

1889.

NEW ZEALAND.

WESTLAND COALFIELDS COMMITTEE

(REPORT OF, TOGETHER WITH MINUTES OF EVIDENCE AND APPENDIX).

Report brought up 30th August, 1889, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

WEDNESDAY, THE 3RD DAY OF JULY, 1889.

Ordered, "That a Select Committee be appointed, with power to call for persons, papers, and records, to inquire into and report upon the coal-mines of the Westland District. The Committee to consist of the Hon. the Minister of Mines, the Hon. Mr. Larnach, Mr. Guinness, Mr. O'Connor, Mr. Withy, Dr. Newman, Mr. W. P. Reeves, Mr. Fish, Mr. Feldwick, and the mover; three to form a quorum; to report in three weeks."—(Mr. HUTCHISON.)

TUESDAY, THE 9TH DAY OF JULY, 1889.

Ordered, "That there be added to the order of reference in respect to the Committee on the Westland Coalfields, 'that it include all coal-leases granted by and under the administration of the Nelson Waste Lands Board.'"—(Hon. Mr. LARNACH.)

WEDNESDAY, THE 17TH DAY OF JULY, 1889.

Ordered, "That the papers relating to the coal-mining leases at Grey, Buller, and Collingwood be referred to the West Coast Coalfields Committee."—(Hon. Mr. G. F. RICHARDSON.)

TUESDAY, THE 23RD DAY OF JULY, 1889.

Ordered, "That the names of Mr. Izard and Mr. Turnbull be substituted for the names of Mr. Reeves and Dr. Newman on the West Coast Coalfields Committee."—(Hon. Mr. LARNACH.)

TUESDAY, THE 23RD DAY OF JULY, 1889.

Ordered, "That the West Coast Coalfields Committee have leave to postpone their report for three weeks."—(Hon. Mr. LARNACH.)

WEDNESDAY, THE 14TH DAY OF AUGUST, 1889.

Ordered, "That the Committee on the West Coast Coalfields have leave to postpone their report for ten days."—(Hon. Mr. LARNACH.)

FRIDAY, THE 23RD DAY OF AUGUST, 1889.

Ordered, "That the West Coast Coalfields Committee have leave to postpone their report for one week."—(Hon. Mr. LARNACH.)

REPORT.

YOUR Committee have taken a large amount of evidence, which is appended to this report, and now propose to deal with the questions referred to them, by making in the first place separate reference to the three principal coalfields on the west coast of the Middle Island—namely, Greymouth, Westport, and Collingwood.

I. GREYMOUTH.

1. Referring to the Greymouth field, there are at present in operation the three following mines, containing in all 3,150 acres, served by the Government railway, and worked by the Grey Valley Coal Company:—

- (1.) Wallsend, 853 acres, under lease to the Westport Coal Company (Limited);
- (2.) Brunner Mine, 1,280 acres, under lease to the Grey Valley Coal Company (Limited);
- (3.) Coal-pit Heath Mine, 777 acres, and the Cobden, 240 acres; both under lease to the Westport Coal Company (Limited).

2. The Wallsend, on the south side of the Grey River, is in the Provincial District of Westland; the other two, on the north side of the Grey River, are in the Provincial District of Nelson; consequently the above-mentioned leases were obtained under different administrations—namely, the Land Boards of Westland and Nelson.

3. With respect to the Wallsend Mine, the shafts and plant are upon an area of 150 acres, purchased some years ago by the Westport Coal Company. The rent of the leasehold, which surrounds the freehold on three sides is £20 per annum. The royalty reserved when the lease was granted in 1875 ceased when the railway from Greymouth to Wallsend was completed. It is in evidence that the output from this mine has lately been from seams extending under the Grey River, in the direction of the Coal-pit Heath on the north side of the river. The evidence of the Inspector of Mines indicates that up to the 31st October, 1888, upwards of 20,000 tons have been, in his opinion, hewn from seams outside the company's boundaries. The present lease of the Wallsend expires on the 1st August, 1894. Negotiations for renewal were entered upon last year but have not been completed. The Committee recommend that no further steps be taken in the matter, except in accordance with the general recommendations at the conclusion of this report.

4. With respect to the Brunner Mine, the output was practically suspended during the first half of the present year. Operations have been recently directed to working the pillars or supports of the roof of the mine. The Committee desire to direct special attention to the evidence of Sir James Hector on the subject: "I have always looked with suspicion on the working of that mine. It will require very great care in dealing with any of the supports to the roof. To take an extreme case, it resembles a ship shored up and ready for launching, as there is a great weight and sheering strain from the hill-top. If a slip occurred the Grey River might be suddenly dammed back, but afterwards would force its way through, and do serious damage. . . . This mine requires to be very carefully watched, for, unless the abandoned workings are regularly inspected, which is not a very easy or safe thing to do, no one would know what is going on. The tendency of this bearing-down motion would be to crush the pillars. The floor I do not think would give way, but the roof would go by fracture. It is a hard gritty sandstone, and, if it goes at all, it will go by fracture, and not by settling, as in the case of a shale roof. But the peculiar danger is in the sheer, oblique, and pushing-forward motion."

5. The Coal-pit Heath mine calls for no particular notice, the output being maintained.

6. To the north of Greymouth, in the neighbourhood of Coal Creek and Point Elizabeth, there are three leases,—

- (1.) Cobden Railway and Coal Company, 4,685 acres.
- (2.) Point Elizabeth Coal Company, 2,783 acres.
- (3.) Masters and Co., 1,280 acres.

The two former companies have proved the existence of seams of coal in their leaseholds, and have applied to the Government for the necessary permission to construct lines connecting with the Port of Greymouth. The length of railway proposed to be constructed by the Cobden Company is four miles seventy chains, and that by the Point Elizabeth Company seven miles ten chains.

7. There is another coal-mine situated on the western side of the Grey River, at Blackball Creek, the distance from Brunnerton being eleven and a half miles. The Midland Railway Company have constructed their line from the Government railway terminus at Brunnerton to Nelson Creek, a distance of eight and a half miles, within three miles of the Blackball Mine.

8. The expenditure on the harbour-works at Greymouth has already yielded satisfactory results particularly as to the depth of water on the bar.

9. The erection and working of hydraulic-cranes have vastly improved the shipping facilities for coal at this port.

II. WESTPORT.

1. Included in this field are the following leases:—

- (1.) The Coalbrookdale, including the Kawatiri, 2,479 acres, leased to the Westport Coal Company (Limited).
- (2.) Granity Creek, 2,951 acres, leased to the Westport Coal Company. Total to this company, 5,430 acres.
- (3.) Ngakawau, 3,118 acres, leased to the Ngakawau Coal Company—an Australian proprietary.
- (4.) Bayfeild's lease, 320 acres, leased to A. D. Bayfeild.
- (5.) Mokihinui (2 leases), 800 acres, leased to the Mokihinui Coal Company.

2. Applications for coal-leases have also been granted, but the leases are not yet issued, to—

- (1.) Ballan and others, 1,920 acres.
- (2.) Haselden and others, for the Buller Coal-mining Company, 2,560 acres.
- (3.) Mokihinui Coal Company, 1,400 acres (including existing lease of 640 acres about to be surrendered).
- (4.) Bayfeild and others, for the New Cardiff Coal Company, 1,800 acres.
- (5.) Moynihan, 3,000 acres.

Nos. 3, 4, and 5 are situated in the Mokihinui District.

3. The Westport or Buller coalfield is on a plateau sloping towards the north, and in the neighbourhood of Westport it is about 2,500ft. above the sea-level. The Government railway is constructed from Westport to Ngakawau, a distance of nineteen miles, access being obtained to the plateau from the railway by two valleys, one at Waimangaroa and the other at Granity Creek, eighteen miles from Westport. At Waimangaroa coal-leases were originally held by the Koranui Coal Company, the Wellington Coal Company, and the Westport Colliery Company. These properties have now become vested in the Westport Coal Company, which commands the frontages at Waimangaroa. At Granity Creek the frontage is also held by the Westport Coal Company, but no output of coal has yet taken place.

4. Two miles to the north of Granity Creek, at the terminus of the railway on the Ngakawau River, the Ngakawau Coal Company is now working deposits of crushed or slip coal at the railway

level for the purpose of making coke. The great demand for coke at Port Pirie, South Australia, for use at the Barrier silver-mines, has led to the working of this and similar coal, at Waimangaroa, and steps are being taken for the erection of coke-ovens and smelting-works at these places, and your Committee consider that this enterprise, from its importance, deserves encouragement. The facilities at Westport are considered favourable, as coal, iron, and limestone are obtainable in the locality. The two latter, though not on the railway-line, will be made more accessible if the line is extended to Mokihinui.

5. The Ngakawau Coal Company's leasehold extends along the Ngakawau River to the back of the Granity Creek lease held by the Westport Coal Company. To reach the hard coal on the higher portions of their leasehold, the Ngakawau Coal Company must construct a railway up the Ngakawau Gorge for about seven miles, which would probably be an expensive work.

6. To the northward of the Ngakawau River the next opening in the coast-line—about seven miles—is the Mokihinui River. The main line of railway has been surveyed to the Mokihinui, but nothing more has been done upon it. The plateau descends to water-level at Mokihinui. * Of the two leases held here the Mokihinui Company have opened their mines and constructed a railway from their principal mine at Coal Creek to a point near the mouth of the Mokihinui River, a distance of five miles, but nothing has yet been done on Bayfield's leasehold. The evidence attached shows the importance of developing this field, where 6,200 acres have been taken up for coal-mining purposes by three different companies. The Mokihinui River, by reason of the shallowness of its bar, is not likely to afford shipping facilities for the coal in the neighbourhood, Westport being the only suitable port. The extension of the railway to Mokihinui would establish traffic on the unused portion of the Government railway, induce competition in the coal trade, and materially add to the revenue of the Westport Harbour.

7. Referring to the output of mines at Westport, it will be observed from a return annexed that the leases of Coalbrookdale and Granity Creek Mines are treated as amalgamated by arrangement referred to as made in 1885. Since then, in 1888, one of these leases,—Coalbrookdale,—was surrendered and a new lease granted for ninety-nine years from the 1st January, 1888. No mention is made in that lease of any amalgamation of output with the Granity Creek lease, so that it would appear that the arrangement made in 1885 has been superseded, and the two leases now stand as distinct contracts. The point having been referred to the Commissioner of Crown Lands at Nelson for explanation, his reply is as follows:—"With regard to the question as to how far the terms of amalgamation apply to existing leases, although legally the agreement was at an end on the surrender of one of the leases amalgamated, I think the company can fairly claim that the amalgamation should be held to apply to the existing leases when it is considered that the new lease is for the same area with an additional acreage, and that the required output under the new lease was increased 25,000 tons in consequence of the additional acreage." It would therefore appear that there is no authority for the amalgamation of output in these leases. This is of importance as under cover of this amalgamation the Granity Creek Mine has not been worked, and consequently the Government railway-line beyond Waimangaroa has for the past twelve years been comparatively idle.

III. COLLINGWOOD.

This district, lying at the north-west extremity of the Middle Island, is not under "The Westland and Nelson Coalfields Administration Act, 1877;" but the coalfield is administered by the Land Board of Nelson, without reference to the Government. The leases in force are six in number, as appears by the return of the 1st July, 1889, annexed hereto. This field is as yet only partially developed, but is of high promise. No coal-mining is carried on except by the Collingwood Company.

HARBOURS.

The management of the Greymouth and Westport Harbours was in 1884 vested by Parliament in two Harbour Boards, each Board consisting of seven representative members appointed by the Governor. In April, 1888, by Order in Council, these members were removed and officials appointed—including Magistrates, Clerks of Court, Postmasters, Collectors of Customs, District Railway Managers, the District Engineer and his Assistant. These official members were instructed that they were to form in each instance a quorum to give effect to the proposals of the Government, and they proceeded to elect the District Engineer as Chairman of each Board; he was also appointed Engineer to both Boards. The Chairman resides at Greymouth, and occasionally visits Westport, where, during his absence, the Assistant Engineer superintends the works. The members of each of these Boards appear to have strictly carried out the instructions they received on their appointment.

MISCELLANEOUS.

1. The improvement of the harbours at Greymouth and Westport has been undertaken as a colonial work. The revenues from the railways, the rents of the land endowments, and the royalties of the mines, are appropriated to the repayment of the moneys advanced. The development of the coalfields is therefore a matter of public importance. Yet it will be seen by the evidence that the mines now in operation at Greymouth are in the hands of the Grey Valley Coal Company, half owned by the Westport Coal Company, the other half being divided between the former lessee of the Brunner Mine and the Union Steamship Company; while at Westport the mines now in operation belong to the Westport Coal Company. The carrying of coal for these two companies between New Zealand ports is secured to the Union Steamship Company.

2. Attention is directed to the absence of any proper check as to the output on which royalty is charged. The Commissioner for the Nelson District appears to have depended on the railway returns for checking those made by the managers of the mines, but the railway returns appear not

to have been forwarded for some time past. The Chief Commissioner of Railways reports that "there is really no check on the output of the mines."

3. The supervision of mines has also been conducted with great laxity. Recommendations by the Inspector, under the Coal Mines Act, as to breaches threatening human life have been ignored by the department. Prudence and humanity alike require a strict enforcement of the provisions of the Coal-mines Act, and of those clauses in the leases having for their object the prevention of accidents.

SUMMARY.

