

1900.
NEW ZEALAND.

COAL COMMITTEE.

(REPORT AND EVIDENCE.—MR. O'REGAN, CHAIRMAN.)

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

FRIDAY, THE 25TH DAY OF AUGUST, 1899.

Ordered, "That a Select Committee of ten members (three to form a quorum) be appointed to inquire into and report to this House on the prices charged for coal in the various centres of population; the Committee to have power to call for persons and papers, and to report within twenty-one days: the Committee to consist of Mr. Carson, Mr. Duthie, Mr. Hogg, Mr. Holland, Mr. Lewis, Mr. Morrison, Mr. O'Regan, Mr. Pirani, Mr. Tanner, and the mover."—(Rt. Hon. R. J. SEDDON.)

REPORT.

YOUR Committee has held in all eleven sittings, and has examined fifteen witnesses; and although, through the late period of the session at which the investigation was begun, the subject of inquiry has not been gone into as exhaustively as would otherwise have been the case, sufficient information has been obtained to enable your Committee to state the chief causes which conduce to the present high prices of coal prevailing within the colony, and to indicate how the same may, in its opinion, be materially reduced. The evidence clearly establishes the fact that the prices obtaining are by no means due to the hewing-rates paid the miners; in fact, your Committee would like to record its opinion that in no case, so far as the inquiry has gone, does there appear to be the slightest reason to believe that the workmen's wages are excessive. The hewing-rate at Dennistown, for instance, averages 2s. per ton, and the actual cost at the pit-mouth there is about 7s. per ton, which, with charges *en route*, including railage, brings the price to from 10s. 3d. to 11s. f.o.b. at Westport. It is also sufficiently clear, from the large amount of capital invested (and of which much has been absolutely lost) in the industry on the West Coast, and the small returns accruing, that the shareholders in the various companies receive no undue remuneration for the risks undertaken.

Certain of the evidence refers to the method of working the Coalbrookdale Mine, and it is contended that coal obtained by using the machine known as "the iron man" is considerably more broken than that obtained by the old method. While these statements are far from being established, your Committee suggests that they should receive the attention of the authorities whose duty it is to see that the provisions of the law in respect of coal-mining are enforced, and whether legislation is necessary to prevent any needless waste of coal.

The evidence does not establish the existence of any arrangement between the Westport Coal Company and the Union Steamship Company by which the latter secures preferential treatment in the matter of obtaining cargoes of coal. Nevertheless, the existing law seems defective, in that it applies only to coal being supplied to vessels for actual steaming purposes. (*Vide* section 17 of "The Coal-mines Act, 1891.")

In connection with the haulage-rates for coal, the evidence shows that they are high in comparison with those obtaining in New South Wales. Though the question is comparatively of small importance to mines situated in immediate proximity to ports of shipment, it becomes of much weightier consideration in connection with the working of more distant mines.

The evidence shows beyond doubt that the West Coast coal is of an exceptionally friable nature, and therefore subject to considerable deterioration in transit. While there is some difference of opinion as to whether steam-coal suffers material damage by loading at the staiths at Westport, the weight of evidence supports this contention. As to screened—that is, household—coal there is no difference of opinion, every witness emphatically affirming that, in respect of this class of coal, considerable breakage and consequent loss results from running the coal down the shoots into vessels. The fact that this is the unanimous testimony of witnesses whose practical knowledge entitles their evidence to the fullest credence leaves no doubt with your Committee that the present wasteful system of loading should be superseded as speedily as possible by the hydraulic crane system. As the Westport Harbour Board is now providing extensive crane-wharf accommodation, there is reason to hope that this ground for complaint will not long continue. But your Committee feels it necessary to emphasize the point that the staiths system of loading is an important element in the ultimate cost of screened coal, involving as it does a loss, through breakage, up to an additional cost of 3s. per ton.

As to the freights for the sea-carriage of coal, it is significant that, while the rates charged from Westport and Greymouth to Wellington and Lyttelton are 5s. 3d. and 6s. 3d. per ton respectively, the rates from the same ports to Nelson range from 8s. to 10s., to Picton 10s., and Foxton 11s. An agreement—or, at any rate, an understanding—appears to exist between the Union Company and certain other companies, the effect of which is that, while the former does not compete in the carriage of coal to Nelson, Foxton, Wanganui, and several minor ports, the latter carry little, if any, coal to the larger ports. There is nothing to show that the freights to the larger ports could not be reduced, and your Committee has no hesitation in affirming that the rates charged to Nelson and the smaller ports are far too high. Under ordinary circumstances, competition would be a most efficient corrective in this respect, but existing conditions do not allow it to operate.

The witnesses are unanimous in stating that the market-price of coal would be considerably lower if screening were abolished, and the coal supplied to the consumer from the ship's side in the same state as that in which it leaves the mine. The actual cost per ton, including wharfage, 1s., when the coal reaches Wellington is shown to be about 17s. 3d. The coal is then disposed of to dealers and others at £1 2s. 6d., which apparently leaves a profit of 5s. 3d. per ton. The evidence shows that charges are then added by the dealers as follows: Cartage to yards, 1s.; screening and trimming in the yards, 1s.; and bagging, 6d. An additional cost of 2s. 6d. is ascribed to managerial expenses, &c., and a further 2s. is set down for loss through screening; and a charge of 2s. 6d. is made for delivering the coal within the town area, irrespective of distance. These charges total 9s. 6d., which, added to the cost at the ship's side, brings the total cost to £1 12s. per ton, the dealers charging consumers £1 14s. It is only reasonable to presume that there is a profit on each of these processes, and it is manifest that, by adopting the system above referred to, and introducing a better method of loading at Westport, leaving out of calculation the possible saving in connection with railage and freights, a very considerable reduction could easily be effected. The evidence further shows that, if this method came into vogue, the quality of the coal would still be almost, if not fully, equal to its present high standard. At any rate, it seems clear that the saving to be effected would more than compensate for any possible deterioration in quality—at least, so far as concerns the great mass of consumers. The advantages of the proposal appear so plain that your Committee considers it not a little remarkable that the public have not so far been made acquainted with them. There is not the slightest doubt that the repeated handlings to which coal is now subjected entails considerable loss and adds materially to its price, and, without going so far as above suggested, there is no reason to doubt that a great reduction in price to the consumer can be effected, and a consequent stimulus given to the coal trade. Although these details are given only in respect to the City of Wellington, there is no reason to doubt that they apply with equal force to the other larger centres of population.

It is a matter for extreme regret that those who, in consequence of the defects of the present system of distribution, pay the highest prices for coal are the poorer people of the community, since those who are better off can pay for larger quantities, and therefore obtain better terms. Although the market-price of coal in Wellington—and this, no doubt, illustrates the position in the other large centres—is given at £1 14s. per ton, the evidence shows that the poor pay something like £2 per ton; and it is worth while remarking that, even if poverty did not preclude their purchasing larger quantities, the small space within which many of the poorer classes live, in Wellington at any rate, affords no room for storage, and it is therefore not possible for them to take any but small parcels at a time. Your Committee has been chiefly concerned with the question as it affects the largest class of consumers, and feels that it is not necessary to emphasize the importance of effecting a change the result of which will be generally beneficial, but more especially to those whose condition entitles them to the greatest consideration.

Your Committee also directs attention to the fact that, while the coal supplied in larger quantities is subject to the weighbridge test, such is not the case in connection with that supplied in smaller quantities; and, while not wishing to impute dishonesty to coal-dealers as a class, your Committee cannot help noting that under the present system of distribution the smaller—that is to say, the poorer—consumer has no safeguard against possible deficiency.

An evil alleged to exist relates to the quality of the coal distributed. It is stated that not infrequently inferior coal is represented as first-class, and sold for household purposes at the maximum price, or is mixed with coal of a better quality. This is a serious matter, because, although there is no waste with the best New Zealand coal, its mixture with inferior coal implies waste and loss to the consumer.

Your Committee therefore recommends,—

1. That as soon as practicable the railway-haulage rates in respect of coal should be revised on the principle of giving relief to those properties most remote from ports of shipment.

2. That section 17 of "The Coal-mines Act, 1891," should be amended so as to apply the same safeguard now provided in respect of vessels requiring coal for steaming purposes to those requiring coal for cargo.

3. That it appears advisable that the present system of loading screened coal by staiths at Westport should be superseded by the hydraulic-crane system.

4. That the Government obtain expert information as to the price at which coal can, at a reasonable profit, be conveyed by sea; and, failing the adoption of such scale by the companies interested, that the Government take into consideration the advisability of procuring steamers for the purpose of conveying coal (purchased by the Government at the ports of shipment) to the various ports now being supplied from the West Coast, and the opening of retail agencies under State control.

5. That legislation should be passed providing for the weighing of all coal retailed to consumers, and affording buyers the fullest facility for satisfying themselves as to the weight of their purchases.

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,

1898, screened coal, 12,984 tons; unscreened 30,710; nuts and small, 17,257. To the 31st July of the present year—that is for seven months—screened coal, 5,445 tons; unscreened, 13,159; nuts and small, 8,990 tons. That gives a grand total of 220,000 tons in round numbers. I would like to call the Committee's attention to the proportion of screened coal put out. Out of the 220,000 tons of coal mined we obtained 44,224 tons of screened coal, practically one-fifth. Out of that 220,000 tons of coal mined we produced 115,000 tons of unscreened coal, and over 60,000 tons of screenings, or nuts and small. These proportions of the various classes have a very important bearing on the price of the coal, for this reason, that the cost of the coal is very considerably increased by reason of the very small proportion of screened or profitable coal that comes out of the mine in our case. We have only one-fifth of the total output upon which to make a profit, and I may say that the bulk of the remainder is sold at a loss practically. We look to our profit to be made out of the household coal; hence it is that the public may imagine that the price of Westport coal for household purposes is unusually high. The reason it is high is because of the very small proportion of good coal you are able to get out of any mine. I am not able to say what the Westport Coal Company are getting, for the simple reason that their seams are more regular than ours, and they have a much larger body of coal to work, and their country is well settled and undisturbed, whereas ours is broken up and the coal soft. In most places the bulk of our coal is soft and crumbles in working it, and therefore we are only able to get a small proportion of screened coal. I daresay the proportion of screened coal would be much less than that of the Westport Company's coal. While that is so, the quality of the soft coal is first-class. It burns a little quicker, but it burns cleanly, and gets up and maintains the steam. I have no doubt a large proportion of this soft coal could be brought into the market and sold, although not at a profit at first, but eventually, if proper provision were made for its shipment.

5. Instead of being shipped at the staiths, if it were shipped at the crane wharf?—Yes. You are aware of this, but the Committee may not be aware that the Harbour Board at Westport have immense staiths, and it is necessary for the Union Company's steamers to go alongside these staiths and take the coal in from the shoots. I will leave the Committee to consider what state the soft coal must be in when it gets to the bottom of the hold. Even the best coal is destroyed, as it has to fall on an average 30 ft. It ranges from 20 ft. to over 40 ft. in some cases. I think the coal drops over 40 ft.; and in order to keep the ship upright during the loading it is necessary to erect a strong wire-netting half-way across the hold, tautened, and the coal is shot down the shoots, striking the netting in its descent, with the result that a large amount of it is reduced to dust, and by the time it reaches Lyttelton we have lost from 30 to 40 per cent. of it. This is a terrible drawback. These are all elements that enter into the value of coal.

6. You might explain whether the breaking up of the coal affects its value for steam purposes—Yes, very injuriously.

7. All classes of coal?—Yes. It requires special bars to preserve the coal. The Westport coal will not hold together; if you disturb it it will drop through the bars. It is not like the Grey coal—although Westport coal is highly bituminous it will drop away—whereas the Grey coal will all cake together; so that the smaller the coal the more waste there is unless you have special bars.

8. The Westport Harbour Board realises the force of what you are saying, and is now building crane wharves?—Yes. I have no doubt that when that system is adopted a great proportion of the soft coal might be exported, because if a truck-load is put down bodily into a ship it insures the good condition of the coal, and you might be able to get rid of it, as it is of good quality. In the meantime, it is ruinous to any company that has not large means. I think that is all I have to say with regard to the price of coal.

9. *Mr. Pirani.*] The prices are quoted at Lyttelton; what quantities are they for?—Wholesale quantities.

10. Very large quantities?—The coal trade is reduced to very small dimensions so far as the dealers are concerned. They will not take large stocks.

11. What would you say is the minimum?—We cannot sell less than one truck. The dealers take from one truck upwards.

12. Is there any possibility of the company conserving the coal by bagging it at Westport before shipping it?—No, it would increase the cost materially.

13. Why would it be more expensive for the company to bag it than for the retailers?—The retailers have to screen the coal after they receive it. Every time this coal is touched it means breakage. One of the most important features in shipping is the despatch of the ships; if a ship stays over one night it is a dead loss. The thing that a shipping company relies on is quick despatch, otherwise freights must go up. An alteration in the present Harbour Board appliances for shipment is very much needed, and I think the bag question could be got rid of if the staiths were razed and hydraulic cranes provided in place of the present system. I think they could get the steamers away just as readily. By this system the truck is put down into the ship, and the coal is preserved. The only difference would be the trimming, and that is reduced to a minimum.

14. I suppose if the coal could be landed at the place where it is retailed in the condition you get it out of the mine it would be all useful for household purposes?—Undoubtedly.

15. The injury to the coal is really in transit?—Yes. The Westport Coal Company have recently, and are still experimenting in this way; they are shipping all unscreened coal to Lyttelton, and have gone to the trouble and expense of erecting a screen on the hulk, and when the steamers arrive the hulk is placed alongside the wharf, and all the screenings drop into the hulk, while the screened coal goes direct into the truck, and the result is that the dealers in Canterbury are getting Westport coal in a much better condition than they did before; but the Westport Company have been compelled to raise the price by 1s. 6d. per ton. We have not got

the appliances for anything of that sort. The dealers do not complain at having to give the extra price, because they can take the coal direct into their bags, whereas, if they had to land it at one of the railway sidings, or cart it away in their own carts, it would have to be screened, because householders will not take coal unless it is screened. My experience is that it will cost quite 2s. a ton to screen the coal and provide for the loss.

16. *Mr. Tanner.*] With regard to the system of freights adopted, how many companies are engaged in conveying the coal from the West Coast round to Lyttelton?—At present the only mines working on the West Coast of the Middle Island are the Westport Coal Company and ourselves in the Westport District, and the Brunner and Blackball Companies in the Grey District.

17. What steamship companies convey that coal?—The Union Company takes the bulk of it, and the Anchor Line, of Nelson, and the New Zealand Shipping Company's boats, which are used for the Blackball coal, and occasionally a few small steamers owned in Wellington, Wanganui, and further north. They take coal to some of the smaller ports, such as Patea, Wanganui, and Foxton.

18. The voyages of these small steamers you refer to are confined to ports in the northern part of the colony, and do not affect the price in Lyttelton?—No; these small steamers could not take coal to Lyttelton.

19. The Anchor Line boats take coal to Nelson?—Yes.

20. Do they take it anywhere else—to Lyttelton?—Never to Lyttelton.

21. Do the vessels of the New Zealand Shipping Company take the coal for the use of the New Zealand Shipping Company's vessels only?—No, but chiefly so.

22. Then the transport of coal to Lyttelton is mainly in the hands of the Union Steam Ship Company, with an occasional vessel belonging to the New Zealand Shipping Company?—Yes, but the New Zealand Shipping Company use the Blackball Company's coal, to whom the boats are under charter. There is an arrangement, by which these boats run interchangeably with the Union Company.

23. In other words, the supply of coal to Canterbury is in the hands of the Union Company?—Yes, as regards carrying.

24. Do the Union Steam Ship Company purchase the coal as it leaves Westport?—No, they are simply carriers; but they use a large quantity for themselves. As far as we are concerned with the Union Company, small as our company is, we have been treated exceptionally well, very well indeed; and I may say further that at the present time, and for some time past, as the Chairman of this Committee knows, we have been in very deep water, and the Union Company have come to our assistance and taken very large quantities of coal from us to keep us going. I can only speak in terms of the highest praise of the Union Company for the way in which they have treated us, and they desire to keep us going, because they know it is to their own interest that the Westport coal-mines should be kept open, and it is to the interests of the public also.

25. I am not questioning in any way the Union Company carrying coal, but I want to know in the interest of the local purchasers, whether the Union Company, when it carries coal to Lyttelton, passes it through the hands of a single agent. It is quite possible for any person to order a consignment of coal to be sent round from the West Coast to Lyttelton, and to take delivery there?—Only through the mine-owners. They could not order it through the Union Company.

26. Have the Union Company any particular agent in Lyttelton?—Yes. They have a chief office in Christchurch, but all the arrangements are made between the companies and the head office in Dunedin. We have a specific arrangement with the Union Company for carrying coal to any part of the colony, and I believe we are on exactly the same terms with the Westport Coal Company.

27. Does your coal find any other market than Lyttelton?—Yes; we have shipped occasionally a little to the Bluff, very little to Dunedin and Timaru, none to Oamaru, to Lyttelton and Wellington. We have an agent in Wellington, and we have a very fair share of the trade. We have an agent at Nelson, another at Napier, and we have an occasional shipment to one or two other small ports; but our position is that we have not got the coal to supply. We have given up Wanganui and Timaru, and have almost given up Wellington. We are almost confined to Lyttelton, and the bulk of all this coal has gone to Lyttelton, where we obtain the highest prices. The reason that we do not supply other ports is because the mine is in such a position that it is doubtful whether we shall go on at all. It goes without saying that, if we close down, the price of Westport coal must go up. It is coal of a special character that cannot be produced in any other part of the colony, and the Westport Coal Company have a perfect right to make something out of it. Incidentally, as far as the Westport Coal Company is concerned, I would like to say this on their account, although they do not know that I am giving evidence here to-day: they have a capital and borrowed money in their concern of about £310,000, and no provision has ever been made to make a start to recoup, or make provision for recouping, the large amount of money which has been invested, save £2,000 put specially to a reserve fund last year. The general public do not seem to realise the difference between investing money in a coal-mine, where every day your principal is diminishing, and investing money in freehold property. In freehold property your money is secure, and if your mine is a success you may declare a dividend, but provision must also be made for repayment of capital; it is, therefore, a very important thing for a company to make this provision. We are in this dire position: in the early days of our existence we believed that we had a first-class property. It is not too much to say that the Westport-Cardiff Company's mine is the only mine which has been successfully started and worked from the start. We never had a single concession given to us, and we have managed to make, during the first three or four years, what was a very good profit. But, suddenly, we were beset with very serious difficulties; not

only were there faults discovered of from 20 ft. to 60 ft., but occasionally we were hemmed in by a framework of stone coming down vertically, and the men had not room to work; they were practically in a frame of from 8 ft. to 10 ft. This increased the cost of coal-getting, and smashed the coal up, and we found that our costs were increasing. Not only were there enormous faults, but we had to abandon the whole of the rise workings and to commence working to the dip, and to put in expensive pumping apparatus. Altogether, we had to spend close on £5,000 on extra plant and for pumping operations, while we also had to look ahead to provide power to extend our workings. All the original mine workings have had to be abandoned, and we have now, practically, had to open up a new mine. We have been "in trouble" since we started our new mine, and the result now is that our coal is costing us more to produce than we get for it. That is partly because of the faults and the intermixture of stone in the coal.

28. This accounts for the diminished production during the seven months of this year?—Yes; not only that, but the coal is diminished in quantity and its quality affected, and we are in a thicker trouble than we have been since we started. If the Government desires, it can tell the Committee the position we occupy at present. About six months ago we found it necessary to give our men notice of the possibility of closing down. The village of Seddonville is near the mine, and there are probably about four hundred people there. The railway is valued nominally at about £80,000—that is, the extension of the Westport line from Ngakawau—and that line was built chiefly for the purpose of opening out this district to connect with the Mokihinui line. The Mokihinui Coal Company contemplated shipping their coal from the Mokihinui River, but one fine morning they found that they could jump across the river, and there was no trade there. During the Atkinson administration, provision was made to join the two lines, and to open up the district, but especially to open up the Mokihinui coal-mine. When this line was being built, our company was started, and soon after the Mokihinui Company found themselves in deep water, and eventually wound up. Now, the whole of that section of the railway is dependent on the revenue, with the exception of a very small goods-traffic, from the product of coal. Our company has contributed the bulk of the revenue—in round figures, about £9,000 a year. If we maintained our output, our contribution on coal alone would probably come to from £10,000 to £12,000 a year. Owing to the causes I have mentioned, the whole position has been altered. By reason of the numerous faults, and the very circumscribed area we are in now, all these things have tended to show us that it will be impossible for us to continue longer, as we are now working at a loss; and, further, we have spent the whole of our capital. We have spent altogether on the mine over £40,000. In consequence of our engineer's report, and the troubles we are in, we sent for Mr. R. B. Denniston, the well-known expert, to survey and report after consulting with our engineer, and the result was to this effect: First of all the best thing we could do was to open where we are now working. This has cost us between £2,000 and £3,000, and even if we are able to get the coal, we cannot go on because the coal is costing us more than we can get for it in the market. We must write down the amount of this £40,000, according to Mr. Denniston, to about £8,000, but according to our own engineer, and I prefer his view, to about £15,000 or £16,000. We have never paid anything to the shareholders of the company from the time we started, as all the profits have been expended in developing the mine, and that is the position we are in at present—our capital is gone. The only thing we have got is the plant, and the business as a going concern. The Committee will be able to judge themselves as to the possibilities of the district, and will probably arrive at a decision as to whether it is possible for the Government to arrange with us to keep this mine open.

29. *The Chairman.*] You claim that the effect of your company's competition with the Westport Coal Company has been to reduce the price of coal?—Yes; undoubtedly.

30. At Lyttelton?—All over the colony.

31. What was the price of Westport coal at Lyttelton prior to your going into the market?—I paid £1 8s. 6d. for screened coal, and then it was gradually reduced to £1 5s. 6d.

32. I think you said the present freight charged by the Union Company was 6s. 3d.?—Yes; to Lyttelton.

33. Which you consider a very reasonable charge?—Yes.

34. Has that freight been reduced in recent years?—Yes; it used to be 10s. about ten years ago.

35. Was it reduced gradually, from 10s. to the present rate?—Yes; it was reduced to 8s. 6d., then to 8s., and then to 6s. 3d.

36. Of course this had some effect in reducing the price of coal?—Yes.

37. Has the freight been reduced since your company started?—Yes; we paid 8s. 6d.

38. When you first started?—Yes.

39. But, notwithstanding your having to pay that 8s. 6d., you managed to reduce the price of coal?—Yes. The effect of the Westport-Cardiff Coal Company going into competition has been to save the consumer from £60,000 to £70,000 a year.

40. The Committee understands you to say that if the present system of loading coal at Westport from the staiths were abolished, and superseded by the hydraulic method, the effect would not only be an improvement in the condition of the coal, but to reduce the price?—I think that would be the effect.

41. It is contended by some people that the quality of coal for steaming purposes has not been affected by loading through the staiths, but you differ from them?—Certainly, there is no doubt about it. I make this distinction, that the quality of the coal is not altered, but the condition of the coal is, and the condition of the coal has everything to do with its payableness.

42. *Mr. Carson.*] I suppose the present loading is effective so far as despatch is concerned?—Yes.

43. But if altered, it would preserve the condition of the coal?—Speaking generally, that would be the effect. When we come to deal with our particular case, it might not enable us to reduce our price, but it would put our coal in a better position.

44. I understand that the Union Company can take all the coal that you produce?—In respect of carrying it they could take it all.

45. You gave us the freights to Lyttelton, can you give us the freights to other ports?—Mr. Kennedy will give these. We can get a higher price in Canterbury than in any other part of New Zealand. I am speaking of the wholesale price.

46. *The Chairman.*] Has the opening of the railway to Blackball had any effect in reducing the price of coal?—I think it undoubtedly has, but the Blackball coal is not of the same character as the Westport. It has had an influence in reducing the price. In speaking of our own or any other company coming in and effecting a reduction, I may say it has not only been a reduction to the public, but it has been a large reduction to the Government. The Government railways are getting coal from us at 16s a ton, which was at one time worth £1 3s.

FRIDAY, 8TH SEPTEMBER, 1899.

Mr. HARGREAVES'S examination, continued.

Mr. Hargreaves laid on the table, and offered as an exhibit, a plan of the ground leased by the Westport-Cardiff Coal Company (Limited), showing all the workings of the company, and the locality of the Cave District, proposed to be opened up, also a plan showing the Bridge District, now being worked. [Exhibits returned to witness.]

Mr. W. H. Hargreaves : I think I left off on Tuesday, Mr. Chairman, at the cost of coal to the Government. I think it might be well for the Committee if I gave the cost of the coal to the producer. I have before me here the return of the cost of our coal (the Westport-Cardiff Coal Company) from the 26th December, 1898, to the 18th March, 1899. These are extracts from our fortnightly pay-sheets from the mine. I will give the average of these pay-sheets. For twelve weeks the average cost of our coal at the bins, Seddonville, was 5s. 9d. per ton. To which has to be added the royalty, 6d.; commission, based on the sale of a 60,000 ton output, and the conduct of our business, 3½d.; the cost of management, 4d.; contribution to the miners' fund under the Act, ½d. per ton; the railage from Seddonville to Westport is 3s. 2d.; depreciation, based on £2,000 a year, is equal to 8d. per ton on 60,000 tons per annum; stores, 3d. per ton: total cost, 11s. per ton, free on board. This includes all the charges we know of. Adding the freight from Westport to Lyttelton, 6s. 3d., brings the total cost to 17s. 3d. at Lyttelton. You will note in my previous evidence that I stated that we were delivering to the Government railways, under contract, at 16s. per ton, which is 1s. 3d. a ton less than it costs us. We tendered at a higher figure, but the Minister advised that he was quite unable to give us that figure, and if we wished to secure any portion of the supply we must reduce our rate, and we did so in order to increase our output, otherwise we would have had to shut up altogether. That is the sole reason why we took it—simply to keep the output going. Since that date I have another return, from March to June, 1899. The result of our working for these twelve weeks to the 24th June shows a slight reduction in cost, the cost being actually 10s. 6d., free on board, but this result is chiefly brought about by our engineer having postponed all necessary dead-work, but the moment we begin this dead-work the cost will increase.

1. *The Chairman.*] Does the transport price by sea and land cover all kinds of coal-slack, household, &c.?—Yes, it is all the one rate. The Committee will remember that I gave our selling prices the other day for several years, and I also gave the rate the Union Company are paying for our coal, free on board. Although all our coal costs 11s., we are supplying the Union Company coal at 7s. 3d.—namely, nuts and small, which price is governed by the Westport Company's rate; and the unscreened coal is also sold to them at a lower rate than cost; and we hoped to make up the difference in the apparent loss in selling on these two amounts by the increased price we obtain for the screened coal. But inasmuch as our total cost is excessively high we cannot possibly keep the mine open under existing conditions, and the result will be that we must cease work.

2. *Mr. Tanner.*] Do you mean that you sell some of the coal at 7s. 3d. in Lyttelton:—No; free on board at Westport to the Union Company. The whole of the coal costs 11s. Part of the coal is what the steamers take for bunker use. Slack at 7s. 3d. is its full value for that purpose. I may say that at the Grey they can get a certain class of coal, but not equal to this, at 3s. 6d. or 4s. But it is not worth anything; in fact, it is not an uncommon thing for the Grey and Point Elizabeth people to throw it overboard.

3. Then there is a loss of 3s. 3d. on that?—I would like to show you the effect of this on our trade, as well as on our prospects. I have taken out here five cargoes recently landed in Lyttelton, showing the prices at which we have sold every ton of the coal, the total cost being based at 11s. f.o.b. Westport, as already stated, and the Committee will see what we make or lose out of it. No. 1 cost £524 19s. in Lyttelton, and the cargo realised to us £522 16s. 1d. Those figures are absolute. No. 2 cargo cost, landed in Lyttelton, £467 7s. 5d., and it realised to us £462 13s. 2d. No. 3 cost £385 2s. 7d., and yielded to us £391 14s. 7d., being a small profit. No. 4 cargo cost £430 8s. 9d., and yielded £470 0s. 9d. I may explain how this arose—that is, the apparent very fair profit on this cargo. The reason is this: The bulk was screened, having accumulated, and we had 291 tons on board out of a total of 494 tons, or two-thirds, and the result was that we gained a higher price, which left us a margin of profit on that particular cargo. The next, and the last, I quote cost £452 8s. 11d., and it yielded £447 5s. 4d. The average of the cargoes we are now bringing in shows a loss. The Committee may very properly ask, I presume, what are the chief causes of this. The chief cause arises from the broken nature of the country, necessitating heavy expenditure in dead work, which must be paid for out of the coal, and the broken nature of that coal yielding such a large percentage of unscreened and small coal. To repeat what I said the other day, the whole of the product of the mine only yields to us one-fifth of

screened coal. We only get 20 per cent. of screened coal out of the whole product of the mine. The next contributing cause is the manner in which we are over-weighted in the shape of haulage; from Seddonville to Westport, the rate we pay is 3s. 2d. per ton. The haulage from Denniston to Westport is 2s. 1d. The Committee will see that the Westport Coal Company have an advantage over us of 50 per cent. It makes all the difference between a decent profit and an absolute loss.

4. You say your figures are 3s. 2d. from Seddonville to Westport, and you say the other company pay 2s. 1d. from Denniston?—Yes. Then the last contributing cause to our trouble is the method of shipment, and I will tell the Committee how it operates. For instance, on every one of these cargoes I have quoted, there is a proportion of screened coal: for example, in one cargo there were 148 tons 13 cwt. of screened coal from the staiths into the boat, and in Lyttelton we obtained out of that 112 tons 14 cwt. In the next cargo there were 144 tons, from which we obtained 117 tons. In the following cargo we shipped 179 tons, and we received 117 tons. In the following cargo we shipped 291 tons, and we received 227 tons. In the last cargo I named, we shipped 192 tons, and we got 115 out of it. The difference between the original quantity of screened coal shipped and that landed in Lyttelton had to be sold as unscreened coal, so in place of our obtaining the screened-coal price of £1 2s. per ton in Lyttelton, we had to accept 16s. and 18s. for it, in consequence of its being so broken up in passing through the staiths.

5. The balance is practically sold at less than cost price?—Yes. If it went to ordinary customers, 18s., and if it went to the railway, 16s.

6. *The Chairman.*] Briefly, your contention is this: You claim that the competition of your company has had the effect of diminishing the price of coal. And you contend that you are now embarrassed by several conditions, one being the haulage-rate from Seddonville to Westport; the other being the damage done to the coal by running over the staiths, and that your coal-supply is giving out?—Yes. There is another important item that affects the prosperity of the company. I want to say to the Committee that I do not wish to plead on behalf of my own company, but you cannot get away from the fact that all this information is derived by practical experience with the company. It is a question of what is to be the future of the district. If we were closed down it would mean that the revenue derived by the railway from this source would be shut out as from Gracity Creek to Mokihinui. It would involve the lying idle of a large section of railway, valued, roughly speaking, at £120,000. The other element I have alluded to and not mentioned yet is the imposition that is made with regard to the guarantee under the Westport-Ngakawau Railway Extension. Some years ago power was given to construct this railway, and the Government of the day decided that the lessees in that district should be compelled to pay or guarantee under the Act, in proportion to their holdings, 5 per cent. on the cost of construction. When we took our lease up this law was in force, but we were told that the cost of the railway would not exceed £28,000, whereas the cost—and I think I am well within the mark—is now exactly double, or over £56,000. While we have as a company strictly observed every condition of our lease, absolutely carrying out the lease in its integrity, we have not had a single concession granted to us. The Mokihinui Company, which was in existence many years before us, and which should have contributed to any deficiency of revenue, were not able to do so, and have since wound up. We have exceeded the terms of the output clauses by putting out coal far in excess of the conditions of our lease. Notwithstanding this, we have preferred against us claims amounting to about £2,600. We claim that this charge is a very inequitable one; although it may be legal, it is inequitable.

7. If the Mokihinui Company was in existence would this £2,600 be shared between the two companies?—No. The effect has been this: If the Mokihinui Company had complied with the output clauses of their lease the revenue would have been all right, and there would be no deficiency. They were charged their proportion, but we had to suffer from their inability to fulfil their lease. That deficiency still stands against us, and we need hardly say that it is a dead-letter. Putting ourselves out of the question, I say that, in the interests of the Mokihinui district, so long as that penal clause remains in force that district will be a dead-letter. We have endeavoured to raise money, and we have spent over £40,000 upon the property, and the only thing we have left is the lease, for what it is worth, and the working-plant. We have no more money. If we close down some one else may follow, but I feel confident that it is a literal impossibility for any company or individual to take up lands or mining leases in that district under the present rate of haulage, and with the other penal clauses hanging over them. They cannot do it.

