

*Mr. James Mills.*  
18th Aug., 1881.

134. Can you say what would probably be the rates of passage-money for first-class passengers?—No; they would have to be guided by circumstances. Certainly less than was quoted then (1878), in these calculations.

135. There it is £70, first class?—Yes.

136. And you think they must be less?—Yes. They would be ruled by the Australian rates very much.

137 *Mr. Oliver.*] You have given your opinion, I presume, first, as to the desirability of the service; next, as to its practicability, and then as to what kind of service it should be?—I have not expressed an opinion as to the desirability of the service; but I have stated that a service, to be a success, must embrace all ports in proper turn, and it would need to have the support of all classes in the community, and of all interests. It would not be so likely to be a success, in antagonism to any institution or body in the colony of any strength, nor if the colony was divided in any way.

138. How many days should the voyage take?—About forty-eight days for an 11-knot service. I notice the proposal in Messrs. Galbraith and Denny's offer is for forty-two days.

139. Would the steamers rely on getting wheat for cargo?—Wheat and meats could be got in the winter months.

140. I suppose you think, with some service once established, the vessels would have to fill up?—Yes.

141. Almost irrespective of rates?—They would have to take whatever they could get.

142. And the prevailing rates being what they are. I suppose they average 40s. a ton?—They vary each year. I have seen them below 40s., but I think not recently.

143. I have known them as high as 55s., and as low as 35s.; but I suppose the average would not be below 40s.?—No; I should think not.

144. Well, would it pay to take grain at 40s.?—Not without a subsidy.

145. But, irrespective of subsidy?—I should think not.

146. The vessels would have to rely on carrying meat under the refrigerating process, and filling up with wheat and what passengers they could get?—Yes.

147. What is the cost of building steamers at the present rates?—It varies, according to the power and accommodation. I should say towards £30 per ton, for such boats as I suggest.

148. *The Chairman.*] I understand you to say, if the assistance was given in the shape of a guarantee of a certain amount of interest on the capital, that there would be no inducement to the company to economise—that they would not be inclined to study economy. Is that so? Assuming the Government gave 6 per cent., surely that would be no reason why they should relax their efforts to make 10?—In saying that, I was assuming the trade would not do more than pay expenses, or perhaps rather less. If the trade would yield more than 6 per cent., my argument falls to the ground.

149. If the Government were to guarantee 6 per cent., it would be clearly to the interest of the company to make 7 per cent.?—Yes; certainly.

150. In that case Government would have to pay nothing at all?—No.

151. *Hon. Mr. Williamson.*] The whole arrangement would be "Heads I win, tails you lose." It would be leaving the responsibility of the affair upon the colony entirely?—Well; yes.

152. *Hon. Mr. Reynolds.*] Do you consider a guarantee of 6, or 7, or 8, or 10, would be enough, considering the wear and tear?—No. The guarantee would apply, after proper provision had been made for wear and tear, &c.

153. *The Chairman.*] I understand it would be a guaranteed dividend on capital, after paying all expenses and wear and tear.

154. *Mr. Oliver.*] It would be rather difficult to arrive at that?—It would be arranged beforehand. The allowance for wear and tear and contingencies is usually about 10 per cent. In Messrs. Galbraith and Denny's proposals, 10 per cent is the calculation to cover depreciation in hull and boilers and contingencies.

155. I understand you to say, in the event of the Government approaching you with a subsidy for a service, you are in a position to entertain it?—We are in a position to do so.

156. *Hon. Mr. G. Buckley.*] In respect to cargo by Melbourne, are you aware whether rates by steamers from England to Melbourne are coming down almost every week?—Yes.

157. So many steamers are going to Melbourne now, that the rates come down almost every week?—Yes; there are more than weekly steamers there now.

158. So you get cargo every week?—Yes; every week, in varying quantities.

159. *The Chairman.*] You do not suppose grain could be sent *via* Melbourne so cheap as direct?—No.

160. Of course frozen meat could not be sent that way at all. That must be direct?—To send grain to Melbourne for transhipment would require special steamers, which could not be employed at other times of the year, because at the time of the year when steamers in Melbourne would be glad to get our New Zealand shipments, the ordinary trade is sufficient for our regular line, and at the time we are slack the steamers in Melbourne fill up readily, and do not want our cargo.

161. Many of the passengers that come by Union boats from Melbourne and Sydney are people from Home, travelling round the world, are they not?—Yes, we have a good many tourists during the summer.

162. Do you think the number would be increased if we had a direct steam service from Home, instead of their having to go round?—Well, I cannot say. Of course the majority of tourists want to see as much as possible. I presume they want to see Australia as well as New Zealand.

163. *Hon. Mr. W. Johnston.*] How many steamers would be wanted?—Six would be required; five perhaps could do it, but it really requires six to do the work of five.

164. *The Chairman.*] You see these plans [on the wall]. Do you think that would be the size of vessel adapted for the service?—Yes. Steamers of that size but of less power, giving, of course, more carrying capacity.

165. With the same draft of water?—Yes. I understand they are of about the ordinary draft of such steamers—20 to 24 feet.