In brief, the Committee desire to report that by a series of assignments practically the whole of the present workings in the Westland District have been allowed to fall into the hands of two coal companies associated in business, and acting in accord with a steam-shipping company. The consequences threatened—if not incurred—by this monopoly would appear likely to be mitigated by a strict enforcement of the output clauses, by extending communications with other portions of the field, and by continuing to improve the harbour-accommodation at Greymouth and Westport.

The recommendations of the Committee may be summarised as follow :—

- (1.) That the output clauses of the leases should in every instance be rigidly enforced.
- (2.) That, in the interest of coalminers, as well as to guard against monopoly, the amalgamation of leases should not be permitted unless the public interest is fairly and fully conserved.
- (3.) That an efficient check on the amount of output should be arranged with a view to the royalties being paid on all coal specified as subject to royalty under the several leases.
- (4.) That any mining in the past outside leased areas should be made the subject of payment, and that such mining should be restrained in future.
- (5.) That the clauses of the Coal Mines Act directed to the prevention of accidents should be strictly enforced.
- (6.) That no further leases should be granted until a form, generally applicable, has been settled by the Law Officers of the Crown, after reference to the officers of the Geological and Mines Departments, and so as to reserve access to areas lying at the back.
- (7.) That new Harbour Boards should be formed by Act so as to give representation to the various interests of the coal districts, while reserving to the Crown a preponderating authority by nomination of members.
- (8.) That the administration of the land-endowments of both Westport and Greymouth harbours should be withdrawn from the Land Boards and transferred to the Harbour Boards when reconstituted.
- (9.) That the harbour-works and shipping facilities at Greymouth and Westport should be carried on with much greater despatch than heretofore.
- (10.) That the Government, while insisting upon the observance of the terms and conditions of all leases, should give every encouragement to opening up new coal mines, by providing extra shipping facilities and railway accommodation.
- (11.) That the undoubted superiority of the West Coast coal must create a large foreign demand, which should be supplied by making the harbours accessible to vessels of large carrying capacity and deep draught.

Friday, 30th August, 1889.

W. J. M. LARNACH,
Chairman.

MINUTES OF EVIDENCE.

WEDNESDAY, 10TH JULY, 1889 (Hon. W. J. M. LARNACH, Chairman).

Mr. GEORGE JOACHIM, Manager of the Westport Coal Company, examined.

1. *The Chairman.*] This Committee was appointed with the view of getting information in respect of the various coal leases in Westland, and also the conditions under which they are worked; in respect of the number of men employed and the prices charged for coal; also, in respect of tariffs, haulage-rates for conveyance by rail, with royalties charged by the Government, and other particulars connected with the trade: will you also kindly tell the Committee what coal leases are represented by your company, of which you are the manager?—We have leases in the Buller coalfields—at a place known as Waimangaroa, the Coalbrookdale lease, and the Granity Creek lease.

2. The company is partly interested in leases at Greymouth?—The Wallsend. It is the Government leases, I presume, that you want to know about?

3. Are there any other leases?—Yes; we are interested in the Taylorville lease and the Wallsend.

4. Would you be good enough to state the terms of the leases you hold?—On the Buller field they are for ninety-years, and 6d. a ton royalty.

5. Does that include freight—railway freight?—No; it is simply royalty.

6. Is it affected by rates of freight at all?—No; it is simply royalty. It is fixed at 6d.

7. Absolutely?—Absolutely.

8. No matter what the quantity?—No matter what the quantity.

9. On large and small coal?—On large and small. In the Greymouth field the leases are for sixty-six years. The majority of them are Government leases. The royalty is 6d. for the first twenty-one years, and 1s. thereafter.

10. How many of the twenty-one years, do you remember, have expired?—About three years.

11. Then the royalty for the next eighteen years will be 6d.?—The Wallsend lease has only about eight years to run.

12. I understood you to say that the leases have only three years unexpired?—The Wallsend lease is an exception. The other leases have been recently renewed. This is one of the original leases, and not renewed.

13. What is the extent of ground?—About a thousand acres. I am sorry that I did not know I was to be examined before this Committee, otherwise I would have brought the necessary data with me; but I think this answer is substantially correct.

14. How many of the leases are being worked by your company?—All, with the exception of one, namely, the Granity Creek. With regard to this one, I may state that the plans for opening it have been already deposited in the Public Works Office, and it will be opened as soon as the state of the harbour-works will warrant the company doing so.

15. Then, it is the intention of your company to open up that lease?—Yes; we have already deposited the necessary plans for the purpose in the Public Works Office.

16. *Mr. Fish.*] Do you pay any rent in addition to the royalty?—Yes; a large rent: we pay £738 on account of Granity Creek, which we get nothing for; the other rent merges in royalty. There is a dead rent fixed on every lease but Granity Creek. In this particular case the rent does not merge into the royalty.

17. That is because you are not taking anything out of it, I presume; but let me ask you what is the rent you are paying under the other leases?—I cannot tell you, but I have no doubt that can be ascertained by reference to the Department of Mines.

18. *The Chairman.*] Do you know what is the number of miners?—We have five hundred at Westport.

19. *Mr. O'Conor.*] You say you do not remember the rents for the other leases?—I do not remember them.

20. *The Chairman.*] How many at the Grey?—I think about a similar number.

21. There work is carried on in conjunction with the mine of Mr. Kennedy?—I think I have mentioned the whole of the mines in which the company is interested.

22. *Mr. Fish.*] Including Kennedy's?—Including Kennedy's.

23. *The Chairman.*] Is there not some arrangement with the Union Steamship Company?—Yes; we have a carrying arrangement with them.

24. Will you state the particulars of that arrangement?—It is simply a carrying arrangement. Rates of freight are fixed from year to year, and even from day to day sometimes; but it never extends beyond the year.

25. What is the existing arrangement for the year?—It is subject to variations from day to day; it terminates on the 31st December.

26. Next?—Yes; but that is information which I scarcely think the Committee is entitled to.

27. What is the amount of coal you are winning now?—At Westport the output has been—for 1887, 116,000 tons; for 1888, 130,000 tons; and for the first six months of the present year, 75,000 tons, or equal to 150,000 tons for the year.

28. Do you refer to both mines?—This refers to Westport only. I have not the output from Greymouth with me, but, substantially, I might state it was about 160,000 tons last year and about 66,000 tons up to the 30th June this year.

29. What freight do you pay from the mines at Westport by rail?—We pay 2s. 6d.

30. Is that over all the coal that is carried?—Over all the coal that is carried; it is a composite rate, but the whole of it is 2s. 6d.

31. And what railway-rate at Greymouth?—2s.

32. In either case do you mean to say that the rate is exorbitant?—It is very exorbitant.

33. Is it so to such an extent as to interfere with the operations of the company?—It almost threatens to ruin the company with the low price of coals that prevails now. I understand that it is very much in excess of the rate paid in Newcastle.

34. What does the coal cost the company?—When put on board ship do you mean? The Government charge 3s., 6d. royalty and 2s. 6d. haulage.

35. What is the cost free on board?—I am speaking from memory: I think it is about 10s. free on board, including the Government charges; that would be 7s.

36. It is sold at Westport at 11s.?—It is sold at less than that.

37. *Mr. O'Connor.*] Does that include interest for wear-and-tear and depreciation?—Wear-and-tear and depreciation are not included.

38. *Mr. Fish.*] With reference to the question put to you by the Chairman as to charges made by Government, I would ask you what is the difference between that made in Newcastle to the port of shipment and the charge made at Westport?—I have not all the data with me, but I know that our distance is very much shorter—it is eleven miles and a half at Westport, including our own line; at Greymouth it is seven miles.

39. You run a mile of that on your own line?—Yes, but we do not include that.

40. Do you know the price and charge at Newcastle?—The charge for haulage: it is a variable rate; but it is very much less than what we pay. I think it is 1s. 4d.

41. *Mr. Guinness.*] Do you know the rates and charges at Home?—No, I do not; but I believe the rates there are very cheap indeed.

42. In your arrangement with the Union Steamship Company, do you give them a monopoly whatever the charge?—We simply give them all our carriage.

43. Suppose other companies' steamers were desirous of carrying coals as the Union Steamship Company do, would you refuse to allow them?—It is simply a carrying arrangement that we have with the Union Steamship Company. We have to supply them with the coal, and they have to supply us with all the steamers we require: we say, they shall have all the coal they wish to carry, and that we shall be supplied with all the steamers we want.

44. But you hold yourselves free to sell coal at Westport or Greymouth to any one that likes to buy?—Yes.

45. What is the rate of freight with the Union Steamship Company?—It is a variable rate; they meet us from time to time as the case requires. The rate alters from day to day. Just now the rates are exceedingly low, but I do not think I can give you that information. The Committee, I think, is not entitled to it.

46. Is the Union Steamship Company peculiarly interested in this company's mines?—Not in Westport.

47. Have they lent some money to the Greymouth mines?—They are interested in the Greymouth mine—in Mr. Kennedy's mine.

48. Will you tell the Committee what is the connection between your company and Mr. Kennedy's mine?—The mines of Mr. Kennedy and those of the Westport Company were all amalgamated in one company, called "The Grey Valley Company," and registered as a joint-stock company.

49. Then, your company is in the position of a shareholder?—We hold half the interest in that company.

50. Have the terms of the original leases with your company been ever varied by your company with the Government?—I do not think so; not in any respect so far as indicated in the renewals.

The Chairman: I think you will find they were varied, in the time of Mr. Rolleston; before, probably, you became connected with the company. I think you will find they got the ninety-nine years' lease subsequent to the company's formation.

51. *Mr. Guinness.*] You know of no variation?—No; I only know that I have always found the Government standing out very stiff whenever we wanted to get any terms from them.

52. *Mr. R. H. J. Reeves.*] You have said that you hold yourself free to sell coal to anybody in Westport or Greymouth?—Yes.

53. There is no arrangement between the Union Steamship Company and your company "not to supply" coals to other people?—No; on the contrary, we supply the Anchor Company's line with all the coal they want.

54. Do you know whether there are any arrangements between the Companies themselves?—I do not know.

55. By which certain persons might be favoured, say, in Wellington?—There may be arrangements between themselves for the purpose of delivery: they would, of course, make any arrangements they liked to suit delivery. We would only make arrangements that would suit our own Board.

56. *Mr. Fish.*] Then, in this respect you say they are not monopolists?—They simply carry all our coal, and for that purpose they must provide the steamers.

57. Does that exercise any controlling influence over the operations of your Company?—None whatever.

58. *Mr. Hutchison.*] This agreement is in writing?—Yes.

59. You have not a copy with you?—No; I have not a copy. It is in the nature of a general understanding. It is varied from time to time.

60. The rates, you say, are variable—Yes; I might almost say this is a matter of daily arrangement. It is a sort of agreement, the particulars of which could not be all laid down in writing, so liable would they be to alteration.

61. But they bind themselves to provide any number of steamers, and you bind yourselves to give them all the coals you want carried?—Yes.

62. But you must not employ any other company?—No.

63. There is a penalty if you do?—There is no penalty. It is a matter of good feeling between us.

64. There must be a penalty, even if it should be an unliquidated one?—An agreement, no doubt, implies something of the kind; but in this case none is indicated.

65. *Mr. Fish.*] Can you give the Committee any information as to any complaint of one company selling to another for their own requirements, or so as to affect the rates of freight by carrying to certain ports by arrangement—to outside ports—sometimes to Australia?—No.

66. How about harbour dues: do you have to pay port dues to the Government at Westport or Greymouth?—No; we are not shippers.

67. As to the rate of freight paid to the Union Company: is it a rate that is likely to be oppressive in the direction of raising the price of coals to the consumer?—To a certain extent it is a sliding-scale: it goes down with our prices.

68. As the price decreases the freight goes down *pro rata*?—Yes; it is an arrangement between us; it is varied from time to time. When we had our own steamers we could not carry for a less rate than we give the Union Steamship Company.

69. Then, you say the public do not suffer as a consequence of that arrangement?—So far as I can see they do not. If the public suffered we would suffer.

70. Can it limit the output of coal from the mines by enabling them to bring any quantity of coals from Newcastle for their own purposes?—No; oh, no; it gives them no control whatever over the output of coal, because they must carry all that we require them to carry.

71. Then, it does not limit the output in any shape or form: that is what you say as to this arrangement with the Union Steamship Company?—No; on the contrary, we strain every nerve to increase the output, and just now we are doing it at a loss.

72. *Mr. Hutchison.*] Have you agents for the sale of coal in the various towns and principal cities?—Yes.

73. Have you an agent in Wellington?—Yes.

74. Entirely free from the control of the Union Company?—Yes.

75. At Dunedin?—Yes; I manage that myself.

76. At Wanganui?—No.

77. You have no agent there. Does your coal go there?—Yes; we sell to any one there. For Wanganui we sell to the Anchor Company.

78. Do you not know that the Anchor Company is bound up with the Union Company?—No, I do not.

79. You are not aware that all the coals sold there are sold by arrangement with the Union Company?—No, I do not know.

80. Perhaps you could tell us the price in some of the chief places of New Zealand at which your coal is sold for cash per ton?—Yes. Just now, in Dunedin it is 14s. a ton, at Oamaru it is 16s. a ton, at Lyttelton it is 18s. 6d. a ton—that is Westport coal. My remarks now refer entirely to the Westport Company, and not to the Greymouth Company.

81. Who manages the Greymouth Coal Company, you or Kennedy?—There is a board of directors of the Grey Valley Company held in Dunedin. I act as their Secretary. I am merely the Secretary to the Board.

