodation is rather meagre even now for the trade that exists. I might say that, in anticipation of improvements to be made, we have a vessel building in England designed to load 2,500 tons on 18ft. for this Port Pirie coal trade.

257. *The Chairman.*] What tonnage?—2,500 tons on 18ft., and possibly 3,000 tons with 20ft.

258. *Mr. O'Connor.*] What work is required in order to complete the harbour-works so as to give that depth of water?—I cannot say.

259. You do not want to give any opinion on that?—No.

260. It was under the arrangement you described that you got those other steamers you have referred to: is the position the same as regards the Grey Valley Company?—The same position as far as freight is concerned.

261. *The Chairman.*] Mr. Joachim has told us that there are two directorates—your company representing half, Mr. Kennedy and some others representing the other half between them?—There is a directorate for the Grey Valley Company, on which we are represented. The explanation is this: A year ago the Grey mines were owned by two proprietories; they were both in the position that a large expenditure of money was required for the development of the mines; capital was also required for tonnage. Neither proprietary was in a position to meet these requirements. They made an arrangement with us by which we were to join them and supply a certain amount of money for the development of the mines, and we were to supply tonnage to carry their freights upon a similar arrangement to that with the Westport Company.

262. *Mr. O'Connor.*] Does not that give you a position of control, having an interest in these properties as lenders of money?—No; we have no control, because our interest is a minor one: other interests largely predominate. As a matter of fact, it simply gives us a footing as regards freights. We do not exercise any control as regards the development of the mine.

263. Nominally you do not, but really you do, for are not the influential shareholders the same in both companies as well as in the Union Company?—No; the Westport and the Union Companies have no connection. I am not aware there are any large shareholders of the Union Company in the Westport Company, or *vice versa*.

264. How is it there is such a differential rate to Dunedin beyond all other places—that is, a lower rate?—A differential rate: is that the case?

265. Mr. Joachim told us that it is: is it so?—There is special competition in Dunedin owing to the entrance of another trading firm into the field. Newcastle coal is being sold there at a very low price. In order to meet this, the Westport Company have reduced their coal to a very low figure, and the loss is shared by us. The effect of it is to reduce our freight to a non-paying rate. But the Union Company have nothing to do with fixing the price of the coal: that is done by the Westport Company.

266. *The Chairman.*] That is in conformity with the arrangement; where they take less for their coal you take less for freight?—Yes.

*Mr. O'Connor:* One would understand that the Union Company and the Westport Company have made common cause in assailing an intruder in the trade in the form of a company bringing coal from Newcastle.

*The Chairman:* Is that quite a fair way of putting it?

*Mr. O'Connor:* That appears to be the natural result. The Westport and the Union Companies have joined to bring the price to 14s.—at a loss, which is shared by both sides equally—in order to check the intruder.

*The Chairman:* It seems to be in their previous arrangement.

*Mr. O'Connor:* That is the effect of it.

*The Chairman:* As it was in the original arrangement, any opposition coming into the port would have to fight against the arrangement.

267. *Mr. O'Connor.*] They have combined for the purpose of resisting the foreign trader; that is certainly the effect of the agreement between them: is it not so?—It is in the interest of the local coal. We are importers of Newcastle coal, but we do not reduce the Newcastle coal below a paying price, unless compelled to do so by the introduction of Newcastle coal through other sources.

268. *The Chairman.*] Following up Mr. O'Connor's question, is the rate of freight and the rate of cost or selling price of coal at Westport any consequence of this competition?—Certainly not; neither as regards freight nor coal. I hope it is only temporary.

269. *Mr. O'Connor.*] What is the freight from Newcastle for coal?—Where sailing-vessels are chartered for coal only it is 9s.; that is the rate to Auckland, from which port there is not much back-loading as an inducement. It varies to the other ports until it reaches 5s. or 6s.

270. What is the freight to Newcastle for produce?—10s. for bulky stuff.

271. What was the freight previous to this? Is it reduced?—Yes; it is reduced.

272. What was it previously?—12s. 6d.

273. Is that the highest price that has been paid to Sydney from New Zealand? Was it not much more than that when the coal famine was existing in New South Wales?—I think that in some cases 1s. 6d. a bag was charged, or 15s. a ton. I cannot say how long it lasted, but I will find out for you.