8. *Mr. Duthie.*] In regard to the matter of the coal being broken up, do you attribute that to the rough handling by the railway, or is it the nature of the coal—its brittle nature?—It is both. The coal in this district, as you will see by this plan, is broken up by nature first; it is crushed because we are in a disturbed country, and when we get the coal out it disintegrates at once. I am now speaking of "soft" coal only. With careful mining a large proportion might be saved. The quality of this coal is good, and if we could get it on board ship in good condition we might possibly get rid of it at a fair price, if not at a profit. Under the present conditions of loading, by the time it gets on board it is like black sand.

9. How would you recommend to check the rough handling?

The Chairman: You can imagine the difference in the coal if the trucks were landed by hydraulic cranes into the hold instead of rushing down the staiths.

Mr. Hargreaves: There is another very important thing I would like to draw your attention to. I think the imposition of 5 per cent. guarantee on the Ngakawau Section of the railway is quite unnecessary. That is what it seems to me, and to every person who is able to offer an opinion on it. And for this reason: The railway from Seddonville to Ngakawau and from Ngakawau to Westport is worked, not by a separate administration, but it is worked as one concern, and it is difficult for us to ascertain the true deficiency, if any, inasmuch as I am of opinion that the returns are made up in this form—viz., that the origin of traffic in the returns for deficiency is taken

to be at Westport, whereas we maintain that the origin of the traffic is at Seddonville. The coal is at the mine. I will quote the tariff. It says, "For the first ten miles the rate shall be 1s. 8d. per ton." If this is so, the origin of traffic being at the mine, we contend that the return should be based upon the first ten miles as from Seddonville. If it is taken the other way we only get the benefit of $\frac{3}{4}$ d. per ton per mile. The Minister of Railways' statement for this year shows the net interest earned on that line to be £13 3s. 6d., and £12 3s. 6d. for 1898—£10 2s. 6d. being the amount earned the previous year. Here is a line paying a higher rate than any other in the colony and still imposing a penalty on the worst part of the district. There is no real necessity, so far as the Harbour Board revenue is concerned, for enforcing this penalty.

10. *Mr. Duthie.*] The Harbour Board gets the revenue?—Yes, but the deficiency has not been paid.

11. *The Chairman.*] The section affecting it has never been enforced?—It stands before us as a menace and we have to bring it in our balance-sheet as a debt. In consideration of our raising further capital to extend operations, the Government would then put into operation a section of the penalty clause, whereby by the 31st March, 1897, we would be relieved of all future liability. But this has not been put into force for this reason: that when we tried to raise the money we went to those most likely to lend it, and they said, "We are not going to lend you money with a penal clause over you like that." We had an opportunity of disposing of the property in England, and the chief reason assigned for not buying was the penal clause of this Act. So it is not only the question of our own company, but the question of the whole district. Whether this district is opened or closed, I offer my opinion—based upon the experience of this company and forty years' knowledge of the coal-trade, and my firm conviction is—that the district will never be profitably worked under existing conditions in respect of haulage-rates and Ngakawau penal clauses so long as the Westport Coal Company's mines at Denniston and Granity Creek are working. But the remedy is a very simple one indeed, and that is the imposition of a uniform haulage-rate and repeal of the penal clauses. I contend that Westport coal is unique, and commands a market all over the colony. And it is only a question of getting it in proper condition to insure its value. The Westport Coal Company have held to their price and they are entitled to it. But by reason of their nearness to the port of shipment they are enabled to put their coal on board at 2s. 1d. per ton. We are thirty miles away, and it costs us 3s. 2d. The result is, that while the Westport Coal Company have the very pick of the coal-mines of that district, and we have the very worst, they can produce large quantities of good, undisturbed coal, and we can only get small quantities of disturbed coal, and the handicap is very great against us, and will be against any persons opening coal-mines in that district. Unless some alteration is made in the haulage-system it is impossible for us or anybody else to go on. This is what I have suggested to the Minister. The railway is thirty miles long, and it was erected for the express purpose of opening the coal-mines. The revenue of the railway is received exclusively by the Westport Harbour Board, in order to provide interest, sinking-fund, and principal on the moneys borrowed to construct the harbour-works. Their revenue last year amounted to £26,733. Out of that the Harbour Board require to provide interest, &c. Supposing, for example, that the £26,000 earned was the result of so many thousand tons of coal contributed by the Westport Coal Company and ourselves (the ordinary goods-traffic forms a very small portion of this revenue); the revenue comes from the coal, and if it does not come from the coal the Harbour Board will some day find itself in very serious straits. If you divide the amount of revenue by the number of tons of coal passed over the line it will give a certain rate per ton. That rate per ton might be 2s. 2d., 2s. 3d., or 2s. 4d.—the highest rate you like, even if it were the 3s. 2d., but let every one pay alike. We are all tenants of the Crown, producing the same article, and all should pay alike; and if that were the case we should have no reason to complain. Remove the penal clause: the revenue is still maintained. It is no reduction; we do not ask for reduction.

12. *Mr. Tanner.*] Do I understand you to infer that you would have the Westport Coal Company pay as much as you for a shorter distance?—Yes.

13. What is the relative distance?—Theirs is twelve, and our distance is twenty-eight miles.

14. Would not the Westport Coal Company demur to that arrangement?—Yes, but how would it affect them? Say an all-round rate would be 2s. 3d. The Westport Company would pay an extra 2d. per ton; but on the Denniston mine, and on the Granity, which is being developed, on which they are now paying 2s. 6d., they should then only pay 2s. 3d.

The Chairman.: The Granity mine is a mine further north than Denniston.

Mr. Tanner.: Is it in the hands of the Westport Company?

The Chairman.: Yes.

15. *Mr. Tanner.*] And does the bulk of their supply come from Granity?—The bulk comes from Denniston. A uniform rate would not inflict any hardship on the Westport Coal Company, and 2d. a ton would not make a very great difference to them as regards Denniston, but it would make a great difference in their favour on the product of the Granity mine. And it would be a key to opening up this district, and it would always keep a fairly even balance in respect to the price. If the Mokihinui district is to be settled, I do not see anything for it, but the adoption of some scheme such as a uniform rate; or the alternative is this: that the royalty should be remitted on all coal mined up to 50,000 tons per annum; and inasmuch as four-fifths of all the coal we produce is small and unscreened (only one-fifth being screened), I would suggest that, in addition to the remission of royalty, a concession of 8d. per ton should be made off the haulage on all unscreened and small coal, and that the screened coal be charged full rates.

16. You would do that as an alternative?—Yes. But the uniform rate is better and more systematic, and it would be a fair and reasonable thing. I am aware that the Minister would say if this is done he would have applications from all over the colony. My answer is: Anyone connected with a railway producing such a result as you get here in the shape of 13 per cent.

interest will tell you it is time to make an alteration. I take it that the interests of bodies such as the Westport Harbour Board must be conserved. It has been suggested that the rates should be reduced, whereby the Harbour Board would lose revenue to the extent of £3,500 per annum—we do not ask for reduced, but uniform rates.

17. Will you please put it very clearly to the Committee how the accumulated deficiency ran up?—It happened in this way. When we first opened our mine the deficiency clauses were in existence. I think we took up our lease in August, 1892. Before we could put a pick in the ground the penal clause operated. The moment our lease commenced this clause came into force, and for sixteen months we were under this obligation before we got a piece of coal out. In proportion to the holding per acre, that is the number of acres held, each lessee was to contribute any deficiency required to make up the railway revenue to 5 per cent. on the cost of construction of the line from Ngakawau to Mokihinui.

19. *The Chairman.*] If the line did not pay 5 per cent. you had to make up the deficiency. That did not apply to the previously-built portion of the line?—No. This is one of the grievous objections, to my mind. For about twenty years the line had been built from Waimangaroa up to Ngakawau, and practically lay unused, save for the railage of some material required by the Westport Coal Company as far as Granity only. The Westport Coal Company hold a coal lease at Granity, and they were not called upon to comply with its output clauses, the line lying idle for the fifteen or twenty years. It was agreed to by the Government that, in place of getting the output from Granity, so long as they increased the output from the Denniston mine, they would be released from their obligation, and they only paid the dead rent, which was £750 a year. But the royalty of that lease would probably have come to three times the money. I do not blame the Westport Company or the Government of the day for doing so, because it was a necessity of the time, and these people were then in a similar position to that we are now in. I think it was a very wise thing, in order to encourage the development of the district, not to impose the obligations of the lease, because it would have only killed the enterprise. While concessions have been made to every coal company on the West Coast we have made repeated applications for concessions, in order to keep us alive, and we have been refused. This deficiency has been going on for years and is still going on.

20. How much does it amount to?—£2,600 in full. There have been no claims made upon us since the passing of the amended Act in 1897. I hope Mr. Tanner did not misunderstand me. He asked me if I wanted the 6d. royalty remitted, and the 8d. haulage allowed, in addition. Certainly. If the 6d. royalty is remitted, I suggest that, in place of the present haulage, 8d. per ton should be allowed on the haulage on the unscreened and small coal. We want the two.

21. *Mr. Tanner.*] Has the accumulated deficiency been caused by the fact that the Mokihinui mine did not put out the quantity of coal which one was entitled to suppose they would put out?—Undoubtedly.

22. And, consequently, this deficiency which has accumulated is a charge on yourselves, because you are the only owners working mines in the district?—Yes.

23. If others came in they would be charged?—No; unfortunately. After the amended law, any new lease that comes in is not imposed with any obligation at all in respect of deficiency.

24. The accumulated deficiency weighs on yourselves alone, and any one who comes in and takes up ground and works it now would not be liable for anything that has taken place?—Not only so, but I think it is patent, not only to ourselves, but to the district and the Committee. Members may have noticed a few days ago that the Mokihinui Mine was offered by the Government on lease, and here I put in the conditions of the lease:

Offers in writing will be received up to noon of the 1st day of September next from persons willing to lease and work, under the supervision of the Coal-mines Act and regulations, the above coal-mine, comprising an area of 957 acres, situated in the County of Buller, on the west coast of the Middle Island, together with the plant and machinery now on the ground.

The following conditions will apply to any lease that may be granted:—

(a.) A royalty of 6d. a ton to be paid on all coal raised during any one year, such royalty to be payable every six months, on the 1st day of January and the 1st day of July in each year.

(b.) Fifty per cent of the amount paid as rent or royalty will be allowed towards the cost of further prospecting for coal within the limits of the lease.

This concession is offered to persons who would be competing against us in our trade. Even supposing we were going on smoothly, new lessees may come in, and use the Government plant existing on this mine, and they are offered an inducement of half royalty on all coal produced, besides exemption from deficiency.

(c.) The plant now on the ground, a schedule of which can be seen at the offices of the Inspectors of Mines at the Thames, Dunedin, and Westport, or at this office, together with such portion of the tramway formation as may be required by the lessee, to be mutually valued, and to be purchased by the lessee for the amount of the valuation; payment may, however, extend over a period of five years, or for such further period as may be agreed on, without interest.

Persons are invited to come and take possession without responsibility.

Or the lessee may lease the same on payment half-yearly of interest at the rate of 5 per cent. per annum on the capital value, as agreed upon.

Then, mark the conditions:

(d.) The lessee to maintain the plant in proper working order, and not to be allowed to sell or dispose of any portion of the same.

Applicants will be required to state:—

(1.) The terms for which the lease will be taken.

We are compelled to take the lands offered by the Government on their terms, and not on ours.

(2.) The quantity of coal they are prepared to produce from the mine every six months, from the first day of January and the first day of July in each year.

We are told we must produce a certain quantity.

(3.) The annual dead rent per acre they are willing to pay on the 1st day of January and the 1st day of July in each year; the amount of rent to be deducted from the royalty of 6d. a ton, hereinbefore referred to.

We were compelled to pay £450 per annum. I do not take exception to the endeavour to work this property, but what I do say is this, that it is very unfair and most inequitable, that men doing their level best not only to pay their way, but to keep the district and the industry going, and beset with difficulties on all hands from start to finish, when they make application to get relief and reasonable concessions, this lease is put forward, allowing any Tom, Dick, or Harry to come in, not having any responsibility. I do not mean to say that the Government are not willing to assist us, for I think the Government are well aware that something must be done for the district, and in consequence of a feeling of sentiment as well as responsibility, Mr. Heywood and myself have come here to tell the Government that, as honourable business men, we cannot go on any longer under existing conditions. If this were my private business, and I went on with it in full knowledge that my capital was gone, and I was working without any, I should find myself in the Bankruptcy Court, and probably in gaol.

25. You think the Government realise the gravity of the position?—Yes. We wish to state that we do not intend to petition the House. The copy of the petition I am putting in (Exhibit returned to witness) will give an indication of what we have endeavoured to impress upon the Government and the House long ago. We have come to the end of our tether, and we will lose our money cheerfully, but we think it is a very hard thing that we should lose it and have to drop this business, as there is a value in it as a going concern. The present workings may last for two or three years, or they may give out in two or three months, so that if the mine is to be continued—and upon its continuance the life of its district depends—money must be provided immediately, to the extent say of £12,000, for the purpose of opening up the Cave District, as shown upon the plan. It will take eighteen months to two years to open up the block, which will probably provide from fifteen to twenty years' work. The Premier and Minister of Mines are fully aware of all this. I was authorised to say to the Government that we, as shareholders, will not contribute one penny more, and that if they will appoint expert valuers with us in the usual way to value, we are prepared to sell our plant and all our interest in our lease at their valuation; or we will do this: If the required funds to enable us to develop the Cave District are provided by the Government or Westport Harbour Board, we will accept a valuation of our lease and plant made by experts as the basis of our interest, and will continue to work the mine as a going concern on the same lines as we have worked it hitherto, and upon such terms and conditions as may be agreed upon. We are willing to do anything within reason to keep open the district. It goes without saying that if we cease work the business goes, and we shall have very great difficulty in recovering it. I may say that I can command the business, and I can place the bulk of the coal in Christchurch easily, provided the quality and condition are maintained. We are willing to continue if this Committee can see its way to recommend anything in the direction I have indicated. If not, we must close down. It is not any use asking the Government or any one else to put any money into this concern, unless the Government sweep away all past liability and give us a clean sheet, in the same way as the offer has been made in regard to the Mokihinui mine. If we are to hold our own in the coal trade, we must have concessions, by remission of royalty and remission of haulage, on the plans I have suggested, or we must have a uniform rate, and I personally do not care if that uniform rate is even 4s. I do not ask for a reduction, as long as it is the same all along the line.

26. Did you calculate that a uniform rate of 2s. 3d. would maintain the present revenue?—Yes.

Mr. JOHN EDWARD GOLDING, Takaka, examined. (No. 2.)

27. *The Chairman.*] Are you a coal-proprietor?—No; I am manager of a small coal-mine for Messrs Taine and Co., of Wellington. The mine is situated at Takaka, in the Nelson province. One seam of coal is 8 ft. thick, and another is 5 ft. We are working the 5 ft.-seam now.

28. Where are you selling your coal?—There will be a shipment arriving here in a fortnight's time, which is the first shipment to Wellington.

29. What price do you propose to sell it at?—At 16s. a ton.

30. *Mr. Holland.*] Where do you deliver it?—At the Wellington wharf.

31. *The Chairman.*] Is it household coal?—Yes; it is termed glance-coal.

32. Did you say the shipment coming to Wellington is your first shipment here?—Yes.

33. Have you sold any in Nelson?—Yes, at 16s., and we have to put it on to barges before putting it on the steamer.

34. *Mr. Tanner.*] Is the mine on the banks of an open river?—No; on the open face of the sea.

35. Do transport vessels lie out in the offing?—Yes.

36. *The Chairman.*] At what rate do you think you could dispose of the coal in Wellington retail?—It would be sold at the ship's wharf at 16s.

37. *Mr. Tanner.*] Can you give us any information as to how much it costs to get the coal out?—Yes; it costs 4s. a ton to fetch it out to the mouth of the mine.

38. What freight do you pay?—6s.

39. Sea carriage?—Yes.

40. Do you pay 6s. to Nelson?—Yes.

41. Just the same as to Wellington?—I get it on the steamer to Wellington.

42. How many men have you got working at the mine?—Only four. We are only just commencing.

43. Are the prospects favourable for employing a large number of men?—Yes, there are prospects of employing a couple of hundred.

44. Do you mean that you could work with a couple of hundred men on the present face?—No; as soon as the openings are done. The trouble at present is that we cannot get a steamer

up to where we ship the coal. It wants money spent on a little railway and jetty. It would require over £2,000.

45. Your tram-line would have to run along your jetty, so that you could load your coal from the mouth of the mine into the trucks and straight on board. Is the rise and fall of the tide very great?—Right up to the mouth of the mine it is 6 ft. deep in spring tide, and there is nothing at all at neap tide.

46. How is it when the tide is down?—It is dry for a little way.

47. *The Chairman.*] Mr. Tanner asks what depth you would have at your jetty?—20 ft. at high tide and 10 ft. at low water.

48. *Mr. Tanner.*] Is your coal worked on the rise or dip?—It dips into the hills.

49. Would it cost much to get drained?—Very little to drain it.

50. Would you get your water away without any drains?—Yes.

51. How far have you traced this 5 ft. seam you are working?—It has been worked off the mud-flat for a mile square, and the other is deeper still, and they have not worked that. A shaft has been sunk in that down for 7 ft. We have traced the 5 ft. seam a long way.

52. How far distant is the shaft which strikes the 8 ft. seam from the present place where you ship your coal on the barges?—About two hundred yards inland. Before we work the 8 ft. seam there wants to be an inclined shaft put down. I propose to work the 5 ft. seam first, and then put an inclined shaft down to the other.

53. Then you have not many difficulties except the want of capital?—That is the whole thing in our way.

54. You think there are favourable prospects, but limited capital?—Yes.

55. What is the ordinary price of other companies' coal in Wellington at the wharf?—I do not know.

56. Do you anticipate a good market at 16s.?—Yes.

57. And you will be able to establish a footing in Wellington?—Yes.

58. Of what quality do you consider this glance-coal? Is it equal to Westport?—No.

59. Is it a lignite?—It is in the brown coals.

60. Is it any grade between ordinary coal and lignite?—It is in the brown class; it is not in the gas-coals.

61. Is it in the higher class of brown coals?—It is the very highest class of brown coals.

62. Do you hold the land freehold or leasehold?—It is freehold to Mr. Taine.

63. He has a superficial area of it?—Yes; two hundred acres of it.

64. *The Chairman.*] Do we understand that by expending £2,000 you could have a jetty and a railroad?—Yes.

65. *Mr. Tanner.*] And that would enable you to increase your output and diminish your price?—Yes.

66. *The Chairman.*] Supposing you had these requisites, at what price could you deliver the coal?—I told Mr. Taine for 13s. a ton.

67. Of course, if you increased your scale of working—that is, if you employed a larger number of men—it would be done cheaper?—Yes.

68. *Mr. Holland.*] What distance would the railway be, and where?—At Takaka; about a mile and a half, and when that was done all the expense would be done away with.

69. *Mr. Tanner.*] Are there no other difficulties?—No; it is quite a flat country.

70. *Mr. Holland.*] Would £2,000 be a high enough estimate for a railway and jetty?—I may be a little under the mark, but very little.

71. *Mr. Tanner.*] Has your company made application for a railway to the Government? If a small sum of money, £2,000 or £3,000, would extend it, would not the advantage be in reducing the price of coal, and the benefit go back to the community?—I think it would be a good return for them.

72. Do you pay any royalty?—Yes; but we do not have to pay 6d., we pay $\frac{3}{4}$ d.

73. *The Chairman.*] Of course you contribute $\frac{1}{2}$ d. a ton to the miners' fund under the Coal-mines Act?—Yes.

Mr. T. F. ROTHERAM, Government Railway Department, examined. (No. 3.)

74. *The Chairman.*] You know the purpose for which the Committee requires your evidence. They would like to know the terms and conditions on which the Railway Department are supplied with coal, and from where they get their supplies?—The department advertise each year for supplies of coal from the whole colony, as per the following specification:—

NEW ZEALAND RAILWAYS.

TERMS AND CONDITIONS OF CONTRACTS FOR THE SUPPLY AND DELIVERY OF COAL FOR THE NEW ZEALAND GOVERNMENT RAILWAYS.

1. In these conditions the following words shall have the meanings hereby assigned to them, that is to say:—

Minister means the Minister for Railways for the time being appointed under "The Government Railways Act, 1894," and includes any responsible Minister of the Crown, being a member of the Executive Council, acting for or on behalf of the said Minister.

General Manager means the person for the time being holding the office of General Manager of the New Zealand Railways.

Locomotive Officer means the Locomotive Officer authorised to order, or the District Manager of the railway where the coal is delivered.

Contractor means Contractors where two or more persons tender or contract jointly for the supply and delivery of the coal, and includes any incorporated joint-stock or other company or association who may so tender or contract.

Coal means New Zealand screened coal.

2. The Contract shall include the supply and delivery into railway-trucks, in strict accordance with the terms of these conditions, of such coal for use of the New Zealand Government Railways as is indicated in the Schedule hereto, and for which orders may be given between the 1st day of April, 1899, and the 31st day of March, 1900.

3. The Contractor shall supply coal in such quantities and at such times as may be ordered by the Locomotive Officer for use on the New Zealand Government Railways, and, if required by or on behalf of the Minister, any additional coal for the use of any Government service in the Colony of New Zealand.

4. Tenders must be made on the printed forms provided for the purpose. Tenderers shall state the description of coal which they will deliver, the name of the mine from which it will be supplied, the quantity per week which they are prepared to deliver if required, the railway-station or siding where delivery will be made, and the rate per ton. A separate tender shall be made for delivery at each locality. Trucks which carry the coal for the department to be exempt from charges for truck-hire. The Minister reserves the right to accept the whole or part of any tender. Tenders may be sent in for unscreened coal from any of the mines on the west coast of the South Island; such unscreened coal shall not contain more than 50 per cent. of small coal that would pass through a half-inch mesh.

5. The coal shall be the best of its kind, free from stone or other impurities. Brown coal shall be free from "slack" and such small coal as would pass through a one-inch mesh. Other kinds of coal shall be free from slack and small coal that would pass through a half-inch mesh. If the Locomotive Officer considers that the coal delivered is not in accordance with specification, he may, should he think fit, screen after delivery, and, having estimated the weight of screenings, deduct any excess over amount allowed by specification from the gross weight of coal delivered. The cost of screening will be deducted from any moneys due or to become due to the Contractor, who shall not be entitled to any claim for payment on account of the screenings; such screenings shall become the property of the Minister if not removed by the Contractor within seven days. But the provisions in this clause shall not be held to prevent the Locomotive Officer from exercising the powers given under clause 8 of this specification.

6. Brown coal shall be delivered within one week after date of an order in writing from the Locomotive Officer, and other classes of coal within four weeks of such order. The Contractor shall give the Locomotive Officer forty-eight hours' notice before making delivery.

7. Should the Contractor fail to deliver any order within the time specified, the Minister shall be at liberty to purchase elsewhere, either native or imported coal, in such manner as he may deem expedient; and any excess of cost incurred through or arising out of such purchase may be deducted from any moneys due or thereafter to become due to the Contractor. The Minister shall determine the amount of such excess of cost. Provided that nothing herein shall be deemed to prejudice the right of the Minister to recover such excess of cost by ordinary process of law, or any other right given under this contract.

8. The Locomotive Officer may condemn and reject any coal which in his opinion is not in accordance with this specification, and the Contractor shall not be entitled to any payment for the coal, or compensation of any kind whatever on account of such rejection. The Locomotive Officer may refuse to take delivery, or, if the coal be rejected after delivery, the Contractor shall remove it from the railway premises at his own expense within seven days of a notice in writing from the Locomotive Officer being sent to him calling upon him to do so, failing which the coal shall become the property of the Minister.

9. The coal shall be weighed at the time of delivery on the railway weighbridge, when such is available, free of charge to the Contractor, or, failing that, the Contractor shall furnish the Locomotive Officer with such a certificate as may satisfy him that the proper weight is delivered, or shall take such other steps as he may be required to do to insure correctness.

10. Each tender shall be accompanied by a cheque for the sum named in the Schedule as deposit, marked by a banker as "Good for twenty-one days," and crossed "*Receiver General's Deposit Account.*" The cheque deposited with the accepted tender, or such proportion of it as the Minister shall deem fit, will be held as security for the proper fulfilment of the contract, and in the event of the Contractor failing to perform or complete the said contract to the satisfaction of the Minister, the Minister shall be entitled to declare such deposit to be absolutely forfeited to Her Majesty the Queen, and the same shall thereupon become and be absolutely forfeited accordingly.

11. Within seven days after notification in writing of the acceptance of the tender, the Contractor shall attend at the office of the Stores Manager at Wellington, and at any other place at the office of the Storekeeper, and shall execute a bond, with two approved sureties, in accordance with the scale mentioned in the Schedule attached to these conditions, as a further security for the due performance of the contract.

12. All accounts must be rendered to the Locomotive Officer, in duplicate, on Treasury voucher forms, to be obtained on application. Payment will be made in full within twenty-eight days, or as near as may be, after delivery in accordance with the terms of these conditions.

13. The quantities named in the Schedule are estimated requirements only, and the Minister reserves the right to order more or less as may be desirable, and to make other purchases for experimental purposes.

14. The contract to be suspended during the continuance of any strike among the Contractor's hands at the coal-mine, provided that the delivery of all orders under the contract given before the commencement of such strike shall be completed in terms of the contract.

15. If, in the opinion of the General Manager, the Contractor commits a wilful breach of the contract, or fails in carrying out the contract in a satisfactory manner, or if the Contractor shall die or become lunatic or bankrupt during the term of the contract, or make any assignment for the benefit of or composition with his creditors, or shall without the previous consent in writing of the Minister assign or sublet the contract or any part thereof, or any moneys due or to become due thereunder, the Minister may, on giving notice to the Contractor of his intention so to do, absolutely determine the contract without further process, and from and after the delivery of such notice as aforesaid the contract shall be absolutely determined, but without prejudice to any other right or remedy which Her Majesty the Queen may have against the Contractor or his sureties.

16. All disputes arising between the Locomotive Officer and Contractor as to the kind or quality of coal supplied under this contract, or as to the meaning or intention of this specification, shall be referred to the General Manager, whose decision in the matter shall be final and binding on all parties.

By Order.

Wellington, 1st February, 1899.

General Manager.

SCHEDULE of APPROXIMATE QUANTITIES of COAL for which Tenders are invited, and Amount of Deposit and Bond required.

Railway.	Place of Delivery.	Probable Consumption.	Deposit with Tender.	Bond.
Whangarei	Any Station or Siding	800 tons	£30	£100
Kaihu	Dargaville	300 "	20	...
Napier-Taranaki and Wellington	Spit Railway-station	3,000 "	50	100
	Railway Wharf, Foxton	3,500 "	50	100
	" Wanganui	3,000 "	50	100
	New Plymouth Breakwater, or Waitara	3,000 "	50	100
	Railway Wharf, or Breastwork	8,000 "	200	400
Picton	Picton Wharf	300 "	20	...
Nelson	Railway Wharf, Nelson	700 "	30	100
Westport	Any Station on Westport Section	1,500 "	30	100
Greymouth-Hokitika	" Greymouth "	2,000 "	30	100
Hurunui-Bluff	Lyttelton Wharf, or Malvern Branches	13,000 "	200	400
	Timaru Breakwater, or " Branches	2,500 "	50	100
	Oamaru Breakwater, or any Station between Oamaru and Palmerston	8,000 "	100	200
	Any Station between Port Chalmers and Gore, inclusive	20,000 "	200	400
	Any Station south of Gore	11,000 "	100	200
Smiths' Coals — Nuts, suitable for smiths' purposes	Lyttelton Wharf	1,000 "	30	100
	Port Chalmers Wharf	700 "	20	...
	Railway Wharf, Orehunga	200 "	10	...
	" Wellington	300 "	10	...
	" Wanganui	200 "	10	...

Where two or more contracts are let to the same Contractor, one bond for £500 will be accepted.

The various companies or owners tender, and the tenders are all considered together. The department then makes a recommendation to the Minister, and the Cabinet decide what coal tender shall be accepted.

75. You surely accept the lowest tender?—Well, there are other considerations which operate.

76. Do you use any imported coal?—No; we do not accept tenders of imported coal, but occasionally, when we have run short, we have taken a small quantity of Newcastle; and when we have run short at Kaihu we bought Newcastle coal from ships coming for timber. But we do not reckon to get any tenders outside the colony.

77. What price do the department pay for the coal?—Various prices. The following list shows the whole of the prices obtained for the present year. It varies very much. Lignite, or brown coal, is very different in price to the bituminous, or West Coast coal:—

Section of Railway.	Tenderer.	Place of Delivery.	Kind of Coal.	Rate per Ton.	Remarks.
Kaipara-Waikato	Taupiri Extended Coal-mining Co. (Limited) ..	Huntly ..	Taupiri Extended ..	5/5	Accepted (about 7,500 tons).
"	Ditto	Kimihia	Taupiri Reserve ..	5/5	Accepted (about 5,500 tons).
"	"	Huntly ..	Waikato	4/9	Accepted (about 4,500 tons).
"	Ralph's Taupiri Coal-mines (Limited)	" ..	Brown coal (screened) ..	5/6	Declined.
"	Ditto	" ..	Brown coal (unscreened)	4/7	"

Section of Railway.	Tenderer.	Place of Delivery.	Kind of Coal.	Rate per Ton.	Remarks.
Whangarei ..	Hikurangi Coal Co. ..	At mine ..	Hikurangi (unscreened)	7/6	Declined.
Kaihu ..	J. J. Craig ..	" ..	" ..	5/	"
" ..	" ..	Dargaville ..	Newcastle (half "small, half large)	20/	"
" ..	" ..	" ..	Hikurangi (unscreened)	14/6	"
Wellington-Napier-New Plymouth	" ..	" ..	Ngunguru (unscreened)	15/6	"
Ditto ..	Blackball Coal Co. ..	Spit ..	Blackball (screened) ..	19/6	Accepted (about 2,000 tons).
" ..	" ..	" ..	" ..	" ..	Declined.
" ..	Westport Coal Co. ..	" ..	Blackball (unscreened)	17/	"
" ..	" ..	" ..	Coalbrookdale or Millerton (screened)	24/	"
" ..	" ..	" ..	Coalbrookdale or Millerton (unscreened)	21/	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened)	20/3	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	22/	Accepted (about 1,000 tons).
" ..	Ditto ..	" ..	Brunner (unscreened)	20/	Declined.
" ..	Westport Coal Co. ..	Foxton ..	Coalbrookdale or Millerton (unscreened)	21/	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened)	21/3	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	23/	Accepted (about 3,500 tons).
" ..	Ditto ..	" ..	Brunner (unscreened)	21/	Declined.
" ..	Blackball Coal Co. ..	Wanganui ..	Blackball (screened) ..	22/6	"
" ..	" ..	" ..	Blackball (unscreened)	20/	"
" ..	Westport Coal Co. ..	" ..	Coalbrookdale or Millerton (screened)	24/6	"
" ..	" ..	" ..	Coalbrookdale or Millerton (unscreened)	21/	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened)	20/3	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	22/	Accepted (about 3,000 tons).
" ..	Ditto ..	" ..	Brunner (unscreened)	20/	Declined.
" ..	Blackball Coal Co. ..	New Plymouth ..	Blackball (screened) ..	18/9	Accepted (about 2,000 tons).
" ..	" ..	" ..	Blackball (unscreened)	16/6	Declined.
" ..	Westport Coal Co. ..	" ..	Coalbrookdale or Millerton (screened)	23/6	"
" ..	" ..	" ..	Coalbrookdale or Millerton (unscreened)	19/6	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened)	18/9	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	New Plymouth or Waitara ..	Brunner (screened) ..	21/	Accepted (about 1,000 tons).
" ..	Ditto ..	Ditto ..	Brunner (unscreened)	19/	Declined.
" ..	Blackball Coal Co. ..	Wellington ..	Blackball (screened) ..	17/6	"
" ..	" ..	" ..	Blackball (unscreened)	15/	"
" ..	Westport Coal Co. ..	" ..	Coalbrookdale or Millerton (screened)	19/	Accepted (about 4,000 tons).
" ..	" ..	" ..	Coalbrookdale or Millerton (unscreened)	17/	Declined.
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened)	15/6	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	17/	Accepted (about 4,000 tons).
Picton ..	Ditto ..	" ..	Brunner (unscreened)	15/	Declined.
" ..	Blackball Coal Co. ..	Picton ..	Blackball (screened) ..	20/	Accepted (about 200 tons).
" ..	" ..	" ..	Blackball (unscreened)	17/6	Declined.
" ..	Westport Coal Co. ..	" ..	Coalbrookdale or Millerton (unscreened)	20/6	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened)	19/9	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	22/	Accepted (about 100 tons).
" ..	Ditto ..	" ..	Brunner (unscreened)	20/	Declined.
Nelson ..	Westport Coal Co. ..	Nelson ..	Coalbrookdale or Millerton (unscreened)	19/	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened)	18/9	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	20/	Accepted (about 700 tons).
" ..	Ditto ..	" ..	Brunner (unscreened)	18/	Declined.
Westport ..	Westport Coal Co. ..	Conn's Creek ..	Coalbrookdale (unscreened)	6/4	Accepted (about 1,500 tons).
" ..	" ..	Granity Creek ..	Millerton (unscreened)	6/4	Declined.
" ..	Westport Cardiff Coal Co. ..	Seddonville ..	Westport Cardiff (unscreened)	6/9	"
Greymouth-Hokitika	Blackball Coal Co. ..	Ngahere ..	Blackball (screened) ..	9/6	"
" ..	" ..	" ..	Blackball (unscreened)	7/	Accepted (about 900 tons).
" ..	Greymouth-Point Elizabeth Coal Co. ..	Brunnerton ..	Brunner (screened) ..	11/	Declined.
" ..	Ditto ..	" ..	Brunner (unscreened)	8/	Accepted (about 900 tons).