82. You have not exhausted the prices obtained in the various places: take Wellington, for instance?—In Wellington, I think, it is £1 3s.; at Napier it is £1 3s.

83. In Auckland?—We do very little with Auckland.

84. What is the price there?—It is difficult to do any trade with Auckland; there they have the native coals—the Bay of Islands and the Taupiri coal.

85. You are now referring to the Coalbrookdale?—Yes; these prices which I have given are the same as those of Newcastle.

86. *Mr. Fish.*] Are they lower than those at which you are in the habit of selling?—Very much; they are lower than we could continue to sell at.

87. What is the cause?—It is owing, just now, to the number of vessels that come over here to load with grain.

88. If a duty were imposed on imported coal, would that alter the condition of the local mines?—Undoubtedly it would.

89. Can you give any other reason as to why the Newcastle coal is sold so cheap?—I cannot.

90. Do the Union Company's vessels, and other vessels trading to this colony for grain, bring coal with them from other places at a nominal price?—Outside vessels do. The Union Company have not brought more this season than usual. Some of their vessels have come over empty.

91. Do you know whether it is a fact that outside vessels coming here with coal from Newcastle give a corresponding reduction in freights from here in consequence?—I think they charge the ordinary rates of freight. That is a matter of opinion; it is a matter that I am not well acquainted with. I am not acquainted very well with the export trade.

92. If they bring coal down here and lower freight, do the people who export grain and other things from here get a cheaper rate in return?—I always understood that they got the same freight as the Union Company's steamers, but what that is I do not know.

93. Then, if so, the exporters get no advantage from the grain ships?—No; if that is so.

94. With regard to port dues, are they reasonable or unreasonable?—We have to pay 1s. in Wellington, 1s. in Auckland, 2s. 6d. in Napier, 2s. 6d. at Timaru and Oamaru (I believe), and 2s. 6d. in Dunedin.

95. I am not alluding so much to these charges generally; what I ask is, do you know whether the dues at Westport or Greymouth are reasonable or unreasonable?—I do not know what they are, but they are regulated all along the coast.

96. I want to see whether the duties charged by the two Harbour Boards are excessive.

97. *The Chairman.*] Is it so?—I really cannot tell you.

98. *Mr. Guinness.*] I want to ask you about the amalgamation of mines. At Greymouth, you say, the Westport Company owns half: who are the other shareholders?—The other shareholders are Martin Kennedy, W. C. Gascoigne, James Mills, and George McLean.

99. Is it not this way: that the Westport Company own half, Kennedy a quarter, and the Union Company a quarter?—That may be so. As I understood it, the Union Company made an advance to supply them with capital.

100. When you speak of the shipping arrangement or agreement between the Westport Company and the Union Company, you do not refer to the Greymouth shipping at all. It is, you say, exactly the same; that it has been made between the Grey Valley and Union Company exactly on the same lines: is that so?—Yes.

101. The interest you think the Union Company has is that of an advance to the mine?—Yes, I think so.

102. You say the Westport Company hold a half?—Yes.

103. Do they not hold a quarter interest on behalf of the Union Company?—That I cannot say.

104. Can you tell us what is the freight on Newcastle coal to New Zealand?—No, I cannot.

105. What is coal put free on board for at Newcastle?—At 11s.

106. Is it sold at Dunedin for 14s.?—Just now it is.

107. What do you put it free on board for at Westport?—We have a variable price. Our coal is principally sold to agencies.

108. You have no agency at Auckland: if you are sending it to any one who wants to buy it, what is the price that you would charge?—I cannot give you instances, but it would be about the same as for Newcastle.

109. Eleven shillings a ton?—Yes.

110. According to your agreement with regard to carrying coal, if three or four large steamers were to come to Westport for a cargo of coal, your Company would be bound to refuse them unless you got a release from it?—No; we should not. We would not give them any carrying, but we should not be bound to refuse them cargo.

111. Then, you can sell free on board ship to any one?—We have a discretion; we have a vessel now that is loading with coal.

112. *Mr. Hutchison.*] Is not your company governed by the Grey Valley Company?—Our company is entirely independent of the Grey Valley Company.

113. *Mr. Fish.*] But in the Grey Valley Company your company has a half interest?—Yes.

114. Is the Grey Valley a registered company?—Yes.

115. It has a board of directors?—Yes.

116. Where is the head office?—At Dunedin.

117. *The Chairman.*] How many directors have you?—The Westport Company has four directors out of eight.

118. Then, the Union Company would have two?—Yes.

119. And Mr. Kennedy two?—Yes.

120. There are eight altogether?—Yes.

121. Who is managing?—Mr. Kennedy is managing director.

122. Do you know of any arrangement come to recently with regard to the leases at Greymouth where the terms of the leases have been extended?—Yes; there are leases transferred to the Grey Valley Company with an extended term, and the royalty increased.

123. Is there any agreement as to the increase or decrease of the output; are there any conditions?—Yes; I understand it is an ascending scale as time goes on.

124. Would you have put out more coals by now if you had continued under the old leases?—No; not so much.

125. Is there any provision that you may take coal out of one mine; and, if you deliver an excess of output from one mine, that will tell so as to amount for the deficiency in another?—At Greymouth, I think not.

126. The output from any one lease is independent of any output from another?—I believe so they are in two different land districts.

127. But there has been a connection between two mines under the river?—Not between the Government leases; the only connection that I know of was between the Wallsend and the Taylorville.

128. *Mr. Withy.*] Is the Koranui one of your leases?—It was one; but we have abandoned it.

129. Is it entirely worked out?—Practically.

130. It is back in the hands of the Government, is it not?—Yes.

131. What mines are there that you do not work?—The only lease is the Granity Creek.

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.

166. Are you allowed, as long as you put out a quantity equal to that which the two should yield, to pay royalty on that?—We are paying royalty on that.

167. Then, the rent is commuted to this 6d. a ton royalty?—No; a positive rent is fixed: that has to be paid in advance. If during the year you put out coal to that extent—to the extent of the amount you pay—that is your rent.

168. As far as the rent you pay for the Granity Creek field is concerned, no part of that is remitted to you for the output elsewhere?—No; we have to lose that.

169. *Mr. Fish.*] When do you expect that you will be able to use Granity Creek?—We cannot work it until the Government develop the harbour-works; we have ample for all our trade from the present mine.

170. Are they going on quickly with the work?—It appears to me that there should be more staiths and wharves. I think they are going on slowly.

171. Have you made any representation to Government that they should go on more speedily?—We waited on the Premier when he was at Westport.

172. What did you get?—We got several promises.

173. If the Government proceeded more rapidly with the work, the colony would be benefited by the greater output of minerals?—Decidedly.

174. *Mr. Guinness.*] You know there are Government officials in charge—that there is an Engineer to the Board as Chairman of the Board, who passes what he pleases. Do you consider that system is satisfactory?—I am not able to say.

175. You gave us the depth of water at Westport: have you got it for Greymouth?—I cannot say what it is, but I understand it is very good.

176. If a ship came in there, what would she be able to carry?—A ship of 1,200 tons sailed in there lately, but I am told she only drew 9ft.; whether she could get out with 1,200 tons I could not say.

177. *Mr. O'Connor.*] With regard to charges for working coals, working out and in, selling at stated prices, and charging for depreciation by wear-and-tear, could you not get at the freights showing the net cost of the coal?—I think the Committee is hardly entitled to know what freights we pay; it has not been worked long enough to establish a rule; when we started our plant was all new, and we have had hardly time to account for depreciation.

178. *Mr. Guinness.*] Perhaps you might tell us what you pay for winning the coal?—The contract price is 2s. 10d. all round.

179. All round for large and small?—Yes, for large and small.

180. *The Chairman.*] Have the rates of wages varied very much at Greymouth and Westport?—No; they are still very high.

181. What wages do you pay now?—There are different rates of wages.

182. For miners?—No; the miners are all engaged in cutting coal.

183. Does the high rate of wages interfere at all with the output?—Yes.

184. If your company ceased working, would the Westport railway have anything to carry?—The whole of the revenue of the railway and the greater part of the revenue of the harbour depend on the company carrying on.

185. Does the same remark apply to Greymouth?—Yes; it would be the same there, I think.

186. Are we to understand that your company supply all the coal that is shipped at Greymouth and Westport?—Yes; so far as I know. I do not know of any other mines at work, although other mines are in preparation.

187. What would be a reasonable rate for haulage?—The average rate at Newcastle does not exceed 1s. 4d. for a much longer distance; it certainly should not be more than 1s.

188. Are the works pushed on as energetically as formerly?—That I cannot say.

189. I should say your engineer would be able to give us some good evidence on that point?—Yes.

190. Expert evidence?—Yes. I am simply the business manager. I hope you will make allowance for my not having the documentary information you require. Had I known I was to be examined here I would have endeavoured to procure them.

The Chairman: Hearing that you were passing through Wellington, we took advantage of your being here to ask you to give evidence.

191. *Mr. Guinness.*] How is it that you were able to sell for 14s. a ton at Dunedin, while at places much closer to the mine people have to pay much more?—It is a question of not being able to return a trade.

192. It is a question of competition, is it?—Yes.

193. Has that been brought about by some of your own shareholders?—No.

194. Is it not in consequence of the Union Company bringing Newcastle coal into the country?—No; it is the outside vessels that do so.

195. *Mr. O'Connor.*] I think you are not in a position to speak to that, seeing you are not able to give the Committee information upon the important matters that I asked you about?—As to depreciation, I could not give it; we have to work over a series of years to determine what it would be.

196. But every year you make out a balance-sheet, do you not, and you write off a sum for depreciation.

The Chairman: And these amounts would be ingredients in your calculation?

197. *Mr. O'Connor.*] That would be so?—I could not tell you the rate of freights now, for they vary from day to day.

198. *Mr. Guinness.*] Is that in consequence of that undue competition from Newcastle?—Yes.

199. *The Chairman.*] But this information can be given?—Yes; it can be given; but I would have to consult my directors.

200. *Mr. O'Conor.*] You say that coal cost 10s., and afterwards you say you are selling for 14s. in Dunedin: you pay 2s. 6d. charges?—No; we sell on the wharf.

201. Not counting the 2s. 6d.; then, you leave only 4s. to cover freight, depreciation, &c.?—Allow me to say, again, we pay 2s. 10d. for cutting the coal; the other charges bring it up to 7s., to which must be added royalty, 6d.; haulage, 2s. 6d. I should say at the same time that the company have already written off £45,000 for depreciation.

202. *Mr. Guinness.*] Will you give us what you would put coal for free on board at Grey-mouth?—I could not. Mr. Kennedy must give you these figures. I cannot give them to you.

203. These charges do not literally fluctuate as you say: they are surely subject to some correspondence by letter—they are on record in some way?—Yes; they can be ascertained.

204. It can be shown what they were, for instance, on the last day, or any particular day of the last month?—Undoubtedly.

205. *Mr. Withy.*] Are there any other points through which the output suffers—are there any disabilities which you may labour under, and for which the Committee might be able to report a remedy?—So far as I know, many of the difficulties are to be laid to the charge of the insufficiency of the harbour at Westport, and to the Government not pushing on with the work as rapidly as is desired.

206. *The Chairman.*] The Government charges have always been very oppressive to this industry?—We have always found it so.

207. *Mr. Fish.*] How long has your company been working the Westport Coal-mine?—About six or seven years.

208. Will you be good enough to tell us what has been the output?—I have already stated it at 116,000 tons for 1887, 130,000 tons for 1888, and at the rate of 150,000 tons per annum for the first six months of the present year.

209. Then, if you went back further the difference would be more striking?—Yes; but there was then another mine at work—the Koranui.

210. *Mr. Feldwick.*] There was an attempt made to open up the coal trade with Victoria: can you tell us how that fell through?—It was a question of price; also, because the gasworks there were bound up with the Newcastle coalowners; and I cannot tell what combination there may have been in Melbourne against us.

211. But the attempt failed?—Yes; and there again the question of harbour-accommodation was against us, for the vessels that could load alongside our harbour are not suitable for a long foreign voyage of that sort.

212. Do you think an import duty on coals would be of any use to the trade?—I have been asked whether it would benefit the local trade: it would, undoubtedly.

213. Would it shut out the Newcastle coal altogether?—That depends on what the duty is.

214. *Mr. O'Conor.*] Would it have the effect of raising the price to the consumer?—I do not think so.

215. *Mr. Feldwick.*] How about the price?—It all depends upon the back freight. There is no back freight from here; therefore vessels do not come here.

216. What is the price of coal in Westport for household purposes?—We sell to the trade at Westport at 15s. for screened coal.

217. *Mr. Guinness.*] Is it a fact that upon the amalgamation taking place the Grey Valley Company, in which you hold half interest, immediately refused to sell to three or four retailers, and gave a preference to two they picked out?—I do not know.

218. Have you not heard?—I believe that one man did complain that he could not get coal; but that is not in my department at all.

FRIDAY, 12TH JULY, 1889.

Mr. JAMES MILLS, M.H.R., in attendance, and examined.

219. *The Chairman.*] You are managing director of the Union Steamship Company?—I am.

220. Your company has some arrangements with the coal companies of the West Coast: would you tell the Committee what is the nature of such arrangements?—Yes; we have freight arrangements with them.

