

62. Because you would save the cost of two screenings, and you would save the cost of cartage at the wharf, as before you screen you must take it to the yards?—Yes. I would here like to say that when we took up the carrying for the Westport Company their shares could not be sold for half a crown, and certainly we have been the means of developing the coal trade throughout New Zealand. We have used our steamers to open up new sources of trade, and our shareholders have not had much out of it. I do not think 6 per cent. is enough to pay on steamboat risks.

63. Do you not think it would be also cheaper if the coal was taken from the ship's side at the port of destination? Why should it not be done?—Consumers can get it from the Westport Company from the ship's side in some places.

THURSDAY, 5TH OCTOBER, 1899.

Hon. H. J. MILLER, M.L.C., examined. (No. 16.)

1. *The Chairman.*] You are chairman of directors of the Westport Coal Company?—Yes.

2. Will you state the terms on which coal is carried from Westport to the different ports of delivery within the colony, and if it is correct that an understanding exists—or, rather, an agreement—between the Westport Coal Company and the Union Company whereby peculiar advantages are given to the Union Company in carrying coal to the various ports?—The freight to Wellington, Lyttelton, and Dunedin is all at a fixed rate, also to Napier. They are all fixed rates.

3. We have the freights, but you know that it is contended by some people (I will not say whether the statements are true or not) that, in consequence of an agreement between the Westport Coal Company and the Union Company, any outsider sending a vessel to Westport for coal for transport within the colony is not able to obtain a cargo?—That is not true. At the present moment coal is being carried for the company by other steamers not belonging to the Union Company. I may state that there is not any agreement whatever between the Union Steamship Company and the Westport Coal Company, except for the mere purpose of carrying coal. That is the only agreement between them. No advantage is given to the Union Company over others. The Westport Coal Company invite competition as much as they can.

4. The reason I ask you this is to enable you to place a denial on record. Not very long ago a gentleman at Westport told me that he knew of a vessel coming to Westport for coal and not being able to get it?—I do not know what those circumstances were, but any vessel can get coal there. There is no agreement between ourselves and the Union Company to prevent them.

5. There is no agreement whereby anybody else is debarred?—It is purely a matter of freight between the Union Company and the Westport Coal Company, and there is no other agreement of any kind. We could determine the agreement at once, or within a reasonable time. I should like to be allowed to say to the Committee that when the Westport Coal Company first started, and the Committee no doubt are aware, the competition of the Newcastle coal threatened to swamp our coal, and it was with a view of contending against that competition that the Union Steamship Company and the Westport Coal Company entered into this arrangement; but for that arrangement I think I may say that the company would have been overwhelmed. The two companies have worked together fairly amicably. The original arrangements have been modified to a certain extent from time to time, as circumstances compelled or occurred. In a large business such as this it is quite easy to see that, owing to unforeseen circumstances, various difficulties were met with which created a certain amount of friction, but they have always been adjusted; in fact, the companies have always worked together on a reasonable basis throughout. The only arrangement is freight.

6. As a matter of fact, are steamers ever kept waiting in Westport?—On several occasions steamers have been kept waiting.

7. To what cause do you ascribe that: to inadequate accommodation?—Owing to there being too many vessels. On one occasion, I think, they were sending coal to San Francisco, and there was some friction. You cannot guarantee that a steamer would not be kept waiting; the weather has a great deal to do with it. Sometimes the ships cannot get in; if a great number get in at once they must wait.

8. What is the immediate outlook for your company in respect of foreign trade?—The company has sent to Valparaiso, but only one cargo, and they have sent several cargoes to San Francisco. I may say that when we first took steps to create that trade we were informed we would have to make a large sacrifice in order to establish a trade in San Francisco. The Australian people said that the experience of the Newcastle coal people was that it cost them from £15,000 to £20,000 to get into the trade; but our coal took its position in the market in the very first instance. It is purely a question of freight which has stopped the trade in the meantime.

9. What quantity of coal is your mine at present equal to putting out?—Well, I think our output may reach between 8,000 and 9,000 tons in the week.

10. What is the maximum?—That is a question difficult to answer, because we do not know what the development will be in the immediate future; but, if all the present developments are carried out as the company expects, I think it would be quite safe to say we could put it at 1,500 tons a day.

11. Is your output limited in any way by the carrying-capacity of the incline-tram to the hill?—Yes, very much; in fact, completely so. It has never been 1,000 tons in the day at Denniston yet.

12. You are able to meet orders promptly as things stand at present?—I think so. I am not aware that we have ever been prevented, though the weather is a very large factor.

13. Leaving that out, what is the cause of the delays you have referred to?—The vessels not being able to get in and out.