Section of Railway.	Tenderer.	Place of Delivery.	Kind of Coal.	Rate per Ton.	Remarks.
Lyttelton ..	Blackball Coal Co. ..	Lyttelton ..	Blackball (screened) ..	17/6	Declined.
Lyttelton ..	" ..	" ..	Blackball (unscreened) ..	14/6	"
Lyttelton ..	H. Levick ..	Whitecliffs ..	St. Helen's ..	9/6	Accepted (about 1,200 tons).
" ..	Springfield Coal Co. ..	Springfield ..	Springfield (unscreened) ..	8/9	Declined.
" ..	Westport Coal Co. ..	Lyttelton ..	Coalbrookdale or Millerton (screened) ..	20/3	"
" ..	" ..	" ..	Coalbrookdale or Millerton (unscreened) ..	17/6	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened) ..	16/	Accepted (about 4,000 tons).
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	18/	Accepted (about 7,000 tons).
" ..	Ditto ..	" ..	Brunner (unscreened) ..	16/	Declined.
" ..	Austin Bros. ..	Sheffield ..	Canterbury Colliery brown	11/	"
Timaru ..	Blackball Coal Co. ..	Timaru ..	Blackball (screened) ..	18/	Accepted (about 1,250 tons).
" ..	" ..	" ..	Blackball (unscreened) ..	15/6	Declined.
" ..	Westport Coal Co. ..	" ..	Coalbrookdale or Millerton (unscreened) ..	19/	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened) ..	18/3	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	20/	Accepted (about 1,250 tons).
" ..	Ditto ..	" ..	Brunner (unscreened) ..	17/6	Declined.
Oamaru ..	Blackball Coal Co. ..	Oamaru ..	Blackball (screened) ..	18/	Accepted (about 4,000 tons).
" ..	" ..	" ..	Blackball (unscreened) ..	15/6	Declined.
" ..	Allandale Coal Co. ..	Bushey ..	Allandale brown ..	11/	"
" ..	Westport Coal Co. ..	Oamaru ..	Coalbrookdale or Millerton (unscreened) ..	19/	"
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened) ..	18/3	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	20/	Accepted (about 4,000 tons).
" ..	Ditto ..	" ..	Brunner (unscreened) ..	17/6	Declined.
Port Chalmers-Gore	Fernhill Coal Co. ..	Fernhill ..	Fernhill brown lignite	6/	Accepted (about 300 tons).
" ..	Walton Park Coal Co. ..	Walton Park ..	Walton Park ..	6/	Accepted (about 300 tons).
" ..	Kaitangata Coal Co. ..	Stirling ..	Kaitangata ..	6/9	Accepted (about 10,000 tons).
" ..	" ..	" ..	" ..	8/8	Declined.
" ..	" ..	" ..	" ..	9/8	"
" ..	Loudon and Howarth ..	Saddle Hill ..	Jubilee Mine brown coal	6/	Accepted (about 300 tons).
" ..	Westport Cardiff Coal Co. ..	Port Chalmers	Westport Cardiff (unscreened) ..	17/6	Declined.
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	19/6	"
" ..	Ditto ..	" ..	Brunner (unscreened) ..	17/6	Accepted (about 2,000 tons).
South of Gore	Blackball Coal Co. ..	Bluff ..	Blackball (screened) ..	18/6	Accepted (about 1,000 tons).
" ..	" ..	" ..	Blackball (unscreened) ..	16/	Declined.
" ..	" ..	" ..	Blackball nuts (unscreened) ..	13/6	"
" ..	Nightcaps Coal Co. ..	Nightcaps ..	Nightcaps (screened) ..	7/1	Accepted (about 8,000 tons).
" ..	Westport Coal Co. ..	Bluff ..	Coalbrookdale or Millerton (small) ..	16/6	Declined.
" ..	Westport Cardiff Coal Co. ..	" ..	Westport Cardiff (unscreened) ..	18/9	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	" ..	Brunner (screened) ..	20/6	Accepted (about 1,000 tons).
" ..	Ditto ..	" ..	Brunner (unscreened) ..	18/6	Declined.
Workshops	J. J. Craig ..	Onehunga ..	Brunner nuts ..	20/	"
" ..	" ..	" ..	Brunner slack ..	15/	"
" ..	" ..	" ..	Newcastle smithy ..	16/	"
" ..	Greymouth-Point Elizabeth Coal Co. ..	Wanganui ..	Brunner nuts ..	21/6	Accepted (about 200 tons).
" ..	Ditto ..	Wellington ..	" ..	16/6	Accepted (about 300 tons).
" ..	" ..	Lyttelton ..	" ..	17/6	Accepted (about 1,000 tons).
" ..	" ..	Port Chalmers	" ..	18/6	Accepted (about 700 tons).

78. I suppose the bulk of the coal is West Coast coal?—No, Sir; we use very large quantities of brown coal. There is an approximate statement attached to the schedule I have just put in.

79. We know the price of coal for domestic purposes in Wellington. What is the difference between the price the department pays and the ordinary price? What is the price in Wellington?—I could not tell you. I fancy, though, it is about £1 10s. a ton. The department in Wellington pays about 19s. a ton—that is, for screened coal.

Mr. W. A. KENNEDY, Local Manager in Wellington of the Union Steam Ship Company, examined. (No. 4.)

80. *The Chairman.*] Would you kindly give the Committee some information as to the freights charged by the Union Company to the different ports in the colony for coal?—I can give you the principal. From Westport and Greymouth to Wellington it is 5s. 3d. per ton; to Lyttelton, 6s. 3d.; to Dunedin, 7s. 3d.; to Auckland, 10s.; to Napier, 10s. These are the principal destinations of the coal.

81. Have you any understanding or any stipulation with any of the coal companies?—In what direction?

82. Have you any understanding with the Westport Coal Company whereby the Union Company has the exclusive right to carry coal?—Not so far as I am personally aware. That is a matter of policy which the head office deals with. No doubt there is some reciprocal arrangement by which we provide tonnage for their output and they give us the carriage to certain ports.

83. You carry also for the Westport-Cardiff Company, the Blackball Company, the Greymouth-Point Elizabeth Company, do you not?—Yes.

84. Have you any competitors in the West Coast trade?—The Blackball Company and the Wellington Steam Packet Company, the Anchor line, and others, all carry coal.

85. *Mr. Morrison.*] Does the Union Company hold a large interest in some West Coast mines?—None at all.

86. You do not hold any?—No; we do not own any mines.

87. I was under the impression that your company held a very large interest in some—that, in fact, you were coal-merchants.—No; we are neither more nor less than carriers.

88. The Union Company imports large quantities of Newcastle coal into this colony?—Yes, at various ports, but principally at Lyttelton.

89. Can you give us any idea of what that coal costs when you receive it?—Yes; the cost at Newcastle for screened coal is 8s. per ton.

90. Is that for a superior class of Newcastle coal?—Yes, for screened coal.

91. What do you sell that coal at?—The net price charged by us to the dealers is 17s. 6d. to 19s., exclusive of wharfage and other incidental expenses. It varies according to the freight which has to be paid. The Wellington trade in Newcastle coal is principally supplied by sailing vessels and the rates of freight fluctuate, but you may take the cost to the dealer alongside ship into carts, at from 18s. 6d. to £1, according to the quantity purchased by them.

92. Then the Union Company sells Newcastle coal from 18s. 6d. to £1? Can you give us any idea of the quantity of Newcastle coal you import into this colony?—I cannot give you the amount for the whole colony, but I can give you the amount imported into Wellington for a year. It was 13,670 tons for the year ending 30th June last, of which a very large proportion is consumed by the Manawatu Railway Company.

93. I suppose we may take that quantity as a guide to the quantities imported into the other centres?—No; a very much larger proportion is used in the southern districts than in Wellington.

94. And I am safe in saying that the bulk of the coal is used by the public. Taking the Wellington import as a fair guide, the Union Company must import about forty or fifty thousand tons into this colony every year?—The Union Company is not the sole importer from Newcastle, as many vessels come to New Zealand with coal from Newcastle under charter to other firms. The French steamer "Maroc," which recently arrived at Lyttelton, is an example.

95. You are quite sure the Union Company has no interest in any mine on the West Coast?—I am absolutely certain that it has no proprietary interest.

96. *Mr. Dulhie.*] I understand you to say the rate of freight from Westport to Wellington is 5s. 3d. How long has it been that rate?—Speaking from memory, I should say for the last three years.

97. What was it before?—Very little more than that. My memory carries me a long time back to when it was about 7s.

98. Has it ever been less than 5s. 3d.?—Not to my knowledge.

99. What is the cost of the Westport-Cardiff coal on the staiths at Westport?—Something like 13s. The Westport Coal Company deliver the best screened coal in Wellington at £1 5s. per ton from alongside ship, against a cost of 18s. 3d.

100. You stated there was competition. What competition have you got?—I did not mean to imply that, but that we have not the sole monopoly of the loading arrangements on the West Coast.

101. There is an impression that it is impossible for outside boats to get any loading, and you say you have no control over the mines; there must be some arrangement existing?—No doubt there is a reciprocal arrangement, by which, in consideration of our providing tonnage for their requirements and of the large quantity of their coal consumed by us, they give us the carriage of their coal to certain ports.

102. So that practically there is to a great extent a large monopoly created?—It does not exist. The Anchor line run coal to Nelson, and Levin and Co. run to Picton, and various other firms' vessels also load at Westport.

103. Is it not a fact that you do not carry to Nelson—and do not seek to carry?—Yes.

104. That is part of the arrangement between you and the Anchor line?—Possibly.

105. Similarly, so far as this competition is concerned, there is an arrangement in regard to the Foxton trade?—No; we have never run to Foxton.

106. Picton and Wanganui then?—We have retired from the Wanganui trade; and we have been ousted from the Picton trade recently through an arrangement between Levin and Co. and the Westport Coal Company, by which the former act as the latter's agent at Blenheim and carry their coal.

107. A family arrangement?—I am not prepared to say that.

108. Are you prepared to deny it?—No, I am not prepared. It is not within my province. I am merely local manager.

109. But, as a matter of fact, you do not carry to Nelson?—Yes.

110. You asked the Committee to believe that there was competition between you and the Anchor line?—I did not mean to say we competed, but that we did not get the whole of the loading at Westport.

111. We know there are other steamers in the trade.—I took that to be the intention of the Chairman's question.

112. To me, the evidence you have given disturbs my impression of the position of things. You told the Committee that the freights have been reduced?—Certainly.

113. I was under the impression that you had advanced rates.—That is not so.

114. You act on purely philanthropic principles. If a contract is advertised and you tender for it, does that arrangement cover it?—We do not tender at all.

115. You do not tender against each other?—Our arrangement with the Westport Coal Company is revised at intervals. It may extend over a matter of years. All ports are included in the arrangement, and the Westport Coal Company base their tenders on the freights quoted under that arrangement.

116. The arrangement in the case of tendering would be the Coal Company's?—Yes; we simply get our freights.

117. You are quite certain that at no time previously has coal been carried cheaper than at the present time?—I am speaking only from my own knowledge, but I think I may safely say that the coal has not been carried at a lower rate than 5s. 3d.

118. I heard complaint in Nelson the other day about the very high price of coal, and I thought it was probably due to the increased number of hands, engineers, &c., that the companies are now compelled to carry. You disturb my theory.—No doubt the freights are regulated a great deal by the cost of labour and wages paid, which are much higher than in Australia.

119. I was told in Nelson, when hearing the subject discussed, that the smaller class of steamer that goes into Nelson being compelled to carry an extra mate and engineer the working-expenses had been enhanced, so necessitating an advance in freight.—No doubt by the recent decision of the Arbitration Court the expenses of these small steamers have been increased.

120. Do you know anything about that?—I only know that I had a good deal to do with our particular case before the Court, and the award did have the effect of increasing the working-expenses of these small steamers.

121. The rate to Nelson is very much higher than it is to Wellington?—Yes; it is an expensive port.

122. *Mr. Hogg.*] You said the freight from Newcastle amounted to 10s. or 10s. 6d. per ton?—No. The freight varies, according to circumstances, from 8s. to 9s. I am quoting sailing-vessels, and dealing only with Wellington. Very little Newcastle coal comes to Wellington by steamers.

123. And are these vessels built specially as cargo-vessels?—The bulk of them are owned in Auckland. They load at Kaipara or elsewhere with timber for Australia, and on their return trip they load with coal for any port, and are open to be chartered by anybody.

124. Does your company use those vessels?—Yes, occasionally; there is always a certain demand for Newcastle coal, and if it is not convenient to use our own steamers we endeavour to charter the sailing-vessels.

125. Have you found in your business that the consumption of Newcastle coal is increasing or diminishing?—I cannot speak for New Zealand, but you may take Wellington. The total import of Newcastle coal for a year is 13,760 tons, as against 107,000 tons of Westport coal for household and steam purposes, exclusive of Westport-Cardiff, Blackball, and Greymouth coal.

126. Is there any competition you have to face in connection with the freight from Newcastle?—Certainly. Mr. Brown has got a vessel at the wharf, which arrived yesterday morning from Newcastle, which puts us out of the market altogether for the time being.

127. You also bring coal from Westport?—Yes.

128. In steamers as well as sailing vessels?—No; by steamers only.

129. And are these steamers expressly intended for the coal-trade?—No; they carry passengers as well. Some colliers are used, but the bulk of the household coal is brought by the passenger-steamers.

130. What is the freight from Westport to Wellington?—5s. 3d.

131. Do the rates remain pretty steady throughout the year or vary with the seasons—is it a steady rate of freight?—Yes; there is a quotation given by the company to the various coal companies, which extends over a period.

132. Do you supply the merchants or enter into contracts with the public?—No, except in the case of Newcastle coal, which we sell to the dealers at our ship's side.

133. You have no contract with the Railway Department?—No; our interest in the New Zealand coal ceases after it reaches its destination and our freight is paid.

134. What is the freight to Wanganui, Patea, and places of that kind?—That is beyond my knowledge, because we have ceased to run to Wanganui, and we have never run to Foxton or Patea. As far as I remember, the freight to Wanganui is 11s.

135. So you do not send any coal to Wanganui, Foxton, or Patea?—No.

136. Do you know of any other companies doing so?—Yes; the Anchor Line run coal to Foxton, and the Wellington Steam Packet Company and others run coal to Wanganui.

TUESDAY, 12TH SEPTEMBER, 1899.

Mr. GEORGE JOACHIM, General Manager of the Westport Coal Company, examined. (No. 5.)

1. *The Chairman.*] The object of this Committee is to ascertain information as to the price of coal throughout the colony, and your position in connection with the Westport Coal Company, we consider, enables you to give us some useful information. It has been given in evidence before this Committee that the value of the coal is considerably depreciated at Westport through the method of loading by the staiths?—That is so.

2. Can you give the Committee any idea as to the difference in value of the coal when loaded at the crane-wharf and that loaded by the staiths?—I could not now, but should say it would amount to 2s. or 3s. a ton for screened coal.

3. It has been contended by some and denied by others that coal which is intended for steaming is not injuriously affected by loading at the staiths?—I maintain that it is not, but at the same time the steamship-owners are always complaining that the coal is too small. They say they cannot burn it so economically.

4. That is what the owners of the steamers say?—Yes.

5. You agree that they are the most qualified to give an opinion?—Yes. I know that the price is greatly regulated by the size.

6. You are quite satisfied that screened coal is depreciated 2s. or 3s. by loading at the staiths, and that the steamship-owners, who are qualified to give an opinion, are of opinion that all coal is damaged from the same cause?—Yes.

7. How do you account for the disparity in the price of coal in the different centres of the colony: in Wanganui Westport coal is £2 4s. a ton retail; it is £2 6s. retail at Patea, £1 18s. or £1 18s. 6d. in Wellington, and £1 18s. in Nelson?—I am not qualified to speak as to the retail price. I can only tell you the price we get at the different ports. At Wanganui we get for screened coal £1 4s. 6d; in Wellington, £1 2s. net, less 2½ per cent. and other expenses; it averages us £1 1s. net to the trade. We advertise to sell by the cart-load at £1 5s., and that gives a margin for the trade in Wellington. That is, at the ship's side we sell screened at £1 5s. and unscreened at £1, and then they have to pay the wharfage (in fact, we pay it for them, but it has to be added); and then there is the cartage.

8. How much is the wharfage and cartage?—The wharfage is 1s. and the cartage depends on where the coal has to be carted to. I should say it would be about 4s. or 5s. I dare say in some places they pay 7s. 6d.

9. In Nelson, I understand, the price is also £1 18s.?—I do not know what the price is there, but we sell the coal free on board to the Anchor Company, and they are supposed to charge a freight of 8s. from Westport to Nelson.

10. Do you sell coal to anybody else but the Anchor Company?—No; simply because no one else applies for it. We sell to any one who comes.

11. What is the price of Westport coal in Dunedin?—The price to the trade there is £1 8s.—that is, after paying 3s. wharfage.

12. What do you get for it?—£1 5s. from the trade for double-screened. There is a different treatment there.

13. Does that add to the cost?—Yes. I understand a much higher price is charged here than £1 5s., but then they have to take it into their yards and re-screen it. People will judge of the coal by its size.

14. They like to have it in nuts?—In large lumps. And although we screen it at Westport, and take out 40 to 50 per cent of small, they will have it re-screened. And I consider every time the coal is handled 10 per cent. goes to dust.

15. And is the dust waste?—It has to be sold at a lower price.

16. Can you give us any information as to the price of coal retail?—I am not qualified to give evidence on that point, except that we have a yard of our own, and I can state what the result of that is. We have a retail yard in Wellington. I induced our directors to take up that trade because I thought the retail price could be reduced. We charge that yard the same price as we charge to the trade, and the result of the best year we ever had was, after paying all expenses, charges, cartage, re-screening and the interest on capital employed, 5.24d. per ton. So far as we are concerned I cannot see any probability of reducing the price.

17. And you put the coal through the same process as it is put through by the other dealers?—Yes.

18. And the result was that your company has been enabled to sell at a lower price than they?—No, at the same price. I do not know exactly what the price is, but I would ask you to question our yard manager. I merely judge of the results as they come to Dunedin. The manager of the yard here, Mr. Gascoigne, will give you all particulars of the retail trade.

19. Your coal is tolerably hard?—No, unfortunately. There is no band of shale in it, as there is in Newcastle, to hold it together. It is a friable coal.

20. Consequently it is very liable to depreciation by loading at the staiths?—Yes.

21. Has your company any arrangement with the Union Steam Ship Company as to the terms and conditions by which coal can be brought from Westport?—Yes; there was an arrangement made with the Union Company in 1896 for twelve months, and we have been working on that arrangement ever since. There is no binding agreement between us.

22. You understand that in putting a question like this the Committee has only one desire. We do not act out of any partisan spirit; we only want to ascertain facts. It is said in certain quarters that a compact exists between your company and the Union Company, the result of which is that other steamers going to Westport are placed at a disadvantage in that they are not able to get a load of coal?—I may say at once that there is no compact existing as to an arrange-

ment of freight. They supply steamers when and where we require them, and we give them a certain amount of carrying work. This is expressly stipulated in an agreement simply by letter. We are free to charter other steamers and to sell coal f.o.b., Westport, to whomsoever we like, and they are equally free to buy from whomsoever they like. We sell to other steamers. We give carriage to any and every steamer that comes there. To Wanganui there is the Anchor Company; the Wellington Steam Packet Company; the "Gertie;" the "Himitangi," Messrs. Levin and Company's steamer. These go to Picton, New Plymouth, Foxton, Patea, and other places. In fact, we hold ourselves open to do business with anybody we can do it with on the best terms.

23. So that if any one makes a statement that an arrangement exists between the Westport Coal Company and the Union Company, whereby the interests of other shipowners are prejudiced, you would say that statement is not correct?—Yes.

24. About the staiths at Westport?—The Westport Harbour Board, as you are aware, are now building extensive wharves, from which the loading will be conducted on a different plan. The wharves will be provided with cranes, and the coal will be lifted bodily in the trucks into the hold of the vessel. Do you consider that system preferable?—Very much.

25. Can you tell us if there is a great saving in time by loading at the staiths?—I have no experience of that. I do not know what time they take at Greymouth, where they load by cranes. At Westport it is to be a better arrangement, as instead of the steamer having to move to the cranes the cranes will move to the steamer.

26. In the light of your experience, Mr. Joachim, it is a reasonable inference that it would be a wise policy to abandon the staiths altogether?—Decidedly so.

27. I have been of that opinion myself for a long time.—At present screened coal suffers considerably. We must have more rolling-stock, however.

28. Will there be a disadvantage in abandoning the staiths on account of the time they save?—The whole of the Newcastle trade is loaded by cranes.

29. Has the price of coal gone down of late years?—Our price, f.o.b. Westport, during the last four years has been reduced 20 per cent. If the Committee would take the price at the pit's mouth they would get a better comparison than by taking it at the different ports. In the first place: in regard to screened coal, when the whole of the output has been picked over, we only get about 25 per cent. that the people will buy as household coal. The remainder has to be sold for other purposes.

30. *Mr. Hogg.* And sold below cost price; that is, the 75 per cent.?—Yes, 75 per cent. has to be sold for other purposes than household purposes, and for that we have to take a much lower price.

31. Is unscreened adapted equally well for gas purposes?—Yes, the gas people take either the unscreened or small. Some prefer the small, and some the unscreened.

32. They are almost equal to each other for gas purposes, are they not?—Of course, we get higher prices for the screened than we do for the small.

33. What is the value of the coal you dispose of in Wellington for gas?—I really could not tell, but I suppose about 13s. 6d. c.i.f.; that is, small coal.

34. You say about 10 per cent. is lost every time the coal is screened?—It goes to dust, and then we have to sell it at a much lower price.

35. Is that dust utilised?—Yes, we sell it at a lower price for some purposes. We have to get it off.

36. Then, if in four years the price has been reduced by 20 per cent., has that, do you think, led to an increased consumption?—Yes: a very considerably increased consumption. I will give you our output. Last year it was 280,000 tons, and the year before it was 244,000 tons; in 1896 it was 211,000 tons; in 1895, 183,000 tons, and this year we expect to put out 320,000 tons. A steady increase in quantity, and a steady decline in price.

37. That means that in half a dozen years you will have doubled the output?—Of course, that will depend upon the prosperity of New Zealand, and also whether we can do an export trade. That, again, depends very much on the state of the harbour.

38. Then, I presume that the reduction is more than compensated for by the increased consumption?—I do not think it is. We are not making so much profit per ton as we were five or six years ago.

39. You were making more profit when you had the better price and the reduced output?—The principle we go on is that the lower we can get our price the larger our business will be, and that is a safe principle to go on.

40. *The Chairman.* Do you make any coke?—No.

41. Do you think the dust could be advantageously used for coke?—So long as we can sell it to the steamers I do not think it would. You are aware that our rate to the men is not the same as in Newcastle, where they pay at per ton for screened coal, but it is over. The whole output is weighed, and we pay at per ton, large and small all over. I can tell you the price realised by our coal, free on board at Westport and at the pit's mouth, in comparison with other countries. For instance, the selling price of the whole of our output, from f.o.b. at Westport, is 10s. 5·82d. If you deduct the royalty, 6d., and the railway-haulage, 2s. 4d., we get a net price at the pit's mouth of 7s. 7·82d. for the whole of our output. Glamorganshire coal is sold at the pit's mouth at 6s. 8·77d. per ton, or 1s. per ton below ours, that is in South Wales. And in New South Wales I think the average is about 6s. Then, the railway-haulage is very different in New South Wales from what it is here. The Newcastle rate for twelve miles is 1s.; our rate is 2s. 3d. for the same distance. Then, the Newcastle owners find their own trucks, and I am told that 2d. is an ample allowance for that; so their rate comes to 1s. 2d., against our 2s. 3d. And the Committee know that the wages are very different here from what they are in Newcastle. The Newcastle miner averages 8s. a day and our men average 13s. 6d., and nearly all the day-men are higher in proportion.

42. *Mr. Hogg.*] How are the men paid?—Paid at per ton.

43. And the rate is higher here than it is in Newcastle?—Yes, it is. In Newcastle they pay about 2s. to 2s. 6d. per ton of screened coal, and the men are only able to earn 8s.; and we pay 2s. 3d. a ton at one mine and 2s. 4d. at the other on bord coal. Pillar coal is a little less.

44. *The Chairman.*] Do you think it would have a sensible effect on the price of coal if the railway haulage was reduced?—Certainly it would.

45. There is a considerable disparity between the haulage-charges here and those in New South Wales?—Yes. And if the public would only be content to take the coal at the ship's side without being screened they could have it for £1 5s., they paying wharfage and cartage.

46. And the cost of cartage depends upon the distance?—Yes. The Committee will see that the price we get for the coal at the pit's mouth does not leave us much margin for reduction.

47. It really appears that the additions to the cost are made by the various processes the coal goes through after leaving the pit's mouth?—Yes. And we are always trying to reduce that cost with regard to the yield of the coal. The difficulty is that the public demand a certain article which costs a large amount.

48. Do you think it is because the public have not been introduced to the other article?—An advertisement of ours has been in the paper for years trying to get the public to do that, but they are very particular, and if there is the slightest amount of small they ring up and tell us to take it away.

49. You are of opinion that if the loading by the staiths was abolished, and the coal taken at Wellington from the ship's side, there would be a very large reduction in the price of coal in Wellington?—Certainly there would.

50. And the same throughout the colony?—Yes.

51. Does your company consider the haulage rates for coal in the colony detrimental to the development of their mines?—Certainly; the haulage at Westport is a very heavy charge against us.

52. Is it heavier than at other parts of the colony?—I do not know. We sell our coal delivered at the different ports.

53. As you are aware, the Westport–Waimangaroa–Mokihinui line pays better than any other in the colony?—Yes.

Mr. JOHN FOSTER, President of the Denniston Coalminers' Union, examined. (No. 6.)

54. *The Chairman.*] How many miners are there at work at Denniston and Coalbrookdale?—At Coalbrookdale there would be about eighty-four miners, practical coal-hewers, and another fifty working with the machines, that is, away from the practical coal-hewing.

55. Are you of opinion that the Coalbrookdale Mine is worked on the most advantageous principles?—I am of this opinion, that there could be more coal actually taken out.

56. Would that mean that you would have to increase the number of men working?—No; working it by a different method. This point relates to the Inspector's business. The Inspector is the party to see that the coal is properly exhausted before a part of a mine is closed down. I refer to the Government Inspector. I might state that there are two seams, and I think it is a farce working these two seams together. The one seam should be worked and exhausted before the other is touched. It has been the practice to work the two seams one above the other.

57. The seams are above each other?—Yes. In some places there is a distance of 14 ft. between them, and in other places only 6 ft.

58. What is the width of the seams?—6 ft. to 20 ft.

59. What separates the seams?—Fire-clay.

60. Is that utilised?—No; it is generally waste.

61. Thrown on one side?—The two seams are stood on pillars, and when you extract from the pillars you extract only one.

62. You think it would be better to take from one seam at a time?—Certainly.

63. And is that the opinion of all miners who are practical men?—Yes. There is another thing as regards the mine. There is not much cover in the country for the coal-seams, and when she takes a break she lets in all the water from the surface. When it rains all the water gets in. Where it is practical to drive for drainage the drainage should be got instead of pumping.

64. Would the drainage be cheaper?—Yes; and would be a great saving to the country.

65. And it is practicable?—Yes.

66. Then you consider that if the method which you consider is best adapted for working the coal was adopted the output would be increased, that there would be a sensible depreciation in the cost of the coal, and that it is a reasonable inference that if you increase the output without increasing your working-expenses you can sell at a cheaper rate?—Yes, you can do that. We get a standard figure for hewing, and you could not lessen that.

67. You could obtain the same result with the same number of men, and diminish the cost of production?—Yes.

68. What are the rates of wages you receive?—The present agreement is 2s. 4d. solid workings, 2s. false roof, and 1s 9d. main roof. Then there are other scales. Anything below a 4 ft. seam, or what is considered a difficult place, is paid an extra price for. If any stone comes from the coal under 6 ft. there is a scale for that.

69. Are all the colliers at Denniston members of the Coalminers' Union?—Yes.

70. And they are practical men?—Yes.

71. And what you have told us is their opinion?—Yes.

72. That is that the coal could be worked in a much more advantageous manner. Has your Union ever made representations on the subject?—The Coalminers' Union has laid complaints before the Minister of Mines on the subject.

73. You think it is the duty of the Inspector of Mines to see that the most advantageous methods are carried out?—Yes.

74. You think there is coal being wasted?—Yes.

75. You think coal is left in the workings which could be carried out?—Yes.

76. And once left in it is not worth while going back to take it out?—Yes.

77. *Mr. Hogg.*] I suppose you could not give any information as to why coal, which is placed free on board at Westport for about 10s. 6d. a ton, costs £1 18s. to the consumer in Wellington?—No, I could not give you any information as to that.

78. *The Chairman.*] I have heard it said that the reason why coal was so dear was on account of the excessive wages paid to the colliers. Can you give that an emphatic denial?—Yes.

79. *Mr. Hogg.*] As a practical man of large experience do you consider that the addition of considerable capital would lead to the production of coal at a much more reasonable rate, and on more advantageous terms to the public?—I should think that if the trade could be increased it would mean a lower rate.

80. *The Chairman.*] You are a practical coal-miner?—Yes.

81. How long have you been working in coal-mines?—Sixteen years in that district.

82. Did you have any experience before you came to that district?—Yes.

83. In New Zealand?—Yes.

84. Have you worked in any other country?—No.

85. You have had sixteen years' experience at Denniston and Brunnerton?—Yes.

86. Is the Coalbrookdale coal of a more than usually friable nature? Is it more easily broken than other coal?—No; just the same as other places. We get a hard place to-day, and a soft place another day.

87. The same as any other?—Yes. I think it would be a very good thing if the coal was not screened at Westport, but sent to the market in its natural state. Take Mokihinui, it is a very much softer coal than Denniston, consequently Mokihinui has a great battle to fight. It is the same with the coal of the Westport-Cardiff Coal Company.

88. You mean, the Westport-Cardiff Coal Company's coal is of a more friable nature still?—Yes.

89. You are of opinion that it would be better to put it on board the steamer as it comes from the mine?—Yes.

90. And have the screening done at the point of delivery?—Yes.

91. If you screen the coal and tip it into the boat it practically breaks itself up. Then it is screened again when it gets to the yards, and so it has two or three screenings. You think there would not be so much loss if there was only one screening?—Yes.

92. Do you think it is depreciated through loading by the staiths?—Yes; it has too far to drop.

93. You think it would be better to adopt the crane method?—Yes.

94. The coal is not then nearly so much damaged?—No, nothing like as much.

95. We have had evidence from Mr. Joachim that it makes a difference of 2s. to 3s. a ton in value. You indorse that?—Yes, I do.

96. Some contend that for steamship purposes it does not matter.—It does not.

97. That is your opinion?—Yes.

98. That is Mr. Joachim's opinion, but most of the steamship owners say otherwise.—I do not know how it is.

99. If they say so, you would defer to their opinion?—Yes. However, we use a good deal of coal for steam purposes, and the engineers and firemen always select the small coal.

100. Is it as broken up before it goes through the staiths?—Yes.

101. The steamship owners are of opinion that it is damaged, but you have no doubt that the screened coal is considerably damaged. If you tip a truck of coal and it has to travel down a shoot for 20 ft. or 30 ft., and drop down to the bottom of the boat, it must be depreciated?—Yes.

102. Is there a good feeling existing between the colliers and the company?—The company always meets us fairly, and we have always been friendly.

103. And the opinion you express about the disadvantageous manner the coal is worked does not reflect on the company?—No; the only blame is attached to the Inspector.

104. Anything that will increase the production of coal and increase the output, and anything that will cheapen it to the consumer, must be considered beneficial to all concerned?—Yes. We look at it in this way: we say that there is only so much of this coal in New Zealand, and it is our duty to see that it is all taken out.

105. *Mr. Hogg.*] Do you know what the average wages of miners in Newcastle are?—I do not know what they are now, but last year I think they were about 9s. a day.

106. What is the average wage here?—Our average earnings last year were about 11s. 3d., but I cannot give the exact figures.