221. Would you be good enough to explain, as far as you are at liberty to do so, some particulars of such arrangements?—Some years ago the Westport Coal Company, finding that they required a considerable amount of tonnage, and not being able to provide it themselves, entered into an arrangement with our company to provide them with the necessary tonnage to carry away their coal. The circumstances of the port were somewhat peculiar. They could not depend on casual tonnage, as coalowners can at Newcastle and other large ports. It was necessary for them to make provision for a continuous supply of tonnage, so as to keep their mines going with regularity. We undertook to supply vessels of a class suited to their port and as much tonnage as they wanted at certain rates of freight. The arrangement was that they should keep that tonnage fully employed as far as they could, and give our steamers preference in loading.

222. When was that arrangement first entered into?—At the end of 1886.

223. That was the first arrangement?—Yes.

224. Has that arrangement been varied?—Yes; the rates have been reduced as the harbour has improved, and more work can be got out of the steamers.

225. At the time your company entered into this agreement, were they not lessees of a mine there—the Koronui?—Yes; we had acquired that mine with a fleet of steamers we had purchased.

226. Was there any arrangement to take over that mine with the Westport Coal Company?—Not till afterwards; that was a subsequent arrangement. I may explain that we did not purchase that mine as an investment; we had to take it over along with the fleet; we did so unwillingly.

227. Perhaps the Committee would better understand if you will carry back your recollection, and tell us to whom the line of steamers you purchased had previously belonged?—To W. R. Williams, of Wellington.

228. Then, the mine was taken over with the steamers as a part of the arrangement?—Yes.

229. Did your company abandon the lease of this mine afterwards, or was it abandoned by the Westport Company: we have been led to believe that the lease had been abandoned to the Crown?—It has been abandoned, I think, by the Westport Company. The most valuable asset in the purchase was a portion of railway-line that had been constructed by the Koronui Company.

230. What length of railway-line was there?—I think, about two miles.

231. That had been made by the Koronui Company?—Yes.

232. That railway now belongs to the Westport Coal Company?—Yes.

233. Do you remember to what extent your freights are varied, or is it upon any scale that you are at liberty to reveal to the Committee?—I would rather not reveal the standard rate of freights; but we have a sliding scale. In the event of it becoming necessary to sell coal at any ports lower than a certain price, in competition with the Newcastle or any other opposing coal, we allow a corresponding reduction from our schedule rates of freight.

234. Do you import much coal during each month from Newcastle?—Yes; our steamers trading to Sydney with produce bring back cargoes of Newcastle coal.

235. Could you state the average import per month?—Our import for 1888 at all ports in New Zealand was 45,000 tons.

236. Not more?—It is probably a little more this year, owing to the larger grain trade that is carried on. There are more steamers running.

237. You think it will be more this year?—Yes, perhaps 50,000 tons—that is, for all the ports of New Zealand.

238. You have in previous years imported much more coal, have you not?—Yes, I believe we have.

239. *Mr. Hutchison.*] In 1887 how much was it?—I have not the figures with me.

240. Was it more?—I think not by our company; but there is a good deal of coal comes in by sailing-ships.

241. Have you brought in coal in sailing-ships by charter—from Newcastle?—Not any quantity; we had one or two sailing-vessels, but that is two years ago: they formed part of the purchase from Williams, in connection with his steam-fleet and the Koronui Mine.

242. What is about the rate of freight for coal from Newcastle, by steamer?—We have no fixed rate; we merely sell coal at the market price for the time being; 8s. to 9s. is looked on as the ordinary sailing-vessel rate to a loading port such as Lyttelton, except during the early part of the grain season, when large ships are chartered for the round voyage from Sydney to New Zealand and on to London; they take coal at from 5s. to 6s. freight.

243. What has been the cost of coal, “free on board,” at Newcastle?—11s. for screen-coal has been the price for some years.

244. What is the price at Westport and Greymouth, “free on board”?—At Greymouth the price of screen-coal is 12s. 6d.; at Westport it is something more than that.

245. The facilities for loading ships at Newcastle are much superior to the facilities at Westport or the West Coast?—Yes; they have very great facilities there, in regard to wharves, cranes for loading, and harbour-accommodation. The trade is carried on by vessels of very large tonnage. The coast steamers running to Melbourne carry as much as 3,000 to 4,000 tons: they can load very quickly.

246. At any time, night or day?—At any time, night or day.

247. Do you pay light dues going into that port?—No; our vessels all call at Sydney, and the one payment at Sydney frees them for Newcastle also.

248. What is that payment?—I cannot tell you just now, but I will supply you with the information.

249. That is the only charge?—For light dues.

250. What is the charge at the West Coast ports?—A farthing.

251. *Mr. O'Connor.*] A farthing a ton?—Yes.

252. Are you able to say whether the improvements in the ports on the West Coast are sufficient to enable large vessels to enter, as is the case at Newcastle?—No; they are not sufficient for large vessels.

253. Would New Zealand have a good chance of a large additional foreign trade if facilities were extended on the West Coast so as to be equal to those given at Newcastle?—I certainly think so. There might not be such a command of tonnage at Westport or Greymouth as there is at Newcastle, but the superior quality of the coal would counterbalance that. This is illustrated in the case of the trade that is now opening with Port Pirie. There is likely to be an enormous demand for West Coast coal at that place, where it is recognised to be better for “cooking” than the Newcastle coal. As much as 50,000 tons of coke are used in the year. That will be doubled, or perhaps trebled, if the present prospects of the Barrier are borne out. They are quite willing to pay a few more shillings a ton for Westport coal than they pay for Newcastle coal. A good deal will be required up at the Barrier itself when the timber, which is largely used for fuel, becomes exhausted. On this there is a charge for railage of £1 15s. a ton. Now, if it takes 6 tons of Newcastle coal to do the work of 5 tons of Westport coal you will easily see that this difference gives an enormous advantage to Westport. We have sent several cargoes of coal to Port Pirie. If the Westport Harbour is further improved it seems probable that Port Pirie will take all the coal that the Westport mines are able to put out

for a number of years. It is a question of harbour facilities. At present the harbour is not likely to attract vessels of large tonnage, such as can profitably undertake long voyages.

254. *The Chairman.*] To what extent would it require to be improved so as to come into that category which would attract more shipping to the port?—It would need to be fairly accessible to vessels drawing, say, 21ft.

255. *Mr. O'Connor.*] It does not seem to be far from that now?—Recently there has been from 17ft. to 15ft. at high water and springs.

256. The lowest has been 17ft.?—I understand there has been a shoaling-up, owing to the long prevalence of westerly winds: more wharfage- and staith-accommodation is required. The accommodation is rather meagre even now for the trade that exists. I might say that, in anticipation of improvements to be made, we have a vessel building in England designed to load 2,500 tons on 18ft. for this Port Pirie coal trade.

257. *The Chairman.*] What tonnage?—2,500 tons on 18ft., and possibly 3,000 tons with 20ft.

258. *Mr. O'Connor.*] What work is required in order to complete the harbour-works so as to give that depth of water?—I cannot say.

259. You do not want to give any opinion on that?—No.

260. It was under the arrangement you described that you got those other steamers you have referred to: is the position the same as regards the Grey Valley Company?—The same position as far as freight is concerned.

261. *The Chairman.*] Mr. Joachim has told us that there are two directorates—your company representing half, Mr. Kennedy and some others representing the other half between them?—There is a directorate for the Grey Valley Company, on which we are represented. The explanation is this: A year ago the Grey mines were owned by two proprietories; they were both in the position that a large expenditure of money was required for the development of the mines; capital was also required for tonnage. Neither proprietary was in a position to meet these requirements. They made an arrangement with us by which we were to join them and supply a certain amount of money for the development of the mines, and we were to supply tonnage to carry their freights upon a similar arrangement to that with the Westport Company.

262. *Mr. O'Connor.*] Does not that give you a position of control, having an interest in these properties as lenders of money?—No; we have no control, because our interest is a minor one: other interests largely predominate. As a matter of fact, it simply gives us a footing as regards freights. We do not exercise any control as regards the development of the mine.

263. Nominally you do not, but really you do, for are not the influential shareholders the same in both companies as well as in the Union Company?—No; the Westport and the Union Companies have no connection. I am not aware there are any large shareholders of the Union Company in the Westport Company, or *vice versa*.

264. How is it there is such a differential rate to Dunedin beyond all other places—that is, a lower rate?—A differential rate: is that the case?

265. Mr. Joachim told us that it is: is it so?—There is special competition in Dunedin owing to the entrance of another trading firm into the field. Newcastle coal is being sold there at a very low price. In order to meet this, the Westport Company have reduced their coal to a very low figure, and the loss is shared by us. The effect of it is to reduce our freight to a non-paying rate. But the Union Company have nothing to do with fixing the price of the coal: that is done by the Westport Company.

266. *The Chairman.*] That is in conformity with the arrangement; where they take less for their coal you take less for freight?—Yes.

Mr. O'Connor: One would understand that the Union Company and the Westport Company have made common cause in assailing an intruder in the trade in the form of a company bringing coal from Newcastle.

The Chairman: Is that quite a fair way of putting it?

Mr. O'Connor: That appears to be the natural result. The Westport and the Union Companies have joined to bring the price to 14s.—at a loss, which is shared by both sides equally—in order to check the intruder.

The Chairman: It seems to be in their previous arrangement.

Mr. O'Connor: That is the effect of it.

The Chairman: As it was in the original arrangement, any opposition coming into the port would have to fight against the arrangement.

267. *Mr. O'Connor.*] They have combined for the purpose of resisting the foreign trader; that is certainly the effect of the agreement between them: is it not so?—It is in the interest of the local coal. We are importers of Newcastle coal, but we do not reduce the Newcastle coal below a paying price, unless compelled to do so by the introduction of Newcastle coal through other sources.

268. *The Chairman.*] Following up Mr. O'Connor's question, is the rate of freight and the rate of cost or selling price of coal at Westport any consequence of this competition?—Certainly not; neither as regards freight nor coal. I hope it is only temporary.

269. *Mr. O'Connor.*] What is the freight from Newcastle for coal?—Where sailing-vessels are chartered for coal only it is 9s.; that is the rate to Auckland, from which port there is not much back-loading as an inducement. It varies to the other ports until it reaches 5s. or 6s.

270. What is the freight to Newcastle for produce?—10s. for bulky stuff.

271. What was the freight previous to this? Is it reduced?—Yes; it is reduced.

272. What was it previously?—12s. 6d.

273. Is that the highest price that has been paid to Sydney from New Zealand? Was it not much more than that when the coal famine was existing in New South Wales?—I think that in some cases 1s. 6d. a bag was charged, or 15s. a ton. I cannot say how long it lasted, but I will find out for you.

274. The present freight is reduced to 10s. : that is below 1s. ?—It is 1s. a bag.
275. And the back-freight for coal?—It varies. Just now it is about 7s.
276. To what port?—To Lyttelton.
277. What is it at Dunedin?—There are no freight quotations at Dunedin to guide one in fixing the price.
278. You say the price in Newcastle is 11s. ?—11s.
279. If you sell it for 14s. at Dunedin, then the freight cannot be more than 3s. ? Then, the labour of loading and discharging the coal : what is that?—1s. 6d. a ton.
280. Are there any other port charges to be paid coming from Newcastle to Dunedin?—There are wharf dues.
281. That is 2s. 6d. ?—Yes.
282. There is a small charge for primage?—Yes.
283. Are these charges all included in the price at 14s. ?—No.
284. Then, it is not being sold at 14s. ?—14s. is the wholesale price : the retailer pays all intermediate charges.
285. Is that the wholesale price undelivered?—Delivered over the rail—at the ship's side.
286. The buyer has to pay the wharfage?—Yes ; the same as merchants who import ordinary goods.
287. As to return-freights to the West Coast, we have spoken of returned freights from New Zealand to Newcastle : will you tell us what it costs in New Zealand where the Westport coal is delivered?—The rate?
288. Yes, commencing at Invercargill?—I could not give you all the rates, but they vary from 12s. to 15s. the ton.
289. Where are they at 12s. 6d. ?—I think the rates are pretty general.
290. Perhaps you would say the freight is about the same for all parts?—Yes ; the freights are much the same for all parts.
291. Is that so with regard to the ports of Napier and Wellington?—I had in my mind ports at which we loaded bulky stuff—such as Lyttelton, Timaru, and Dunedin.
292. Do you include Napier and Auckland?—No ; there is not much return from these ports.
293. What is the freight from Napier and Auckland?—Somewhere about the rates named.
294. Is the freight only 15s. from Auckland to Westport?—The only freight I think of at the moment is occasional lots of sugar, which is not over 15s.
295. I ask the question because I was under the impression that it was very much higher from Auckland than Dunedin or Invercargill?—The only cargo from Auckland I have in my mind just now is sugar : it is not higher than that.
296. Do you say there are lower freights from Dunedin and Invercargill than other places?—I do not think so. I cannot at this moment speak definitely, but if there is any matter which you think worth eliciting I shall be happy to find it out for you.
297. I was under the impression that freights were very much higher from Auckland?—They are not as regards sugar, I know.
298. Are you acquainted with the freights to Newcastle—from the mines into the Port?—I could not state definitely. I have understood it is 1s. a ton from most of the mines.
299. Does that include finding trucks?—I have heard not ; but I cannot say. You will be able to get that evidence from Mr. Waters ; he has been there recently.
300. *Mr. Withy.*] You spoke of the principal asset in taking over the railway with the Koronui Mine : did you consider that the mine was worked out?—We did not wish to purchase the mine, but the owner desired to clear out all his property, so it was necessary to take the mine with the steamers.
301. Did you consider it worthless as a mine?—It was not considered to be worthless, only we did not think it a very desirable property. It turned out afterwards that it required a very large expenditure to enable us to carry it on.
302. Did you understand that the lease of the mine was really surrendered to the Government?—I could not say ; I have lost sight of the matter for some time.
303. We were much struck with the evidence given by Mr. Joachim, to the effect that the price in Wellington was £1 3s., and in Lyttelton 18s. 6d., and as low as 14s. at Dunedin?—That is an exception—Dunedin.
304. But Wellington is much nearer as regards the matter of freight?—I understand that the 18s. 6d. at Lyttelton is a reduced rate to meet the reduced price of Newcastle coal for the time being that is brought in there by vessels seeking other cargo, such as grain ; but it is looked on as merely temporary.
305. It is not brought here at present by a competing company?—It is brought to Lyttelton by sailing-ships seeking grain or other cargo and loading for England. Wellington is not a grain-shipping port, and does not attract sailing-vessels from Australia.
306. Then, the explanation is, however, that there is a competition to meet your sales there?—Yes.
307. I understood you to say that you paid no light dues at Newcastle?—We pay at one port. If we pay at Sydney it frees the ship for Newcastle.
308. It is only light dues to which that applies?—I will supply you with the total charges there.
309. Do you remember what the port charges are at Westport and Greymouth?—I can supply you with that information.
310. Can you tell me whether at Newcastle they ship into the steamers from overhead—by gravity?—It is done by hydraulic cranes ; the trucks are lifted, the same as is done at Greymouth now.

