39. And that would make a substantial reduction in the price of coal?—Yes. If you took the unscreened coal at the ship's side, that is £1, to which there is added 1s. wharfage; and then there is the cartage. It would come to about £1 4s. delivered in most parts of Wellington, though I do not know what they would charge up steep hills.

40. *Mr. Morrison.*] You are chairman of the board of directors of the Westport Coal Company?—Yes.

41. You have occupied that position for some time?—Yes.

42. Would you kindly tell us the number of years you have acted as chairman?—I think about five or six years, but it may be more.

43. But you have also been directly connected with the board of directors since the inception of the Westport Coal Company?—I did not go on to the board till about 1885. I think it was 1886.

44. But we understand that you have been on the board of directors, between chairman and director, for the last fifteen years?—For thirteen or fourteen years.

45. Would you give the Committee some idea of the capital of the Westport Coal Company?—£207,000—that is, after writing off 10s. a share.

46. I would like the original amount?—£250,000.

47. Was the original amount of capital called up?—Yes.

48. Since then it has been found necessary to write off 10s. per share?—Yes; about £35,000.

49. And you put a large number of shares on the market later on?—No. The company was originally formed with a capital of £80,000; but in 1884 or 1885 it was increased to £400,000—80,000 shares at £5 a share.

50. Would you kindly continue to describe the position of the company from that date to the present, so far as its capital is concerned?—£3 10s. has been called up, and there is a liability of £1 10s. The company lost about £80,000 in Greymouth, and they have been struggling against that ever since.

51. How did they lose it?—They lost it through the great number of faults in the mines they worked—that is, in purchasing useless mines.

52. Could you give us the names of some of those mines?—First, there was the Wallsend, and they spent £20,000 in sinking a shaft through the sandstone, and more in machinery. Before they had worked that long they came upon a very bad fault. They then purchased the Coalpit Heath for some £15,000 or £16,000, which turned out a duffer. They then proceeded to work under Taylorville, but before they got very far they came to a downthrow, which completely stopped them. The company was then amalgamated with the Brunner, and practically the Brunner Mine is the only mine worked since. Of course, these operations entailed very heavy losses on the Westport Coal Company, and very nearly smashed them up. It was in consequence of these losses that the 10s. was written off.

53. Can you give the Committee any idea when the Westport Coal Company commenced to pay dividends, and what amount?—Well, the company did not pay dividends for a great number of years—eight, or nine, or ten years, I think; but they have paid in the course of the last seventeen years an average of 4 per cent. That, of course, includes the years they did not pay.

54. Are we to understand from that that the original shareholders, who invested their money in the Westport Coal Company at its inception, have received a return from their capital of 4 per cent.?—That is so.

55. I suppose your output is increasing year by year?—Yes.

56. What was your output for last year?—I think about 280,000 tons; I am speaking from memory.

57. I suppose you are familiar with all the methods the coal goes through from the time it leaves the face till it reaches the consumer?—Yes, fairly so.

58. What price per ton do you pay your miners?—I think it is 2s. 4d. Of course, I have to deal with general matter, and my memory is a little treacherous about the details.

59. The ground you work is what is known as Crown property, and you hold it direct from the Crown?—Yes.

60. How many acres do you hold in the whole of your properties?—5,430 acres.

61. What royalty do you pay to the Crown?—6d. a ton.

62. On all coal?—I may say that our royalty, our haulage, and our rates and taxes will this year come to close on £48,000, payable to the Government.

63. You are familiar with the method of loading at Westport?—Yes, I have frequently seen it.

64. Do you think that that method of loading by the staiths is an advantageous one from the coal-producer's point of view?—There is no doubt but that it breaks up the coal a good deal. The river of coal that runs down from the staiths must break it up a great deal.

65. Is there any other method you would suggest that would be better?—I think the method they are adopting is a better one. They have one steam-crane, and they contemplate having another.

66. Loading by the steam-crane would not be as speedy as the other method is?—I am not able to answer that question. The crane lifts the truck up bodily. I do not know what the difference is in expedition, but, I take it, not very much.

67. That system has been in operation in the Old Country as long as I remember. You are aware of the freights you pay the Union Company for carrying the coal from Westport to the various ports of the colony?—Yes.

68. What are the freights?—The freight to Wellington is 5s. 3d., to Lyttelton 6s. 3d., and to Dunedin 7s. 3d.

69. Have you any idea of what the coal costs the company before you can put it on board the boats at Westport?—Well, I know what the average price is. The average f.o.b. price at present is about 10s. 5d.

70. Free on board at Westport?—Yes. Of course, the haulage and royalty have to be deducted and that gives the price at the pit's mouth 7s. 8d.; out of this the profit has to come.