107. So there is not a great difference between the figure here and that in New South Wales?—Yes. In the first place, we have 10s. a ton to pay up the incline for all our goods, which is a very heavy item. I should say a single man cannot live at Denniston under 18s. a week and bachelorising. Board is about £1 2s. or £1 3s. Unfortunately, the wages are not properly distributed. When we say 11s. 4d. or 11s. 6d., there are plenty of men with large families only making 8s., and then some make 16s. If we all got 11s. it would be all right.

FRIDAY, 15TH SEPTEMBER, 1899.

Mr. JOHN FOSTER, President of the Denniston Coal-miners' Union, further examined.

1. *The Chairman.*] In your evidence at the last sitting of this Committee you stated that in your opinion the West Coast mines were not being worked on the most satisfactory principles, and that you did not blame the company, but the Inspector. I want to ask you if you can tell the Committee if there is anything in the Coal-mines Act by which the Inspector is empowered to compel the company so to work a mine as to obtain the greatest amount of coal?—I do not think so. I do not think there is a clause to say how the mine shall be worked. I think that all mines should be worked under the Inspector, and he should say how they should be worked.

2. I would ask the Committee to bear that in mind. It really means that, as the law now stands, if the mine is not being worked so as to secure the best results the Inspector has not the power to compel the company to work it on the most advantageous principles. If this is so, Mr. Foster, does it not point to a necessity for amending the law?—Yes.

3. The Mokihinui Mine is no longer working?—No.

4. Could that be worked satisfactorily by co-operation or otherwise?—Well, that mine is in this position: It could be worked well under certain conditions. It produces no household coal, though it might perhaps produce 10 per cent. Denniston will produce 75 per cent., so it cannot go into the market against Denniston.

5. Is there an abundance of coal in the mine?—Yes. If the Government would utilise it for some purpose it is as good as any other, but there is not enough household coal.

6. Could you suggest any improvement in the method of draining mines?—I think it is a very serious question, and one that should be gone into with the Inspector before the coal is touched. I am of the opinion that it would be better for the Government to subsidise the companies for drainage instead of allowing it to be pumped—where drainage can be got, that is. As I said the other day, the country over the coal is very broken, and it breaks. Consequently we get all the rain-water in, and the pumping becomes so heavy that we cannot cope with it.

7. Your opinion is that where it is necessary to open a mine the draining should be done if possible by fall and not by pumping?—Yes.

8. *Mr. Tanner.*] Are you acquainted with the Mokihinui Mine?—Yes.

9. You have been over it?—Yes.

10. Do you think that a quantity of coal has not been got out that might be got out with proper treatment?—Yes.

11. What is the chief difficulty in the way of the mine not being properly worked? Is it the want of transit or capital?—Want of capital, for one thing; but the principal thing is the want of household coal in the mine.

12. Is it not a coal that can compete with other coals?—No.

13. That is to advantage?—No. I do not think you would get 10 per cent. of household coal in it.

14. *Mr. Duthie.*] You say the Mokihinui Mine is not worked for the want of capital: did not the shareholders who owned that mine sink a large amount of capital in it?—The shareholders did open the mine, but they failed because of the want of household coal. Then, you remember, the Knights of Labour took it up. The same thing happened to them: they could not produce household coal.

15. That goes to show the mine is a failure?—Yes, so far as the household coal is concerned.

16. There has been a large amount of capital lost in that mine?—Yes.

17. Do you know how much the shareholders lost?—No.

18. Then, the colony is induced to contribute to the cost of a railway that is largely lost to the colony?—Yes; I suppose there will be about three miles.

19. Then, there are sufficient coal-mines available for all present requirements—for the prospective requirements of many years—and available and worked within reach of the Port of Westport?—That is a matter of opinion. If any one could bring foreign trade they could open another mine.

20. Are not the coal-seams being worked very extensive?—They are.

21. And ample coal-supply in sight for the next twenty or thirty years?—I should say longer.

22. What would be the good of developing other mines if there are sufficient: what would be the good of investing further capital?—That is a matter of opinion as regards whether people wish to launch into the business or not. I should say there are sufficient mines for the present trade opened, but if people choose to go into speculations, let them.

23. You know nothing of combinations at work to advance the price of coal, or whether there is any reason for the State taking up the matter?—No.

24. There is plenty of coal for all our time?—Yes.

Mr. WILLIAM MOWAT HANNAY, General Manager of the Wellington-Manawatu Railway Company, examined.

25. *The Chairman.*] Will you tell the Committee what coal or class of coal you use for your company, and whether it is New Zealand or Newcastle?—We usually use Newcastle; that is our staple.

26. Can you tell the Committee why you prefer Newcastle?—Yes. We did use West Coast coal to a considerable extent some years ago. I am speaking now somewhat on the reports of officers, because I was not then in the company's service; but it was found there was a great difficulty in getting round coal—the percentage of small coal and dust was so great—and it was therefore difficult to use it to advantage. I may say, however, that since then, within my time, we

have from time to time tried nearly all West Coast coals in small quantities—that is, 100 tons at a time. The result has always been the same. We found it more profitable to use Newcastle.

27. Would you tell the Committee what is the freight on Newcastle coal?—I can tell you generally what the Newcastle coal costs us. We buy it on the wharf. I looked up that, and I found that during the last two years and a half the average we have paid is 17s. a ton on the wharf. It has been down to 16s., and we have paid as high as 17s. 9d. That is the average for the last two years and a half. I may say that before that we got it much cheaper.

28. That is at the ship's side?—Yes.

29. Can you give us any idea what you use in a year?—About 4,000 tons.

30. And you always use a small proportion of West Coast coal?—We have always been taking a small proportion. We take a few tons and try it again.

31. But the disadvantage in using it is that a large proportion is broken up?—Yes. Years ago, when we tried it on an extended scale we had to rescreen it, although it was supposed to be screened coal.

32. If it were not for the fact of it being broken would it be equal or superior?—I think if we could get round coal it is about equal for our purposes. Several experiments showed that it is equal to the best Newcastle. The Committee should understand that there are many Newcastle collieries we could not use as well. There are only two we take from.

33. And is that the reason you prefer Newcastle?—I think I may say that we prefer the local coal if we can use it.

34. Could you tell the Committee what the freight is from Newcastle?—No; you see, the quantity is not so great that we care to charter vessels of our own, and we always buy it delivered in Wellington.

35. And the Union Company bring it?—Sometimes; we never have a contract. We buy in the market from the Wellington dealers.

36. *Mr. Hogg.*] What did you pay for the West Coast coal when trying it?—We paid for West Coast coal of various kinds from 16s. to £1 0s. 9d.—that is, for 100 tons at a time. We bought 1,000 tons at these prices in about two years.

37. When did you get the last quantity?—We got some in 1898, but not this year.

38. And you paid 16s. 9d. for that?—I am afraid I cannot tell you; I think it was more than that. My impression is that we paid 17s. 6d. for it. We paid 16s. for another lot, which was our own price—that is to say, they were anxious that we should give them a trial, and, basing the price on the then price of Newcastle, we fixed a reasonable sum—16s.

39. Then, Westport coal is more expensive than Newcastle?—No, I do not think it was much more expensive in the initial price, but we were bound to consider the results. I should say that Coalbrookdale coal, for our purposes—that is, if you get it round, not broken—is just about equal to the best Hetton, one of the best Newcastle mines.

40. *Mr. Pirani.*] What is your freight from Wellington to Longburn?—7s. 3d. per ton.

41. Is it cheaper to get it by Foxton?—Yes. We practically do not carry coal up the country. They get it from the coast or from Newcastle at Foxton.

Mr. W. C. GASCOIGNE, Manager of the Retail Department of the Westport Coal Company in Wellington, examined.

42. *The Chairman.*] The Committee would like to hear what you have to say in regard to the retail price of coal in Wellington. You are connected with the Westport Coal Company's retail branch are you not?—Yes. We have to pay £1 2s. 6d. at the ship's side, which includes wharfage. Then we have to pay 1s. a ton cartage. We pay in the yard for labour, screening, and trimming, 1s.; bagging, 6d. a ton. Then it has to be carted outwards, for which we charge 2s. 6d., irrespective of distance: that is about the average within the town area. Then there is 2s. 6d. a ton for management, office expenses, stationery, yard-rent, telephones, bad debts, depreciation of plant, &c. We have to screen this coal as it comes in, and we have about 2 cwt. or 3 cwt. of slack out of every ton. That means a loss of about 2s. a ton. This brings the price of the coal up to £1 12s., and we sell it for £1 14s. That is the retail price.

43. We have been informed that numbers of people have paid £1 18s. a ton within the town boundary?—No. The town boundary includes up the Tinakori Road to Thorndon Quay, to the far end of Newtown. Of course, there are lots of hill-work, and plenty of places where we have to go where 2s. 6d. does not pay.

44. Can you suggest any improvement on the way of dealing with coal, whereby the cost would be reduced? Some witnesses have expressed the opinion that if no screening was done at Westport, and the screening was left to be done at the point of delivery, there would be less coal broken, and consequently less loss?—If the screened coal at Westport was put on board by the cranes I think it would save the double screening here, which would mean a saving of 2s. 6d. a ton.

45. To do away with the loading by the staiths all the screening could be done away with here?—Yes. If we sent it out as we get it, it would be sent back.

46. People, then, prefer the screened coal?—Yes, double screened. We always buy it as screened coal, but Westport coal is very soft and breaks up.

47. So loading the coal by the staiths is a mistake for household purposes, and the cranes would be preferable: it would make a difference of 2s. 6d. a ton?—Yes.

48. Is it customary for coal-dealers to mix Westport and Newcastle and other coal?—Yes, when asked for, but not otherwise.

49. Does that make a difference in the price?—Yes; 2s. less.

50. You are sure only when it is asked for?—Yes.

51. I have been told that the public have been imposed upon by the mixture of inferior with Westport?—No; it is not done except when asked for. Some people think our coal burns away too quick and prefer it tempered with Newcastle.

52. *Mr. Duthie.*] Can you bag the coal at the ship's side?—No; it has to be put loose in the drays.

53. So the householder has to suffer by the coal having to go through all this process?—We have to pay from £1 2s. to £1 3s. for the coal from the ship's side. Of course, if a man wants it we can give it to him at £1 5s., and then he has to pay wharfage and cartage, making it perhaps £1 9s.; but then he would have to take it as it comes, small and all.

54. I was told by a witness yesterday that it was better to have slack in for household purposes?—But the women will not have it.

55. And you cannot deliver screened coal except by bagging?—No; but you could put it in baskets, and at the ship's side, and they could be carried in.

56. *Mr. Hogg.*] Would you suggest any means by which the present price could be reduced?—No; I cannot see any way it could be done, except by taking it at the ship's side.

57. Do you think it would be practicable to receive orders in advance from the regular customers, so that coal required by the consumers could be loaded direct into the drays, instead of carting it to depots and having these screenings and repeated handlings?—We would require to have a very large plant to keep every one going. When people only take a half- or a quarter-ton we require to have a storage place.

58. You have never tried receiving orders in advance and loading direct as the coal arrives?—A few loads we have—that is, when people have asked for it when the boat is in. Plenty of people have not a right-of-way, and then it is not so easily done.

59. *Mr. Duthie.*] I have been rather puzzled to know what the object of this Committee is. I now suspect the object is to induce us to find capital to load the coal by cranes at Westport. If that is the object, what, in your judgment, is really to be saved through loading it by the cranes? What would be the advantage?—I have never seen it loaded. I think it would save from 2s. to 2s. 6d. Westport coal is very soft and it breaks up.

The Chairman: I will explain how the coal is at present loaded. It is placed in bins above the staiths, and then the shoots to the vessel are unlocked, and the coal goes down to the bottom of the vessel. The crane would lift the truck down to the bottom of the vessel, the bottom of the truck is pulled out, and the coal falls down easily.

60. *Mr. Duthie.*] The coal from Greymouth is loaded by means of trucks and cranes, is it not?—It is; but it was not in my time when I was there. It was altered afterwards.

61. Do you find any difference between coal coming from Greymouth and that coming from the other port?—There is no household coal coming from Greymouth, except the Blackball coal.

Mr. Duthie: It seems to me that the crane system is the best for household coal, and for friable coal, but it is a question whether we can go to the expense.

62. *The Chairman.*] I understand that at present there is no separation of the cargoes of household coal from that used for other purposes: do you think it would cheapen household coal if vessels brought loads of household coal to Wellington—that is, instead of having the cargoes mixed?—No; it is kept separate. Screened is brought in one hold and unscreened in another.

63. Then, what is the object of screening in Wellington?—It is because householders will not have it if there is a lot of small in it.

64. If the household had not been loaded by the staiths the screening at this end would not be necessary?—Yes, I think so.

65. That is, the extra expense would be obviated?—Yes.

66. Do you not think it would lessen the cost if cargoes of household coal were brought exclusively?—I do not think so. The vessel has three hatches, and the screened is kept in a separate hatch to the unscreened.

67. Do you know why the consumers prefer to have the coal delivered in the manner you say to having it at the ship's side?—They do not like the small coal, though some prefer it.

68. If they got it at the ship's side it would be cheaper?—That depends upon the cartage and carrying-in. I should say 4s. on the average.

69. Your business only concerns Wellington, does it not? You have nothing to do with surrounding districts?—No; nothing outside Wellington.

Mr. RONAYNE examined.

The following letter, addressed to Mr. Tanner, M.H.R., of Christchurch, was read by the Chairman:—

DEAR SIR,—

I notice that your name appears on the Committee *re* the price of coal. In Christchurch the price of Westport coal, retailed by the ton, quarter-ton, half-ton, &c., averaged £1 18s. per ton. This is, in great measure, owing to the high price of the native local coal. There are hundreds of acres of good coal within fifty-five miles of Christchurch of all qualities—viz., anthracite, black coal (altered, from its proximity to rock dykes), and true brown coal, not the ordinary lignite. These coals would be far more used in place of Westport if the carriage and cartage were reduced. The railway charge for forty-two miles, on a down-grade of the cheapest constructed line in the colony, is 4s. 9d. per ton, while the timber and hewing at the mine costs only 4s. 6d. Again, there is the trouble with the Road Boards about the roads from the mines to the railway-station. The requirements for cheap coal here are: Horse tram-lines, which can be made at £300 per mile, from the mine to the railway (the condemned iron railway rails would do for this work); and the mine tubs run direct to the railway trucks. This would be one handling only, instead of three. Reduce the railway charge in proportion to the cost of construction of line down which the coal travels. Instead of empty trains there would be a large amount of traffic, more Government royalty, and less requirements for Westport.

I remain, &c.,

W. Tanner, Esq., M.H.R.

WILLIAM SMART, Mining Engineer.

Mr. Ronayne: The letter refers to a question of rates, and I have made a few extracts from the tariff which will throw a little light on the matter. The bulk of the brown coal carried in Canterbury is sent from mines situated at Springfield, Sheffield, Whitecliffs, and Glentunnel. The rates charged from these stations to Christchurch are: Springfield, 5s. per ton, forty-five miles for

5s.; Sheffield, thirty-eight miles for 4s. 5d.; Glentunnel, thirty-nine miles, 4s. 6d. per ton; Whitecliffs, forty-two miles for 4s. 9d. I may state that these rates are in Class Q, the lowest rate in the tariff of the New Zealand railways. In Otago, where there are brown-coal mines situated within five and ten miles of Dunedin, the freight charged is based on the classified rates, Class Q, 1s. 9d. per ton. Coal from these mines is sold at prices varying from 16s. to 18s. per ton, notwithstanding which the bulk of the coal sold in Dunedin is railed from Shag Point, Bushy or Allandale, and Kaitangata, and pays freight of from 4s. 11d. to 5s. 5d. per ton, and is retailed in Dunedin at from £1 to £1 6s. per ton, while Newcastle and Westport coal can be obtained at from £1 10s. to £1 18s. per ton. These are the maximum rates. Westport coal landed at Lyttelton is charged a freight of 2s. 6d. a ton from Lyttelton to Christchurch, in addition to 6d. a ton wharfage. Westport coal landed at Port Chalmers and freighted to Dunedin has to bear a similar charge of 2s. 6d. The wharfage at Port Chalmers I have not been able to ascertain, because the Harbour Board collects it. There are three rates for the various kinds of coal. The brown coals are charged Class Q, which is a bed-rock rate, a road-metal rate; the West Coast gas-coals are charged Class P; and the Newcastle, or other imported coal, Class N, a rate higher. I think the foregoing answers the majority of the questions referred to in the letter in question.

70. *Rt. Hon. R. J. Seddon.*] What are the hewing rates at Shag Point?—I am not aware of them.

71. *Mr. Duthie.*] Springfield costs 5s. for forty-five miles. How does that pay the railway?—It is the standard rate throughout the colony, but it gives a very little margin. It is a bed-rock rate. The grade from Springfield to Christchurch is particularly favourable: it is a down-grade right away through, and the cost of working it would be relatively small compared with hauling coal from Kaitangata to Dunedin, where it is a rough country.

72. I presume you consider this question to be the actual cost of working?—Certainly.

73. Could you give us any idea of what it would cost, if the railway was finished from Brunner to Christchurch, to repay the department?—I cannot say from memory. I think it would be 8s. from Stillwater to Springfield (Midland line), but I cannot say definitely. It was worked out.

74. How could it pay for 8s.?—I am not saying the 8s. is correct; it is from memory. I should have to refer to the calculations which have been made by the department.

75. If 5s. for forty-five miles downhill is the actual cost, surely to raise it up 2,000 ft. more or less for a much greater distance would be much more expensive?—There is a good distance of flat, but I do not remember what the highest altitude is.

76. It does not seem consistent that you could haul for 8s.?—I quite understand what your line of thought is.

77. Could you throw any light upon it?—Only by referring to my papers.

The question of the rate on coal from the West to the East Coast *via* the Midland Railway, in the event of its being constructed over the Southern Alps, from Brunner to Springfield, is involved in a number of considerations. It may be looked at in two ways: (1.) What rate would pay as a commercial undertaking? (2.) What is the possible rate in view of outside competition?

In regard to the first, the rate which would pay is inseparably connected with the volume of the traffic, the cost of working, and the capital value of the line upon which interest has to be paid. Any statement, therefore, as to what would be a payable rate must necessarily be of a purely speculative character. In my report dated 17th December, 1895, which was laid before the Arbitration Court sitting at that time, I estimated a traffic of 50,000 tons of coal per annum, and a rate of 8s. per ton. This rate was for the Midland Railway portion of the journey, *viz.*, Brunner to Springfield. To arrive at the through rate to Christchurch, the rate for the journey from Springfield to Christchurch—a distance of forty-four miles—must be added, and the classified rate for that distance and for the class of coal to be carried is 6s. 10d. per ton. This would require to be reduced to 4s. 6d. per ton, making a total through rate—Brunner to Christchurch—of 12s. 6d. per ton. I believe that some such rate would secure a considerable business, as the means of communication would be more regular and certain, and the damage to the coal in transit would be much less. In all probability the railway would be largely used for the distribution of coal to Christchurch and the country districts beyond. It is not at all likely that the coal supplied to shipping and the town of Lyttelton would be diverted from the sea, nor is it likely that a higher rate than the one I have quoted could be obtained in view of the competition from Greymouth and Westport by sea. Taking the most sanguine view that I can, I am of opinion that 12s. 6d. per ton is the highest rate that we can hope to obtain for coal, and 50,000 tons per annum the greatest quantity that we can hope to carry. Should these anticipations be realised the revenue derived from the coal and traffic of all kinds on the railway between Brunner and Springfield would probably pay working expenses, and leave a margin of some £7,000 a year towards payment of interest on cost of construction.

With regard to the second consideration—"What is the possible rate in view of outside competition?"—I would point out that coal from Brunner going to Christchurch *via* the sea has to pay 1s. 10d. per ton from mine to ship, then sea freight to Lyttelton—which, in view of competition, is an unknown quantity; thirdly, wharfage at Lyttelton; and fourthly, railage from Lyttelton to Christchurch. All these items may be taken to amount to 10s. 6d. per ton. I have allowed a rate of 12s. 6d. per ton from Brunner to Christchurch *via* Springfield, which is 2s. per ton more than it would cost by sea. This is the utmost which can be claimed for regularity and celerity of despatch and for less damage done in transit.

78. *Rt. Hon. R. J. Seddon.*] Would you have any difficulty in obtaining the first cost of the coal? There is a missing link. You have given us the railage of the coal: you have given us the price at which it is sold: but, to make your evidence complete, it would require the cost of the coal put into the truck?—I am unable to supply reliable information.

79. What do you say the railage was on the coal from Kaitangata to Dunedin?—5s. 5d. per ton.

80. At what price is that coal sold at in Dunedin?—Varying from £1 to £1 6s. per ton. Allandale and Shag Point are superior coals to the brown coal in Canterbury.

81. Is the royalty the same for the Allandale as for the Shag Point?—I cannot say.

82. What is the rate?—4s. 11d. It varies from 4s. 11d. at Bushy. Shag Point would be a little more. The maximum would be 5s. 5d.

83. Do the coal-trucks go right to the mine?—Yes. There is a branch railway to the Shag Point, which is worked by the department, and the Allandale have their own private branch, and the Kaitangata also.

84. *Mr. Hogg.*] Can you speak yourself as to the quality of the Springfield coal?—It is an inferior brown coal, and does not give satisfactory results for locomotives. If it were equal to the Kaitangata, Allandale, or Shag Point, we should use it in preference to the West Coast coal for locomotive purposes in Canterbury. We are using brown coals in the workshops at Addington, mainly for the purpose of reducing the smoke-nuisance.

85. Have the haulage-charges between Springfield and Christchurch been materially reduced? No. The rates have not been reduced for some considerable time; but there has been an alteration of the rates.

86. Was the effect of the reduction to lead to a much increased output?—There has been no increase. In fact, the brown-coal trade, so far as I have been able to judge, is in a very bad state in Canterbury. There is no increase; and the Springfield mine, which used to do a large business, is practically dead. They have a pottery there, and, even for the production of the pottery, they have to use part West Coast and Newcastle coal. Their own is not strong enough alone for the kilns.

87. *Mr. Duthie.*] That does not affect the cost of haulage on the railway?—No.

88. You suppose from that that the coal has fallen in favour amongst consumers?—There are such large quantities of Newcastle, Westport, Blackball, and Westport-Cardiff sold, the various agents pushing their wares; and I suppose the householder prefers something which will boil the kettle more rapidly than brown coal, which is very slow.

89. *The Chairman.*] Do you use exclusively New Zealand coal for the railways?—The universal practice throughout New Zealand is to use New Zealand coal; but, owing to untoward circumstances, in not being able to get a steamer to take coal to Dargaville, we have occasionally used a small amount of Newcastle.

90. You prefer to use New Zealand coal because it is best?—It is sufficiently good and very satisfactory, so far as locomotive requirements are concerned, especially Westport coal.

91. For steaming purposes, is it equal to the best you can get from Newcastle?—Yes. I have no hesitation in saying that Westport is equal, if not superior, to any coal the department can obtain. We use it exclusively on the Rimutaka Incline, where the test is the most severe in the colony.

92. The Westport coals get rather broken up?—All West Coast coals are of a friable nature.

93. And the loading by the staiths tends to break up the coal more than it otherwise would be?—I consider the staiths are not a proper means of shipping screened coal, because the damage done is very great; but for shipping steam-coal the staiths are, I consider, quite sufficient. The damage is not material.

94. By screened coal you mean coal for household purposes. You are convinced that loading by the staiths damages that?—Yes.

95. But that coal for steamers or for locomotive purposes is not affected detrimentally whatever?—I will not go as far as that. A large quantity of the coal consumed by the locomotives is screened coal; for such purposes as working on the Rimutaka Incline, for the incline engines, we want the best coal we can procure, and we have to specify for screened coal. Where the grades are heavy we always specify for screened coal, and that coal should be shipped by cranes at Westport, in the same way as obtains at Greymouth, where the method of shipment is the most suitable.

96. Could you give an approximate idea as to what extent it would cheapen coal to load it by the staiths?—I think that is more for coal people to answer.

97. In reference to haulage rates on the railways, have you the same scale throughout the colony, the same rate of haulage for coal?—There are certain local rates. I can put in a statement giving all the local rates.

Native Coal for Export to Places outside the Colony of New Zealand.—Native coal (brown, anthracite, or bituminous) for export to places outside the Colony of New Zealand, consigned from collieries to vessels clearing for ports beyond the Colony of New Zealand, will be charged 25 per cent. less than the classified rates, or local rates.

Kawakawa Section.—Native coal, Class Q, from the Kawakawa Coal-mine to port for shipment, will be charged 2s. 6d. per ton, including weighing and discharging into ships.

Whangarei Section.—Goods of Classes P and Q consigned from Waro to Opau for shipment will be charged 2s. 6d. per ton, including weighing and delivery to ship by skip. Goods of Classes P and Q consigned from Ruatangata to Opau for shipment will be charged 2s. per ton, including weighing and delivery to ship by skip.

Kaihu Section.—Class P will be charged as Class N.

Auckland Section.—Coal (native, brown) between Onehunga and Auckland will be charged 1s. 9d. per ton. Coal, not otherwise specified, between Onehunga and Auckland will be charged 2s. 6d. per ton. Coal-slack, native, delivered on railway-trucks at pit's mouth at a price not exceeding 2s. per ton, will be charged at the rate of 6s. per ton for conveyance from Huntly or Kimihia to Komata-Thames and intermediate stations. Minimum quantity, 6 tons per truck. Consignment-note must be indorsed by consignor as follows: "I hereby certify that the price obtained for the coal-slack entered hereon does not exceed 2s. per ton delivered on railway-trucks in railway-siding." Coal-slack, native, for lime-burning, ore-roasting, and brick-burning purposes, from Huntly or Kimihia, will be charged as follows to the stations named: Te Kuiti, 5s. per ton; Te Aroha, 4s. 6d.; Paeroa, 5s. 3d. Minimum quantity, 6 tons per truck. Goods of Classes P and Q from Kimihia Siding will be charged 1d. per ton in addition to the classified or local rates.

Wellington-Napier-New Plymouth Section.—Coal between Spit and Napier will be charged as Class Q. Coal between Wanganui and Aramohe Junction will be charged as Class Q. Coal-dross for lime-burning purposes, from Wellington to Mauriceville, will be charged at the classified rates for Class P. Coal, imported, from Wellington to Petone will be charged 3s. 2d. per ton. Coal from Wellington to Ngahauranga will be charged 2s. 6d. per ton.

Hurunui-Bluff Section.—Coal from or to Fernhill to or from stations beyond Abbotsford will be charged 4½d. per ton in addition to the classified rates and charges from or to Abbotsford. The following rates will be charged between Bluff and Ocean Beach: Native coal and manures (other than street, stable, and farmyard), 2s. per ton; minimum quantity, 5 tons per truck. A terminal charge of 2s. 6d. per ton will be made on all coal loaded at the public sidings on the Nightcaps Coal Company's Railway at Nightcaps Station in addition to the ordinary rates.

Greymouth-Brunner Section.—Coals and coal dross consigned to port for shipment will be charged 1s. 10d. per ton for distances not over eight miles, and for each additional mile or part of a mile ¾d. per ton will be charged, including weighing and delivering to the ship. Minimum quantity, 5 tons per truck. Coal to Greymouth will be charged 2s. per ton. Coal consigned to Greymouth from the Blackball Coal Company's mine will be charged 1s. 8d.

per ton for conveyance upon the Government railway from Brunnerton to Greymouth. This charge includes weighing and delivering to the ship at Greymouth Wharf on coal for export.

Greymouth-Hokitika Section.—Goods of Class Q will be charged as Class P, except otherwise specified.

Westport Section.—Coals and coal dross consigned to Westport will be charged 1s. 10d. per ton for distances not over eight miles, and for each additional mile or part of a mile $\frac{1}{4}$ d. per ton will be charged; minimum quantity, 5 tons per truck. This charge includes weighing and discharging from the coal-staiths on coal for export. Coals and coal dross consigned from Waimangaroa Branch line to Waimangaroa, Fairdown, or Sergeant's Hill will be charged 2s. 3d. per ton. Coals and coal dross consigned from Conn's Creek to Wellington Mine will be charged 1s. per ton. Goods booked through between stations on the Government railway (Waimangaroa Junction excepted) and stations on the Waimangaroa Branch line will be charged upon the branch, in addition to the classified or local rates on the Government railway as follows: Between the Junction and Conn's Creek—timber, 3d. per 100 superficial feet; coals and minerals, in 5 ton loads, 1d. per ton; other goods, 1s. 3d. per ton. Minimum charge, 3d. Between the Junction and the Wellington Mine—timber, 2d. per 100 superficial feet; coals and minerals, in 5 ton loads, 2d. per ton; other goods, 9d. per ton. Minimum charge, 3d.

Nelson Section.—Goods of Class P will be charged as Class N.

Pictou Section.—Goods of Class P will be charged as Class N, except otherwise specified. Native coals, ex ship, Pictou to Grovetown or Blenheim, will be charged 5s. per ton, including wharfage; owners to load and unload.

98. In what respect do the rates charged at Westport compare with other parts of the colony?—It is especially favourable there. There is a local rate for the Westport section and a local rate for Greymouth, on account of the volume of business.

99. They are cheaper than obtaining elsewhere?—Yes, for instance, the classified rate from Brunner to Greymouth is 2s. 6d., whereas the local rate is 1s. 10d.; and from Ngahere to Greymouth the Blackball Company pay a rate of 2s. 6d., the Government proportion being 1s. 8d. and the Midland Company 10d., a total of 2s. 6d. This is really a competition rate with the Brunner Mine. The Midland Company reduced their rate so as to enable the Blackball Company to compete on fairly equal terms with the Brunner.

100. As a fact the Westport-Waimangaroa pays the highest percentage in the colony?—Yes, it pays the highest percentage—£13 3s. 6d. per cent.—for the year ending 31st March, 1899. With regard to the Westport rates, there is a rebate of 25 per cent. in favour of coal shipped to ports outside the colony, to San Francisco and other places, so as to try and encourage foreign business. The same rate applies to Greymouth and other parts of the colony.

101. You do not, then, support the contention that Newcastle coal, by reason of it not being so broken, is preferable for steaming purposes to Westport coal. I mean the best Newcastle coal. You deny the accuracy of that statement?—Certainly. We do excellent work with unscreened coal on New Zealand railways, where the grades are not too severe.

102. For the steepest grades you use Westport coal?—Yes.

103. *Mr. Duthie.* You mention that the screening did not make so much difference for some purposes, but that the household required screening?—So far as giving my own personal experience, I think the Wellington people should use unscreened coal, and it would largely assist the mines if they did so. The slack of Westport coal and the round coal makes an excellent fire, and it will not burn away so rapidly. I burn slack mixed with coke. The coke is produced from Westport coal, and the slack comes from Westport.

104. Do you think there is any benefit arising from the screening?—Well, people like to have a nice, bright, quick fire, and a more cheerful fire is obtained by use of screened coal. If you want to study economy you must burn unscreened coal.

105. A previous witness stated that the coal would not be broken up so much if the coal was carried unscreened, and screened at the port of arrival. I presume that is so?—In shipping it would not be broken up to the same extent.

106. And the same thing would occur at the staiths. The coal would not be broken up so much as if it was shipped screened?—There is provision for loading the screened coal by cranes at Westport. All the coal is loaded in that way at Greymouth.

107. What I wish to get at is the real practical value of this screening, or of the alteration of the system of loading at Westport from the staiths to the cranes, because that is practically what we are driving at: that is, to see whether there is really a return for the extra capital sought to be expended?—I think it is essential that all screened coal should be shipped by cranes.

108. You say it is better not to screen it and it will carry better, that is deferring the screening till it arrives at the destination?—Yes.

109. *The Chairman.* I think Mr. Ronayne means that by shipping by the cranes the need for rescreening should be obviated?—I do not know that it will be that altogether, because the coal is of a very friable nature. The coal is lowered down to the bottom of the hold in good condition, but through trimming and loading into baskets a certain amount of breakage and slack is produced. Shipment of screened coal is imperative in the case of coal for foreign export.

110. We have it that it costs 2s. to screen coal here—that is allowing for the loss of weight. Some 40,000 tons of coal are exported from Westport, half of which is household. I was trying to get at what is the money-value of the injury done by the staiths, so as to show what is to be saved?—They charge 2s. to screen it here.

111. Yes, allowing for slack. It pans out to about £1,000 of benefit. Now, is the expenditure asked for for trucks and cranes going to be recouped?—It will all depend upon the magnitude of the screened-coal business. It is just a question of turnover.

112. You cannot assist one in that direction?—No.

113. *Rt. Hon. R. J. Seddon.* Have you considered the stage-system for carrying coal—notwithstanding the distance the coal-mine is from the port, carrying it at the same rate?—There was a proposal to group the rates on the Westport section some time ago, and it practically meant that no return would be received from the capital-cost of a portion of the line, say, from Granity to Mokihinui. There was a proposal to make the Granity to Westport the maximum rate.

