

9. As indicating some of the collateral advantages which would result to the colony from the establishment of the service now in question, the Committee would call special attention to two statements which appear in the evidence of the Managing-Director of the Union Steam Shipping Company, to the effect that each vessel outward would take 2,000 tons of New Zealand coal; and that the vessel's disbursements in the colony would be £3,000 each trip.

10. Inasmuch as from eighteen months to two years from date of contract must elapse, before the actual working of the proposed service could be initiated, the Committee would recommend that the Government may be authorized before the close of the present session of Parliament to take the necessary action in the matter.

MINUTES OF EVIDENCE.

APPENDIX A.

THURSDAY, 11TH AUGUST, 1881. (Mr. MACANDREW, Chairman.)

Mr. Larnach.

Mr. W. J. M. LARNACH, C.M.G., examined.

11th Aug., 1881.

1. *The Chairman.*] I believe, Mr. Larnach, while you were in England some years ago, you took considerable interest in the establishment of a direct steam line between New Zealand and England, and had communications with Messrs. Green, Money Wigram, the Albion Company, and others in relation to that matter. Perhaps you will be good enough to state to the Committee now what transpired, and what your impression is as to the terms and conditions upon which this line could be established?—Well, I may state that, during 1878 and 1879, while I was in England, both in conjunction with Sir Julius Vogel and by myself, I communicated with several steamship owners, particularly with Mr. James Galbraith, of Glasgow; Messrs. Denny Brothers; Messrs. Green, of Blackwall; and, I think, also with one of the partners of Messrs. Wigram. There seemed to be a desire on the part of each of these firms to assist in any reasonable way in promoting a direct steam line to New Zealand. But the great difficulty that was then apparent was the want of a subsidy. I think I may say that was the only difficulty; because the feeling was that no firm would undertake a direct steam service, with properly-appointed vessels of good speed, unless with a sufficient subsidy—at any rate for the first three to five years. The subsidy spoken of varied from £75,000 to £85,000, as far as I remember.

2. Was that for a monthly service?—Yes; a monthly service, I think—£75,000 to £85,000, I believe. But that subsidy referred distinctly to vessels of a very superior order, equal to any vessel of the Orient Line now running from Plymouth to Melbourne—thirteen- to fourteen-knot boats. There was a general feeling, I may state, with members of these firms, and also with men well able to judge in England, that the establishment of a service of that kind would have a greater beneficial effect in causing a stream of immigration of the proper kind, in course of time, than even a direct subsidy towards that purpose. Gentlemen well conversant with the colonies whom I met in England, and also in Scotland, seemed to think that without that ready and certain means of communication, which could be worked with safety and comfort for passengers—that we would never get a direct stream of immigration of that class able and willing to pay their own passages; and it was the general impression, I may say almost universal, among those with whom I conversed, that direct steamers would really do more good in working the desired effect than even a direct subsidy to the cause of immigration. I certainly was and still am inclined to that opinion myself. I do not know that I have anything further to say; but any questions put to me I shall be glad to answer.

3. *Hon. Mr. Holmes.*] What size steamers were mentioned as most suitable generally?—Steamers of from 2,500 to 4,500 tons. Of course I may state that, in those years I referred to at first, ship-building was certainly much more expensive than at the present time. Also that there was not that incentive which is apparent now. I allude to the refrigerating of meat, which seems to me to be a stronger inducement than even passenger traffic. Ultimately, I believe, a greater freight to the proprietors of shipping will come from carrying frozen meats than passengers.

4. Do you imagine there would be sufficient cargo for the return voyage from any of the larger ports of the colony, such as Port Chalmers, Lyttelton, Wellington, or Auckland?—I do. I think we would have sufficient—at any rate, speaking of the port and the community with which I am most acquainted—I think that we would have sufficient to fill a steamer a month to commence with, judging by the freights that are now carried round by way of Melbourne. Large shipments are brought from Britain *via* Melbourne at the present time by the Orient and the Peninsular and Oriental boats monthly, particularly in soft goods.

5. *Mr. Bain.*] What time do you refer to, when you were in communication with these large steamship owners?—The end of 1878, and during 1879.

6. Mr. Galbraith speaks of an alternate monthly service, at a subsidy of £80,000; but you are speaking of a monthly service?—I thought it was monthly.

7. He speaks of "alternate months," that is, a two-monthly service, and the subsidy is £80,000?—In conversations with both Sir Julius Vogel and myself, Mr. Galbraith said, of course in entering into a new thing like this he would require to be on the safe side. No doubt after the thing had been in operation for some time the subsidy necessary would be much less.

8. *Hon. Mr. Williamson.*] In addition to the subsidy, was there any stipulation that Government should supply passengers of any kind?—Yes. There were to be a certain number of assisted immigrants to go at first by each steamer.

9. *Hon. Mr. W. Johnston.*] Did Mr. Galbraith say at all what would be the minimum duration of a contract that would induce him to supply the requisite steamers?—As far as I can remember it was three or five years.

10. *Mr. Oliver.*] Was anything said with reference to the general communication being with any particular port in New Zealand, or was the opinion expressed that all the ports should be visited by the steamers on arrival?—I think that was to be left pretty much with the owners of the ships—they were to go first to the port that suited them. Of course they were to carry passengers to each port;