

MINUTES OF EVIDENCE.

TUESDAY, 5TH SEPTEMBER, 1899.

W. H. HARGREAVES, Chairman of the Westport-Cardiff Coal Company, examined. (No. 1.)

1. *The Chairman.*] We understand that you can give the Committee some evidence as to the price of coal throughout the colony. The Committee would like to hear what you have to say. Your position as chairman of the Cardiff Coal Company will no doubt enable you to speak with some authority?—In the first place, the company I represent started to put out coal in November, 1894—that is the Westport-Cardiff Coal Company. About eighteen months prior to that we took up our lease of about 2,000 acres, and we were ready to put out coal in July, 1894, but circumstances beyond our control prevented us, and we ultimately got to work putting out coal in November, 1894. At that time and prior to that the price of Westport coal, in the Lyttelton market at any rate, that is for Canterbury, ranged from £1 8s. 6d. per ton alongside the ship in Lyttelton down to £1 5s. 6d., that is for screened household coal. That was just prior to our commencing operations. The price of steam coal at that time, and prior to the commencement of our operations, ranged from £1 1s. 6d. to £1 3s. 6d. per ton, ex ship at Lyttelton. That was for steam coal needed for the large ocean-going steamers, as well as those of a smaller character. Then there is a class of coal we call “nuts” and “small.” This is used for bunker coal on some of the steamers. I think the average price of this coal was from 18s. to 19s. per ton, ex ship at Lyttelton, prior to our starting. Take it at the lower rate. At that time, although the Mokihinui Coal Company was nominally in existence, it had no body of coal to deal with, and did not count as any factor in the price or supply; and, naturally and properly, the Westport Coal Company not only held a monopoly but was supplying coal that was equal in quality to any in the southern seas.

2. That is prior to your company starting?—Yes. The result of our commencing operations proved the necessity, in the first place, of reducing the price if we desired to get a footing, and we did so. We brought our prices down in 1894. We commenced selling screened household coal at £1 4s. to £1 5s. The bulk of what we were able to produce was sold at the lower price, £1 4s., that is at Lyttelton. The difference in price to other ports would be only a question of freights. Then the “nuts” and “small” coal, which I referred to as selling at 18s. we brought down to 15s. 6d. That was in 1894, and of course we had only two months’ output in that year. In 1895 we brought down the price of screened coal for household purposes to £1 3s., £1 2s. 6d., and £1 2s. The price of unscreened coal we brought down to 18s., and “nuts” and “small” ranged from 15s. 6d. to 16s. 6d. The quality of our coal was found to be very superior, and we were able to get a higher figure for this class of coal afterwards than when we first started. In 1896 our price was £1 3s. and £1 2s. 6d.—that is for screened coal, 18s. for unscreened, and 16s. for “nuts” and “small.” In 1897 our price throughout was £1 2s. for screened coal, 18s. for unscreened, and 14s. 6d. and 14s. for “nuts” and “small.”

3. *Mr. Holland.*] Might I ask where those prices are for?—Ex ship at Lyttelton—at the ship’s slings. In 1898, our price maintained for screened coal was £1 2s., unscreened coal 18s., and nuts and small 14s. I had better tell the Committee that with regard to unscreened coal and nuts and small a very important reduction had to be made on these prices in the case of contracts.

4. *The Chairman.*] That is in addition to those prices?—The prices I have given are those for ordinary consumers. With regard to the Government railways we are supplying first-class unscreened coal at Lyttelton at 16s. ex ship. Then, with regard to nuts and small coal we supply a large proportion of it to important customers, like the Union Steam Ship Company, who do all our carrying, and we are obliged to sell it at the prices of the other companies. The bulk of this coal is supplied at 7s. 3d. free on board at Westport. These are the prices chiefly that we obtain for our coal. Then comes the question of freights. I do not know that I need give you the freights of previous years, but I will give you the freights at present paid. The same freights will govern the other ports as well as Lyttelton. The present freight to Lyttelton is 6s. 3d. per ton from Westport, and it is a very reasonable rate indeed. I do not think the Union Company make anything out of it to speak of, and as they have to steam to time I regard it as a very reasonable rate for Westport coal, considering the distance. We may take the distance at forty-eight or fifty hours’ steaming: 6s. 3d. per ton may seem a very large rate as compared with the Newcastle rate, which takes six days; but there is this to be said, that the appliances with regard to loading the ships are better, and the ships coming down from Newcastle not only bring large numbers of passengers and great quantities of goods, but they also take away return freights. Therefore I do not think we need set up any contrast between the Newcastle and Westport rates. Then, again, there is the character of the coal itself. Westport coal has no counterpart in the Newcastle coal. As far as I understand there is no coal produced like the Westport coal. The Newcastle coal fails in comparison in consequence of the large body of ash that remains. With Westport coal anything in the way of refuse burns completely away. With regard to the output of my company, for the two months from 1st November to 31st December, 1894, we put out 1,156 tons of screened coal, 1,184 tons of unscreened, and 1,361 tons of nuts and small. For the year ending 31st December, 1895, 7,048 tons of screened coal, 16,906 tons of unscreened, and 8,528 tons of nuts and small. For the year ending 31st December, 1896, screened coal, 5,651; unscreened, 25,404; nuts and small, 10,250. For the year ending 31st December, 1897, screened coal, 11,936; unscreened, 27,819; nuts and small, 14,307. For the year ending 31st December,