114. What is the tonnage of the coal coming into the colony?—I cannot tell.

This statement shows the cost to be 5s. 4d. at the mine. The expenses, as given by Mr. Hargreaves, have to be added to that. The items are: Royalty, 6d.; commissions on sale of coal, 3½d.; management, 4d.; contribution to the miners' fund under the Act, ½d.; depreciation on plant, based on £2,000 a year, 8d.; stores, 3d.; and railage from Seddonville to Westport

3s. 2d.—that is, 5s. 3d. to go on to 5s. 4d. That is the cost last year; this year we have been putting out less, and the cost is more, as taken out from the pay-sheets. Taking 131, 132, 133, 134, and 135 the cost comes to 11s., and that is about the average cost for this year, as taking it from the pay-sheets. That simply corroborates what Mr. Hargreaves says in regard to this year's costs. In regard to the wages of the miners, the average gross daily wage to date this year is 12s. 6d.

124. *The Chairman.*] Does that mean the coal-hewers?—Yes. That is for coal-hewing per working-day of eight hours. The average time for the men is four days and a half per week—that is for this year.

125. What was it last year?—I think about the same. I think, though, that the men worked rather better time last year.

126. If anything, a little more?—Yes, if anything, a little more. I may say that our men are working for 3d. per ton less than the Denniston men.

127. They volunteered to do that owing to the circumstances in which your company is supposed to be?—Yes.

128. *Mr. Carson.*] Are they paid by piece-work?—Yes. I may say that the last reports from the mine are very unsatisfactory. We are getting very little hard coal out, and it is on the hard coal that we make our profit; and I very much fear that we will have to close down, because the directors are not inclined to go on if they cannot make a profit. As long as they can make both ends meet they do not mind. At present they seem to be losing money.

129. *The Chairman.*] We have had evidence from previous witnesses about the loading at Westport. Your coal is friable?—Yes.

130. Is it not depreciated in value by loading by the staiths?—Very seriously.

131. As against the crane loading?—Yes.

132. It makes a considerable difference in the value?—A great difference for household coal, about 2s. or 3s. a ton, also for steam coal. Our steam coal is naturally more friable and more brittle than the household.

133. Does it depreciate the steam coal also?—It depreciates its value to the extent of 3s. a ton. Steaming coal that we have shipped has been so broken that we have had to sell it for small and nuts. The Union Company give us 7s. 3d. for that, and 11s. for the steaming coal, so we lose the difference, and largely owing to the loading.

134. You depend for your profit on the screened?—Yes.

135. And that is particularly depreciated by loading through the staiths?—Yes.

136. On account of that you have to sell your nuts and small for 7s. 3d.?—Yes.

137. And you think the value is affected from 2s. to 3s. both for household and steam?—Yes.

138. By loading by the staiths?—Yes.

139. As against the crane?—Yes.

140. *Mr. Carson.*] I understand that you are now working at a loss?—We have been for the last two months, about the last six weeks or so. We have been about making two ends meet for the last shipments of coal. For the last four or five years we have been making an actual loss on the shipments.

141. For the future you do not expect any profit?—Not in our present area; it is too broken and disturbed.

142. What would you suggest?—Our only remedy seems to be to either get a better price for the coal, which is not practicable, or open up a new area. We have a new area on the lease, but the difficulty is to find the ways and means to open it out.

143. But that is all chance, because you have recently opened new areas?—Yes; but what we call the cave area, which is still unopened, appears to present more favourable appearances than either of the others opened. The outcrops are good, and we have spent £400 or £500 in boring it, and the country appears to be less broken on the surface, that is, less broken than the other area.

144. Have you the capital for opening it out?—We have not. We have spent everything and have got no return whatever. We have spent upwards of £40,000 on the lease. All profits that have been made have been spent in further development; and although our balance-sheets have shown a profit the money in reality has been spent beforehand.

145. *Mr. Morrison.*] You are manager of the Westport-Cardiff Coal Company?—Yes.

146. You are mine-manager?—Yes.

147. Have you long held that position?—Since the commencement of the operations.

148. How long has the Cardiff Coal Company been in existence?—About seven years.

149. Have you any idea what the original capital of the company was?—The nominal capital was £30,000, but only £17,000 was called up.

150. Have you paid any dividend?—No dividends whatever.

151. What is the coal-mining area of your lease?—1,800 acres.

152. Is it leased from the Crown?—Yes.

153. And you pay a royalty of 6d. per ton on the coal, that is on the coal raised?—Yes.

154. You pay 6d. a ton as royalty, and in addition to that you pay a Crown rent?—The rent merges into the royalty.

155. Kindly explain the terms upon which you hold these 1,800 acres from the Crown?—I cannot say from memory what the actual dead-rent is, but it is a progressive rent. We hold it subject to putting out a certain amount of coal yearly, and pay a certain amount of dead-rent or royalty on that coal. If the royalty in any year exceeds the dead-rent then the dead-rent merges into the royalty and there is no royalty charged.

156. If you put out 10,000 tons and the royalty on 10,000 tons amounts to more than the dead-rent you get the benefit of the deal?—Yes.

157. How many miners have you employed?—Our total number of hands is about one hundred.

158. I am speaking about coal-hewers alone. I mean the men working at the face?—About forty coal-hewers at the present time.

159. And the average wages that these men earn is about £2 13s. per week?—That is so for this year.

160. Which means that their weekly earning-wage was about £2 13s. How many underground managers have you looking after these forty men?—We have an underviewer and two deputies.

161. That is, three under mine-managers?—They are workers; they do the timbering and laying the roads as well as looking after the safety of the miners.

162. Yes, but there must be some one in charge of them?—There is simply one underviewer, who is in charge, and does nothing but attend to the safety of the mine. There is one underviewer who does little else but work about the mine and look after its safety. There are two deputies under him again, who lay the roads and put in the timber.

163. Who takes up your duties while you are at present here in Wellington?—An underviewer.

164. The gentlemen you mentioned just now?—Yes.

165. And in that case the two under-deputies will virtually have charge of the mine. He cannot be always underneath?—He does not take the whole of my duties. He takes up my duties so far as the mine is concerned. Our clerk there looks after the outside work.

166. There are then three managers, the two underviewers and yourself for forty men. How are the other fifty-six men employed?—There are a number of truckers, and then there is a blacksmith and striker, a carpenter, and rope roadmen. We have a considerable number of boys and others on the rope-road clipping and unclipping the tubs. We are bringing the coal a considerable distance to our bins. Then there is the weighing on the bins and the tippers.

167. The point I am trying to bring out is to see whether the Westport-Cardiff Coal Company is as economically managed from a mining point of view as possible. You are only employing forty miners, and they seem to have to carry on their backs forty additional men—that is what I am trying to bring out?—You see, miners only hew the coal and set the timber to keep themselves safe in the face. Besides the men we have employed on the coal we have a number employed at dead work. We meet with a great number of faults, and have a considerable quantity of rock-cutting to do. Although these men are actually working at the coal, we sometimes have as many working at stone as at coal.

168. The coal is very broken in your mine?—Yes, we have a great deal.

169. You also stated that the Cardiff miners volunteered to work for 3d. a ton less for your company than they could procure in the Denniston mine?—It was owing to the heavy haulage charged—the 3s. 2d. on the railway. It was to assist the company that the men volunteered to do that.

170. You virtually told the men that if this was not done you would have to shut down? Was not that the ultimatum submitted to the coal-miners in the Cardiff Company?—It did virtually amount to that. We said we could not carry on.

171. And the men had their little homes round about the place and they did not care to shift; and they said, considering the difficulty, we will take less?—Of course, many of our men prefer living there to living at Denniston or elsewhere. They are living on the flat, and they have five-acre sections, and are more comfortable than they would be at Denniston, and prefer working for us at a little less than working on top of the hill.

172. What rate per ton do you pay your miners, that is, for coal-hewing alone?—2s. 1d.

173. And at Denniston they pay 2s. 4d.?—Yes.

174. You stated that the cost of this coal was 11s. per ton; that is the total average? Does this include haulage to the port of shipment?—Yes.

175. Is this 2s. 1d. for what is known as round coal, or for coal taken as it comes from the face? And you do not ask the miner to screen it?—No; every tub is weighed.

176. When it comes to the top?—Yes; before it is tipped into the bins.

177. Do you make the miners give you what is known as “miners’ weights”?—Generally the weights give out in favour of the miner. We pay them for more coal than we ship.

178. The position, then, is that the miner receives 2s. 1d. for his work?—Yes; 2s. 1d. for all coal produced.

179. And you are expected to pay the Government 6d. a ton royalty, which, with $\frac{1}{2}$ d. for the Miners’ Accident Fund, makes 2s. $7\frac{1}{2}$ d., for every ton of coal that leaves the face?—Yes.

180. Can you tell me how the expenses are reckoned up to such an enormous extent that before you can carry the coal from the face it costs you 5s. 4d., and that before you can carry it from the mine-mouth to the port of shipment it stands you 11s., and that even then it is cut pretty fine?—That is correct. There is 3s. 2d. to go on for railage.

181. For a distance of thirty miles, 3s. 2d.? And you consign your coal principally to the large cities. You do not sell that coal at that price at the port of shipment?—Our average selling price is not more than 11s. We sell some for less, and some we get more for.

182. Do you ship on your own account, consigning to agents, or sell to agents at the port of shipment?—We usually consign to agents at the port of shipment; but I have nothing whatever to do with that.

183. I want to trace it from the mine-mouth to the consumer, and I want to know if you are in possession of the information I want to get. And I want to know why the coal, from the time it leaves the miner’s hands till it gets into the consumer’s hands, gets, by one thing and another being added on to it, to such an exorbitant price?—I have practically done with the coal when it leaves the mine.

184. Still, you are familiar with all the stages?—No, I am not.

185. I want to know why, if the Government does its duty with regard to railage freights and the miner does his duty, the coal sells at an exorbitant rate on the market?—And the companies get nothing.

186. And you say you sell for 11s. at the port of shipment—that is, for round coal?—For all coal as we send it away, round and small.

187. What is the price for sea-carriage the Union Company usually charge to Christchurch?

The Chairman: It has been stated in evidence by Mr. Hargreaves to be 6s. 3d.

188. *Mr. Morrison*.] That means that the coal is sent into the large cities at 17s. 3d., and it is sold to the people there at £1 16s. There has been a statement made to this effect: that the price the dealer charges the consumer is owing to the amount of waste that takes place. It is taken away from the ship's side for 17s. 3d., it is taken to the dealer's yard and screened, and he says there is an excessive amount of waste. Can you give us any information as to the amount of waste that should take place in regard to the class of coal you send away?—I saw a parcel of coal in the yards in Christchurch yesterday, and they were screening it, and it was sent as screened coal. They were not getting more than 50 per cent of round coal out of it. It would be all round coal when it left our mine, but to its friability, breakage in loading, and the several handlings it underwent there was not more than 50 per cent. of round coal in it when it arrived in Christchurch.

189. Was this a shipment of coal that had left your mine?—That was the last shipment.

190. How do you reconcile that statement with the statement that you did not screen it at all, but that the coal was delivered at the port of shipment just as it left the face, and now you say it is screened?—It was owing to a misunderstanding if I said that. What I thought you wanted to get at was if we pay the miner for the round and small coal. In Newcastle they pay only for round coal; the miner has to screen it.

191. They do not give anything for the small coal?—They have a "billy-fairplay." The coal is passed over that, and the small coal passes through. They are only paid for what passes over. We pay the miners for every ounce of coal. We screen the coal at the mine, and we only send the round or household coal away.

192. Are the screens erected at the mines?—Yes, and we run the coal down the screens.

193. Does not the Coal Mines Act tie you up with regard to the number of underviewers you employ in comparison with the number of men?—No; we are bound to employ deputies for examining the mine before the miners start to work, going through every morning. Other than that we are bound to supply sufficient to go through the place. We are under no obligations.

194. You said that the last shipment of coal which left your mine had been seen by you in Christchurch, and that the waste by dust, &c., was 50 per cent. Would you kindly tell us what size was the mesh of the screen?—Three-quarters of an inch.

195. And using a $\frac{3}{4}$ in. sieve there was a 50 per cent. loss. Is that so?—It was originally screened over a $\frac{3}{4}$ in. screen at the mine, but the mesh used in Lyttelton was a $\frac{1}{2}$ in. mesh.

196. What is the height from the mine mouth to the wagon bottom?—The bottom of our screen just clears the top of the wagon. The flow of the coal over the screen is regulated by doors. There are three doors, and the lower door just clears the wagon. When we open the door it just falls the depth of the wagon.

197. What is the length of the shoot used where you tip the coal?—The shoot is about 24 ft. in length, and the drop in that about 12 ft.

198. It comes down pretty stiff?—It is just sufficient to travel; in fact the wet coal has to be raked over it. The coal does not travel so quickly over the bars as it would over a flat surface.

199. Can you give us any idea of the staiths, where they tip the coal right down into the vessels' holds? What is the height the coal has to drop into the vessel's hold?—About 30 ft.

200. The vessel will have a 14 ft. hold any way?—Yes; and more than that.

201. The good coal is always on the top, is it not?—Yes.

Mr. CHARLES WESLEY TURNER, Merchant and Commission Agent, of Christchurch, examined.

202. *The Chairman*.] Are you the agent for the Blackball Coal Company in Christchurch?—I am for New Zealand for the sale of coal.

203. Will you kindly tell the Committee the process through which the coal after leaving the ship's side at Lyttelton goes until it reaches the consumer, and the cost involved in the same?—I have got together the following particulars: Practically the cost f.o.b. Greymouth, where we have to ship, is 9s. 10d. to 10s. per ton, but you may take it at 10s., that is for ordinary face coal. The freight is reckoned at the Union Company's freight of 6s. 3d. a ton. The railage and wharfage to Christchurch is 3s. 6d. a ton. The discharge of the coal from the trucks into the yards at Christchurch is 5d. a ton. That practically comes to about £1 per ton; that is, the actual net cost to the company at Christchurch.

204. Up to the time it reaches your hands?—It reaches my hands at Greymouth, and I take everything at Greymouth. The yard-expenses: in reference to these, that is at Christchurch, I may say we had to open a yard for convenience sake as well as to get the coal into consumption, and therefore we have a yard as a depot for selling purposes. The yard-expenses come to about 2s. a ton. Carting to the consumer comes to 2s. 6d. per ton. Agency expenses and expenses of selling and distributing come to about 1s. 4d. per ton. That brings the total to £1 6s. per ton for ordinary face coal. For what is called household coal (screened coal), you would have to add on 2s. 6d., expenses of screening at Greymouth. It has to be rescreened again in Christchurch owing to the process of shipping and handling. Rescreening makes a difference in the selling price of 1s. 6d. per ton on the small coal sold. And then there are a trifle more expenses in connection with the selling which bring the actual cost to the consumer at his door to £1 10s. per ton. That is our price at the present time to consumers for Blackball household coal. We deliver it anywhere within a mile and a half of the yard for that.

205. Can you tell the Committee what was your output of coal last year?—In 1898 it was 53,000 tons. For the first half of the current year it has been 29,000 tons.

206. What is the proportion of what you call face coal and household coal?—I am not quite prepared to say, but I should say 15,000 tons. This year it will be rather more. Last year we had 12,000 tons.

207. Can you give us the price in Wellington and the different centres?—The only two places where we deal directly with the public are at Christchurch and Wellington. In Wellington the actual cost of the face coal is about £1 4s. 10d. a ton; and we distribute it at £1 6s. to £1 8s.—that is in ton lots—half-tons at £1 7s., and quarter-ton lots at £1 8s. For the household screened coal the actual cost is £1 8s. 10d., and we sell at £1 9s., £1 11s., and £1 12s.

208. Is that delivered?—Yes; that is according to the quantity. These are the only places where we deal direct with the consumer—Christchurch and Wellington. In Christchurch we have adopted the plan of using our own carters. We distribute in any quantities the people may require at the same rate.

209. Have you ever adopted the expedient of mixing your coal with other coal?—No.

210. Does the Union Company do all your carrying?—No; we run steamers for ourselves.

211. Are your own steamers sufficient for your trade?—At present the Union Company do any extra work we may require; but the two steamers have been enough for our own purposes, but it is probable we shall have to provide another next year.

212. By what system do you dispose of your coal in other places?—We take orders, and sell there. At Napier, New Plymouth, Timaru, Oamaru, and Bluff we have contracts with the railway, and we simply send as ordered. We also sell to Timaru, Oamaru, the Bluff, and Port Chalmers, and deliver from ship's side.

213. Do you ship to Wanganui?—No; our steamers are too large, and it would not pay to give small steamers the present rate of freight to that place. The coal companies in existence before us had a prior claim on the small steamers, and they get the carrying by those boats.

214. Is your coal soft, and easily damaged in transit?—It is much the same class of coal as Westport coal, but, on the whole, it is somewhat harder. We do not make quite so much small coal.

215. May it not be accounted for by the fact that you load by cranes and have no staiths?—No, not altogether; it is the character of the coal itself. It is not so friable as the Coalbrookdale or the Westport-Cardiff.

216. I want the Committee to understand that at Greymouth they load entirely by the crane method. Do you not think, Mr. Turner, that the screening at Greymouth is a mistake? Do you not think it would be better to leave it till the coal gets to its destination?—The cost of screening is very much less there. It is screened into the trucks from the bins. There would be a difference between 6s. a ton, f.o.b. Greymouth, for the small coal, and 10s. a ton if we had to bring it round, for we would have to pay full charges on it, freight, wharfage, and railage, also all the incidental expenses would have to be added on to it.

217. It would all add to the cost?—Yes.

218. What is the difference in the price of your coal and the Westport Company's coal in Christchurch?—From 4s. to 7s. a ton.

219. I am speaking now of screened coal?—There is about the same difference charged by the retailers. Our coal is not largely sold by the dealers, as they do not make much profit out of it, and therefore they do not encourage it. Although we charge £1 9s. in Wellington the minimum charge per ton for Westport is £1 14s., in Wellington—a minimum difference of 5s., and on the smaller quantities it spreads it to a difference of 6s. a ton. The same rule applies at Christchurch, though not to the same extent in Otago. They have there the local competition, and consequently make very little profit.

220. *Mr. Tanner.* You spoke of supplying the public of Christchurch and Wellington. Do you supply the public of Lyttelton?—Yes.

221. You have not given us the particulars of the way in which the public at Lyttelton are supplied?—We have supplied there only in truck-loads at the ship's side at from £1 3s. to £1 6s. per ton.

222. You speak of the sea-carriage costing 6s. 3d. a ton?—My figures are based on the Union Company's rates. To Wellington it is 5s. 3d., and to Lyttelton 6s. 3d. a ton.

223. I understand your own boats carry your coal?—I say my quotations of cost are based on the cost of carriage by the Union Company.

224. Is the 6s. 3d. rate fixed to cover the cost and leave the Union Steam Ship Company a margin of profit?—It is the contract rate they have with the Westport Coal Company and Brunner Company.

225. And which has also been agreed upon between you and the Union Company?—Yes.

226. If they carry some of your coal?—Yes. I then have to pay 5s. 3d. and 6s. 3d.; and if we can carry for them we charge 5s. 3d. and 6s. 3d.

227. You carry for each other at the same rate?—Yes.

228. That rate is the Union Company's rate?—Yes.

229. May I ask if you have made any separate estimate of the cost of sea-carriage as shown by your vessels, irrespective of the Union Company?—For our own purpose we simply pool everything. We take the working-expenses of the boats for the whole year and fix our prices accordingly, but 6s. 3d. is the minimum rate to Lyttelton charged under Union Company's tariff. It was a much higher rate till about a year ago.

230. Have you the rate for ten years ago, and are you acquainted with it?—I would not like to commit myself to figures for that period.

231. Am I not right in assuming that the rate has been a steady downward one for the last ten years?—Yes; it reached its lowest point about eighteen months ago, when it was made 6s. 3d.

232. What was the price immediately preceding the reduction?—6s. 6d. to Wellington and 7s. 6d. to Lyttelton.

233. *Mr. Hogg.*] I think you told the Committee that the cost to the consumer in Christchurch for Blackball coal is £1 10s. a ton, and similar coal is sold for the same price in Wellington?—From £1 9s. to £1 11s. in Wellington.

234. Practically the same price?—About the same price.

235. Can you account for that, seeing that in Christchurch you have to pay 3s. 6d. a ton railage from Lyttelton, also wharfrage there and 1s. extra freight? Can you explain why, under these circumstances, the coal is actually dearer in Wellington than in Christchurch?—It is not so if you really look into it. In Wellington you have to pay 1s. a ton wharfrage. You then have to cart it to a yard, and this, with the weighing, comes to about 1s. 2d. You have then to pay an increased delivery rate of from 1s. to 1s. 6d. a ton to the consumer. You will find that there is not such a large discrepancy as you may think.

236. You have to pay for cartage to the yards in Christchurch?—No; we have a railway siding. 6d. for labour puts it into the yard.

237. And you have the 1s. 2d.?—Yes, in Wellington.

238. And you have to pay for delivery?—I pay 2s. 6d. in Christchurch as against 3s. 6d. and 4s. here. You cannot cart so easily up the hills as you can on the plains.

239. And that is how you cannot reduce the price?—Yes.

240. There is 1s. difference in the freight?—I am allowing that.

241. You said the Wellington consumer gets no advantage from that?—In Lyttelton the wharfrage is only 6d., and it was 4d., 8d. difference. There is 1s. 2d. charges—viz., 2d. weighing and 1s. carting from the ship's side to the siding; and from 1s. to 1s. 6d. a ton increased delivery to the consumer.

242. Does it not strike you as an anomaly that, with a splendid harbour, and at a less distance from the West Coast, coal is dearer here than in Christchurch, considering the latter is an inland town?—We sell practically from the ship's side at 1s. a ton less in Wellington than we do in Lyttelton.

243. Are the wharfrage rates dearer here?—Yes; 1s. per ton, Wellington; 6d. per ton, Lyttelton. I may say that when we opened the yard here we reduced the selling price to the consumer from 4s. to 5s. a ton on the then existing rates. Our rates are based on fighting the Newcastle. We would like to deliver at the Newcastle rates, if possible.

244. *Mr. Morrison.*] You are a merchant and commission agent in Christchurch?—Yes.

245. I suppose your agency for the Blackball Company is only one agency among others?—I am open to any other business.

246. Your business does not lie entirely in the Blackball Company's agencies?—No; but nearly all my time is given to the Blackball Company's work. I work their steamers and sell and distribute the coal throughout the colony.

247. How long has the company been in existence, and what is the amount of nominal capital and capital called up?—The Blackball Company was called originally the Blackball Creek Company. That was the first company. It was reformed in 1892 with a capital of £60,000 in 6,000 shares, and increased to £80,000 in 8,000 shares, of which £44,900 was subscribed, and also debentures to the amount of £10,250. The company went into liquidation in 1897, and was reconstructed in 1898 under the present style of the Blackball Company, with a nominal capital of £35,000 in £1 shares, of which £24,516 is subscribed, and debentures amounting to £31,000.

248. How much of the £35,000 was subscribed?—£24,516.

249. And the debentures that were issued?—£31,000.

250. The capital, then, of the present company is about £54,516?—Yes.

251. Have you declared a dividend on that—that is, the new company?—No; there has been no dividend declared. In the first year £372 was written off for depreciation on £18,050, but since then we have had no opportunity of earning enough to make a dividend.

252. Speaking of your knowledge of the company, it is not making enough to pay a dividend?—No; the overhead charges are the same on the present quantity we are turning out as they would be on a much greater quantity.

253. I thought you said the output of the company was 53,000 tons?—Yes; 53,000 in 1898 for the whole of the year, and 29,000 for the half-year ending June, 1899.

254. Have you any knowledge of the wages that are paid, the position in which the Blackball Company hold their leases from the Crown, and what they pay for royalties?—The cost of hewing coal at the mine and expenses come to 4s. 7½d. per ton, of which 2s. 3d. was paid to the hewers, against 2s. 1d. which Mr. Broome has said was paid at the Westport-Cardiff mine. The expenses of the aerial tramway from Blackball come to 4½d. per ton. The railage to the shipping-point, Greymouth, is 2s. 6d. per ton. The royalty on the lease is 6d. per ton. The overhead charges of all kinds come to 1s. 8d. per ton. The overhead charges are the expenses of controlling the company in London (the company being an English one), including the interest on debentures, and the expenses of controlling it in New Zealand. I say "overhead," because I am putting it at per ton.

255. *Mr. Tanner.*] What interest do you pay?—I think it is 5 per cent. We pay ½d. to the Accident Fund under the Coal-miners Act of 1891, and insurance and incidental expenses amount to 1½d., which brings it to 9s. 10d. as the rate per ton, f.o.b. Greymouth, for face-coal.

256. *Mr. Morrison.*] What is the area your company holds in leases?—I could not say. It is a considerable area. They estimate they have enough coal for a good many years.

257. Can you give us any idea of the number of men you employ—that is, coal-hewers alone?—There are forty-four coal-hewers.

258. And their average earnings?—The forty-four men earned £348 in a fortnight, or something like £3 17s. to £3 18s. per man per week, according to the last pay-sheet.

259. *The Chairman.*] Is that working full time?—They made overtime in some cases. They were paid at the rate of 2s. 3d. per ton.

260. *Mr. Morrison.*] How many shifts were there in that fortnight?—I could hardly tell you. This is simply a summary.

261. You estimate the price of coal delivered to you on board at Greymouth at 10s. per ton?—Yes.

262. And you credit yourself with 6s. 3d. for freight per ton?—For the purpose of this calculation I have quoted what I know must be the freights paid by us to the Union Company or the freights paid to us by them.

263. The wharfrage and railage to Christchurch cost 3s. 6d.?—Yes; and the railway collects the whole of it.

264. And you have a private siding?—Yes.

265. Is the 5d. per ton for labour?—Yes, labour in discharging from the trucks. We contract with men for that price. I have a contract for 5,000 tons at 6d., and it does not pay the men. It is discharging from the wagons into the Gas Company's works.

266. How much coal do you pass through your hands per month and per year?—The yard is also used as part of our plant. I have a hulk here and a yard, and we often use it for putting coal in in order to get steamers away quickly.

267. How much do you put through your yard in Christchurch?—Four to five thousand tons a year. The total for the last two months was 1,200 tons, averaging 600 tons for each month.

268. Do you not think it is a large allocation—2s. a ton yard-expenses, and especially as the yard is only used for a portion of the business?—I am only giving you the actual facts. We have to pay a rental of £65 a year for the Christchurch yard, and we pay a rental in Wellington for the yard of £100 a year.

269. First of all, you are debiting against the coal the cost, 10s. at Greymouth; you are also debiting against the coal 6s. 3d. freight, also railage and wharfrage 3s. 6d. delivered at Christchurch—this runs the coal into the siding; then you debit 5d. for discharging. Then, after this you commence and strike an average of 2s. a ton, and put it down as yard-expenses?—The 2s. for expenses includes screening, bagging, weighing and loading, and rent.

270. If there is extra work in other branches of your business you take them off the coal work?—No; we discharge all steamers by shore labour.

271. How many men do you employ in your yard?—Just now we have four permanent men for a turnover of 600 tons a month, and we employ extra men if there is a rush of work.

272. Then, there is one more item you mentioned, and that is the agency and distributing charge of 1s. 4d. per ton, still added on as against the coal?—That is also against the coal delivered through the yards. You cannot keep a staff of clerks and distribute and collect your money for less than that. You have got to sell the coal, to invoice it, and collect money, besides providing office-accommodation.

273. The rent of the office is put down in the coal-yard expenses?—The yard is separate altogether.

274. Further, you debit the coal with 2s. 6d. for screening?—That is if we sell household coal which has to be screened, but face coal has not to bear that expense.

275. And yet three or four questions ago I asked you if it was necessary to debit against the coal such a large item as 2s. yard-expenses. Have you any reply to that? Is it that it has to cover the expenses of men employed screening coal and filling coal?—You must have misunderstood me. I put down the yard-expenses in each case at 2s. One class of coal costs 2s. 6d. a ton more than the other. Household costs 12s. 6d. a ton at Greymouth, as against 10s. a ton for face-coal.

276. At what price do you sell the coal to the dealers in Christchurch?—We charge £1 2s. a ton at the ship's side at Lyttelton—from £1 to £1 2s.

277. Why do you make the difference between these two amounts?—The price is reduced in the case of large quantities or contracts.

278. The highest price you receive is £1 2s. a ton?—Yes, from the dealers.

279. What price do they deliver in Christchurch at?—They profess to deliver at our price, but they do not put our coal on the market. They prefer to put Westport, which gives them a handsome margin of profit.

280. Do they mix the coal?—I never heard of the mixing process.

281. Do you send to Dunedin?—I send some thousands of tons to Port Chalmers and Dunedin.

282. Who is the buyer?—John Mill has taken some thousands of tons.

283. You do not send to any of the dealers?—No; we cannot touch Dunedin. The distance is too great, and the local coal would kill us. John Mill takes it principally for shipping purposes.

284. Can you tell us anything about Newcastle coal? Do you sell it?—I have had to do with Newcastle coal for a great many years. I was Government contractor for a great many years.

285. What freight do they charge from Newcastle?—From 8s. 6d. to 9s. a ton.

286. That is a low rate compared with 6s. 3d. from the West Coast. Is that accounted for by the fact that vessels go to Australia with produce and find it convenient to bring back coal?—It is largely for the reason that you can employ larger vessels and bring much larger quantities in.

287. And it is back loading for the Union Company at the same time.—The Union Company will not carry Newcastle coal for the public.

288. Can you tell us the reason for that?—They have two or three special contracts, and they will not go outside them. The Union Company supply the coal themselves, and they wish to keep their steamers open to move wherever wanted, without being compelled to discharge coal at any stated port.

289. What is your opinion of the relative value of Newcastle and Westport coal? Is it as good as Blackball coal?—We put Blackball down as 5 per cent. better than Newcastle, and make the same difference for Westport. Blackball is equal to Westport for some purposes. We supply about 30,000 tons a year to ocean-going steamers.

290. Have you any idea of the amount of coal imported from Newcastle to Lyttelton?—No.

291. There is a considerable amount?—Yes; it has a firm hold.

292. You admit that it is better than New Zealand?—No; but it is the only competitor we have.

293. *Mr. Carson.*] You said the price in Wellington is higher because you have to deliver it up the hills?—The question was that we could not sell at 3s. a ton less.

294. Have you two prices—one for the flat, and one for the hills?—No.

295. Then poor people on the flat have to pay for the rich people on the hills?—In Wellington the poor people pay £2 a ton for the coal, simply because they take it in such small quantities.

296. Supposing they take a full ton, they have to pay the same price as the people on the hills?—Yes.

297. *The Chairman.*] Of course you understand the object of this inquiry. We want to ascertain, if possible, the best method of cheapening coal. Coal, as you will understand, is an important commodity to everybody, and it is an important thing to the colony if we could discover a method whereby we could land it at a cheaper rate. Can you give us any idea how it could be done—how a saving could be accomplished?—I am afraid under the present conditions that it would be almost impossible to reduce the price. I will give you the Blackball Company's price. I was going to take them item by item. Take the cost of the hewing rate at the mine; that is fixed by arbitration at 2s. 3d.: we must pay that. The aerial tramway is worked at the lowest possible point, costing 4½d. per ton for three miles. We have then to go by railway sixteen miles to Greymouth, for which we pay 2s. 6d., so that the railway rate is much more than the aerial tramway worked by our company, ton for ton. Then there is 6d. royalty. The overhead charges of 1s. 8d. we cannot reduce; it includes the annual interest allowed on the debentures. ½d. a ton we have to pay to the Miners' Accident Fund. Marine insurance we must pay; there is no room to reduce that. The next item is the freight. I have put it down at the Union Company's rate of 6s. 3d. We would have to pay that if we did not run boats. If it were possible to work larger boats that might be reduced, but, on the other hand, we could not reduce under present conditions.

We'll give you an illustration: On Saturday last two steamers arrived together, and, owing to their being blocked by the bar being unworkable, it was impossible to obtain any trucks until those already loaded had been discharged, and one boat had to stop till Tuesday night for a cargo. That expense was £100, and must be added on to the expense of working that cargo. The bars are bad, and unless we have a considerable addition to the rolling-stock we should not be able to use much larger boats. Then there is no getting out of the railrage and wharfage. We discharge in trucks at Wellington at about 3d. a ton. We could not reduce any part of these charges, neither the incidental charges. Take Christchurch at £1 6s. for face-coal; we cannot work lower than that. I do not see how we can hope to reduce the actual cost of coal. Here are some further particulars: The Westport Coal Company sell and ship at Wellington to the dealers, and, after paying all expenses to their yards, the retailers have an actual margin of about 8s. or 9s. per ton, out of which they have to pay their own expenses of yard and delivery and living and bad debts. It has to cover a great deal when you take their expenses into account, and does not leave much margin. There is no room for reduction. The only debatable point is the railrage, which might be reduced a few pence, and the freight question.

298. Do you consider the number of wagons on the Greymouth-Ngaihere line are sufficient? You mentioned that a particular steamer was delayed through not being able to load as expeditiously as possible?—Yes; and the miners had to be put off work. If the trucks were available, the miners could have done another day's work, and the steamer could have gone another trip. Unless we have more trucks, we cannot extend our operations.