311. Do you mean that the crane takes the truck up bodily?—Yes.
312. How are they at Westport?—By staiths.
313. By gravity?—Yes.
314. *The Chairman.*] At Westport?—Yes; at Greymouth the Government have two hydraulic cranes, with which they load in the same way as at Newcastle.
315. As to depth of water: do you know the "Lindus"? Could she load at Westport or Greymouth?—No; she draws 20ft.
316. Has she ever been at Greymouth?—No; she has too heavy a draught.
317. With regard to the access to the two ports—Westport and Greymouth—for other lessees who might start to cut coal, is that quite free?—Yes.
318. And the wharf, is that as free to the new lessee as to the Westport and Greymouth Companies?—Quite as free, except that at Westport there is not berthage- or loading-accommodation for more tonnage than frequents the port now. There is only one loading-berth. The necessity for some extension of accommodation is frequently brought before me.
319. Then, there is nothing to prevent other lessees having access except this deficiency of wharf-accommodation?—Nothing else.
320. *Mr. O'Connor.*] There are no other mines connected with the port?—I am speaking only as far as the shipping facilities are concerned.
321. *Mr. Withy.*] Do these two lines run to the mines of the two companies we have been speaking of, or to other directions where leases can be taken up and worked?—The line provides accommodation for the two leases at Westport.
322. There is another called Ngakawau that will shortly come into competition?—Yes.
323. At Greymouth: does it run simply to the Grey Valley Company's mines?—They are the only mines opened.
324. Then, there is nothing to prevent access to other mines competing?—Nothing that I know of.
325. There is the Mokihinui, which is now proceeding towards being worked: does the line go to it?—No; the Mokihinui is some six or eight miles beyond the present terminus of the line.
326. *Mr. Hutchison.*] Is this agreement, except for the variable freights, fixed?—Sometimes it is varied.
327. Except as to freight: do these variations affect any other clause or items?—The freight is the principal thing to be considered; the other provisions have no great importance.
328. I suppose it is in writing?—At one time it was formally in writing; but the arrangements are made by exchange of letters now.
329. How long is it for?—The present agreement lasts for the present year.
330. Is it simply a mutual arrangement providing that, in the event of you providing sufficient tonnage, they will trade with you?—That hardly expresses it. Upon our providing sufficient tonnage, they have to keep our steamers running as far as they can, subject to this. There is nothing to prevent them trading with others: it would not be fair to load casual ships to the exclusion of our ships.
331. You are bound to provide vessels for their output. You must take such freight as will enable them to compete. Is there no compact that they should load only your steamers?—I do not quite understand your drift. We supply them with steamers; they have to keep our steamers employed as far as they can.
332. Would it not rather operate this way: that, if there is no inducement for you to load, you would not send a steamer to load for Dunedin unless you were bound to do so?—We simply supply steamers for their trade; they send them where they like.
333. If they sent for a steamer to load for Auckland, would you be bound to go?—Yes; as a matter of fact, there are one or two steamers loading for Auckland this week with coals for H.M.S. "Orlando."
334. There is no other but the Westport Company's mines served by the railway?—It is to be connected with the Ngakawau, but that mine is not opened yet.
335. *The Chairman.*] But at present there is no other mine taking advantage of the Government railway?—No.
336. *Mr. Hutchison.*] Is there anything in the agreement with the Westport Company that would handicap this new company in respect of loading your steamers?—No: so long as we keep the Westport Company supplied with tonnage, there is nothing to prevent our supplying steamers to any one in excess of the Westport Company's requirements.
337. There is nothing, you say, to prevent you supplying others?—Not at all; it is perfectly understood.
338. Is there any other steam-shipping company trading to Westport?—Yes; the Anchor Line.
339. Is there an agreement between the Union Company and the Anchor Line?—Not that I have in my mind: there is no important agreement.
340. Is there not an agreement that the Anchor Line shall only carry coals to Wanganui in conjunction with the agency there of the Union Company?—There is an agreement with a firm who act as our agents there.
341. Will you be good enough to inquire as to this matter?—Yes.
342. Do you know the price at Wanganui?—No.
343. Would you be surprised to hear that it is £1 17s.?—No I would not, for screened coal.
344. Perhaps you would also make inquiry into that. Your agreement with the Westport Company does not affect the Anchor Company does it?—They have a right to deal with the Anchor Company without any reference to us.
345. *The Chairman.*] I have gathered from your remarks that, if the shipping-accommodation

were better at both these ports, you would send a larger number of bottoms through to carry coal?—Yes; we have laid ourselves out to provide larger ships, anticipating improved harbour-accommodation for them. One ship, as I have already stated, is now in process of construction, anticipating that there will be 18ft. of water. If it be not so within the year we shall feel disappointed, and we shall feel obliged either to employ her elsewhere or lay her up.

346. How much did you say she would carry?—From 2,500 to 3,000 tons. We have another large steamer on her way out, designed to carry 2,000 tons on 18ft. of water. I am in hopes she will be able to load at Westport. She will be here in a few months.

Mr. R. H. J. REEVES, M.H.R., in attendance, and examined.

347. *The Chairman.*] You have been a long resident in the West Coast district?—Yes.

348. Do you know much about the coal-mines there. Perhaps you would explain to the Committee what you know?—I do not know much about the coal-mines or their workings; I never had much to do with them; I only know what the feeling is in the locality. The feeling of the people there is that there is a combination between the Union Steamship Company and the collieries by which a limit is placed on the output of coal. I know that a large number of hands are out of work in consequence of the complications thus brought about. One hundred and twenty men have left the Greymouth mines for Newcastle and other places where they are working coal.

349. Is that on account of the wages being so low?—It is on account of the limited output: the price is the same for hewing coal, but the men can only work half-time.

350. Is the falling-off in the output occasioned by any special circumstances beyond the competition from Newcastle?—No; I do not think so. I may perhaps be allowed to mention that the coal industry is heavily handicapped by the freight charges, terminal charges, and royalty which it has to pay. In New South Wales generally and at Newcastle the property in the mines belongs to private persons, so that no royalty has to be paid. On the West Coast there is a royalty of 6d. per ton; and I learn that there has recently been issued an order under which the royalty will be 1s. a ton at Mōkanui.

351. *Mr. O'Conor.*] They have instructed the Land Board of the district to charge 1s.?—I believe that is so; but I may say there would be a very large output of coals for some years to come were it not for the excessive charges that are put on.

352. *Mr. Withy.*] How many separate leases of mines have been merged into the Grey Valley Coal Company?—There were three—I might say four, for the Tyneside, though a portion of the Wallsend, was cut off by being leased to Kilgour.

353. Will you name the four?—The Coal-pit Heath, the Brunner, the Wallsend, and the Tyneside.

354. Will you tell us whether there is any other mine delivering coal at Greymouth than the Grey Valley Company?—No. Some people have a fancy for Reefton coal, and return wagons bring it down to Greymouth for household purposes.

355. *Mr. O'Conor.*] Before these companies were merged in this Grey Valley Coal Company, were they in operation?—The Coal-pit Heath and the Brunner were; not the Wallsend; it had not been in operation for a long time.

356. Had Kilgour?—Kilgour could not get into operation until he leased from the Wallsend.

357. What I want to get from you is whether these mines were in operation previous to the amalgamation?—The Wallsend was not working, and had not been working for a long time; they had had great difficulties to contend with. The Tyneside had been working.

358. But they were all in operation before they were bought out?—So was the Wallsend.

359. But they had all been in operation?—Yes.

360. What has been the result of the amalgamation: an increased trade?—No; it has decreased.

361. Have the mines continued to work, or has any cessation occurred?—Some of them have ceased working. They are not, I think, working Tyneside. They are working Wallsend, may be, from the other side of the river.

362. Has the output of coal increased or decreased?—It has decreased in Greymouth. I know it has decreased, for there has been a large number of men knocked off work. It has decreased also at Westport.

Mr. R. J. SEDDON, M.H.R., examined.

363. *The Chairman.*] Which place do you live nearest to, Mr. Seddon, Westport or Greymouth?—I live nearest to Greymouth, and my visits are frequent to Greymouth?—I keep the run generally of what is going on at the West Coast. I have had considerable experience connected with these coal-mines, and with regard to the titles and rights relating to them. I was also a member of the Greymouth Harbour Board to which all the returns from the Brunner Railway had to be furnished for the last two years.

364. Do you remember, from your connection with Greymouth, when these several mines were in work at Greymouth?—Yes; the mines at work were the Brunner and the Coal-pit Heath, up to the time of the amalgamation. Just prior to the amalgamation the Wallsend was at work: its new shaft had been completed. They were cutting coal. Then, Kilgour had a lease from the Wallsend of an upper stratum of coal, first worked by the Wallsend Company.

365. That was just below the bridge?—There was considered to be a fault in the mine. On his taking it up, his idea was that that was a mistake; but the work had been knocked off. He found, however, a very large seam of coal, that would give several years of work. His difficulties in working the mine were two—one of these was want of the bottoms necessary to carry the coal away; the other was the reluctance on the part of the Railway authorities to give him trucks sufficient for even the demand which he had.

366. In other words, to give him railway facilities?—Yes; first he had a difficulty in getting a siding. He offered to make it at his own expense. He persisted, and a siding was conceded to him. Then the authorities would not give him a sufficient quantity of trucks. Then the owners of steamers would not take his stuff away. He came up to Wellington and bought a steamer—the “Oreti”—and then, when he was equipped and equal to meet them, they gave him his own price, and bought him out. As to the Coal-pit Heath Mine, that was the first mine that the syndicate bought out. It had belonged to Captain Williams, who was a man of capital and had steamers of his own. Taylor was also in a very good position.

367. *Mr. Hutchison.*] Which was his?—The Coal-pit Heath. It was a strong company as far as the working of the mine was concerned. It had every appliance for the purpose. I know this from the miners of the Association, and from the miners themselves on the spot.

368. *Mr. Feldwick.*] Are there any trucks?—The trucks were lying idle; they refused to give Kilgour trucks. I do not know why. He had not sufficient influence with the authorities.

369. *Mr. Withy.*] Can you say whether the output of coal has decreased?—The output of coal has gone down 30 per cent. As to the Coal-pit Heath, they were in a position to supply it. At all events, neither as regards steamers nor as regards working the mine has any capital been expended. The only expenditure of capital has been in connecting the Coal-pit Heath and the Wallsend shaft underground. As regards capital for machinery for winding or ventilation, nothing of that kind has been done. That was the end of the Coal-pit Heath. Then, as regards the Brunner Mine (Mr. Kennedy's): when the Coal-pit Heath was taken away, feeling that the combination would be rather strong for him, he sought to extend his mine as a company, and went Home for that purpose. So far as getting bottoms to take away the coal was concerned, that was arranged. On his return to the colony his mine was purchased up too. The men were reduced, and the latest development of that mine is that the miners have been offered to take the blocks out at reduced rates.

370. *The Chairman.*] You mean the pillars?—Yes; instead of working the mine the men have offered, at a reduced price, to take out the pillars.

371. *Mr. Feldwick.*] Does that indicate the closing of the mine?—It indicates that for the present it is to be hung up. To prove that there has been a falling-off in the output, I will first take the number of miners. I was waited upon before I left to come to Wellington by one of the chief men of the Association of Miners. He said the Association had come to the conclusion that the reason why a large number of miners had to go away from the district was because of this amalgamation or combination. That was, he said, the chief reason the companies, prior to this, had not power to do as they were since doing. Had it not been for this amalgamation of leases, rights, and titles to the ground, the output of coal would have been greater. The output of coal was a condition of the original leases; and with that object it would have been insisted on that the owners should have the requisite number of men employed to put out coal. After these purchases, however, there was a new title applied for, and has since been granted. It has been completed, I believe, within the last eighteen months. This title, I believe, is at variance with the titles under the original leases.

372. *Mr. Withy.*] To which of them does that apply?—It applies to the whole three.

