

21. *Hon. Mr. Mitchelson.*] What is the duty on sporting-cartridges?—15 per cent.; our materials amounted to much more; the Hon. Mr. Mitchelson has seen our plant and I would ask him.

*The Chairman:* You cannot ask questions of a member of the Committee.

22. *Hon. Mr. Mitchelson.*] When the whole of those machines are in full work, what number of hands are employed?—Seventy has been the greatest number hitherto; but that was without manufacturing sporting-cartridges. It is only within the last few months that we have expended £3,000 upon additional plant for this branch of the business.

23. Then, suppose your machinery at full work for both sporting- and rifle-ammunition, what number of hands would you employ?—150 hands. As things are now, without the Government continuing their orders for rifle-ammunition, and without any increase of duty on the importation of sporting-ammunition, it will practically mean that we shall have to close our works. The Government have indeed promised to take all the ammunition they want from us: that is an unknown quantity; not for Sniders.

24. *Mr. Pinkerton.*] And why not for Sniders?—Because they are going to change the arm. They have given us no notice that they proposed to discontinue their orders for Sniders. We have now a plant which can manufacture anything required.

25. *The Chairman.*] You say you cannot use up the material you have on hand. Why?—For the following reasons: The R.T.G. powder is only suitable for Sniders and filling shells. The brass for Sniders is not quite so strong as that required for the manufacture of Martini's, not because it will not bear the charge, but because it will not bear the severe strain of "choking" at the mouth of the cartridge.

26. *Hon. Mr. Mitchelson.*] Then, the only thing that would be practically useful would be the lead?—The lead is worthless; if not made into a bullet it is useless. Snider lead is pure lead. If there is any alloy it would be useless. If it is too soft it expands, if it is the least too hard it is useless. The Martini-Henry bullet is a hard bullet. It is more expensive. The one-twelfth part of the Martini-Henry is tin. It is squirted into rods to make the bullets. The lead would have to be sent back to Melbourne; the work on bullets would be thrown away.

27. *Mr. Pinkerton.*] Then, they are of no use except as old lead?—No; except for old lead.

28. Have you any export trade at all?—Yes; a little with Victoria and a little with New South Wales. So far as military ammunition is concerned we are tied out of Victoria.

29. *Hon. Mr. Mitchelson.*] Have you a copy of your agreement with Victoria?—Yes. It gave us a bonus of £5,000, and offered to make it £10,000 if I would erect the plant at Albury instead of at Leamington. But the want of labour precluded that; there are no people there.

30. Did they give you the land necessary?—They gave me 5 acres of land for building purposes, and two ranges—one of 1,700 yards, the other of 900 yards—for 999 years, or so long as it should be used for carrying on the work of an ammunition factory.

31. *Mr. Lawry.*] So that, if you cease to manufacture ammunition, it reverts to the Crown?—Yes.

32. I should like to ask you whether you have any testimonials from Volunteers?—Yes; I have a letter from the Secretary of the Rifle Association, which was shown to the Secretary of Defence, to yourself among others, in which he states that it was the best and most even ammunition he had ever shot with.

33. That, you say, came from Captain Somerville?—Yes; but the best testimonial I have, and which probably would be most depended on, is the report of the different Inspectors appointed from time to time by this Government to test and report. I have not got it with me. I shall be happy to supply this, as also the letter from Captain Somerville. I saw Colonel Goring before coming away. He told me that all his reports upon the ammunition had been highly favourable. So far as he was concerned he said it was as good as ever he wished to shoot with.

34. Did you want the Committee to examine Sir George Whitmore?—Yes.

35. As to the encouragement you received?—Yes; he was the person through whom I made the agreement with the Government.

36. That was before you began to manufacture ammunition at all?—Yes; before going to England and spending £15,000 more than otherwise I needed to have done. That was in 1887. Sir George Whitmore and the Hon. Mr. Ballance were the persons with whom I dealt entirely.

37. *The Chairman.*] I wish to ask you whether you have seen the present Defence Minister on the subject. How does he propose to deal with this difficulty?—The Hon. Mr. Seddon says it is a commercial transaction—that we ought to have known that the arm was going to be done away with: therefore he does not see that the Government are under any obligation to us on account of the material we have on hand. But, on the other hand, he wishes to assist the company to the best of his ability, and will take, all things being equal, any ammunition the Government wants in the future from the Colonial Ammunition Company.

38. *Mr. Lawry.*] I suppose you would be prepared to sell to the Government at the price it could be invoiced here?—I am ready to sell and supply to the Government at the current contract price, whatever that may be, at which Messrs. Eley Brothers supply the War Office with ammunition for the use of the Imperial army, plus the usual charges for freight, insurance, and other charges hitherto paid by the Defence Department for delivery in New Zealand.

39. *Mr. Pinkerton.*] But you would not enter into any cut-throat competition?—We could not manage it. Last year was the first year that the company made one sixpence, and that amounted only to 4½ per cent., although they had been seven years carrying on the work.

40. *The Chairman.*] Does it appear to you that the ammunition and stores you have now on hand are equal to any future demand that might be made?—Yes; for both sporting and military.

41. Both the Snider and Martini-Henry?—Stores for Martini-Henry are not yet ordered.

42. *Hon. Mr. Mitchelson.*] I understand you to say that you made this proposition to the Minister of Defence in Auckland while he was there?—Yes. We cannot do it for less than the Imperial Government pay to get it for the War Office.