299. If the Greymouth bar is unworkable, and the mine has to stop because the trucks are all full, it could go on working if there were plenty of trucks. The steamer could then load continuously.

300. *Mr. Morrison.*] When the Greymouth bar is closed, and the vessel cannot get across, if the Government could supply sufficient wagons to allow you to use them for storage purposes till the bar was clear, it would expedite your business?—Yes; and help the public. I am not complaining about that. The Blackball Mine is on the Midland railway, and the difficulty is that the railway authorities have had an agreement with the Midland Company at a certain rate, and they had also either an absolute agreement or a tacit arrangement to supply a given number of trucks to the Brunner and Port Elizabeth Company, and they have the first pull on these trucks before they come to us. The railway has given us eighty out of the two hundred trucks now on that section.

301. As one who has had some practical knowledge of the difficulties of mine-proprietors, is it not a fact that you could scarcely get a coal-proprietor in the colony who does not call out on account of the insufficiency of trucks at times?—Yes.

302. For instance, if a cold snap struck any part of the country, and set up a sudden demand for more coal, the Government could not be expected to meet the demand?—I contend that on a rate of 2s. 6d. a ton for sixteen miles the Government could afford to find more rolling-stock, or they could, if it were wanted, make a special charge for rolling-stock.

303. Are you aware of the charges for haulage in other parts of the colony?—If that line was worked as a Government railway-line it would mean 1s. 10d. as against 2s. 6d.

304. Are you aware that at Dunedin there is a large district known as the Green Island district. There is a Government line to it, and yet the Government charge them 1s. 9d. a ton for a distance of not more than six miles or so?—In Christchurch we have a line of ten miles, on which 2s. 6d. is charged for haulage and 6d. is charged for loading the truck. So there are plenty of anomalies.

305. It amounts to this: that, in your opinion, the haulage-rates on railways, for coal, require revision?—If we have to compete with Newcastle the only help the Government can give us is in increasing the number of trucks and reducing the haulage-rates.

306. That would enable you to compete with Newcastle?—That is, we could do 10 per cent. more work with our consumers.

307. And enable you to sell the coal to your consumers at a cheaper rate?—What we want is a margin for our shareholders first.

308. As a business man you know that by cheapening the rate you increase the business. You have been in the coal trade some time?—Thirty years.

309. Can you give the Committee the quantity of Newcastle coal imported thirty years ago?—I think it was from 120,000 to 150,000 tons a year at that time.

310. Can you give the quantity now imported?—I have no figures for the last year or two. For the last year it was about 120,000 tons.

311. So it has dropped to 120,000 tons?—More than that, because the Westport has grown into existence since.

312. So the amount of Newcastle has sunk a great deal?—One-third less than twenty years ago.

313. Taking into account the larger consumption of coal now in the colony, the present coal-mines must have improved their position in competing with Newcastle?—There is very little Newcastle coal taken into Dunedin, very little at Oamaru, too. You can compete from Otago with the West Coast up to that point. You could almost do it at Timaru. Wellington takes a quantity of Newcastle coal, the Manawatu company taking a considerable amount.

314. You said if there was a reduction in the haulage-rates and better facilities in rolling-stock it would enable the present companies to compete successfully with the importation of Newcastle coal?—Yes. Newcastle household coal is sold to dealers here at the ship's side at from 17s. 6d. to 18s. 6d. a ton. Now, Westport cannot compete with that. Our coal is more friable, consequently giving more small coal, and you could not, therefore, land it here at that money. We could do it at about 18s. 6d. That was our tender to the Government, but it was very close work.

315. To sum it up, then, with all these conditions in favour of Newcastle coal, their imports into this colony have fallen off about one-third compared to what they were some fifteen years ago?—Quite. Quoting 120,000 tons as the quantity of Newcastle coal brought into New Zealand by the Union Company, I find somewhere about 60,000 tons of that quantity was used by the Union Company's own steamers.

FRIDAY, 22ND SEPTEMBER, 1899.

Mr. ALFRED B. LINDOP, Mining Manager, Westport Coal Company, examined. (No. 12.)

1. *The Chairman.*] You are manager of the mines at Coalbrookdale and Denniston?—Yes; but Denniston covers the two places.

2. We have had it in evidence that the coal could be mined in a much more economical manner than by the method which obtains at present. It has been stated that you have two seams in the Coalbrookdale Mine?—Yes, in the Big Dip section.

3. And you work out these two seams together? It has been stated that it would be much more advantageous, and would secure a better result, if you took out the top seam first, and afterwards the second seam. It has furthermore been stated to the Committee that under the present system a considerable amount of coal is wasted, being left in the mine?—I may say, in reference to this dip section, that we had unusual difficulties to contend against. The proper method of working out pillars is to work the top seam out first and the second seam afterwards. This deep dip section is in the form of a basin, regular as can be. It is a round circle, and from every point it dips to the centre, and on the fringes the coal thins out till it is unworkable. It is a most peculiar formation, the surface of the ground being covered by innumerable creeks. There is an intervening strata between the two seams, where the difficulty came in in working. Where the intervening strata between the two seams was 34 ft. to 40 ft. thick we could follow out the usual plan of working the top seam first, but where we got right into the dip we came to about 4 ft. thick of the intervening strata; there was no strength about it, we had nothing to timber to, and so we had to work the two seams practically together. We took the top seam out first, with the pillar a length in advance of the bottom seam, so as not to throw undue pressure on to the bottom seam. In regard to safety of life, there was no other condition possible. I may say also that before we started to cut out these pillars in the Big Dip section, owing to its peculiar character, I had a good many consultations with the late Inspector of Mines, Mr. Cochrane, and whatever was done was done after both of us had come together with our own mine-manager. Our first impression was that the best and cheapest way, having regard also to safety, would be to abandon the top seam altogether and not to take it out, so that we could take out the whole proportion of the bottom seam, with the exception of some pillars we had reserved. But we decided to start on the top seam where the intervening strata was so much thicker. When we came to the thin part we had to stop working at the top portion of the mine, because there was too much weight thrown on the pillars, which would render it unsafe. Then, in regard to our surface-work, there are several creeks which join into one main creek. If we had got any one of the pillars under one of the creeks, and if they were broken up to the surface, we could not get any coal out at all. Mr. Cochrane and I decided—and it is, I think, in the records in Mr. Cochrane's office—that we would leave the 2 chains of pillars on either side of the creeks, to guard against the danger of losing the whole lot. All over the mine is studded with pillars 16 yards square—that is, the coal that is left. We took all these pillars out, and I left in what I decided upon with Mr. Cochrane, but when I got out all the coal that was not under the creeks we had not very much to risk, other than the question of taking out the pillars. And we have taken out almost all of them. I consider that this reflected great credit on my manager. We have not had an accident in the Big Dip, and it was a source of anxiety how to get the pillars out.

4. As a matter of fact, there is very little coal left behind?—Yes. I said to Mr. Tennant, the Inspector, after we had finished the Big Dip section, that I should like him to come and satisfy himself as to what coal we had taken out before we drew the pumps up and allowed the water to get in, in case any question should arise hereafter as to any coal being left in. And I also said that we should congratulate ourselves on the quantity we had got out of the mine. We got out 25 per cent. more than we first thought we would be able to get out.

5. Suppose a coal-mine is not being worked on the most economical principles, is there any thing in the Coal-mines Act to empower the Inspector to compel the mine being worked in the most advantageous way?—Yes. And I had a letter from Mr. Tennant in reply to my communication, saying that he had inspected the mine, and saying that, in the face of what we had taken out, we had done the best we could do, both in the interests of ourselves and the State.

6. And what are the relations existing between the company and the miners: is it amicable?—Yes; so far as I am aware.

7. The quality of the coal is friable, and is easily broken?—Yes.

8. More than usually so?—Yes; it is very friable.

9. As a practical man, would you consider that a more advantageous method could be adopted to remove the coal—that is, in the method of shipping it—at Westport?—Yes. We have it loaded by “tipplers,” which, instead of dashing the coal over, turn the tubs over and pour it easily out. It is a slower process than the old methods, but, of course, does not knock the coal about so much. It then goes over screened bars, and that takes a large portion of the slack out. What is not taken out is then taken over a jiggling screen, and that takes all the remainder of the slack out. From there it goes on to an iron belt, and we have a lot of boys picking out any dirt, &c. That is on a grade which lands it just on top of the railway-wagons, so it drops in very gently. It goes to Westport, and there gets a drop right into the ship’s hold. It is distressing to watch it going into such ships as the “Pukaki.”

10. A drop of about 40 ft.?—It must be.

11. Does it depreciate the value of the coal?—Whatever the cost of rescreening is, to load by crane would do away with it, in my opinion.

12. As to the quality of the coal, in your opinion, is the best Coalbrookdale equal to the best Newcastle?—I have not the analysis, but I do not think there is any comparison between New South Wales and Westport.

13. How many screenings has it to go through before it reaches the consumer?—It is screened at the mine, and then screened at its destination.

14. Do you not think it would be better if the coal was not screened until it reached the point of delivery?—I do not think you could deal with it; you see, there is such a large proportion of slack. To send a cargo of unscreened coal to Wellington and screen it there, I suppose you would get 40 per cent. of slack out of it. And the market is not there for it. If you screen it at the mine you can send the slack where you like.

15. So you do not think it is practicable to reduce the proportion of slack?—Only in a small way. They are trying it at Lyttelton, but it has only been in operation a few months.

16. Do you think any more economical way could be adopted in taking the coal from the mine to the ship’s side: is there any means by which you could suggest an improvement?—The abolition of the staith system for screened coal is, in my opinion, the chief thing.

17. There is another point I want your opinion on. There is no doubt that loading by the staiths depreciates the value of coal for household purposes?—No doubt about it.

18. Does it also depreciate its value for steaming purposes?—I do not think it would so much.

19. It would to an extent?—Yes, to some extent. There is not much screened coal sold for steaming purposes.

20. There is one advantage in the staiths that might compensate for any damage: the coal is loaded with greater rapidity?—For unscreened or small coal I would not like to see the staiths done away with.

21. It enables vessels to load with greater expedition?—Yes.

22. For household purposes the staith system should be superseded by the crane system?—No doubt about it.

23. I have here an extract from the *Christchurch Press* of the 4th September. It is a letter by Mr. Bickerton Fisher, complaining of excessive royalty, railage- and haulage-rates, also of the wages of the miners, and implying that all this adds unduly to the cost of the coal. He also complains of the plant being subject to very high duties. Do you agree with that about the wages of the miners? Do you not think it would be unsatisfactory to reduce the wages of the miners?—Well, all I will say is that I like to see miners get fair wages.

24. In regard to the railage charge, of course there would be a sensible reduction in the price of coal if the haulage-rates were reduced?—I suppose there would be, but I am not acquainted with the commercial aspect of coal-mining.

25. You say there are many points in which saving could be effected?—Principally by shipping by the staiths.

26. *Mr. Morrison.*] Are you the underground manager or general manager?—I am mining manager of the Westport Coal Company at Denniston. We have two sections there—the Iron Bridge and Coalbrookdale Collieries. For each of these sections I have a mine-manager that looks after the safety of the miners and the safety of the mine.

27. Can you give us any idea of the area you hold at the Iron Bridge and the Coalbrookdale sections?—Roughly speaking, the Iron Bridge is 1,500 acres and the Coalbrookdale 1,000 acres—2,500 acres altogether.

28. You hold that from the Crown?—Yes.

29. Is the royalty you pay on the net output?—No; on the sales.

30. Is not the Crown rent fixed at a certain rate, and on this 2,500 acres you would pay a minimum rent?—The minimum is merged in the royalty after you get over a certain amount.

31. The royalty you pay is more than the minimum rent?—Considerably more. In addition to that is $\frac{1}{2}$ d. a ton for the accident fund.

32. How do you pay your men, by day or by ton?—We pay by tonnage-rates as a rule, and we have day-work and contract-work.

33. In the first place, what do you pay for hewing alone?—There are two rates: 2s. 4d. a ton for solid workings—that is, the first time of working; or bords, 2s. 4d. a ton.

34. That is what they call putting in a drive?—Yes.

35. Do you pay them any yardage?—We pay different prices. They vary from 6s. to 9s., according to the width.

36. For the benefit of the Committee, you might say why you pay this higher rate in solid workings, and what is meant by your drive?—A bord is 6 yards square, and turned away every 22 yards, leaving pillars 16 yards square. The bords are just 6 yards wide, and on that 6 yards is based the tonnage-rates. I may say in driving a bord you might have the same amount of work as you had in a 9 ft. place. To compensate for the same amount of work for less coal coming out of the smaller place we pay a yardage-rate to equalise those working in the bords.

37. What is the ordinary rate you pay your men?—We work at per day, and according to the bord.

38. What is the ordinary rate you pay in ordinary places?—We pay 2s. 4d. per ton.

39. In solid workings?—Yes.

40. That is simply in connection with the opening-up?—Yes.

41. I want to know the rate you pay for getting out the pillars?—We pay 1s. 9d. up to 2s. per ton. I may say we have an industrial agreement, but in these pillars, with their exceptional circumstances, we make allowances.

42. Do you pay by weight?—Yes.

43. The usual miner's allowance, 22½ to the ton?—No; we pay on 20 cwt. to the ton.

44. Do you work the "Billy fair-play"?—No; it is weighed running over an ordinary weighing-machine with a tell-face on it that registers the weight. Mr. Foster is the check-weighman, and then there is our own man.

45. Is the coal screened at the face, or is it taken away?—Just as it comes, coal and slack.

46. In pillar coal you pay from 1s. 9d. to 2s.?—Yes.

47. In solid workings what price do you pay?—2s. 4d.

48. How many men do you employ in the particular part of the mine under your charge?—About 350.

49. Hewers?—No; we have about ninety-three hewers.

50. Turning out coal?—Yes

51. You have 350 men employed altogether?—Yes.

52. Could you give the Committee an idea of how the balance of these men are employed?—I can give you a rough idea. I may say that there are fifty-six men and boys employed on the pick-machines, which makes a rough total of 150 hewers.

53. How do you employ the other 200 men?—We have fourteen deputies and shot-firers and seven blasters.

54. You utilise these men at some other work?—Yes; the deputies help to timber, &c., and look after the safety of the men. Then we have six men brushing—that is, doing up the roads and keeping them in repair. We have a couple of mine-managers, one in charge of each of the sections; forty-three men and boys trucking—that is, pushing the tubs up and down; twenty men and boys employed on the rope-road and haulage. I may say we have about twelve miles of rope-road haulage at Denniston. Then we have thirteen men and boys employed about the tipplers. Then twenty-eight men and boys are engaged screening and loading and lowering coal on the incline.

55. Is not that a large number of hands employed for the number of miners?—It is a big output. There are about 200 outside the miners. Then we have men repairing tubs, sixteen engineers and fitters; there are nine employed in the blacksmith's shop, six carpenters, five stone-masons, and eleven general labourers. There are four on the office staff. A total of about 350.

56. Could you give us an idea of the cost of management per ton? A large number of these men who will be paid daily or weekly, a set charge. Can you give the Committee any idea of what the cost is per ton of every ton of coal leaving the mine?—I could not; they keep all that information in Dunedin.

57. But have you never formed an opinion of what the cost per ton would be?—If I gave you anything, it would be only a rough estimate.

58. The position is this: this Committee is set up to inquire into the coal question, and I am trying to find out the cost of the coal from the moment it is leased from the Government and the price you pay to the miner, and I want to trace it up to the consumer to see whether there is any leakage, in order that we may be able, if necessary, to report to the House that in certain directions the management expenses could be reduced. I am anxious to know, therefore, what you consider the cost of management is per ton: the whole cost of management, including yourself, the underviewers, including all the extra men, labourers, firemen, boys, and everything?—I could not give that information.

59. You mentioned a few moments ago about machines: you have a number employed?—Yes.

60. You have had a considerable experience as a practical miner?—Yes.

61. Before reaching the position you have got?—Yes; I have been brought up to it from my youth.

62. Can you give us any idea whether these machines are likely to produce as much round coal as the miner?—I think they will produce more. I may say, with regard to these machines, that we have them because we can work a section out quicker. We can concentrate our work better, and it gives us a bigger output.

63. Does it give more round coal than the miner?—Yes.

64. They must have improved very much?—They have gone into the thing very deeply since. In the early days they were not a success.

65. In reply to some remarks by the Chairman, wherein he was trying to discover whether or not there might be some economy effected in the working of these two seams, you stated the seams lie in a basin?—Yes; in the Big Dip section.

66. And it tapers out like a saucer?—Yes.

67. You say you take out the top seam first: what is the thickness of the two seams?—The top seam is 5 ft. thick, and the bottom about 12 ft. thick, approximately.

68. You take out the top seam first?—Yes.

69. What is the strata between the two seams?—Where the strata is thick it is sandstone rock, but where it is thin it is only a soft shale—in fact, in a great many places, before we started to cut the pillars, it broke through, and the strata gave way between the two seams.

70. Speaking as a practical miner, do you not think that the lower seam was the seam to take out first?—No; the top seam is always taken out first.

71. You think it is advisable to take out the top seam first?—Yes.

72. You say there is no great thickness of strata between the two seams?—In the thicker portions it is sandstone, but where the two seams come nearly together (within a few feet) it is a soft shale. If you took out your bottom seam first the top seam would drop down.

73. Perhaps in the centre it would?—It breaks from the top seam to the surface. You could stick your leg down the cracks. You could not get at it.

74. How can you get at your bottom seam when you take out your top?—It is all timbered, but the crack does not extend beyond the top seam to the surface. If you take the bottom seam out first you are taking the foundation out.

75. Are you acquainted with the mines down South?—No.

76. In the Kaitangata they leave a large quantity of coal hanging overhead?—But their coal-field is entirely different. Their seams are nearly vertical. For different systems you have to have different methods.

77. In your opinion, you think the staiths have a tendency to break up the coal and to make it more friable?—Yes, in loading the screened coal especially. Take the case of the "Pukaki": She is a big boat, and loads where the staiths are the highest, and below the usual bottom she has another bottom, so that the coal has a very long way to fall.

78. Have you any experience of shipping coal in the Old Country?—No; I came out from the Midlands. The system they have on the Clyde is the crane system.

79. Is that a better method than the staiths?—Yes, there is no doubt about it. You can lower the coal right down into the hold of the vessel.

80. Have you any idea of the quantity of small coal you make at your mine?—About 40 per cent.

81. As much as that?—Yes, I think it will be very near that.

82. You utilise the slack coal by making these patent firebricks?—No; we dispose of it to steamers and merchants. We send it away.

83. Have the Brunnerton used it that way?—No; no one will as long as they can get rid of it.

84. *Mr. Duthie.*] Have you seen Mr. Foster's evidence?—No, I have not.

85. Well, the Chairman questioned him, and he answered as follows:—

The Chairman.] Then, you consider that, if the method which you consider is best adapted for working the coal was adopted, the output would be increased, that there would be a sensible depreciation in the cost of the coal, and that it is a reasonable inference that if you increase the output without increasing your working-expenses you can sell at a cheaper rate?—Yes, you can do that. We get a standard figure for hewing, and you could not lessen that.

That is, the coal would be worked in a much more advantageous manner. Has your union ever made representations on the subject?—The Coal-miners' Union has laid complaints before the Minister of Mines on the subject.

You think there is coal being wasted?—Yes.

You think coal is left in the workings which could be carried out?—Yes.

And once left in it is not worth while going back to take it out?—Yes.

And the opinion you express about the disadvantageous manner the coal is worked does not reflect on the company?—No; the only blame is attached to the Inspector.

[The Chairman here pointed out that Mr. Foster had expressed a desire the next day after giving his evidence that what he had said under this head should be made to read as applying to all West Coast coal-mines, and not to any one in particular.]

Anything that will increase the production of coal and increase the output, and anything that will cheapen it to the consumer, must be considered beneficial to all concerned?—Yes. We look at it in this way: We say that there is only so-much of this coal in New Zealand, and it is our duty to see that it is all taken out.

86. These are very positive and rather important opinions. As a practical man dealing with this question, might I ask you to make a general explanation of what you would say in answer to these points?—I have already explained to the Committee something dealing with this subject, but I wanted to come back to it. Coal lying in different places requires different methods. You cannot make one rule applicable to everything. In regard to getting out pillars, I consider we get more pillar coal out of our Westport-Denniston collieries than they do in any colliery in England. I consider there is no coalfield in the world where such a large percentage of coal is taken out as at Denniston and Westport. In working out these pillars you must always have regard to life before anything else. If we risked taking some of these pillars out we might have some very serious accidents, and it is only by careful attention and supervision we get what we do. The statement made by Mr. Foster, should it refer to our Westport Coal Company, is unfounded, so far as it refers to the actual facts. Where he speaks about the Mine Inspector, I suppose he is talking about the Big Dip section. I may say this section gave us a lot of difficulty—that is, in knowing how to extract the pillars out of it—owing to the strata in the dip portion being so shallow. To show you what we thought of the danger of it we never altered the bord-rates to the pillar-rates, so that the men would have plenty of time to take out the coal and get a good day's wages. In all our agreements, so far as the Big Dip section is concerned, the prices are the same; we never have reduced them in this section. Other portions of the mine that were working under the same conditions we got pillar coal for 1s. 8d. to 1s. 10d. per ton.

87. And you paid them 2s. 4d. for the other?—We paid 2s. 3d. The reason it was 2s. 3d. was this: It was always the price we paid, but the miners got an advance of 1d.

88. *Mr. Morrison.*] You recognised the danger of the working?—Yes. In this portion of the mine also, owing to the various creeks on the surface, it was very difficult to take the pillars out. If we took a pillar out we let the water into the mine, and there is only about 140 ft. of cover. The creek would have come in, and we would have lost everything. Before we started I had several interviews both with Mr. Brown and Mr. Cochrane as to the proper method of taking out these pillars, and we decided to leave on either side of these creeks 2 chains of pillars, and never take them out, leaving them in for the safety of the mine while we got out the other pillars. It is four years since we started to get the pillars out, and not one of us—Mr. Brown, district manager, and myself—ever thought we should get out anything like the quantity we have. We worked the top seam first, slightly in advance of the bottom, and extracted nearly the whole of it. We lost a few pillars, but that is because it was too dangerous to take them out. We always had safety before anything else, and we had all the coal out to the rise of this dip. About the end of last September I said, “Now we will make a big push and try and get the pillars out under the creeks.” We had a nice spell of dry weather, and we have taken nearly all the pillars out. I am quite sure we have 20 per cent. more coal than any of us ever dreamt of. It is all very well for an irresponsible person to say he will do so-and-so when you have a staff like, say, Mr. Brown, an old colliery-manager from his boyhood almost; John Green, a certified manager; William Dunn, another certified manager. When we have all agreed, and know that we have not only to look after the safety as well as the working of the mine, it seems to me to be ridiculous for an irresponsible man to come and express an opinion about getting out pillars. It is a question which only an expert can deal with.

89. I value your opinion, and am glad to have it. In paragraph 186 Mr. Foster directly charges the Inspector with this responsibility: “The only blame is attached to the Inspector,” he says. Now, that is a public officer, and, so far as you know, he is doing his duty. Is there anything to justify what Mr. Foster said?—No. So far as this pillar question is concerned, it was done before Mr. Tennant, the present Inspector, was appointed. It was done in Mr. Cochrane’s time.

90. I do not know that Mr. Foster refers to that special transaction you mention. He was referring to the general working. Is it applicable to this mine especially? Is there anything besides this special condition?—That is the only special condition about this Big Dip section, and that is owing to its peculiar character.

91. So you think the question is unwarranted?—Yes.

92. *Mr. Hogg.*] To sum up, Mr. Lindop, the coal, in your opinion, is worked as economically and efficiently as the circumstances will permit?—Exactly so.

93. And the introduction of additional capital or appliances of any character would hardly produce an improvement? I would like to have your opinion on that—that is, as to whether the introduction of additional capital, and any improved appliances that you are aware of, would bring about an improvement—that is, to cheapen the cost of production?—We advance with the times, and we get out the very latest improved machinery and appliances to cheapen the cost of the coal. We are putting up the best plant to work—pick-machines, &c.

94. Do you believe that in course of time the cost of production will be reduced?—Eventually it must have some weight upon it.

95. *The Chairman.*] Is the ventilation of your mine good?—Yes; we have two good fans in it.

96. Is the general safety of the mine well looked after?—Yes; we have an efficient staff. I may say that, so far as my company is concerned, we spare no expense in looking after the safety and the working of the mine.

FRIDAY, 29TH SEPTEMBER, 1899.

Mr. JAMES PATZ, Secretary of the Denniston Coal Miners’ Union, examined. (No. 13.)

1. *The Chairman.*] Can you give the Committee any information in connection with the working and transport of coal from Westport? It has been stated in evidence, for instance, before this Committee, that the coal could be mined at Denniston more economically than is the case at present. Is that your opinion?—I am almost certain of it. The coal at Denniston could be mined at the present time with a great deal more profit than it is being mined at.

2. In what manner would you suggest an improvement?—I would suggest an improvement by the introduction of the old method of miners and picks in place of the machinery. I am sure the machines are not only making a worse class of coal, but are costing the company more than the old system did.

3. Are those the machines known as the “iron men”?—Yes.

4. Is it true that they break up the coal more than the old method?—To a very great extent. In the first place a great deal more of blasting material is used to get the coal out, and not in the economical style of old. Now, apparently, the men in charge of the coal-faces seem anxious to get the coal down, whether it is broken up or not. They bore a series of holes across the coal-face, charge them, and perhaps only one shot works it.

5. The coal is of an exceptionally friable character?—It is.

6. And this frequent blasting must have the effect of breaking it up?—It does indeed. The majority of the coal at Denniston is made to fly by powder or any heat. When a considerable amount of powder is used it tends to immediately break it up and make a larger percentage of slack.

7. Are the coal-hewers paid at the same rate per ton for the small coal as for the large coal?—Yes.

8. There is no distinction between the two classes?—No.
9. It is just a question of tonnage?—Yes.
10. They have therefore no incentive in mining the coal to prevent it breaking up. The only question they consider is how much they can get out?—Yes. There is no incentive to produce a larger proportion of lumps.
11. Are these iron men used extensively?—Yes; the whole of the mines are working the iron men.
12. Do they save labour?—No; I do not think they diminish the number of men.
13. But they have the effect of breaking up the coal?—I will swear it.
14. Are you a practical coal-miner?—Yes.
15. Is there any other respect in connection with mining operations at Denniston in which you think there is a waste of coal involved?—In my opinion, I think it is a great fallacy to have the coal screened. I think it should be consumed just as it comes from the mine. It would do away with a lot of expense. The continual screening breaks up the coal and makes a bigger percentage of slack. If the coal was delivered as it comes from the mine it could be given to the consumer at a much smaller cost.
16. How many screenings has it to go through?—It is screened at Denniston and again at the port of delivery.
17. It is not screened at Westport before being loaded?—No.
18. You think the two screenings could be obviated?—Certainly.
19. And it would be more advantageous to send it to the consumer as it comes from the mine?—Yes; for I believe it would have a tendency to reduce the percentage of slack.
20. The cost is increased by the labour of screening the coal, and by the waste the screening involves?—Certainly.
21. In any case, do you not think the screening at the pit's mouth could be done away with? Do you think it could be deferred till the coal arrived at its destination?—Certainly. But I think it could be done away with altogether.
22. As a practical miner, you know something about the effect that loading by staiths has upon the coal?—Yes.
23. What is the effect of that method of loading?—It always tends to make a bigger percentage of slack, and if they loaded by cranes, as they do in other parts of the colony, there would be another saving again.
24. It has been stated to the Committee that the coal suffers a loss of from 2s. to 3s. a ton by that method of loading, that is by loading by the staiths?—Certainly.
25. You corroborate that?—Yes. But I do not believe in screening at all. I would like to see it abolished altogether.
26. The effect would be to diminish the cost?—Yes.
27. There is a large class of consumers who like to have screened coal?—I do not know. Personally speaking, I have found that if a lump is of any size you have always to break it down.
28. At Denniston, for instance, do the people like any particular kind?—The majority like to have a good mixed box of coal.
29. *Mr. Duthie.*] I do not understand you in regard to the extra cost or injury to the coal by cutting by the machines. I was in the mines about six months ago, and saw both systems; and I do not quite understand your statement. Would you make it more clear why there is more breakage of coal under the system of machine-cutting as against the picking. The cut by the machine seemed to be thinner, and so did not waste so much, and the same blast has to take place in either case?—When the coal is undercut across what is called the face, in many cases it will be of such a loose nature that it will require no powder at all, that is on account of its friable nature, and by putting a vertical chamber in. Then, the miner has nothing to do, as the coal will fall. There is a vertical chamber and an under chamber; if the vertical chamber was not put in the coal would not fall. Consequently, the blasters run a series of holes along the face. There is no vertical chamber put in with the machine. They charge them up with blasting powder and fire them, so that the coal which otherwise would have been good becomes a mass of slack.
30. From my observation that was not usual in any face I saw them working at. They were taking out good merchantable coal, though in some of the faces it was exceptionally friable?—When you get a seam of coal it does not vary that much. At the Iron Bridge, where I was working when the introduction of the machines took place, there was quite a number of places like that. These men are always bound to do a certain amount of work in a shift. They will get the coal down by hook or by crook.
31. That is all the explanation you have to offer?—Yes.
32. In the course of your evidence you say, in reference to screening, you thought everybody ought to be compelled to use unscreened coal?—Yes, certainly.
33. Do you mean to say that you would pass legislation to compel people to use unscreened coal?—I would abolish screening.
34. They would not be able to sell the coal?—I guarantee they would.
35. *The Chairman.*] You think they would if the coal was introduced to the consumer in its unscreened state?—Yes.
36. *Mr. Pirani.*] Your experience is that good fires can be made with a large proportion of slack as with lump coal?—Yes; every bit.
37. *The Chairman.*] The impression you mean to convey is this: That the unscreened coal has not been introduced to the consumer?—No; not in its natural state.
38. And consequently the consumer does not know the quality of it?—No. I have seen better fires made from medium lumps and slack. Of course, the quality of the Coalbrookdale coal is greatly impaired by the Granity coal. I was always puzzled to see Coalbrookdale tickets on the Granity wagons.

39. Is the coal at Granity Creek inferior to Coalbrookdale?—Yes; it is not the quality of our Coalbrookdale.

40. Have you seen the Coalbrookdale tickets on trucks of Granity coal?—Yes.

41. I would like to ask, for the information of the Committee, does good feeling exist between the miners of your association and the Westport Coal Company?—The very best feeling.

42. The evidence you have given is free from any bias of feeling against the company?—Yes.

43. The desire of the miners is to have the coal mined in the most economical way possible?—Yes; as good a return as possible to every one connected with it.

44. There are some people who think that the price of coal is added to materially by the high rates of wages paid to the miners. You do not agree with that?—Not for a moment. Coal is hewn at Denniston for 1s. 8d. per ton, and there is a vast difference between that price and £1 15s. in Wellington. We get 2s. a ton on an average.

45. To that must be added the cost of the screening and haulage?—Yes. What I wish to say is this: that the large amount of wages made at Denniston is owing to the fact that the men work exceedingly hard. When the rate was 2s. 10d. the wages made were not so big.

MONDAY, 2ND OCTOBER, 1899.

Mr. S. BROWN, Wholesale and Retail Coal Merchant, Wellington, examined. (No. 14.)

1. *The Chairman.*] Can you give us any information as to the various charges which attach to coal after it arrives in Wellington, and how do you account for the price which obtains in Wellington?—In the first place, I pay for cartage from 1s. 6d. to 2s. 6d. I may tell you that this estimate I am giving you was made out four years ago for the Coal Commission. The price at the wharf is £1 3s., which includes wharfage. The minimum cartage-charge is 1s. 6d. from the ship to the yard; trimming in the yard, 6d.; screening, 6d.; bagging and weighing, 1s.; cartage—that is, delivery to the householder—3s. In some cases this amount for cartage does not nearly cover it. Sometimes I send the cart out to Karori. It takes half a day, and only half a ton of coal can be taken at a time. The price given is the average in town.

2. *Mr. Morrison.*] That is 6s. 6d. added on to the £1 3s.?—The product of that ton of coal is sold at £1 14s., assuming it is Coalbrookdale or Cardiff. There are various mixtures of half-and-half also. As an estimate, out of that 20 cwt. there will be at least 2 cwt. of slack. If you take 18 cwt. of coal at £1 14s. you will find that would net £1 10s. 4½d. The 2 cwt. of slack is sold at the rate of about 16s. a ton, sometimes less; so that the absolute product of the ton of coal is £1 12s., not £1 14s.

