

land the work is much more difficult and expensive, both in erection and maintenance. It must also be remembered that with coal companies permanent charges are a fixed quantity, and fall heavily or lightly per ton in proportion to the output. The smallness of the output is, therefore, also an important factor against New Zealand coal.

With regard to facilities for loading vessels, New South Wales has expended upon the port of Newcastle over £1,000,000, deepened the entrance to 23ft., and provided over two miles of frontage, and supplied cranes to load 17,000 tons per day. Upon the completion of harbour-works at Westport, it is expected that equal depth of water will be obtained. The loading facilities at both Westport and Greymouth are now equal to 3,000 tons per day, and may easily be increased. It is to be regretted that the system of loading at Westport by staiths and shoots is such as to break up and reduce much of the round coal to dust. At Greymouth and Newcastle cranes are used. The Westport coal is in great demand for household purposes, and, as it is generally of a pure, fragile character, it is much injured and deteriorated in value by the treatment it receives when loading.

The price of coal at Newcastle is subject to variations; at present it is quoted by the united collieries at 10s. per ton for screened coal, f.o.b.; at Westport it is quoted at 14s., Greymouth 12s. 6d. Small coal—Newcastle 5s. to 7s., Westport 9s., Greymouth 7s. 6d. The difference between the price of coal in the two colonies at the coal ports does not sufficiently account for the large annual importation of Newcastle coal to New Zealand. Much of the coal is brought by vessels that would otherwise come in ballast, at a nominal freight, the extra charges upon New Zealand coal, amounting to 4s. per ton, acting as a protection to the foreign producer.

EUGENE O'CONOR,

Chairman.

6th October, 1892.

MINUTES OF EVIDENCE.

AMMUNITION MANUFACTURE.

TUESDAY, 26TH JULY. (Mr. E. J. O'CONOR, Chairman.)

Captain JOHN WHITNEY examined.

1. *The Chairman.*] Will you be good enough to state your position, and afterwards anything you have to state in regard to the manufacture or industry with which you are connected?—I am managing director of the Colonial Ammunition Company, established at Auckland and in London. In the year of the Russian war-scare (1885–86) the Government, having only 100,000 rounds of ammunition, and considerable alarm being felt, the Commander-in-Chief, Sir George Whitmore, asked me if it were possible to get cartridges manufactured in the colony. I said I would endeavour to see what could be done, provided the Government would promise to support the industry.

2. What was your position then?—At that particular moment I was acting as assistant Aide-de-Camp to the Commander-in-Chief; I was also Captain of the O Battery; in fact, I raised the whole of that battery, started it, clothed it, and did everything else out of my own pocket. We were successful in starting and carrying out this manufacture; the Hon. Mr. Ballance having promised to support it in every possible way. There was no powder, no brass, in the colony. In spite of all difficulties we gathered caps from one portion, powder from another portion, of the colonies by telegraph, so that we finally managed to collect a sufficient store to make for the Government 500,000 rounds of ammunition; not, perhaps, equal to what we would have wished, but sufficient nevertheless for the emergency. Not being satisfied with the machinery made in Auckland according to first arrangements, I interviewed the Hon. Mr. Ballance in presence of Sir George Whitmore, again asking the Hon. Mr. Ballance if he would confirm his promise made to the company, stating that, if he wished, I would go to England and send out to the colony machinery exactly the same as that used in the Arsenal at Woolwich, which I did. From that time to the present I have manufactured ammunition which has steadily improved in quality, according to the opinion of every one who has had anything to do with it, until now, I undertake to say, that the present ammunition which we supply is equal to anything that can be produced in the world; a fact which I would be willing to put to the proof at any time you like. In consideration of carrying on this manufacture certain concessions were promised, these were: a lease of land at Mount Eden for five years, with the promise of renewal, the land to be used for the erection of the factory and works; this the Hon. Mr. Ballance promised.

3. In writing?—Not a single thing. Nearly the whole of it was by word of mouth, but Sir George Whitmore has said that he will come forward and confirm my evidence on this point if necessary. The Government agreed to supply us with Snider powder and all storage free of charge. On the other hand we agreed to keep a stock of all other materials necessary for the manufacture of cartridges, as against the powder ordered by the Government. The Government have at the present moment 17 tons of Snider powder in store; as against that, we, according to my promise to the Government, have sufficient brass and other stores to load the greater part of that powder into cartridges, say, over one million rounds, all of which stores are absolutely useless for any other purpose.

4. Please give the value of the powder and stores?—The value of the powder and stores together would be not less than about £5,000 or £6,000. The powder the company has paid carriage on.

5. Where is it now?—Stored in the Auckland magazine.

6. *Mr. Pinkerton.*] That is under your control; I mean the whole of the powder you mention?—Yes; it is put there for our sole use; we pay for it according to the agreement. As it is drawn out we set against it the price which the Government pay us for the cartridges.

7. *The Chairman.*] I want you to state the value of the stores and the powder so placed separately, and your interest in it, and the value of the material you imported?—I have no interest