373. *The Chairman.*] To four, taking in the original Wallsend Mine?—Yes. There is one serious matter which affected the output of the Wallsend Company. To them was given the right to purchase the freehold in the centre of their lease.

374. How much—150 acres?—150 acres of this coal.

375. That was given in the time of Mr. Rolleston, who was Minister of Mines?—It was at variance with the original lease. It was on, at all events, somewhere towards the close of the Rolleston and Hall Government. The Government gave them, as I have stated, 150 acres of freehold right in the centre of their lease, which included their shaft and workings. Suppose the Government to enforce the output from the outside, it was no good to any one else. The whole township—the very centre of the main body—was included in this freehold. They gave this freehold for a very small sum of money.

376. *Mr. Hutchison.*] Would you state the year?—1884.

377. That was the Wallsend?—Yes.

378. *The Chairman.*] It might have been before that?—It may have been 1883 or 1884.

379. It was before Sir John Hall left the Government?—Yes.

380. I think that was in 1882?—Yes.

381. *Mr. Withy.*] That belongs to the combination?—Yes.

382. *The Chairman.*] To the Westport share of the combination?—Yes; I hardly think the Westport would give over their rights to that freehold.

383. Then, it is a part of the Westport Company's rights?—Yes. I might be at liberty to state to the Committee my impression as to a statement made by Mr. Mills before this Committee. I have heard him state here that the wharfage-accommodation of Greymouth was not sufficient. The Committee will ask for the number of steamers that last year—1888, from the 31st January to the 30th June—visited the harbour, and the number that came there during the corresponding period of this year—1889, from the 31st January to the 30th June—you will find that in the latter year—this year—it is 50 per cent. less. If there was accommodation for 50 per cent. more last year it is there now: the wharf has not been changed; the water on the bar has been much better this last six or eight months than it ever was before. Then, as regards the demands for coal, I think I am correct in stating that, as regards manufactures, while the colony has lost a little of her population, manufacturing has increased, and, with the increase of manufactures, their coal requirements would also increase. Some time ago Mr. Kennedy, who had made some arrangements with the company, complained that he was not receiving justice as regards the steamers necessary for taking away the coals from Greymouth—that is to say, that the arrangement made between him and the Union Company had not been carried out fairly to him. The result of that was that the company said,

“Will you find the market; if you do we will find you the bottoms.” Upon Mr. Kennedy endeavouring to find the market, he discovered that the Union Company, by its freights for coal, had taken away the market. Consequently, it was impossible for him to prove that they had acted unfairly to him. The market was gone, but they had been chiefly instrumental in taking away the market. The month before last, by the returns, I think there were 10,000 tons of Newcastle coal brought to New Zealand during the year: it would amount to 120,000 tons by this time if the return would show the same rate.

384. Mr. Mills himself said it was 45,000 tons?—It is upwards of 70,000 by these returns. I have here, which I think will be interesting to the Committee, a speech made by Mr. Mills, being an extract from a New South Wales newspaper. In that speech he describes the ramifications of the company's business in regard to the coal trade, and he states what his object was in bringing over that coal. The amount of tonnage is given, and other particulars are alluded to in that short speech. I think it will be interesting to the Committee. From my own knowledge I am well satisfied that the amalgamation of these leases has been detrimental to the Greymouth coal-mines and the colony. The heavy expenditure as regards harbour- and railway-accommodation will be simply money thrown away if the present state of affairs is to be kept on as it is now. If the Committee will ask for the original leases granted to the Wallsend Company, to the Coal-pit Heath Company, and the Brunner Company, and compare them with these others, they will be able to get the terms and conditions of the new leases.

385. Are there variations made?—Yes, of course there are: I should think so, at least.

386. *Mr. Withy.*] You do not suggest any others?—As regards the other mines in the district, the leases have been held on to for about twenty years: they have, at all events, been about that period of time in existence: they have output conditions in them. They have been held by the proprietors, but never has anything been done. I know of one case particularly.

387. What mine is that?—The Coal Creek.

388. *The Chairman.*] On the other side of the river?—On the Cobden side of the river.

389. That is not a lease, is it?—Yes; a lease.

390. It was held by some Christchurch proprietors: they failed to work it. Do they pay rent?—Yes, they pay rent; but it is fixed up now, as a new company has got it, and they have taken up some fresh ground adjoining. I remember that about ten years ago Mr. Ballance, who was then insisting upon having the conditions of the lease enforced, directed that it should be cancelled; but it has somehow dragged on from time to time. It is twenty years since the mine was first taken up. It is only now that a movement is being made for a railway across Bobden Bridge, and so bring the coals from there.

391. *Mr. Hutchison.*] That is independent of the Grey Valley Railway Company?—Yes; there is another company that cannot work until the Midland Railway has extended its line to Nelson Creek.

392. *The Chairman.*] That is held by a Christchurch syndicate?—Yes; there has been a number of leases there that have been held on to and nothing done.

393. Do you think that the rates of freight by the railways existing to coal-mines has had any or much influence on the progress of the coal industry?—No, I do not think it has been very marked. Taking the price given for hewing coal at Greymouth, the price paid to the miners in Newcastle, and the facilities for working the mines in both places, if anything, I think it is in favour of the Greymouth mines. The amounts paid by the companies have been from 3s. to 4s.

394. Are you aware what difference there is between the rates of freight in regard to the Newcastle mines and the West Coast mines?—They are in favour of the Newcastle mines as regards the charge of the railway tariff: it is less there than it is at Greymouth.

395. The rates at Newcastle run nearer to 1d. a ton for a small distance?—Somewhere about that. The Brunner line has always been a first-class paying line: it is more than sufficient to cover the harbour expenditure.

396. Are you aware whether any royalty is paid on the mining of coal in New South Wales?—There the mines are in private hands, and there would be no royalty payable. Therefore, with the competition we have now of Newcastle against New Zealand, it would be to the interest of the State to remove every kind of embargo from coals produced in New Zealand, so as to allow our mines to compete fairly against the foreign market.

397. Would that be better than putting on a duty?—It would amount to something. Here I may remark, as to a question put by Mr. Hutchison in reference to the agency at Wanganui selling two coals: Suppose the Union Company or the Anchor Company take 20 tons of coal, and I take my 20 tons of Greymouth coal; their steamers get back-freights of cattle from the North Island; we get our main supplies from Wanganui; so that our steamers would have to go one way without anything, but they are getting full freights both ways; yet the price of coals is higher there than any other part, being £1 17s. a ton.

398. *Mr. O'Connor.*] You say you know it is higher?—Yes.

399. How much?—I know that it is higher.

400. How do you know that it is higher?—I know that it is higher from the trade.

401. Can you tell me what is the cost of mining in Newcastle as compared with Greymouth?—Not a difference of 6d. a ton; it goes up to 3s. 9d., 3s. 4d., 3s.; then, here, 4s., 3s. 6d., 3s. 4d.

402. Are you aware what the charge is for what is called screened coal?—Nominally it is 4s. at Brunnerton, but actually it is only 3s. 6d. There are certain deductions. I will give you a table prepared by the Association, showing that it was equal to 4s.

403. For ordinary face coal the price is 4s.: what is it in Newcastle for Australian coal?—The price for cutting is 3s. compared with 3s. 4d. at Greymouth; but the fact is that, for the same prices on the other side, the miners say they would be able to earn much more money; and even at the prices there they can make more money there than they do here,

404. That is, they get there a more constant demand for coals?—Yes.
405. And consequently steadier work?—Yes.
406. *Mr. Feldwick.*] There is no restriction on the number of bottoms?—No; no restriction.
407. *The Chairman.*] You were once connected with the Greymouth Harbour Board?—Yes.
408. Are you still connected with it?—No.
409. *Mr. O'Connor.*] You were kicked out?—I think I might say there was a pair of us in that case.
410. Is the harbour being improved?—Yes.
411. It is still going on being improved?—Yes.
412. Is the improvement being carried on as energetically as under the old régime?—No; the southern training-wall will require further extension. There is a training-wall from Cobden Bridge which is not being completed, and there is a breach; that must be seen to at once.
413. Since the Public Works Department have had the control, has the thing been allowed to drift?—The work is not carried on so energetically.
414. Will you be good enough to state how the harbour is controlled now?—It is controlled by the District Engineer. They have several dummies there. Besides the Engineer there is the Postmaster, the Resident Magistrate, and the Traffic Manager. When the Engineer, at their meetings, reads what he is going to do they assent, and its all right. The proceedings are the most amusing of the kind I ever saw.
415. The same applies to Westport?—If the District Engineer is not there they adjourn.
416. Have the persons not received instructions to the effect that they were members of the Harbour Board in order to indorse the views of the Engineer?—Yes.
417. They were told that?—They were told that.
418. Who are the members of the Harbour Board at Westport?—The Resident Magistrate, the Clerk of his Court, I believe, the Postmaster, the Commissioner of Customs, the Engineer, and his Assistant.
419. Are they not going in direct violation of the Westport and Greymouth Harbour Acts?—*Mr. Hutchison*: So far as they are concerned, they are the instruments of some higher authority.
420. *Mr. O'Connor.*] Are they not selling debentures?—They are issued by the Engineer with the sanction of the Board. The other members of the Board are sensible men enough. I would strongly urge the Committee that the Miners' Association should be asked to give evidence. As far as details are concerned, they will be able to give some excellent information as to the cost of hewing coal: and, as to all other matters, they will be able to show the Committee where the shoe pinches. *Mr. Kilgour* also would be able to explain to the Committee the difficulties he had to contend with.

TUESDAY, 16TH JULY, 1889.

Mr. T. J. WATERS examined.

421. *The Chairman.*] You are engaged with the Westport Coal Company as engineer?—Yes.
422. Will you kindly state to the Committee how long you have been connected with the company, and what is your experience of the coal-trade?—I have been connected with the Westport Coal Company four years. When I first came there the output was 300 tons a day, working steadily. Our highest output has been 1,040 tons—that is, we have put out as much as 1,040 tons in one day.
423. Your operations are chiefly confined to Westport?—Yes, entirely confined to Westport. I should say that I have nothing to do with the coal after it leaves the colliery.
424. Did you ever superintend the Greymouth mines?—I did formerly. I have nothing to do with them at present.
425. Is there much difference between the cost of winning coal now and formerly?—It has been reduced in respect of haulage.
426. I refer to the cost up to the present time?—We formerly had an endless chain, which we have replaced by endless rope. I do not think the cost has been otherwise reduced.
427. Is the price paid for winning the coal as much?—It has not been much altered. Formerly 3s. 10d. a ton was given for round coal; now the price is 2s. 10d. for everything the miners send out.
428. That is irrespective of royalty?—That is the wages at the mine.
429. Are the freights the same as when you went there—freights by rail?—Yes; they have not been changed, to my knowledge, up to the present time.
430. That is, 2s. 6d. per ton on the Government line.—Yes.
431. What length is your line?—A mile and a half.
432. Irrespective of the Government line—ten miles?—It is just within the ten miles.
433. Have you any experience of the charges made in Australia?—I made inquiry on the subject when I was over there.
434. What parts of Australia did you visit?—Sydney and Newcastle.
435. Could you tell the Committee what the haulage per ton is there?—Most of the collieries there own their own trucks. The charge is 6d. for the first mile, 10d. for seven miles, and 1s. 1d. for ten miles, in their own trucks.
436. Have the Westport Coal Company no trucks of their own?—No; not of their own. The company some time ago had a correspondence about getting their own trucks, but it made such a small difference in the reduction of the freight that it would not be worth while.
437. Was the Government willing that the change should be made?—I cannot say from memory; it is some time ago.

438. How did it happen. Did the Government propose to make such an alteration if the difference was so small; they must, at all events, have been willing?—They were willing to make the alteration.

439. What was the difference?—I think it was only a halfpenny a ton.

440. *Mr. Fish.*] The whole length?—I am only speaking from memory.

441. Then, that is but approximate?—Yes.

442. *The Chairman.*] Have you any experience of the charge for haulage in Great Britain?—No.

443. There is an arrangement between the Union Steamship Company and the Westport Company in reference to carrying coal: do you know anything of it?—I do not know; that is outside my province.

444. What, in your opinion, would be a fair charge for haulage, looking to the wear-and-tear of plant on the railway?—For the ten miles?

445. For the ten miles?—I think that 1s. 6d. would be a reasonable charge.

446. *Mr. Fish.*] Including the use of trucks?—Yes.

447. *The Chairman.*] Could they do it profitably?—Yes; the railway at present is paying very good interest.

448. During the four years of your experience has the company had considerable difficulty in arranging so as to obtain the proper kind of machinery for getting out this particular coal?—The West Coast coalfields are excessively difficult to work. It is very irregular: the coal is broken up by faults. It is a most difficult field—one of the most difficult I have ever seen. I do not suppose there are any mines in the world situated like some of these mines on the West Coast.

449. Has the company been put to great outlay in making alterations?—Yes; they have expended a large amount of money in making alterations in machinery; also in extending roads over the field, and other works.

450. Can you reckon about what will be the cost of the improvements that are suggested by yourself as their engineer?—About £20,000; considerably over that possibly.

451. What kind of improvements do you refer to more particularly?—They have altered the whole system of haulage; that cost them £2,500 at one stroke.

452. What was the system originally?—It was an endless chain originally.

453. What is it now?—Endless rope.

454. But you estimate the whole of the improvements contemplated by you will cost £20,000?—Quite that.

455. They have built a bridge across the river?—Yes; they have also put up a branch-rope there; that work cost them £2,000. They have done away with the wooden mining tubs and replaced them by galvanised steel ones for taking the coal out of the mine.

