

*Mr. E. W. Mills.* £1,000. Since then I have done other work amounting to £230, and now she wants more repairs. She is not a poor man's boat. I calculated that to put her in thorough good working order £8,000 worth of repairs would be required. Add that to the £3,000 purchase-money and you have a cost of £11,000. I did not think it would pay the Company to take her at that price. £11,000 for a second-hand boat is a long figure.

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28. *Hon. Mr. Macandrew.* What is her hull composed of?—Steel plates, but they are very thin—in fact, we had to sheath some of them before the Government sold her. They have worn from inside, and she has been on the rocks once or twice.

29. Do you think the hull is so bad that it is scarcely worth putting new engines and boilers in her?—I think so. She is very tender, and to do that she would require strengthening very materially.

30. I suppose the £8,000 would be exclusive of what could be got for the old engines?—They are worth very little. I took the old engines out of the "Taranaki" and the "Rangatira," but could only allow the price of old iron for them.

31. £10,000 would have made a good boat of her?—She would be scarcely worth the expenditure.

32. *Mr. Harper.* Do you know how old she is?—About fifteen years. I believe she was built for a blockade runner, and never was intended to carry heavy cargo. She is not strong enough for such work.

33. *Hon. Mr. Gisborne.* Do you think more could have been got for her in Australia?—No; I do not think she would have been bought at any price.

34. The "Lord Ashley" was disposed of there?—Yes. Vessels were scarce then. Even in New Zealand, where there was one steamer then there are ten now, and when the "Lord Ashley" was lost it was said she should never have been insured, being unfit for sea.

35. Do you know what the "Stella" cost?—I do not know. I think it was nearly £20,000, but then she is a splendid boat. She would not burn more than seven tons in the twenty-four hours. That is where her superiority lies. It is such a saving. I altered the engines of the "Rangatira" to something like the size of the "Stella's," and the saving in coal is about £3,000 a year.

*Captain Johnson.*

Captain R. JOHNSON, being in attendance, was examined.

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36. *The Chairman.* What is your position?—I am, among other things, Inspector of Steamers.

37. Have you been in that position long?—Sixteen years.

38. Do you know the "Luna," and did you know her at the time of her sale?—Yes; tolerably well.

39. What do you think was her value?—Not more than £4,000. That is more than I would give for her.

40. Is she suitable for commercial purposes?—No; because she burns so much coal, and because she cannot possibly compete with vessels with modern improvements, such as compound-engines. Besides she has been knocked about a good deal, and her hull is very tender in some places.

41. You would not give £4,000 for her?—No.

42. Not with all her improvements?—No.

43. *Hon. Mr. Gisborne.* Were you ever asked by the late Government to give a valuation of her?—No; Major Atkinson met me one day in the street, and asked me what I thought she was worth, and I said "If you can get £4,000 you ought to take it."

44. That was not officially?—No.

45. Do you know what the "Stella" cost?—£17,000. She is a boat of the modern class, very powerful, and light in the consumption of coal. I never saw the "Luna" do ten knots, but the "Stella" can do that, at half the "Luna's" consumption of coal.

46. In your opinion, would the "Luna" have brought a better price than she did had she been advertised?—I cannot say; possibly she would. I believe the fact of her being for sale was thoroughly well known.

47. *Hon. Mr. Macandrew.* The "Luna" was suitable for the purposes for which the Government used her?—Yes, pretty suitable; but very expensive and a good deal out of repair.

48. Assuming she had had her machinery altered and improved according to the modern style, and her hull doctored up, would she not have done as well for the purposes for which she was required as the "Stella"?—She would not do so much work I think. And the "Stella" only burns seven tons of coal and steams ten knots, but the "Luna" would consume fourteen tons of coal in twenty-four hours and steams eight knots.

49. The "Luna" is well adapted for bar harbours is she not?—Yes; the "Stella" is too deep. She draws eleven feet. But there is not much necessity for going into bar harbours.

50. Mr. Mills says it would have cost £8,000 or £10,000 to have put the "Luna" in thorough order. That would have brought her cost up to £14,000. Would she then have been as good as the "Stella"?—Yes.

51. *Mr. Harper.* Still her age would be against her?—Certainly.

52. I suppose the "Stella" could not go into the following harbours: Manawatu, Wanganui, Poverty Bay, Hokitika, Greymouth, Napier, Hollyford River (Martin's Bay)?—No.

53. *The Chairman.* I understand if the Government only had one boat she would be principally employed in lighthouse work?—Yes.

54. And there would be no prospect of her being sent into the Manawatu to a lighthouse?—No.

55. Nor Wanganui or such places?—No.