3. *The Chairman.*] We have had it in evidence that the price is £1 14s.?—Then, you have only 18 cwt. of screened coal and 2 cwt. of slack, which reduces the value; in fact, I may say that in summer time you have almost to give the slack away, and people with little yards must give it away, as they cannot afford to store it. This comes to £1 11s. 11½d. if you put £1 10s. 4d. and 1s. 7d., the product of 2 cwt. of slack, or, with expenses, cash out of pocket, &c., £1 9s., which leaves 2s. 5d. for yard-rent, wear-and-tear, book-keeping, bad debts, supervision, and profit. I may tell you an item which I do not think anybody has mentioned. Some twenty years ago I had a book-keeper who was very particular. We were handling Newcastle coal then, though now we have several sorts. He took a strict note of all the coal as it was weighed out, and tallied it to see how it panned out. He found that we were 80 lb. short in every ton. Part of that would go in the turn of the scales and the rest would go into dust. Our New Zealand coals slack away very much; all the rich coals do so. If you fill the end of a shed with coal it is like slack lime the next year. That is another item which goes on to the general cost. But, speaking particularly, if you ask me what I consider the two greatest factors, they are these: the enormous amount of handling, and the people not taking the coal from the ship's side, but they cannot do that.

4. Why not?—They have not the room nor the facilities for taking in except in small quantities. It is advertised that screened coal is sold for £1 5s. at the ship's side, with the cartage to be added on to that.

5. Supposing the coal was taken from the ship's side, the cartage would be the only cost to be added to it?—Yes, quite so. I may say that for twelve months I kept an advertisement in the papers, similar to that of the Westport Coal Company, which cost me £50, and I did not sell 10 tons from ship's side.

6. Do the people want it screened?—Yes, and in big lumps; and the Government are the biggest sinners in that respect.

7. First of all, I want to ask you this: The figures you have given so far apply only to Coalbrookdale and Cardiff coal, are we to infer that different charges obtain in respect of other coal?—The cost of handling is the same.

8. For Greymouth coal?—We have no sale for Greymouth, excepting nuts. We get the nuts for blacksmiths. People do not burn it here.

9. The whole of your New Zealand coal comprises Westport?—Yes, at present; but I have had all kinds—West Wanganui coal, Collingwood coal, Mokau, and Kaitangata. They were very good in their day, but none can compete with coal from Westport.

10. What is the freight on coal from Newcastle to Wellington?—8s. 6d. to 9s.; it is not always a fixed quantity.

11. Do you deal very extensively in Newcastle coal?—I landed 2,000 tons the last fortnight, or, strictly speaking, 1,950 tons.

12. What is the retail price?—I think it is 2s. less than the Westport.

13. Do you think, as a practical man, that, compared with 9s. a ton, the freight from Newcastle, 5s. 3d. from the West Coast is dear?—The circumstances are not parallel. I quite imagine that if they could run a steamer to and fro direct in big lines it could be reduced.

14. That is, you think that having to call at Nelson and Picton adds to the cost?—Yes. Another thing, so far as the public are concerned, it is a great waste the way the coal is burnt. The Westport coal should be burnt as it comes out of the mine, without being screened.

15. A practical coal-miner who appeared before the Committee recently was of the same opinion?—My attention was first directed to it in this way: In Westport I saw people burning unscreened coal and throwing a little water on to it, and it burnt splendidly. It is a waste of coal and a waste of money the way it is done now.

16. If the coal was delivered in its unscreened state the only additional cost here would be the cost of cartage. The cost of the two screenings would be saved, and the cost of the numerous handlings, would they not?—Then the prime cost would be much less. The Cardiff are getting none out now; but 60 per cent. used to be taken out of small stuff from their coal when screened at the mine.

17. Do you think the Newcastle coal is equal or superior to the Westport?—I do not think anywhere, outside of Wales, is there better coal than Westport. There are various coals from Newcastle that are suited for various purposes. It is harder than New Zealand generally, and that is the reason why Westport breaks up more than Greymouth. I think it is largely due to its richness that it is friable. Hetton (Newcastle) coal is very suitable for gas purposes. It will rank with Westport. It is a very friable coal. For that reason it is put in with the trucks lower down.

18. The friable nature of the coal, then, may generally be taken as an indication of its excellence?—That is my experience.

19. *Mr. Morrison.*] The richer the softer?—Yes, that is so. The mines in Newcastle will not get more than 10 per cent. of slack. It seems difficult to get it unscreened, and I was unable to get some in my last shipment.

20. *The Chairman.*] As a matter of fact, if one wishes to use coal on a large scale he can make special terms and get the coal at more reasonable rates?—I have sold coal at a margin of from 1s. to 6d. a ton.

21. In large quantities?—Yes. And then took the risk of short weight. I landed a cargo at Foxton, and my whole margin was 6d., and there was 30 cwt. short; that was landed from Westport. I pay my insurance, commission, and bank exchange, and all that, and the margin is not over a shilling.

22. The point I want to make clear is this: Assuming the coal to be made considerably dearer than it need be by the numerous processes through which it passes, the people who really suffer most are the poor people?—Undoubtedly.

23. The very ones whose interests we should protect?—Well, they are wretchedly ignorant. I have many times growled at people about the waste of coal, and they said I was a fool to growl, being a coal-dealer. In the old days, when they used to carry the refuse from the outside, you would notice in passing along the streets the tins full of coal and cinders. I was told one day by a friend, who was a mine-owner, that he used to sift his cinders, and I replied that I used to do the same.

24. We have had several witnesses here who have given evidence in the same direction in connection with the disposal of coal from the ship's side, and it has been pointed out that people do not seem to appreciate that method of obtaining coal. Do you not think the explanation is that the coal has not been introduced to the public in that way?—It has been advertised for four or five years.

25. Do you think it has been brought home to the public what they could save without getting an inferior quality if they obtained their coal in the manner you suggest?—I think it is largely due to the fact that they have not sufficient accommodation. The cart is not able to get in, and the coal has generally to be carried on the back.

26. Through the lack of accommodation the coal has never been brought to the public in the manner you describe?—That is so. The coal cannot be got to the houses. The essence of cheapness is that it must have very little handling, and the people have not the accommodation to receive the coal in bulk.

27. They have not got the space about their dwellings?—No.

28. *Mr. Morrison.*] Caused by the way the houses are built in Wellington?—Yes.

29. They have no storage-accommodation?—That is so. Then, the carters are asking for increased wages and overtime, and it seems as if we will have to raise the price of coal. The arrangements at the wharf, I may say, are very good.

30. You think they could not be improved?—I do not think there is much to be said. The carts go alongside the ship and it is put in baskets, and that is as good a way as you can deliver it. In some places they have tubs which hold a ton, but it is very awkward for the carts. We tried it with the hydraulic crane in Wellington, but in emptying the tub one of my men was hurt seriously, and has been ailing since.

31. You think something could be saved by dispensing with the screening?—Yes. I would like to point out that both the Coalbrookdale and the Cardiff coals are practically pure coals. There is a decimal of 3 per cent. of ash in them, one having a little less than the other, which means that every bit of that is pure coal and can be burnt. If you stay by a fire and throw all the ashes on the top you will not have any ashes at the end of the evening.

32. You are aware of the manner in which the coal is loaded at Westport—the coal being stored in bins at the top of the staiths. The evidence we have had before the Committee has all been against that method of loading on account of the friable nature of the coal. As a practical man, do you support that contention?—I was one of the persons, three years ago, to impress upon Mr. Cadman to do away with that. There was Mr. Scott, of the Westport Coal Company; Mr. Gale, of Mokihinui; myself; and Mr. Hargreaves, of the Westport-Cardiff Coal Company; and Mr. Cadman promised then to do it. We pointed out the enormous loss. There is a drop of 42 ft. At Newcastle very little is loaded by the staiths, the coal being loaded by the cranes. With the staiths there is a difference of perhaps 20 tons an hour. Then, the Newcastle is harder coal.

33. *The Chairman.*] Are you of opinion that the coal, whether used for coal or steaming purposes, is deteriorated in value by loading by the staiths—that is, broken up?—Theoretically, a chemist would tell you, if you can burn coal in powder it is the most perfect way; but then there are practical objections to that. If these rich coals are broken up all the gas gets away. If you put the coal outside it will weather. Some of the gas companies have their trucks running right alongside, and they will not have it broken at all. I should say the staiths would deteriorate the coal for either steam or household purposes.

34. The Westport Harbour Board are now providing a better method of loading?—Yes. The big point in screening is the waste of good material.

35. In addition to the cost of screening, you add to the cost of the coal by the loss of coal through the screening?—Yes; the miner in New Zealand gets paid for everything taken out; the miner in Newcastle does not.

36. It has been contended that, in consequence of the machines used in the mines the coal is considerably broken up, more so than by the old method of taking it out by picks?—The coal-cutters are not supposed to make so much waste. The experience in England is that the coal-cutters make very much less waste than the old style, and at a much cheaper rate. In the Old Country they do for 8d. what was formerly charged 1s. for.

37. Do you dispose of coal at the small ports along the coast—that is, at Patea, Wanganui, Foxton, &c.?—Yes; at Foxton, Patea, Nelson, and Blenheim.

38. What is the freight to Foxton?—11s. from Westport. From Wellington to Wanganui I think it is 7s. 6d.

39. Does the Union Company do the carrying?—No; I send with Cock and Co. to Foxton, the Anchor line and by the other little boats to Blenheim, and by the small boats that trade to Wanganui.

40. The object of the Committee is to recommend, if possible, some method whereby the coal will be brought to the consumer at a much cheaper rate. That is the object we have in calling you here. Briefly, can you suggest any better way of making a substantial reduction than by dispensing with the screening and abolishing the method of loading by the staiths at Westport?—If you abolished the screening you would eliminate the question of loading by the staiths, because, as a matter of fact, the small coal would cushion the other.

41. You recommend the loading by cranes and the abolition of screening?—As a matter of fact, people put on the price of coal themselves by insisting on what they get. I made the remark that the Government were the biggest sinners. Well, I tried Mr. Seddon to see if they would take it unscreened, but they would not do it. In the Government Buildings they want the biggest lumps, and I have had to set my men to hand-pick the big lumps of Newcastle coal, because Westport was not big enough to suit them. They smash it up in the boxes, and then they tell you that there is slack left. For peace sake we have carted it away.

42. Is it not the case that if coal is in too large lumps it has to be broken up for household purposes?—They want the big lumps, and then they smash it up; they then get small coal left, and they want it taken away.

43. It has been stated to me by different people that it is the custom for coal-dealers to mix the Westport coal and the Newcastle, and dispose of it as Westport coal?—I do not know; you cannot say. We do it as it is ordered. Most people take it perhaps half-and-half, wanting to slow the other down. One of the mines I was agent for was a shade different in colour to the other—in fact, all Newcastle is different to the other. Everybody takes half-and-half, or something like that.

44. You do not mix the coal unless it is expressly ordered?—No; so far as my knowledge goes, if you order a ton of Coalbrookdale or Cardiff you get it. That is what every one is supposed to do, but I can only speak for my own people.

45. *Mr. Hogg.*] What is the coal chiefly consumed in Wellington: is it mostly Newcastle?—A large proportion of Westport. I do not suppose the increase of Newcastle for this last four or five years is more than 2000 or 3000 tons. And the other is almost a third more. People just take the Newcastle a little to mix, to steady the other down.

46. Then, there is a considerably larger quantity of New Zealand consumed here than Newcastle?—Oh, yes.

47. You supply a good deal to the Government Buildings?—Yes; I supply New Zealand coal to the Government Buildings, Newcastle to the Manawatu Railway Company, and I send it up the country.

48. Do the Government use New Zealand and Newcastle?—No; all New Zealand. They stipulate that, but they take tenders for the other.

49. You have got to allow a considerable amount for losses by bad debts?—Well, the margin I have put here is 2s. 5d. That is to cover yard-rent, wear-and-tear, bad debts, &c.

50. Do you make a difference between coal booked and cash?—2s. in the ton; though if a man sends in a cheque I send him the 2s.—that is, if the money is paid within the month.

51. You say that there is very little accommodation for storage?—Yes.

52. They have not got into the way of building coal-cellars?—There is not the room here. The town is too jammed up, and the sections are getting smaller. They have a bit of a box that will not hold more, perhaps, than 3 cwt. or 4 cwt.

53. They have not the big bunkers, the same as they have in the Old Country?—No. I know a very few people here to whom you can take a cart-load and take it into their yard. There are only three people in my mind where your carts can drive in and put out a load of coal.

54. How much is it a cart-load?—It is all by weight. From the wharf they carry 2 tons in each dray. They are paid by the ton for carting. There are a great number of smaller dealers who cart their own coal. I put the wharf drays on, and use my own drays to cart it out to the customers. In sending it out you cannot send more than half a ton sometimes, especially in sending it up the Karori Hill, and it then takes half a day to deliver it.

55. Assuming the customer wished to take it from the ship's side, what would be the lowest quantity he could take?—A ton.

56. And in that case it would be weighed?—It would be weighed over the weighbridge. If you want it from the ship's side you take it by your own cart.

57. What saving would you effect in that way?—Well, you would get rid of the screening, and the bagging, and the weighing. I think it is £1 6s. He would arrange with his own carter to take it. The chances are that that carter would lay it on to him. He would say, "It is a very bad place to get into; I must have a shilling extra." You could save something if it was all done that way, and made a revolution of the business. You would create a different class of trade.

58. Do you make a difference in price if you supply in small quantities—that is, two or three bags?—Yes, it is a heavier charge. As a matter of fact, a man might be a whole day with his cart and possibly only deliver a ton of coal.

59. And I presume the great bulk of the coal consumed in Wellington is delivered in small quantities?—Yes, a quarter of a ton is four bags, and all that sort of thing. In fact, I have sometimes seen in the yards a little boy or girl asking for threepennyworth and sixpennyworth.

60. *Mr. Morrison.* You said, in reply to a question from the Chairman, that the coal cost you at the wharf £1 3s.?—It is £1 2s. 6d. The other rate was made up four years ago.

61. Can you tell what the wharfage-dues in Wellington are?—1s.

62. Does the £1 2s. 6d. include wharfage-dues?—That is, landed in the drays. I charge the same as the Westport or Cardiff.

63. Are we to understand that the importers—that is, the agents for the coal-proprietors—charge the coal-dealers in Wellington £1 2s. 6d. per ton for coal just as it comes out of the ship's hold?—That is so.

64. And the wharfage-dues are 1s., which the agent pays?—Yes; and there is the weighing, which perhaps will be 3d. a ton.

65. The reason I am emphasizing that point is this: We have had in evidence that the coal delivered on board the steamer or vessel at Greymouth costs the coal-proprietors from 10s. to 11s. a ton?—But they will not sell it at that.

66. And the amount they set apart for freight is from 6s. 3d. to 7s.; 5s. 3d. to Wellington. I want to let you see the margin between the actual cost of landing the coal in Wellington and what they charge you gentlemen. 5s. 3d. and 11s. is 16s.; they charge you £1 2s. 3d. and 1s. for wharfage, and the other 4s. 3d. is the profit. That is, for every ton of coal the coal-proprietors deliver in Wellington they have the difference between 17s. 3d., which is the actual outlay and cost, and the price they charge you, of £1 2s. 6d.?—I think they would charge at Westport 14s.

67. Some of them less than that?—£1 2s. 6d. is for screened coal. It is supposed to be screened coal when it is put in at Westport. I pay 14s. 6d. f.o.b. steamer. I pay freight, insurance, and sell it at £1 2s. 6d. on the Wellington wharf.

68. If you were giving an order to the Westport Coal Company for several hundred tons at the ship's side, and taking all risks, buying the coal at the other end, they would charge you 14s.?—If they would sell it. I am speaking of the Cardiff. The Cardiff would do that, but I cannot say for the Westport Coal Company. The figures I quoted were for the Cardiff Company.

69. Well, if you gave the Westport-Cardiff Company an order for a considerable quantity they would charge you 14s. free on board at Greymouth?—Yes, just so. And the same proportion for the other coals. The small would be 7s. 6d.

70. In reply to the Chairman, you gave a series of prices with regard to the cost of the various processes the coal had to go through before it gets to the consumer. The first item, cartage to yard, 1s. 6d. per ton: do you not think that is a heavy charge? How many tons will a carter be able to take from the wharf to your yard?—These things are governed by other circumstances. If they were continually at it they could do it for less. I have to pay 2s. 6d. to my yard in Tinakori Road, and I have been paying 1s. 6d. for years to the other yards. They charge 1s. to the Gas Company, but they get a big lot there. Mr. Scott, the former manager, said they got it down to 11d., but the men said it did not pay them.

71. You are of opinion that there can be no reduction made in regard to the cartage to the yard?—I wish it could.

72. Do you not employ some of these men, who are depending on picking up a job, by the day, say, 16s. for the horse and dray?—We pay by the ton. It is a very uncertain thing. Perhaps a man will have to wait a couple of hours for his turn. We cannot govern that. The majority of the small dealers cart their own. The Westport Coal Company and myself are the only ones who employ our horses for our own work.

73. The next item is trimming at yard, 6d.: does it cost you all that? You must have a very limited space to load your coal?—When you load up the coal it spreads all over the place.

74. It seems to me to be a very large item?—If you come to look at it, when a man has to shovel 2 tons of coal he has to throw most of it up.

75. But a man throws it pretty well off his own dray?—No, he does not. The trimmer has to throw it up pretty high.

76. A man, when discharging his load, will not shovel it?—He tips his cart up in the quickest way he can. Some say, "You must get it out of the way or I will not come at all."

77. Screening, your next item, is 6d. a ton. I think that is a fair allowance myself?—He has to weigh twenty bags and lift them into the cart.

78. Bagging, and screening, and weighing, 6d. What do you pay for your weighbridge? Have you a weighbridge?—Yes; but this is on a small scale. They are put up in hundredweights. The bags are tied or sewed, and they are then landed in the cart.

79. But that does not apply to all the coal you send out?—All the bags have to be lifted into the cart. If they had a loose load people would get it from the ship.

80. Have you not a number of customers who take a loose load, and you deliver it in baskets?—Very few. I think some hotels get it that way, but I do not supply many hotels.

81. If I got coal from you you would not weigh it all in particular sacks?—The cart backs up in the yard, and you could put a lot of sacks on, and then put the dray over the weighbridge and weigh it, but if you ordered half a ton of coal it might turn 11 cwt. or $9\frac{1}{2}$ cwt.; then you would have to put your cart back and put more in.

82. You do not charge them for the additional quantity?—They would say, "I ordered a certain quantity, and it is not here."

83. The clerk at the weighbridge will issue you a ticket?—If you send half a ton or quarter of a ton, that would increase the cost. I weigh for other people, and a good many people weigh at my weighbridge.

84. Do you not think the Corporation could erect weighbridges in certain parts of the city with benefit to the consumer, and issue Corporation tickets certifying that the weight of coal is there?—The Corporation did own a weighbridge, but sold it. It is rather difficult to answer that question. If that was made the rule they would have to be all over the city. Either that, or there would be a great deal more cartage, and that would increase the cost of the coal.

85. But you could have them in central places. In Dunedin, where they have Corporation weighbridges, they have a by-law which says that they cannot deliver unless they have a check Corporation ticket?—I think it would be a very good thing.

86. The consumer just pays for the coal that is on the ticket. The coal is sold over the weighbridge, and they get a ticket certifying there is so-much coal. He is charged so-much per ton, and so-much additional weight?—Are not the circumstances in Dunedin and Wellington different? I am afraid it would not work here. Theoretically, I think it would be a very good thing, but, practically, it would not work. There are an enormous number of people who come and order a hundredweight. A man might go out with twenty-five bags in his cart, and they would be all for different people. If you put it over the weighbridge a man might have more than his share in his bag.

87. That objection would affect the supply of coal in small quantities in bags; but, of course, at Home they have a different system?—You see, the circumstances are different here. They will not take it in big quantities.

88. Even in the City of Glasgow for many years any coal delivered in small quantities was weighed by scales in the carts.—I believe they do that in Sydney now.

89. It was done in Glasgow thirty years ago?—I think the Inspector forces them to carry the scales.

90. You do not think any reduction could be made in that particular item—bagging, weighing, and screening, 6d. per ton?—No. I go on this: that the net boiling-down of the whole thing does not leave you a very big margin. Of course, these are only suppositious items. The margin is not very big. I prefer to sell coal in large quantities at 1s. per ton than at a possible margin of 11s. in small quantities.

91. You also mentioned that you deliver a ton of coal at Karori for 3s: surely there is a mistake in that?—I do not think I said that.

92. You said the delivery all over was 3s., and you said, "We may have to deliver to Karori, which would take a great deal of the cream off"?—As a matter of fact, sometimes a man will take half a day, and then he has to have a light cart, and cannot do more than half a ton.

93. In the City of Dunedin they have a certain district. Inside of that is a certain price, and outside you charge them more. Outside the certain district we want another shilling or a couple of shillings. They have a Coal-dealers' Association which regulates the price?—That is an excellent idea: they have talked of it here. I believe dealers take coal up to Wadestown, away up the hills, at the ordinary rate.

94. It is not fair?—It makes the man living next door to you pay for the man living miles away. Some people I know go out to Island Bay, and I send them out their coal for no extra charge. But if a stranger came they would have to pay extra. The Dunedin system is very much better.

95. And you also said that from every ton of coal you got from the ship's side you got 2 cwt. of slack?—I really think it is more than that.

96. What is the size of the mesh you put it through?—I should say $\frac{3}{8}$ in. I suppose you do not screen it much in Dunedin?

97. We have the lignites there; but the Westport coal, principally Coalbrookdale, is all screened, but it is only put through what you may call a duster, $\frac{1}{8}$ in. ?—Ours is bigger than that.

98. In fact, I have always held that the Westport coal did not need screening?—It is waste of the best coal in the world.

99. So the whole fact of the matter is that you buy coal at £1 2s. 6d. ?—Yes.

100. And you sell it to the customers at £1 14s. ?—Yes.

101. And out of that you have 2 cwt. of slack?—That is my estimate. You will probably have more on the average. It is not only what you take out, but you will find that you have a big heap like slack lime; that would increase the margin.

102. You take the coal from the ship's side, and you pay them £1 2s. 6d. per ton for the coal as it comes out of the hold. You cart it to your yard, you bin it, you screen it, you bag it and you weigh it, and you deliver it to the consumer, and you run all risks of bad debts and loss by weight for 11s. 6d. per ton: is that so?—Yes.

103. In connection with the Newcastle coal, you seem to show that you have had a lot of experience in connection with that coal: do you hold any agency?—Yes, of one company.

104. A Newcastle firm?—Yes.

105. What is about the average household consumption of Newcastle coal?—I suppose you might say one-quarter—5 cwt. in the ton—in the town. For up-country purposes I send Newcastle coal. I tell them it will suit their purpose better, because they will leave it outside, and it is a harder coal. In town they like a coal to burn up quicker. The cargoes of the West Coast boats to Wellington are not big. If they were colliers the expense would be next to nothing—that is, compared with the passenger-boats—and the coal has to bear a portion of this.

106. Do you not think it would pay the company to put on colliers?—I do not think it would. Wellington could not absorb it. Mokau Jones said, "I will get steamers to bring a thousand tons every fortnight." But I said it would not do; Wellington cannot take so much; the circumstances are practically impossible. They cannot take it away from the wharf. And there is another element: If there were only about one-third of the dealers it could be sold at less, as the greater turnover could be done on a smaller margin, and plant fully employed.

107. *The Chairman.*] How many coal-dealers are there in Wellington?—Thirty-six.

108. I think you are all convinced that it would be better to dispose of the coal in its native state—that is, the state in which it is mined—the effect being that the coal could be disposed of more cheaply; still you are sceptical as to whether the public could be induced to take it?—I do not think they would.

109. Why do you think that? If the coal was equally good, why would they not take it? Do you not think that the cause is that it has not been introduced to them?—I will tell you where it would break down. If you had half a dozen dealers here, and they said they would sell the coal as it comes from the mine, and we will deliver it to you at £1 5s.; and if you did not like it you could do without. You may agree to do that, but some one would grumble, and a dealer, to get a customer, would take the coal and screen it.

110. *Mr. Tanner.*] Do not householders buy the screenings readily?—No; there is no consumption for it.

111. What do you do with it?—You can only get at the most 1s. a bag, and you may have to cart it a mile or two for that. You may be able to sell it to coachbuilders, but you cannot sell it to blacksmiths. Neither Cardiff nor Westport is good smithy-coal.

112. Do you get rid of it to furnaces?—They burn it for boilers and that sort of thing, but it does not do for the smithy-work.

113. So you are not sanguine of the possibility of getting the public to take the coal without been screened?—You might be able if you could do as I say, but while there is the number of dealers I have stated the smaller ones are always trying to get an advantage. If you had a written agreement it would break in a week.

114. *Mr. Hogg.*] Owing to the richness of the Westport coal it should sell readily?—Yes.

115. There must be an enormous waste going on?—Yes.

116. *The Chairman.*] Do you not think the law should compel dealers to carry scales, so that those who receive coal in bags could demand that it be weighed?—There would then be no question as to weight, but it would entail more labour in delivery.

WEDNESDAY, 4TH OCTOBER, 1899.

Hon. G. McLEAN, M.L.C., Chairman of Directors, Union Steamship Company, examined.
(No. 15.)

1. *The Chairman.*] You are aware that the impression exists throughout the colony that there is an arrangement between the Westport Coal Company and the Union Company whereby a vessel not a Union boat cannot obtain a cargo of coal on equal terms at Westport. You must have heard that. What have you to say to that statement?—The fact that other boats can get it is a contradiction to that. I would like to state this: that the agreement between the Westport Coal Company and ourselves has expired for a good time. There is no agreement that I am aware of existing now. I think you will see by the rates of freight that they are remarkably moderate. We have no interest, either directly or indirectly, in the Westport Coal Company, except the carrying of the coal and the buying of the small coal. It is a great advantage to the Westport Company to get rid of their small coal to us. I have no share in any coal-mine myself, and never had. Our company is perfectly clear and distinct from the Westport Coal Company. We have always worked harmoniously in a give-and-take way. We are, of course, anxious for the trade to increase, as the more coal they can sell the more carrying we will get. I have heard the report you mention very often, and I am glad that this Committee is set up, and that we are able to put the actual state of the case before you and dispel that idea.

2. What I meant when I asked you this question was that this alleged arrangement existed only in respect of coal for disposal within the colony, and did not apply to coal outside the colony?—There is no such arrangement.

3. What I meant was that the impression prevails in the minds of many people: Suppose a vessel goes to Westport for a cargo of coal for disposal within the colony, she cannot get it?—There is nothing between us that will prevent them. It rests entirely with the Westport Company.

4. There is no understanding or agreement between you and the Westport Coal Company?—No; though we would not like them to give the carrying to other people.

5. Well, then, there is a tacit understanding?—No; only that we provide whatever tonnage they require, and they undertake to give us despatch in loading.

6. You would not look with favour on their giving the carriage of their coal to anybody else?—No; because it would interfere with the despatch of our steamers, and we could not then carry at present low rates.

7. You had an agreement?—Yes, up to a certain time. I could not say when, but I fancy it is about two years ago. Since then we have had no agreement.

8. What was the effect, approximately, of that agreement?—They guaranteed us a certain quantity of freight in the year, for which we undertook to provide tonnage and to carry at certain rates, and we were to buy a certain quantity of their coal. The fact is, the Anchor boats buy coal from them, also the Black Ball steamers and other boats. For instance, we do not carry for them to Foxton or Wanganui. A great deal of coal goes to those places, but other boats carry it—the Anchor line, I think, also Levin and Co. and Seager's. They all buy coal at Westport.

9. Is there not an understanding between you and these respective companies that you do not enter into competition with them?—We have no steamers suitable for Foxton and Wanganui, and it would not suit us to compete in the Nelson trade, because there is not the convenience at that port, and we could not carry to Nelson at the rate they carry.

10. Do you not carry to Nelson?—No. Our steamers which call there are passenger-vessels, and it would not suit for them to delay discharging coal.

11. Do you know what the freight from Westport to Nelson is?—I could not say. I do not know what arrangements the Westport Coal Company make with the Anchor line.

12. Suppose that any one in Wellington were to charter a vessel and take it to Westport for a cargo of coal, would they be placed on the same footing as your company or the Anchor Company?—I do not know what the Westport Company actually do, but I should object to a man going in and taking perhaps 500 tons at the same price that we pay for 100,000 tons.

13. On what ground would you object?—Because we provide a very large amount of plant, which must be kept going. The Westport Company are coal merchants, and sell throughout New Zealand, and we carry at certain rates for them. We are not coal merchants ourselves.

14. Although there is no arrangement between you, still there appears to be a tacit understanding, because you, inferentially, admit that you would object if an outside vessel went to Westport and obtained coal on the same terms?—Certainly, if it interfered with the loading and despatch of our steamers. We take it away, and that enables them to sell the coal. If we did not take the small coal they could not get the household coal.

15. You take the small coal for your own use?—Yes; we use it in the steamers.

16. The freight for a ton of coal to Wellington is 5s. 3d.?—Yes.

17. Almost invariably your boats call at Nelson and Picton *en route*, do they not?—Yes; we used to land the coal at Picton, but the Westport Company have changed their agency, and other steamers now carry it.

18. The point of my question is this: the most of your coal from Westport to Wellington is conveyed in vessels which call first at Nelson and then at Picton?—No, certainly not. Only one vessel loaded at Westport calls at Nelson—the “Wainui.” The most of the coal for Wellington comes by direct colliers.

19. Suppose you brought all your coal direct, would not you be able to carry it much cheaper—that is, without calling at Nelson or Picton?—I do not think we would.

20. The trade is not sufficiently large to warrant direct carriage?—We cannot carry at those freights on small boats.

21. What do you think of the loading by the staiths at Westport?—Well, I am hardly qualified to give an answer to that question, but I should say that the reason this coal is so dear to consumers is that it is such a brittle coal. First of all it is screened at Westport; then by the time it gets here and is discharged it wants screening again. The coal merchants have to sell those screenings at a very low price here. If people would be only content to take the coal out of the face and burn it without screening they could get it a great deal cheaper. In my opinion, it is just as good.

22. Running down a 40 ft. shoot at Westport must break the coal?—Yes; and that is no doubt a disadvantage in New Zealand coal, being so brittle.

23. That seems to be the general opinion?—You must understand that we have from the first done our best to assist in development of local mines. First we took the Bay of Islands coal, and it was difficult to get our engineers to burn it; but we compelled them to do it. When we burnt it for a while they found it was a serviceable coal. It is very different to what you get at Westport. That coal has, unfortunately, given out.

24. Do you charge the same freight from Greymouth as from Westport?—Yes; we carry for all alike.

25. *Mr. Hogg.*] You say the freight from Westport to Wellington is 5s. 3d.: what is the freight to Lyttelton?—6s. 3d.

26. Who do you carry the coal for: is it the mine-owners or the consignees?—The owners of the mine engage the boats. We do not sell any coal for them.

27. You do not carry it under contract for the coal merchants?—As a rule, it is for the owners of the mine. We are not supposed to sell local coal at ports where mine-owners have their own agents. I do not know that there is anything to prohibit us; still we would get into conflict if we did it. We cannot be carriers and coal merchants too very well.

28. Is not the Union Company interested in some of the mines?—No, none now. We are only interested in the carrying. When the Greymouth mine was likely to go wrong at one time we took a share in it, but we sold that out, and we have not had an interest in any mine since.

29. Do you charge a uniform rate to all the mines?—Yes; the same rate.

30. Is the coal conveyed in vessels specially built for the work?—Yes; they are colliers. In order to make a profit out of it, it is necessary to have vessels suited to the work, and also to get utmost despatch. We have not had so much trouble lately, but previously we had difficulty at Lyttelton in getting trucks to discharge. If the ships are kept waiting the whole of the profit of carrying is gone.

31. But I presume passengers are taken as well?—Only in two vessels—the “Wainui,” which loads at Westport, and the “Haupiri” at Grey—and they are light loaded. If we loaded them fully it would not be comfortable for the passengers.

32. Has the freight been altered during the last few years very much?—No, I do not think it has been altered—not for three years, except in some special cases, where it has been necessary to make special quotations to enable the Westport Company to secure business such as the Auckland gas-supply.

33. Do you carry coal from Newcastle as well?—Yes; as return loading for our cargo-boats.

34. Have you usually plenty of loading when you go to the West Coast?—Oh, no. There is not much loading to the West Coast. The colliers have no cargo.

35. They go comparatively empty?—Yes; the colliers go virtually empty. It is only one or two cargo-ships calling at several grain-ports that get much.

36. *Mr. Tanner.*] Your company at present has no interest in any West Coast mines?—No.

37. Had it on previous occasions?—Yes; when Greymouth mines were in want of capital we went in and took a fourth interest in them. After working it for a time we sold out.

38. Did the Westport Coal Company own a half at the same time?—Yes; they had a half, and Kennedy had a fourth, and we had a fourth.

39. That arrangement has long ago terminated?—Yes; three years ago.

40. With regard to the delivery of the coal, is it correct that all the coal taken to Lyttelton for retail purposes is delivered into the hands of one agent—McClatchie?—No.

41. Was it at any one time?—Yes; he was agent for the Westport Coal Company some time ago.

42. Then, he received everything that was to go to the consumer—the coal then all passed through him?—You must employ a man to distribute for you. He sold the coal and took the risk.