456. What quantity do they carry?—Twelve hundredweight each.

457. Do they answer the purpose?—Very well indeed. Much better than wooden ones.

458. What other important improvements have you made?—The company have also extended their tramway to the far end of the lease of the Coalbrookdale property—about a mile up to the railway.

459. Then, you are working the Coalbrookdale property?—We have not commenced to work the coal yet.

460. Is that known as the Granity Creek?—No that is a different lease altogether.

461. But I understand that you are getting coal from the Coalbrookdale?—We have not commenced to work the coal yet. I am referring to a particular part of it; it is all called Coalbrookdale. The part I refer to is about a mile to the southward.

462. What distance is it?—One mile seventy chains.

463. Are you making any other extension?—Not at present.

464. I was under the impression that you were doing something at Granity Creek?—Not at present. I have made the survey for the incline there; the plans are all ready. The drawings for the machinery have been made and sent Home.

465. But you are laying down a railway to Coalbrookdale: what is the guage?—The same as in the mine—2ft.

466. When do you think that will be in working-order?—About the end of next month.

467. Have you ever brought the question of those charges under the notice of the Government?—No; but I brought them under the notice of the directors several times.

468. Do you think the charges are too high?—Yes; I think they are too high. The revenue of the harbour since 1885 to the 30th June last was £53,000. Out of that about £26,000 has been spent in sinking fund and other expenses of the Board. The amount to works account is £27,400. That is a proof that the Harbour Board gets nearly twice as much revenue as that expended for revenue purposes. As this is earned by the railway, the railway must be making a very good thing out of it. The harbour has just double the revenue required, so that they could very well afford to reduce the railway-rates.

469. There has been some change in the constitution of the Harbour Board lately?—Yes.

470. Have the works been progressing as energetically since that change took place?—It is entirely contract work now.

471. Have the works been progressing?—They have been putting out 600 tons of stone, as against 1,000 tons formerly; they are working principally on one wall.

472. Do I understand that, what with the charges the company have to pay for winning coals, the charges made by Government in carrying it by rail, and the price at which coal is sold, there is very little, if any, margin of profit left?—Very little; they have only paid $7\frac{1}{2}$ per cent. dividends since starting; one year they only paid $2\frac{1}{2}$ per cent. on the year; next year 5 per cent. That is a very small dividend for work of this kind.

473. Even in Great Britain those interested in coal ventures do not think anything pays them under 10 per cent. per annum?—There they expect from 10 to 15 per cent.

474. *Mr. Fish.*] In the Old Country?—Yes; I do not think 15 per cent. at all unreasonable for a coal-mining venture of this kind.

475. *Mr. Withy.*] You say you now pay 2s. 10d. for coal all round: does not that tend to make a larger percentage of small coal?—I do not think so; it would with some coal, but not with ours.

476. Would you prefer using your own or the Government trucks?—Which ever is the cheapest.

477. Have you no other preference?—No.

478. Do the Government not supply trucks as you want them?—At present we have just enough to keep our mines going; if one or two mines more were to start we would want more trucks. The Ngakawau proposes to start in a couple of months. When the Koranui was working there was considerable fighting about trucks. The miners were stopped frequently in consequence of disputes about trucks; they were frequently stopped a couple of hours, and very often for one or two days in the week.

479. How many hours did you say?—I have known them to be stopped three days in the week. Nothing of that kind happens at present, but when the Koranui was working it happened frequently.

480. Do you think the accommodation for shipping at the wharf is good?—There is not enough accommodation.

481. Are the means adopted for discharging into vessels the most economical?—They may be economical, but the means at present employed breaks the coal a great deal.

482. Could you not ship by means of chains?—That would break the coal almost as much as to let go at once.

483. Suppose you had two of these?—The method you suggest is a very complicated arrangement; the men who would have to work the thing do not understand it.

484. Are you acquainted with the appliances they have in the North of England?—No. I know those they have at Cardiff.

485. They are hydraulic cranes?—Yes.

486. You do not know the gravity system, by which they work in the North of England?—I have not seen it working. I know the system, but have not seen it in work.

487. With regard to the Koranui, that is not worked at all?—It is worked out nearly from the old incline. To do anything more with it we would have to lay down a new railway.

488. That would be a costly matter?—It would cost £20,000.

489. Does the company still hold the lease?—No.

490. Is it abandoned?—It is surrendered.

491. So that any one could go and take it?—Yes.

492. *Mr. Fish.*] I would like you to give a little information about the Harbour Board works—in relation to what the Government is doing now in respect to the harbour-works; also in respect to what was formerly done by the Harbour Board; also as the length of time which, in your opinion, must elapse, according to the present rate of progress, before the works will be in such a complete state as to afford the requisite facilities for taking away all the coal they can put out at present: I would first ask you, are the works in such a forward state now that you could send away as much as the mines can put out?—Certainly not; they have only 14ft. 6in. at low water at the staiths; that limits it, for if a vessel touch ground when loading that vitiates the insurance.

493. As the works progress, in your opinion, does the Board give as much facility?—I cannot say.

494. But when they are finished the facilities will be greater than they have ever been?—It will be a first-rate port when finished.

495. Do you consider the plan of the improvements satisfactory?—Yes; the plan is by a high authority—Sir John Coode.

496. At the present rate of progress, how long will it take to complete the work?—There is a good amount of work to be done to dredge the staiths and inner bar; it ought to be done in twelve months. I believe it could be done at the present rate of progress if they got a large dredge. They could with a large dredge have it sufficiently done in twelve months to admit a 2,000 tons steamer.

497. But you think they ought to place a larger dredge there?—Yes; but I think the training-walls ought to be gone on with at once, so as to improve loading-accommodation.

498. Do you know whether the Government have sufficient funds?—I do not know what funds they have.

499. But you think they could proceed much quicker than the progress made at present?—I think they could proceed quicker dredging.

500. If they were to go on with the training-walls, you think they could accelerate the time when they would be able to give their greatest facilities in proportion to their greatest output of coal?—Yes.

501. So far as you know, there is no reason why the Government should not do that at once?—None, certainly, that I know of.

502. Can you give any opinion as to the manner in which the works are being proceeded with by the present Board compared with the former Board?—I do not see any great difference. They are not working so fast under the present Board; they are not getting out the same quantity of stone. Formerly they were putting out 1,000 tons of stone; since they let the contract I do not think it exceeds 600 tons. I think they were working better when it was not let by contract.

503. *Mr. Guinness.*] Under the direct management of the Board?—Yes.

504. You spoke of the revenue of the Harbour Board: do you know whether the Harbour Board has to pay anything on the construction of the railway?

Mr. O'Conor: No.

505. *Mr. Fish.*] Who pays the interest on the cost of construction?

Mr. O'Conor: Nobody.

506. *Mr. Fish.*] Is it not a fact that the Commissioners will have nothing to do with the freight on the railway?—I cannot say.

507. You say you have barely enough trucks for present use?—About the right quantity.

508. Then, if you were to increase your output or get coal from other works you would be short?—Certainly.

509. Then, in order to get a better result from the field it would be necessary for the Government to provide more trucks?—Yes.

510. When the harbour-works are completed, what increase do you expect in the output, or do you think it will be only limited by the demand?—It will be only limited by the demand.

511. That is, you could put out any quantity?—We could put out 2,000 tons a day: this year we have put out 76,000 tons in six months.

512. Would not that largely increase the revenue of the Board? You say you do not do as much as you would like, because you cannot get bottoms big enough?—We cannot get large enough vessels. We cannot get any foreign trade at all.

513. *Mr. O'Conor.*] Have you entered into any calculation as to the probable increase of trade to the railway and to your company by the acquisition of foreign trade when these harbour-works are completed?—It is very hard to estimate what the foreign trade will be. The foreign trade at Newcastle (I got it from *Mr. Hickson* when I was there) would be about a million and a half tons. We ought to get a considerable share of that.

514. Do you think, if the circumstances and conditions of the harbour were improved, that the quality of the coal itself would enable the collieries there to compete for the foreign trade?—Certainly: the coal is 25 per cent. better than the Newcastle coal; that has been proved by experiment. We can produce our coal cheaply on a large scale.

515. *Mr. Fish.*] Would not the charges of the railway operate against that result?—Of course, if we should still want facilities we could not do it.

516. Have you a map of the field?—Not here.

517. *Mr. O'Conor.*] You said the revenue of the harbour was £27,000?—£53,000 since 1885.

518. But that would include everything—rents and receipts from all sources: does it include borrowed money?—No; not borrowed money.

519. But it includes rents of the coal reserves, and revenue from all sources? Do you think it would not be possible, without increasing the management expenses, to increase very much the trade there?—What trade?

520. The trade of the port?—I think it is possible to increase the trade to double if you can get more water.

521. What do you think is required to get more water?—I think you ought to have a large dredger. But, whether or not, you ought to dredge at the staiths.

522. You are aware that there are small dredges working: do you think that both expensive and tedious?—Yes; both expensive and tedious.

523. You think that ought to be seen to at once?—Yes.

524. Do you not think that any loss to the trade is equally a loss to the Government?—

525. How much would it cost to bring the large dredge from Lyttelton round to Westport?—I think £500 would cover all expenses.

Mr. Guinness: That expense would be soon saved.

526. *Mr. O'Conor.*] What would be the difference in the dredging-power of a large dredge, such as the *Erskine* dredge at Lyttelton—you know that dredge, I suppose?—I have seen it. I do not know any particulars about it.

527. What do you think would be the difference?—I suppose it might do 500 tons a day; but I cannot speak definitely. I understand it will not dredge deep enough at the staiths—that there now it can only dredge at low water. When the tide rises they have to dredge in shallow water until the tide goes down again.

528. Do you think that by vigorous management, if employed towards the completion of the harbour-works, it would not be possible to put the place in good working-order for deep vessels in twelve months?—I doubt it. I do not think it could be done.

529. I do not mean the whole of *Sir John Coode's* plan; but you might deepen the water at the bar and the staiths?—That could be done; but engineers are divided as to the effect of it. Some say that if the dredging is carried out without the training-walls it will silt up again.

530. *Mr. Fish.*] What is the shortest time, in your opinion, in which the whole thing could be completed?—I do not think the whole could be completed in less than three years.

531. But there could be great improvements made in the interim?—Yes; very great improvements.

532. *Mr. O'Conor.*] In the meantime, have not the Government handed over the whole of the property in the railway-trucks—everything, in point of fact—to the contractor?—I do not know what arrangement the Government has made with the contractor.

533. You must be aware that they handed over all the property to him?—The contractors are doing the work, but I do not know on what terms they are working.

534. *Mr. Guinness.*] You mean the harbour-line?—Yes; the harbour-line.

535. *Mr. O'Conor.*] You are not aware of the particulars of the contract?—No.

536. *Mr. Guinness.*] Who has the right to put coals on board the steamer? but first let me

ask you, supposing a steamer came in for a thousand tons of coal, what is the selling price at the wharf?—12s. 6d. a ton at present.

537. Do you say it costs you 10s. to bring it to the wharf?—The Government charge 2s. 6d., but there are other expenses.

538. Can you give us any information as to what it costs the company exactly?—I cannot tell; it is not within my province to bring coals to the wharf.

539. Will you tell us what is the price at Newcastle for coal "free on board" to a merchant vessel going there for cargo?—11s., and 5s. 6d. for small.

540. Have you any distinction of that sort?—Yes; we have unscreened coal and small coal which you may get for 9s.

541. Screened coal?—14s.; for ordinary steam coal, 12s. 6d.

542. Will you supply any one who chooses to buy at those prices?—Yes; I believe so.

543. Do you not know that they have refused to sell at those prices?—I believe they refuse to sell in places where they have agents at those prices.

544. A vessel, for instance, brought timber down to the Buller, and wanted to return with coal?—I cannot speak of any particular case; but if they had an agent in any place it would be in the way of business not to give coal from their own agent.

545. You do not know of any case?—I do not know of a case; but it depends on where the coal is going to. If they have an agent in the place, they will not sell away from their own agent.

546. Why not?—If you had an agent in another town, you would not supply other persons.

547. *Mr. Guinness.*] I understand that your company will not sell coal to any one who wishes to take it to places where they have agents?—I do not know whether it is so or not, but I think it would be so.

548. Would you have any instructions on the matter?—I have nothing to do with that.

549. Who is it?—There is an agent who attends to the business.

550. *Mr. Fish.*] In fact, you would not be asked anything about that?—I know nothing about it.

551. *The Chairman.*] You say that the chief part of the revenue of the Harbour Board is derived from the railway-freights?—The greater part of it.

552. Then, if your company was not at work, this large revenue would disappear?—Yes; till some one else started.

553. Now, when this proposed tramway to the Coalbrookdale is completed, what extra coal will it enable you to put out of the day-shift?—About 500 tons—1,500 tons a day altogether—the proposed alterations will enable us to get it.

554. When you get the Coalbrookdale open, will you require more trucks?—Not for our own mine alone; the working does not require it; but if there are two mines going, then we shall want more trucks.

555. Have you had any communication with the Government in reference to the anticipated accommodation?—Yes.

556. Will they be prepared to supply you?—They said they would consider the matter.

557. *Mr. Fish.*] They said they would keep it steadily in view?—Yes.

558. *The Chairman.*] Have you had no answer from them?—No; we went to see about it yesterday.

