

132. Then, you have a lease with conditions of output, but you do not work it?—I would explain that our plans are deposited in the Public Works Department, and that we are only waiting the development of the harbour to open.

133. There is no other lease that you do not work?—No.

134. Do you consider that you are up to the specified output with all your mines?—Yes; we are beyond it.

135. Beyond it; and you are not short in any?—Not short in any.

136. Is there a penalty for a short output?—There is the forfeiture of the lease.

137. But I suppose it comes practically to this: you lay out a considerable sum of money in working the mines on excavations and other works. In the event of a short output, would the Government resume the lease promptly, without allowing any compensation?—They have the right.

138. Has there been any case?—There never has been a case in which we failed to comply with the conditions.

139. There was a statement made in connection with the Westport Harbour last year to the effect that there had been a considerable deficiency of output compared with the amount stipulated?—That does not apply to any of our leases.

140. *Mr. Fish.*] With regard to the state of the harbour, is it improving steadily?—It has gone back.

141. What is the main depth at spring-tides?—It was, in March, 19 $\frac{3}{4}$ ft. at spring-tides and 17 $\frac{1}{4}$ ft. at neap-tides; in April it was 20 $\frac{3}{4}$ ft. spring and 18 $\frac{3}{4}$ ft. neap; in May, 18 $\frac{3}{4}$ ft. spring and 17 $\frac{1}{4}$ ft. neap; and in June, 17 $\frac{3}{4}$ ft. spring and 16 $\frac{3}{4}$ ft. neap.

142. Can you state the cause?—The want of floods; and also, I believe, because the wall is not far enough out to influence the flow of the river.

143. Are they proceeding with the eastern wall?—Yes; they are proceeding with the wall; but they are hampering the effect by not pushing forward the staiths and training-walls.

144. Can you form an opinion what will be the effect when the work, as proposed, will be completed—what will be the effect on the river?—I have no knowledge of that kind; but I know that it should give us a much larger trade out and in.

145. It will give you greater facilities for your outward trade?—Yes. I am now in treaty for the export of a considerable quantity of coal, but I have a doubt about getting the vessels needed to take it.

146. You mean for export beyond the colony?—Yes. Besides, the China steamers that come here cannot go to Westport to load; we have to deliver the coals here, and pay double freight.

147. I presume that if all the necessary facilities were afforded the company would do a very large foreign trade?—Yes.

148. *Mr. O'Conor.*] You speak of an alteration in the depth of the water. Are you not aware that this occurs periodically at this season of the year?—I am told that is very likely to be the case; I have no data or criterion to judge by wherefore the harbour-works are not more advanced.

149. Do you not know that at this season of the year bars do silt up?—I do not know it.

150. With regard to your list of prices, you said there was a charge of 3s. made by the Government; would you be good enough to add what sum you are allowing for depreciation by wear-and-tear and interest?—I could not say; I did say the price—it was 10s., less 3s.

151. No; you said afterwards the total cost was, "free on board," 10s.?—Yes.

151A. What are the other items of cost?—That is not worked out by me; it is rather a question for the engineer. I cannot say what the depreciation of wear-and-tear would be.

152. Is it not set out in your books?—I do not know what it may be; I do know it would be something considerable.

153. You are not able to give us any idea of it?—No.

154. You stated, further on, the price of coal at Dunedin and other places: would you be good enough to say what the freights are to those places?—I could not tell you.

155. *The Chairman.*] Does not the Union Company carry it?—Yes. I cannot tell you the freights.

156. Will you give us the names of the Directors of the Grey Valley Company?—I have given the names already; they are the same as the shareholders in the Westport Company.

157. Do you know whether they are the same as signed in the memorandum of association?—I will give you the names again: they are James Mills, George McLean, Martin Kennedy, W. C. Gasquoine, Allan Holmes, P. C. Neill, Alexander Bartleman, and E. B. Cargill.

158. Four of these are directors of the Westport Company?—Yes; as I said, they have half the representation on the Board.

159. *Mr. Fish.*] Who is the chairman?—Mr. Kennedy is managing director; there is no appointed chairman.

160. Does your company participate in any profit, or has it a rebate from them?—No; it is quite a matter of arrangement.

161. *Mr. O'Conor.*] I understood you to say that you had complied with the conditions of all the leases?—Yes.

162. You forgot the Granity Creek lease?—No, I did not; it is amalgamated with the other lease. It is tacked on to the Coalbrookdale lease.

163. *Mr. Fish.*] That is to say, you put out from the Coalbrookdale mine as much as your leases require you to put out from the two?—Yes.

164. Is that an arrangement?—It is an arrangement until we can work the Granity Creek mine. We are not allowed to take credit for not being able, just now, to work the Granity Creek mine. We cannot put that in as a plea for reduction of rent.

165. *Mr. O'Conor.*] Then, you are not fulfilling the conditions of your lease?—Yes we are.