

99. I was asking first as to a cargo, and next as to a mail, service. You do not think if we had a direct mail service we should be better served than if we gave a subsidy to the Union boats to bring mails from Melbourne?—No, I do not think so. We could get the mails as fast *via* Melbourne or San Francisco. The latter is a fast service. a Mr. James Mills.
18th Aug., 1881.

100. The Union Company do not get a subsidy at the present time?—No.

101. I suppose if they did they would take it up?—Yes.

102. *Hon. Mr. Martin.*] How many boats would be required for a monthly service?—Six.

103. *Mr. Hutchison.*] You are bound to carry mails without any subsidy?—Yes; but not at stated dates, nor at stated speed.

104. But you must not leave any port in the colony without taking the mail with you, if there is one?—No; we are obliged to carry mails without payment. We get paid for letters only, but nothing for newspapers, book parcels, or Government matter of any sort.

105. At so much per letter?—Yes.

106. I understand you to say generally—not positively, but generally—that in addition to a larger subsidy being required, if the steamers were bound to come to one port, you think it would not be for the benefit of the service that they should be restricted to one port of arrival. I think that was the tendency of your evidence, was it not?—Yes.

107. You think it would interest the colony more generally in favour of the service if the port was changed from time to time?—Yes. I think the steamers should vary their ports of call occasionally, though it would probably be advisable to make Wellington a regular port of call.

108. Wellington would be the fixed port, and the others would be changed?—Yes.

109. *Mr. Bain.*] Has your service been working in conjunction with the Orient line of steamers? Have you any arrangement to tranship cargo and passengers?—Yes; but we do not study their dates. We run weekly to Melbourne, irrespective of the arrival and departure of the Orient boats.

110. You could get information as to the amount of cargo that is brought for New Zealand by that line?—Yes.

111. You say cargo has been brought by steamers at 30s. Do you think it would pay a line of steamers if they could get plenty of cargo at that rate?—No, certainly not.

112. Do you know, as a matter of fact, if the Orient line has been paying at all?—They paid no dividend at the last balance. I understand they are doing somewhat better now.

113. Is it a fact that your company has been taking our New Zealand oats to Melbourne to be shipped Home by the Orient boats?—No, I think not.

114. I understand that large parcels went from the Bluff, just to fill up these steamers?—Not at through rates. I know we have taken some parcels of wheat for transhipment to steamers; but we have not taken any by through arrangement with the Orient Company. Oats have all been taken for Melbourne.

115. Can you ascertain if anything of that sort has been done?—No, I think not. Some may have been reshipped, but of course we would know nothing of that. There has been nothing of that to my knowledge.

116. Do you think if steamers such as are spoken of could get a supply of cheap coal at the Bluff they would be induced to call there?—Yes. There would be a considerable quantity of loading at Bluff Harbour.

117. We have several coal fields there which will be open to supply coal at 15s. a ton?—No doubt they would call in that case.

118. We have two coal fields there, the Orepuke and the Nightcaps, which I am sure will be open within the next year or eighteen months, and able to supply coal at 15s. a ton?—Bluff is a convenient first port of arrival.

119. Do you think the plan of guaranteeing a dividend, or giving a fixed bonus, would be most attractive to tenderers in a matter of this kind?—I cannot express an opinion on that point at the moment. A guaranteed dividend would not offer any inducement to the contractors to run the boats economically.

120. That is just the point we wish to gain information on. Are you not in a position to say which would be the most attractive to contractors?—No.

121. *Mr. Montgomery.*] What size steamers would be most suitable for a monthly service at a speed of 10½ knots—that is, from your knowledge of the trade now, and what you think it might be in eighteen months or two years time?—They should carry 3,000 to 4,000 tons of cargo. Smaller vessels would not pay.

122. *Mr. Pitt.*] What depth of water should they draw?—22 to 24 feet loaded. There is no need to study draft at any port except Port Chalmers.

123. *Mr. Montgomery.*] They would not pay carrying less than 3,000 tons?—No, I think not.

124. That would be a steamer adapted for both the passenger and cargo trade?—Yes.

125. Do you think, from your knowledge of the trade now and what it is likely to be, do you think a steamer of that size would be able to load and get sufficient passengers, and would not require a heavy subsidy?—To induce contractors to build the boats a good subsidy must be offered.

126. Can you say what that subsidy would be?—I should not like to say.

127. You would not like to say anything about it?—Not at present.

128. So, even giving the smallest subsidy, you must be able to get 3,000 tons of cargo, and passengers corresponding, for this kind of boat?—Yes.

129. *Mr. Pitt.*] I understand you would rather say nothing about the subsidy at all?—I would rather not.

130. Sir Julius Vogel says, in his opinion possibly the subsidy might be less than £80,000?—I should think it would not be less for the service then proposed, which is a most costly one.

131. A two-monthly one?—Yes.

132. The calculation is based on that?—Yes.

133. That estimate was made in 1878. Do you think it probable it might be less, say, in two years' time?—I cannot say.