254. Does the royalty come to you also?—Yes.

255. Was there anything outstanding on the 31st March last?—About £3,000.

256. So that about £70,000 was received or receivable during that period?—Yes.

257. What are the liabilities in respect of loans?—They are £100,000 raised in London at 4 per cent. interest, *plus* 1 per cent. sinking fund, payable in forty years; and £50,000 raised by the Government, part of it borrowed from the Post Office. The interest on this is 5 per cent. for five years.

258. From what date?—January 1st, 1888. The due date is January 1st, 1893. We pay 5 per cent. interest on both amounts. Then, we owe the Government about £6,000 for advances in cash. This bears interest at 4½ per cent.

259. On what security?—On no special security. It is simply a Treasury advance, like an overdraft.

260. What provision is being made to pay back the £50,000 raised by the Government?—I believe the present issue is not to be looked upon as the final debentures; they are to be reissued when they run out.

261. What is the position of this sinking fund?—We pay that separately to the Public Debts Sinking Fund Commissioners; it appears on the balance-sheet.

262. The security is simply the Government guarantee?—Yes, under the Greymouth Harbour Act. It is secured by the Greymouth Harbour Board endowment as well as the guarantee.

263. What was the sinking fund on the first loan at the end of the year?—£4,959 15s. 9d.

264. Supposing it was shown that, owing to a deficient amount of storage, the work in the coal-mines was intermittent, could you suggest any plan for overcoming that difficulty?—I cannot say immediately, but I will go into the matter, and prepare myself to lay the whole state of the case before you.

265. *Mr. Brown.*] You are aware that there are other mines likely to be opened up, and that you would require traffic and storage capacity for all?—Yes.

266. *Mr. Moody.*] Would the present rolling-stock be sufficient in the event of other mines being opened up?—Not if many more were opened.

267. *The Chairman.*] Can you give us any notion of the number of steamers that visit the port, and of the tonnage loading coal?—There are about four hundred steamers a year, and about 90,000 tons a year.

268. How are they distributed? It has been alleged that the number varies very much at different seasons of the year, and that this is a cause of interruption?—I will put it in a table giving this information.

Thursday, 16th October, 1889.

Mr. Joseph Kilgour sworn and examined.

269. *The Chairman.*] What is your occupation, Mr. Kilgour?—I am an ironfounder.

270. How long have you been in Greymouth?—I have lived in Greymouth ever since its foundation.

271. You have been connected with collieries?—Yes, more or less during that time. My first connection was with the original colliery company, who had the mine after Mr. Batty got it. My connection with it was the purchasing of the whole of the river plant, barges and everything outside belonging to them—in fact, the whole of the property for carrying coal to Greymouth from the mines—that is, the Brunner Mine, which was worked by the Nelson Government at that time.

272. At that time what mines were open?—Only the Brunner Mine.

273. Was it a large or a small mine?—It had not been extended very far.

274. Can you remember anything about the output?—No; I do not remember the tonnage. I only bought the carrying-plant for £700. I bought the coal from the Nelson Government at the mine. They were then working the mine themselves. I paid 10s. per ton to the Nelson Government; then they raised it to 12s. I then went into communication with a Christchurch company, for whom Mr. Moorhouse and others took the coal-leases on this side. Dobson was sent over to make a report.

275. That is now called the Wallsend side?—Yes. As I saw the coal at Tyneside, I thought it safe to make overtures for the working of the mine at a royalty of 1s. per ton, and they ultimately accepted. We commenced operations, the result of which was that I put a tunnel in about 300 yards above the present Brunner Bridge. I wrought the mine there for some time. We made several shots in opening the drive, but we could only put out a limited quantity. We had to keep barges lying there, and when the floods came two or three barges were lost. At that time I was a partner with others. We ultimately sold out the plant by auction. That finished me with coal-mining for fifteen or sixteen years. I was a shareholder in the Greymouth company afterwards. Mr. Simpson, of Newcastle, was the manager, and he sunk the present Tyneside shaft. I thought at the time he was too near the fault that I had met with in the lower tunnel and proved. In consequence of our disagreeing I left the company—in fact, sold out.

276. Is it known that it could have been worked had the shaft been properly placed?—Yes, with the exception of about 8 or 9 chains of coal above the fault.

277. What was the depth in the Tyneside shaft?—About 100ft. through to the coal. They then had to contend with difficulties in pumping, and at last had to abandon the shaft altogether. The company that put down the present Wallsend shaft on the recommendation of Mr. Simpson hoped to get coal at 300ft. or 350ft. Mr. Simpson put a borehole down. This borehole put down above the present Wallsend reached coal at about 200ft. They then commenced to put down the first Wallsend shaft, and after sinking to 300ft. or 350ft. where they expected to get coal they put a borehole from the bottom of the shaft and got coal.