43. And was it virtually impossible to procure Westport coal except through him?—Some years ago, yes; but not now.

44. You do not come into any arrangement which takes place between him and the Westport Coal Company?—No. McClatchie is our agent to sell our Newcastle coal, and, as I say, for a while he acted as agent for the Westport Coal Company. That is many years ago, and when it was not easy to sell it.

45. In the case of the Newcastle coal, is your company a purchaser of the coal carried?—We purchase it as return freight for our steamers, which take grain to Sydney, and sell it to McClatchie.

46. *The Chairman.*] I am not quite clear about the position in regard to the Westport Coal Company and yourselves. I understand you to say that the Union Company would not look with favour upon an outside vessel, delivering coal to another port in the colony, obtaining the coal at Westport on the same terms as your company: is that the correct meaning of what you say?—Yes; if it interfered with the loading and despatch of the steamers, otherwise we should have no right to do so.

47. And compete with you?—No; but other ships have gone to California and elsewhere.

48. I am speaking of coal for New Zealand ports?—We can buy coal in Newcastle for 4s. 6d. and 5s., and we have to give a good deal more for Westport.

49. Do you think the Westport coal is better?—Yes, it is better, but not at the difference in price.

50. Would your company's objection be based on this ground: that you might consider the loading facilities at Westport limited, and that you might deem it possible that your boats would have to wait?—Yes, because our whole profit in carrying this coal depends on quick despatch.

51. But now that the Westport Harbour Board are completing better wharves is that difficulty likely to obtain?—Possibly not to the same extent.

52. Supposing that the loading facilities at Westport were such that your vessels could be loaded simultaneously with these vessels, would you still object to the other vessels getting coal?—It is purely a matter of arrangement with them. We certainly would object to be placed at a disadvantage with other people.

53. You would not be placed at a disadvantage?—Yes, we would. You have not the room in the river until you make it.

54. I am assuming if it was made?—Wait till the time comes. I may tell you that at the present time we have to keep our ships moving in order to carry at 5s. 3d.

55. We hear this statement made by persons who seem to know what they are talking about. I have no personal knowledge of it. I am anxious to place the facts on record, and to enable the Committee to arrive at the true facts of the position?—If the companies together did not give and take and carry on their business the way they do the coal freights could not be anything like they are.

56. They could not be so low?—No. I want to place on record that we have no interest in any coal-mines, and that we carry for everybody alike.

57. As a matter of fact, the freights are lower than they have been?—Yes. If you take into consideration the high rate of labour here compared with other places they are very low—compared with from Sydney to Newcastle, only sixty miles, where they can go in and get out in a single night, and they are back again next day. I consider our rates are so moderate that nobody is likely to meddle with us.

58. Our sole object in asking this question is to devise means whereby we can have the coal placed on the market at a more reasonable rate. And so your opinion is that one of the most practicable methods of arriving at this end is to induce the public, if possible, to take the coal as it comes from the face?—Yes.

59. It dispenses thereby with the screening and the loss in screening?—To show you the loss in screening, they have to sell the small coal in Wellington at 16s. and 17s. I do not know if that price is given still, but it is about the same.

60. We have had evidence to the same effect before—namely, that it would be desirable to dispose of the coal as it is mined from the face—but the opinion was also expressed that the public would not have the coal in that state, notwithstanding the manifest advantages. Now, do you not think the reason the public do not take the coal in that state is because it has not been so introduced to them?—It is very difficult to get over the prejudices of householders. Westport coal, even after it has passed through the grate, can be burnt again.

61. If they get it in large lumps they would have to break it?—Yes; and there would be a large amount of small when it was broken. If you could get over the prejudices of householders in this respect they would get it much cheaper.

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.

14. Has it been due in any degree to the absence of complete loading facilities at Westport?—You know we are making improvements there. I think that, on the whole, the loading facilities at Westport have been very good. I do not think there has been much reason to complain.

15. Could you tell us anything about the introduction of the machines known as the "iron men" in the working of the coal? Do you think they pulverise the coal more than the old method?—You speak of pick-machines. You are aware that there are two kinds of pick-machines which have been introduced.

16. The machines I refer to are those known as the "iron men"?—That is probably the electric pick. That is a failure, and it will be discontinued.

17. In what respect is it a failure?—It is a failure in respect to the complicated nature of the machine itself, and on account of the great length of time the repairs take.

18. Some contend that these machines break up the coal more?—They break it up to a certain extent, as in the hole which they make on the floor of the coal it is all small coal. But I think it is fully compensated for by the reduced breakage of the coal when it is blasted down. And that would be still further improved if the cartridge system could be perfected—that is, the hydraulic-cartridge system. Some experiments have been made with them, but I do not think they have got so far as to enable us to say that they will come into vogue. If they could be introduced and made to supersede the gunpowder blasting it would be an immense benefit.

19. It would not break the coal up so much?—And there would be no fear of explosions.

20. Do you think the coal is broken up considerably by the loading at the staiths?—I think so.

21. And much waste is caused?—If the steam-cranes could be used they would be a great advantage.

22. It would lessen the waste?—Yes.

23. And reduce the price?—Yes.

24. The coal is of an exceptionally friable nature, which makes it all the more necessary that it should be handled as carefully as possible?—Yes, it makes it all the more necessary that it should be handled as carefully as possible. From all I can learn I believe, myself, that, if greater care were exercised on board the steamers in firing up, there would not be so many complaints about the small coal.

25. You allude to the coal used on board the steamers?—Yes.

26. What we are most concerned about is the household coal. Some people contend that it is not injured for steaming purposes by being broken up, but that it is injured for household purposes?—I think there is a good deal of prejudice about that too. In my own house I always have the coal as it comes from the steamer. I have never made any complaint, and we get along very well with it.

27. Do you not think the coal would be considerably cheapened if the screening was dispensed with altogether (I am speaking now of household coal), and the coal disposed of to the consumer just as it is taken from the face without screening at all?—It would be cheaper, and equally good for household purposes.

28. You are aware of what the prices are here?—Yes. I do not know why people do not go to the ship's side and get the coal at 15s. I have been urging my landlady to do it.

29. Is it not strange that coal-dealers do not try to introduce that system? So far as we know, the consumers have not had the advantage of that system placed before them at all, because the dealers in coal all seem to agree in the coal being put through a number of apparently unnecessary processes. It is taken from the steamer to the yards, bagged, rescreened, and trimmed, which all adds to the cost?—Immensely. To me it seems absurd.

30. Does it not seem extraordinary that the coal used for household purposes is made so dear by being put through these processes when experts agree that it is equally good without?—They do not seem even to try it. There are the newspaper advertisements, and anybody can send a cart there and get it for £1 a ton.

31. Does your company supply coal to the Admiralty?—Yes.

32. What quantity?—I could not tell you what quantity. We supply to the Admiralty off-hand. I do not know whether you are aware that the Admiralty are storing the Westport coal in Sydney, and I think about 3,000 tons have gone up hitherto.

33. 3,000 tons a year?—I would not say in a year.

34. What class of coal?—Screened coal. The Admiralty take screened coal, but all the other steamers take unscreened coal.

35. Could you tell the Committee the price you charge the Admiralty?—I really do not know the exact price.

36. Does the Admiralty contract for a certain quantity with your company, or do they merely take coal now and again?—The Admiralty have always a great many regulations, and they have got rules about the quantity stored at any given time. I am speaking now of Sydney. At one time they would not have more than a certain quantity in a given time, and that interferes very much with the question of freight. If we could get the Admiralty to allow us to put in the quantity as freight offers we could do a great deal better with them. The question of freight is what hampers us.

37. The Admiralty, then, do not give you orders for certain quantities of coal—that is, they do not contract for a certain quantity annually?—There is not any actual quantity fixed; but they may send down and say they want 1,500 tons of coal, and we would send up a vessel with that quantity.

38. You understand, the object of this Committee is to endeavour to make recommendations which will have the effect of placing the coal in the hands of the consumer at a cheaper rate. The chief consumer we have in our minds is the household. You cannot suggest to the Committee any means whereby that end might be attained, except to load by cranes at Westport and to dispense with the processes of screening, and to let the coal be taken from the ship's side?—That is my idea. I do not know why the public insist upon having all screened coal.

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.

71. I want the cost to the company—that is, of putting the coal on board the steamer at Westport?—It is about 10s. 5d.—0·82 I think it works out at.

72. What do you sell coal at Dunedin for?—I have not got the price at Dunedin.

73. Can you give us the price in Wellington?—The prices are advertised here.

74. I want it from yourself?—The price here at the ship's side is £1 5s. for the screened coal, £1 for the unscreened, and 17s. for the small.

75. So that on every ton of coal that you land in Wellington the company makes a net profit of 10s. 5d., and 5s. 3d. (for freight) makes 15s. 8d., leaving you a clear 4s. 4d. That is according to your own figures. Is that so?—No, certainly not. All our profit is included in the 7s. 8d. at the pit's mouth.

76. Out of that £1 you have something to pay for wharfage?—Yes, 1s.

77. That reduces your profit on that particular class of coal to 3s. 4d., so that for every ton of coal you sell in Wellington the company makes a net profit of 3s. 4d.—that is, if everything turns out all right—full weights, and all that sort of thing?—This statement is not correct. See my former answer.

78. I suppose you have some expenses in the Wellington management—looking after the coal, &c.?—Yes.

79. You have no idea of how much that would be?—No.

80. You said, in reply to a question by the Chairman, he being very anxious to see if there was not a possibility of getting the public to buy coal directly from the company from the ship's side, just as it came from the face, that you were surprised that a number of people did not take advantage of the price?—Yes.

81. Are you aware that in any attempt to carry out the suggestion to buy the coal directly out of the ship two difficulties would be presented? The first one is that the public have been demoralised by the idea that the coal is no good unless it is in lumps, and the second is that the dealers have to sell in small quantities. It is not every coal-consumer here that has got conveniences for taking his coal in large quantities; even though they order a ton of coal, they have not got a place to put it, and so they have to buy small quantities?—I would like to refer to a circumstance that occurred this session. I complained to my landlady of the coal in the very cold weather. I asked her where she got it, and said that it was not proper coal. She told me it was Westport. I replied it was not. I then asked her what she paid for it, and she said she paid £1 18s. a ton, and that half a ton only lasted her five days. I advised her to go down to the Westport Company's office and order the coal from the ship's side, and pay the £1 5s. a ton. The coal was brought up, and I saw the receipt. It cost her just £1 9s. a ton delivered and put into her little coal-cellar. A day or two after I asked her about the coal, and she said, "I can cook the dinner now in half the time." She was paying £1 18s. for all sorts of mixtures—rubbish.

82. Can you tell me where the inferior coal is coming from that is sold as Coalbrookdale?—I cannot say what is done. If the people want it, let them send to the ship's side. If one man cannot take in a load, two men could.

83. There is no suggestion you could make to the Committee with regard to improving or cheapening the cost to the consumer in centres, with the exception that they might go to the ship's side and get it direct?—I do not know what more could be done in the meantime.

84. *Mr. Hogg.*] You have a considerable knowledge of the way in which the coal is distributed to the consumers?—Fairly good.

85. You find there is no proper check on the quality of the coal?—You cannot tell what becomes of the coal when a coal merchant takes it into his yard. I am perfectly certain that the man in the case I mentioned was mixing up a lot of rubbish.

86. There is reason to believe that a lot of the coal that is sold is adulterated—that is, inferior mixed with the good?—I cannot say; but what I complain of is that the woman should be charged £1 18s. when she could get it for £1 9s.

87. I presume the consumer has no protection even in regard to the weight any more than he has in regard to the quality?—If he takes it from the ship's side there is the weighbridge, and the man has to bring his ticket.

88. Take the case of the average consumer who buys his coal in small quantities?—Probably he has got to trust to the coal merchants.

89. The evidence we have had proves that the cost of the coal is materially increased on account of the repeated handlings and the screenings?—It is the screenings that are the cause. When the coal is taken to the merchant's yard the extra expense is very considerable. It is not only the carting backwards and forwards, but the quantity of small coal which is left, and which means a great loss. It is the same with the company, which only gets 25 per cent. of large coal out of the whole of its output. The rest has to be sold at a less price.

90. And do you consider, for domestic purposes, there is much difference between large and small coal?—I can only give an answer to that by what I do myself at Oamaru. Whenever I want coal I tell the agent that I want a truck, and the truck comes from the ship's side into my merchant's yard.

91. Unscreened?—Yes. Just as it comes out of the ship, and we have never had a complaint made in our house. If you put a little water on it it seems to be very nearly as good as the other. I think the same remark would apply to the ships when they find fault with the coal. You have heard that the steamship companies find fault with the small coal. The men shovel on a great quantity of this small coal and the flame cannot get through it, whereas if they would use a little clay or soil, just to divide the small coal, they would get rid of all that trouble. There is a great deal in the knowledge of how to handle the coal.

92. Your opinion is that these frequent screenings imply waste, and are to a large extent unnecessary?—I think I may use the word "immensely"—add immensely to the cost.

93. *The Chairman.*] Do you not think there is good reason to believe that the coal which is supplied in small quantities to the poorer class of consumers is likely to be short in weight, there being no check on the dealers?—I know nothing about the coal merchant's business. If he is an honest man he gives the proper weight.

94. You have said in your evidence that if the coal is taken from the ship's side it passes over the weighbridge and is weighed. But I presume, in case of the coal being bagged and disposed of in bags, that it does not go over the weighbridge?—I do not know. I think they give twelve bags to the ton.

95. The small consumer, then, has to depend on the honesty of the person selling the coal?—Yes.

96. Do you think it would be well if the law provided that retailers should carry scales with them, so that, if it was demanded, the coal could be weighed?—I think it would be a very fair thing.

97. I felt bound to ask you that question, because it has been suggested by more than one resident of Wellington that coal is often supplied short weight, especially to the poor.

98. What is the prospect as to the supply of coal in either or all of your company's mines?—Well, you would have to know what area the coal extended over, and the thickness of the seam, to be able to answer that question.

99. There is no reason to believe that the supply is likely to give out?—No. I should think our grandchildren will not see it run out.

100. And, as far as your company is concerned, orders for coal are met promptly?—Yes.

101. In the case of delays, these are not due to any remissness on the part of your company?—I do not think so. The whole success of our operations depends upon the output. It is a question of output. If the output goes down the profits go down, and if the output goes up the profits increase.

102. We have your denial on record that you have no stipulation with the Union Company, but we have had the Hon. Mr. McLean before the Committee, and he stated emphatically that his company would not look with favour upon coal being obtained by other vessels at Westport for places within the colony upon the same terms as the Union Company?—I quite believe that.

103. Have you not said that no difference exists in the matter of terms?—I have stated that the Union Company has no exclusive privilege. The fact of the matter is that the original agreement was that the Union Company should carry all our coal, and should carry only our coal, and no coal for anybody else; but that has been allowed to lapse, and they carry for other mines, and we give other steamers coal to carry. That is the position at present.

104. Would you emphatically deny that any one else taking a vessel to Westport would be refused a cargo of coal?—Certainly; nobody would be refused a cargo. If you took a vessel to-morrow you could get a cargo.

105. About delivering the coal to Nelson, Picton, and Foxton: is it a fact that the Union Company do not carry your coal to these ports?—Yes. There is a new arrangement just entered into about Picton, but I do not know how far it has been carried out. As a matter of fact, another boat not belonging to the Union Company is carrying coal to Picton; but I dare say the Union Company may be too.

106. When I was in Wellington recently I was informed there by leading citizens that the price of Westport coal is £1 18s., which I consider a most excessive charge; coal is actually dearer there than in Wellington. I was told it was because the Anchor line had an exclusive monopoly of the Westport coal trade?—And they can stick it on.

107. And we have had it in evidence that the Union Company do not carry to Nelson?—I do not think they do either.

108. Does your company dispose of coal to the Anchor Company?—I think the Anchor line carries some coal for us to Nelson. As I said before, they can get coal from us and carry it where they like.

109. What is the freight to Nelson?—I do not know.

110. How is it, then, that the Union Company do not carry coal from Westport to Nelson for your company?—I do not say they do not.

111. Mr. McLean said they did not?—Well, I suppose a boat going out from Westport is loaded up for Wellington. They do not want to stop at Nelson when they can get rid of it in Wellington. It would not suit them.

112. Is the freight charged by the Union Company a reasonable one?—Here? Well, the freight has been reduced from a higher one. I suppose if the company were running their own boats they could do it more economically.

113. That is what I think too. Is it not a fact that most of the coal that is brought from Westport to Wellington is carried in steamers that call at Nelson and Picton, instead of travelling direct?—That is so; but some come direct.

114. Which, of course, adds considerably to the length of time and to the cost in taking coal from Westport to Wellington?—I suppose the passenger traffic would come in.

115. The passenger traffic necessitates the boats calling at Nelson and Picton; but the fact remains that if the coal was carried in vessels direct a material reduction in freight could be made, even assuming that the present freight is a reasonable one: do you not think that is the case?—I am not able to answer the question.

116. Supposing your company owned its own boats?—We did own boats once.

117. Do you not think you could carry the coal much cheaper, because you could bring it direct from Westport to Wellington?—I have no doubt that if we ran our own boats we would run direct. It would not pay us to call in anywhere else. We had three boats at one time, but the Union Company bought them from us. We found we made a heavy loss on them.

118. Then, about Wanganui and Foxton: I understand that all the coal that goes to those places is carried by the Anchor line?—Yes.

119. The Union Company does not go into competition?—No.

120. Could you give us the freights from Westport to Wanganui and the other places?—To Wanganui and New Plymouth, 10s. per ton; to Foxton, 11s. for gas and railways, 12s. for other coals.

121. About the haulage-rates of coal at Westport: does your company consider the haulage-rates reasonable?—I may say that the haulage-rate is double what it is at Newcastle for the same distance. We will have to pay the Government this year £37,000.

122. You know the revenue is for the Westport Harbour Board, and that it goes to improve the harbour. Do you think that if there was a substantial reduction in the haulage-rates any loss of revenue would result to the Westport Harbour Board? And do you think the coal trade would be so increased that any loss of revenue would be made up?—I should think a reduction in the haulage-rate would certainly stimulate coal-mining generally. No doubt the haulage-rate is very stiff. We have applied year after year for a reduction, and I think we got from 1d. to $\frac{1}{2}$ d.

123. Would the effect of reducing the haulage-rate be to diminish the price of coal?—That would depend upon other circumstances. The Westport Coal Company have a very long road to pull up yet.

124. *Mr. Morrison.*] What is the haulage-rate?—2s. 4d. is the average.

125. What is the distance?—About twelve miles from Waimangaroa.

126. *The Chairman.*] From Granity it is about twenty miles?—Yes; and the average is 2s. 4d.

APPENDIX.

EXHIBIT A.

NEW ZEALAND RAILWAYS.—LOCOMOTIVE DEPARTMENT.

Details of Information for Coal Committee.

WESTPORT SECTION.

Locomotives.

					Lb.	Lb.
2 Class C	...	...	...	...	Traction power, 4,833 × 2 =	9,666
3 " F	...	...	...	...	4,893 × 3 =	14,679
1 " FA	...	...	...	...	8,521 × 1 =	8,521
1 " FB	...	...	...	...	8,521 × 1 =	8,521
2 " WA	...	...	...	...	11,833 × 2 =	23,666

Total 65,053

Load of WA engine between Waimangaroa and Westport is about 625 tons.

Wagons available for carrying Coal.

					Carrying-capacity.
					Tons.
Iron hoppers (movable)	...	...	...	48 at 6 tons =	288
" (fixed)	...	...	...	159 " 6 " =	954
" "	...	...	...	112 " 8 " =	896
" (movable)	...	...	...	109 " 8 " =	872

Total carrying-capacity 3,010

An order was issued to convert 167 6-ton coal-wagons with fixed hoppers to 8-ton movable hoppers; eight have been completed, and fifty-four others are expected to be completed by 31st March, 1900, and will increase the carrying-capacity by 108 tons, making total carrying-capacity 3,118 tons. When the conversion of the whole of the 167 wagons is completed it will further increase the carrying-capacity by 210 tons, and give a total carrying-capacity of 3,328 tons.

A large amount of work has been done on an additional thirty-one sets, but work has been stopped.

Material for fifty additional new 8-ton wagons was ordered on 27th February, 1899, and a small portion of it has arrived in the colony.

GREYMOOUTH SECTION.

Locomotives.

					Lb.	Lb.
1 Class D	...	...	...	...	Traction power, 4,006 × 1 =	4,006
*5 " F	...	...	...	...	4,893 × 5 =	24,465

Total 28,471

A load of a Class F engine between Brunner and Greymouth is 270 tons.

Hoppers.

					Carrying-capacity. Tons.
232 Class O, 6 ton (movable) ...	...	...	...	...	1,392
11 " O, 6 " (fixed) ...	...	...	...	...	66
Total	...	...	...	...	1,458

* NOTE.—One of the F Class engines was provided for Grey-Hokitika Railway=tractive power of 4,893 lbs. If this were deducted from tractive power of Greymouth Section, the net total tractive power for Grey-Brunner Section would be 23,578 lbs.

EXTRACT from RESULTS of COAL TRIALS made between CHRISTCHURCH-WAIKARI in 1889.

Description of Coal.	Pound per Mile.	Pound to evaporate One Gallon Water.	Ashes per Ton of Coal.	Relative Value.
			Lb.	
Coalpit Heath ...	26·32	1·22	207	116·50
Coalbrookdale ...	26·14	1·22	146	116·46
Wallsend ...	26·68	1·26	157	115·81
Brunner ...	27·0	1·22	150	115·31
Newcastle ...	29·42	1·34	210	102·73

W. ROTHERAM, Locomotive Superintendent.

Locomotive Superintendent's Office,
Wellington, 16th September, 1899.

EXHIBIT B.

Union Steam Ship Company of New Zealand (Limited),

DEAR SIR,—

Wellington, 14th September, 1899.

I regret that, owing to your not having been able to obtain a quorum of the Committee during my presence in Wellington, I have not had an opportunity of giving evidence.

I know nothing of the conditions regulating the retail price of coal. I, however, take the opportunity of writing you for the purpose of placing on record our relations with the Westport Coal Company, and our rates of freight, &c., as there is an impression in many quarters that we charge prohibitive rates, and that these are responsible for the apparently high price of coal to consumers.

The rates of freight which we charge to the Westport Coal Company are as follows:—Wellington, 5s. 3d. per ton; Lyttelton, 6s. 3d. per ton; Dunedin, 7s. 3d. per ton; Timaru and Oamaru, 8s. per ton; Bluff and New Plymouth, 8s. 6d. per ton; Napier, 10s. per ton; Auckland, 7s. and 10s. per ton (according to size of cargo). These rates were fixed three years ago on a contract for one year, and have remained in existence without any formal renewal of the contract. They are recognised by the Westport Coal Company to be exceedingly moderate, and it has not been thought necessary to disturb them. We carry for the Westport-Cardiff Company and the Grey-mouth-Point Elizabeth Company on the same terms.

During the year ended 31st July we carried on freight from the three companies at Grey-mouth and Westport 239,000 tons. In addition to this we purchased for our own use from the various local mines 85,000 tons, and for the use of Shaw-Savill and Albion Company, and for sale outside the colony, 49,000 tons, together 134,000 tons, making in all 373,000 tons of coal which we handled during the year. It will be seen that we are the largest individual consumers of New Zealand coal, and that our trade is of considerable value to the mining companies as we use entirely small and face coal, and an outlet for this class is of great importance to them.

It may be interesting to you to have some particulars of our trade in New South Wales coal. We used in our fleet at various points no less than 122,000 tons of New South Wales coal during the year, making our total consumption exceed 200,000 tons. In addition to this, we carried coal on freight from New South Wales to New Zealand 47,600 tons, and to other colonies 52,000 tons, together close upon 100,000 tons.

I may say that our rates for the carriage of coal on this coast compare favourably with those ruling in any other part of the world, especially when the cost of labour both ashore and afloat is considered. The cost of labour on coal ranges from 1s. to 1s. 3d. per ton, so that our rate to Wellington and Lyttelton may be said to be 4s. and 5s. per ton respectively. To the latter port we cannot average more than one trip per week, whereas between Newcastle and Sydney the rate is 3s. to 3s. 6d. per ton; and, the distance being only sixty miles and despatch being very rapid, the colliers can make three trips per week, thus earning a gross freight of 10s. per ton, or, less labour, say 7s. per ton net in a week against our 5s. per week net to Lyttelton.

I am, &c.,

P. J. O'Regan, Esq., Chairman, Coal Committee,
House of Representatives, Wellington.

JAMES MILLS.

EXHIBIT C.

The ANCHOR STEAM SHIPPING COMPANY, Nelson, to the CHAIRMAN Price of Coal Inquiry Committee, House of Representatives.

SIR,—

Wellington, 5th October, 1899.

In reply to your telegram of to-day, we give the following particulars:—

Freight of Coal.—West Coast to Nelson, 10s. to 8s. per ton according to quantity.

Freight per Anchor Company to other ports.—To Wanganui and Picton, 10s. per ton; to Foxton, 11s. per ton.

Price of screened Westport Coal at ship's side.—Nelson, £1 5s. to £1 3s. according to quantity. Apart from one or two public contracts, the trade here is almost entirely a much subdivided household one, in small quantities, and coal ordinarily bears the following charges: Wharfage, 1s. per ton; cartage up wharf and stacking, 1s. (and often more) per ton; bagging and delivering to carts, 1s. per ton; weighing, 3d. per ton; waste, say, 3d. per ton.

The market price to consumers with all charges paid, varies from £1 10s. to £1 12s. per ton, and we believe dealers give lengthened credit. The cost is further increased to many consumers by varying rates of cartage to their houses according to locality. Newcastle coal, Greymouth screened, Westport unscreened, sell at about 2s. to 3s. below the prices given herein, which are for Westport screened. Newcastle coal is little imported here, averaging about 500–600 tons per year. West Coast coals total, say, 4,500–5,000 tons per year.

J. H. COCK AND Co.

EXHIBIT D.

SIR,—

Wellington, 6th October, 1899.

I regret that I missed my opportunity of attending in person to give evidence before your Committee yesterday, and as I am leaving for Westport to-morrow I would respectfully ask you to receive my statement of opinion as bearing upon the question with which your Committee is dealing: this I understand to be particularly bearing upon the price of coal—the outcome of public opinion frequently expressed as to the high price paid by consumers.

As one having been actively engaged in assisting in the development of the coal industry, I beg to give my experience as follows.

Dealing first with the price of coal, there is no question but that the inauguration of the Westport-Cardiff Coal Company directly led to reduction in the price of coal to the benefit of consumers. The company has been putting out coal for the past five years, but now, pending adjustments being made, unfortunately finds itself unable to continue working through the unforeseen difficulties by reason of broken country and consequent irregular supplies of hard coal; further, the company is unable to continue an equal competition by reason of its heavy tax in the way of railway haulage. I briefly state these facts with the full knowledge that the managing director of the company, Mr. Hargreaves, has given very full information to your Committee.

Another important factor bearing upon the welfare of the coal industry is the question of freight. Personally, my own opinion is that coal could be carried to the larger markets at a lower rate than that which I understand now exists—viz., say, to Wellington, 5s. 3d. per ton, and to Lyttelton at 6s. 3d. per ton—particularly where no call for delay arises in immediate delivery, either by way of transshipment or landing at the wharf. Reductions in railway haulage and freight, which I believe might be fairly and reasonably looked for, should lead to an appreciable benefit to consumers. I base this statement, particularly in respect to haulage, to a great extent in view of the enormous profit made by the Westport section of the railways, which showed last year something over 13 per cent. net return of interest on expenditure. For the year 1898 it was over 12 per cent., and for the year 1897 over 10 per cent., and I find an average for the past nine years of 8½ per cent. I should also like to refer to the vexed question of deficiency in interest on cost of the extension of the railway, Ngakawau to Mokihinui: I had an immediate responsibility in connection with this. To obtain the authorisation of the construction of this piece of railway it was insisted by the Atkinson Government that the company which I was then promoting should be bound to make good any deficiency of interest that might arise up to 5 per cent. on cost of construction. I protested strongly against this, but found the Bill would have been lost had the demand not been acceded to, and at the same time I pointed out in any case the limit should not exceed 4 per cent. Time has justified me in this opinion, as the Harbour Board now has its debentures taken up at 3½ per cent.; and it is most unfair that any private company should be called upon to be responsible for an amount more than is being paid by the local body concerned. Further, this clause has had the effect of preventing the Cardiff Company from raising extra capital to prosecute development.

Any active agitation against the high rates heretofore has been prevented owing to the necessity of making good provision for the improvement of the Westport Harbour, but the time has now undoubtedly come when the industry will have to be relieved of some part of this charge. I believe, as a further factor to secure coal at reasonable prices, the Government will have to undertake an extended geological examination of the Buller Coalfield in continuation of that done by Mr. Herbert Cox some years ago. A well-known coal expert, Mr. Denniston, has informed me that the most valuable part of the Buller Coalfield is in the Onikaka Valley; and from information gleaned from the District Surveyor, Mr. Snodgrass, the opening up of this part of the field held by the Crown can be obtained by the extension of the Mokihinui railway a distance of some five or six miles. It will doubtless be said that there is no immediate occasion for this; but I am nevertheless of decided opinion that the Crown would be wise in posting itself up in detail of this part of the country, in view of the certain increased demand for Westport coal.

It would be very interesting for the public to know how far the one company now mining coal in Westport is prepared to meet public requirements for the local consumption, as also their

ability to meet any probable demand for foreign export without risk of the price being raised in the colony or public inconvenience by reason of delay in delivery. In saying this, I wish it clearly to be understood it is not with any feeling of antagonism to the Westport Coal Company, whose indomitable pluck and wonderful energy can only be the admiration of everybody.

I have, &c.,

A. D. BAYFIELD.

EXHIBIT E.

SIR,—

Inspector of Mines' Office, Westport, 7th October, 1899.

In compliance with your letter dated the 3rd instant I have the honour to forward the following reply:—

The system adopted by which coal-mining operations are carried out throughout the Westland Mining District is known as bord and pillar, or, in other words, pillar and stall.

This universal system of extracting thick coal-seams is to the best of my knowledge the most advantageous, and is admitted by the highest coal-mining authorities to be the most practical, safe, and economic.

Unfortunately I have not had the privilege of preparing any section of this coalfield for future workings where two coal-seams occur in close proximity, consequently my abilities as a practical miner have not been tested on this point with regard to the total extraction of coal-seams under the conditions above stated.

In the Coalbrookdale mines, where two seams occur, the top one varies in thickness from 4 ft. 6 in. to 6 ft., and the bottom one in some places exceeds 20 ft. The intervening strata which forms the roof of the bottom seam is a very friable fire-clay of no commercial value, and requires the greatest care to be exercised on the part of the management and miner to insure absolute safety whilst removing these pillars.

A characteristic common to all our coalfields is the large inflow of surface water from heavy rains that is brought down through the fissures in the broken superincumbent overlying strata caused by the extraction of pillars. Thus a heavy expenditure is incurred where pumps are applied. The question of drainage must be considered a subject for the company to deal with, not the Inspector.

Drainage: The drainage of Coalbrookdale Mine is perfect, as the whole existing working-system is drained by open channel.

Iron Bridge Mine.—Pumps are in use.

Big Dip Section, Coalbrookdale Mine.—This section of pillar-workings was nearly exhausted previous to my appointment, the total exhaustion of which was carried out to a successful termination, every possible care and precaution being exercised to ensure safety to life, and to win the highest possible percentage of coal previous to abandonment. Water was pumped from this district. Now abandoned.

Munsies District.—The total output of coal produced is from the extraction of pillars. The coal varies in thickness from 7 ft. to 8 ft., and has a strong sandstone roof, which gives every facility for total exhaustion. Practically every pound of coal is won from these pillars. Drainage: Natural. Twenty-two pairs of miners employed. All the areas from which pillars have been removed during my term of office were standing in pillars for several years. Therefore I contend that if a waste of coal exists, which I am satisfied does not, responsibility for the system of working could not be attached to me.

The developments of the Westport Coal Company's collieries are carried out on gigantic lines, and compare favourably with the most advanced British mines. Material of all kinds is of the best quality procurable, and is abundantly supplied to all classes of workmen. The officers are men of high standing in practical knowledge, sober in their habits of life, and worthy of respect. Safety to life and protection to property is the motto of the company, which is instilled into every officer, and carried out by them accordingly.

The following table shows the outputs of coal and the contributions paid into the Miners' Accident Fund from the Westport Coal Company's collieries for the quarterly periods during the current year:—

					Tons	cwt.	Accident Fund.		
							£	s.	d.
Ended March	...	...	...	...	70,283	3	146	8	5
" June	...	...	...	...	83,268	11	173	9	6
" September	...	...	...	...	95,765	13	199	10	3
					249,317	7	£519	8	2

The output for the three quarters of current year is an increase on the total output of 1898 of 22,153 tons.

Accidents under the Coal Mines Act: Nil.

Total output for 1898: 270,120.

I have, &c.,

ROBERT TENNENT,

Inspector of Mines, Westport.

P. J. O'Regan, M.H.R.,

Chairman, Coal Committee, Wellington.

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