559. You saw the Commissioners?—We saw Mr. McKerrow; he said he would lay the matter before the Commissioners.

560. Did he say when he would give you an answer?—No; he did not say when he would give us an answer.

561. *Mr. O'Connor.*] Are you not now proposing to make an alteration in the system of loading, under which you will be able to dispense with a good many trucks, loading at the bottom of the hill instead of at the top?—That will make only a difference of seven trucks altogether.

562. But you are contemplating such an arrangement?—Yes.

563. *The Chairman.*] Are you using iron trucks at Westport, similar to those they use at Newcastle?—Some of the trucks are made in that way.

564. The Government trucks?—Yes; others are made with a loose bottom we cannot lift if the crane system is adopted. We shall have to get new bodies for a hundred and fifty.

565. *Mr. Withy.*] The swinging trucks save the coal?—It saves breakage very much; the Westport coal is very tender, and wants careful handling.

566. *The Chairman.*] Have you had any communication with the Government in reference to getting an increased number of trucks of that description?—I was speaking about it the other day to Mr. Blair, who is acting as Engineer-in-Chief.

567. *Mr. Guinness.*] What has he to do with it?—He would have to be consulted.

568. *The Chairman.*] Do you know under what department the construction of the staiths and the railway would be?—They are under the Public Works Department; they have all the plans there.

569. If so why should you go to the Railway Commissioners?—For rolling-stock it is different.

Mr. MARTIN KENNEDY examined.

570. *The Chairman.*] *Mr. Kennedy,* the objects of this Committee are to gather as much information as possible as to the state of the coal leases on the West Coast; also as to the condition of the coal trade generally—the condition of the coal industry as a whole—the facilities which are rendered by the State towards the encouragement of the trade. You, having been engaged for many years in the trade, must necessarily have had much experience of it in all its phases: the Committee

thought you might be in a position to give very useful information. Will you be good enough to tell us what you know?—I have been engaged since 1874 in the coal business and the management of coal-mines. The Brunner Coal-mine was at one time my property, and continued so up to about twelve months ago, when the mine, of which I had been previously separate owner, was amalgamated with other mines in the district of Greymouth. The trade at the present time—that is to say, the output of the combined mines—now is, I should say, very much the same as it was at the time of the amalgamation. I cannot say exactly what the whole of it is, as I have not the return of the other two mines with me. The return for the year ending 1888 of the whole output was 160,000 tons. For the last half of that year it was rather better than usual, owing to the Newcastle strike being on: it would not have been so much as 160,000 tons by perhaps from 6,000 to 10,000 tons. Allowing that, about 150,000 tons as the ordinary output would be the correct thing. The output for the first half of the present year is under the average: it is about 66,000 tons. The principal falling-off was in the first three months of the year. That was due largely to the fact that gas companies and other large consumers drew very largely upon us under their contract, taking considerably more coal than was required by their ordinary consumption. Apprehending, perhaps, that a strike would also take place with us, they therefore laid in large supplies. The effect of this was that the railways, which used to take away, say, 3,000 tons a month, took nothing like that for the first three months of the present year. Very lately, during the last three months, the output is about what it was previously to the amalgamation. I think it is just about the same as if no amalgamation had taken place.

571. When you speak of amalgamation, do you include any of the mines at Westport?—No, at Greymouth. There is no other amalgamation.

572. Would you give us their names?—I was the owner of the Brunner Mine; the Westport Company owned the Pit Heath and the Wallsend: there was, indeed, the Tyneside, but that was an offshoot of the Wallsend Company. I do not speak of that as a separate mine: so that there were really only three mines.

573. Has the amalgamation made any difference in the cost of the coal?—Our price at our local works at Greymouth is a little higher—that is, for local sales. When there was a keen competition it was below what we considered payable; but, since, the price has been something firmer. The average price is no better now than the prices obtained previously by the separate owners.

574. Looking to the cost of wood and the other things necessary for winning coal, added to the charge made by Government for haulage, do you think that proper and reasonable facilities are given at such rates by the Government as tend to develop the industry?—Every reasonable facility is given, I think; but there are the matters of royalty and railage. It is a question whether these two items are not too high. In every other respect the facilities are what we should expect.

575. Are the charges reasonable for the distance the coal has to be hauled, according to your knowledge, compared with what is charged in other places?—I cannot say that I am an authority as to the charges made in Newcastle.

576. We have it in evidence that the charge is—for one mile, 6d.; for seven miles, 1s.; and for ten miles, 1s. 1d.?—Our distance is just seven and a quarter miles. By the official tables it is called eight miles. The charge that we pay for this seven and a quarter miles is 2s.

577. That is on a dead level is it not?—It is practically level, but there is an incline. This, however, is against the empty trucks going up. In the coming down it would be in favour of the load. In Newcastle there is a charge of 1s. 6d. for railage. For this we pay 2s.; that, at once, would account for a difference of 6d. a ton—that is, 6d. a ton is more than we make on the whole output of the mines betimes.

578. There is another charge in New Zealand that they have not at Newcastle, in the shape of royalty?—Yes; the present royalty is 6d. per ton. Seeing that a company which embarks its capital in this business cannot make 6d. a ton, it looks monstrous that the Government should have as much or more real profit without any risk, more particularly on small coal. There is also a provision in these leases that at a certain time the royalty shall be doubled. That would bring it up to 1s. per ton. That will mean something like confiscation for coal property. In the case of the Brunner lease, it would come into operation in about six or seven years.

579. Do I understand you that the Government, together with the Railway Commissioners, have it in their power to give a considerable impetus to the coal industry or to stop its growth completely?—No doubt of it. My experience of the business is that it is a very difficult thing to carry it on at a commercial profit.

580. Now?—Yes; and has been for some years.

581. *Mr. Fish.*] On account of the competition?—Yes; in most years on account of the competition among ourselves, and competition with Newcastle at all times.

582. If a duty were put on Newcastle coal, would it help the local mines?—No doubt it would.

583. Would not that raise the price to the consumer in proportion?—I have already made a statement that if a duty were put on coal, owners would be content to increase the output, and the sales might be restricted to present prices by statute. The profit would be obtained wholly from the greater output.

584. Do you think that half the charge for haulage at Greymouth would amply pay the Government?—I scarcely know that; it might, assuming an increased output; but, with the present trade, the maintenance of the line is pretty heavy. It has been working a considerable time. They are now laying 53lb. rails, and that takes a lot of money. If you were to anticipate a large increase of trade, no doubt it could be hauled for half the money, without leaving any loss to the department.

585. Are you aware what return of interest is derived from the coal industry?—I think the net profit the Harbour Board is getting amounts to something like £800 a month.

586. Do you know the return of interest on the cost of the railway?—No; I cannot tell you.

587. Are you aware whether it is over 5, 6, or 6½ per cent.?—The official returns will give you better information on that point.

588. *The Chairman.*] Were it not for the working of the coalfields in Greymouth, would there be any revenue at all to the railway?—None at all; at all events, none that would pay for its working.

589. It is derived entirely from the haulage of coal and passenger-traffic, the passengers being mostly those connected with employments in the coal-mines?—Yes; the wharfage dues also are included in railway revenue.

590. *Mr. Guinness.*] I see by a return which we have before us that you surrendered your original lease in the Brunner Mine?—Yes; I did that with the view of eventually opening up a larger trade. I went to England to get more capital to work it. I asked to get an extended lease. Although the lease itself did not show there was any provision for it, the Act itself contained a provision for an extended lease of twenty-one years. I was not in a position to put enough capital into it to work it, but I offered to double the output, and more than double the obligations of the lease. That would have given a largely-improved revenue, conditional on the royalty being kept at 6d. a ton.

591. The obligation of the lease was 30,000 tons?—When I entered, in 1874, it was 12,000 tons. It increased 3,000 tons annually until it came to 30,000 tons: that was the maximum. I always complied with the terms of the lease. I thought I was justified at the time of making this offer to increase the output, by reason of the previous progressive increase. I went to England before this question was decided. I was led to believe that the conditions of my application would be complied with. However, the matter was not completed before I left. While I was in England cablegrams passed in regard to the conditions on which a lease would be given to me. Upon the decision being communicated to me, I could only say "Yes." The condition was that royalty would have to be paid at 1s.—being 6d. more—for the unexpired term and 1s. for the extended term. There was some apparent concession in the matter of railage, but it was not fixed so. The condition in the first lease was that it was not to exceed 2s., so that the railway authorities might make a less charge if they thought fit. So that I do not know that there was any great concession. But it was put to me in that way. I give you these particulars to show why I took a lease with such a large output at 1s. per ton royalty. I thought I was quite justified, looking at the past progression of business, in desiring to develop the mine, and I desired to obtain sufficient capital for that purpose; but it turned out that neither the lease for the unexpired term nor as extended for twenty-one years was good enough. That was how the matter stood with regard to this mine.

592. Then, the output you are bound to comply with is 30,000 tons?—I am not sure when the increased output commences.

593. During the year 1888, what was the output from the Brunner property?—It would be, I should think, 60,000 tons.

594. The official return is here—54,000 tons?—That is correct.

595. Will you tell us how the extra output is obtained from the Coal-pit Heath and Wallsend Mines?—The total from the combined mines is 66,937 tons for that period; for the Brunner Mine alone it is 5,700 tons.

596. Now, according to this return, it should be 85,000 tons. The obligations of the leases are these: for the Brunner, 45,000 tons for the first eight years, 75,000 for the next twenty-eight years, and 100,000 for the remainder of the lease; the Coal-pit Heath, for the first eight years 25,000, for the next series 30,000, and for the remainder of the term 60,000; then, the Wallsend for the three terms, 2,000, 5,000, and 15,000, the lease being for sixty-three years. The miners say that it is through this amalgamation that the conditions of the leases have not been complied with?—The amalgamation has nothing to do with the matter of output at all: that depends entirely upon other considerations.

597. Is there any provision in any of these leases that the output from one mine is to be taken to make up for the deficiency in others?—No; but there is another provision that, in the event of failure or fault in the mine, the output may be suspended, and taken from another. In the case of the Brunner we might do this, for there is a fault in that mine. But I do not ask that to be taken into account. The fact is, you cannot work the three mines in Greymouth unless you get a very large output. As regards the miners, I can show to this Committee that the complaint on their side is groundless, for if we employ half the number more in one mine we shall employ just so much less in the others. These mines lie within a radius of half a mile from each other. Where the miners complain, it is in this way: When the Newcastle strike took off there was very great slackness of trade; a number of miners were dispensed with; and work was suspended temporarily in the Brunner Mine. It became then a question with the owners which of the three mines would be laid off. The Brunner Mine is self-draining; the other two mines require pumping; therefore it was laid off. We draw all the output from the other two mines. We might have drawn all the output from one, and it would not affect the market one iota. As winter approached we saw that we might work the Brunner Mine advantageously in small coal, as, owing to the fault referred to, we had no solid ground to work in that mine pending further heavy outlay. In all coal-mines the price for pillar work is something less than for solid working. It was practically paying the men to fill this coal. But while the work is much easier for the men it is more costly for the owner, for the owner has to provide a double amount of timber for this class of work. He has also to provide extra "road-men" to follow up the work more rapidly. All these expenses make pillar work almost prohibitory for the owner. What is he to do if he has no margin of profit—if he can effect no saving to meet this extra outlay. The manager guaranteed the miners that, if they went to work and did not make up to the average of what the rest of the miners got, he would bring it up to the average. We say that not only could they make 12s. a day, but they could have made 15s. a day; but the minimum would have been 12s. a day: 12s. is the price (the minimum) of a day's work of seven hours.

Mr. Fish: That is good wages.

598. *Mr. Guinness.*] But they do not get much more than three days' work a week, if you take the whole year through?—If you take the whole year round, what with holidays and one thing and another, they will not work, at the outside, more than four days.

599. Is it not a fact that they cannot get it to do?—I say it is a fact that they can often get it and will not work; that is my experience of the position. Before passing from the question of average work, I say that, in mine work, for the past three months, the men are making five days a week—those who wish to work. The average in our works at the Brunner Mine exceeds three days a week. Looking at the slackness of trade, it is due very much to the miners themselves that they get so little, for they keep too many of their men in the district, thus preventing them going elsewhere: and, consequently, where there is less work to do there is a greater number of men than are necessary to do it. It may be called an act of generosity on their part. I have nothing to say to that, but the effect of it is, they keep some twenty or more men in the district than there is a demand for. In order to bring this matter to a settlement, some time ago I invited the miners to come together and let us both have a full discussion of the subject: and so we did. I put before them my views as regards the position of the trade. Now, our returns will show that when the men are only working three days a week we are absolutely making a loss; when they are working five days a week we are making a profit. This proves that we have an interest greater than the miners in making good trade, if we can get it.

600. *Mr. Feldwick.*] Is there a large quantity of coal in those pillars?—Yes; the pillars would give a couple of years' work to thirty or forty miners to bring the output from this mine up to its former condition. But this does not mean anything more than that we have to expend a much larger sum of money. Where there is a fault in a mine it takes a great deal of money sometimes to prove it. When this property—the Brunner Mine—was in my own possession I spent £10,000 in proving one fault; but that does not show that there may not be many other faults in it.

601. *Mr. Guinness.*] Did you not prove this fault many years ago?—Yes, I proved one fault.

602. Three or four years ago, did you not prove the existence of coal in your mine, out of which you could get sufficient to satisfy the output conditions without working the pillars?—Not without spending a large sum of money.

603. I think you said that, if you literally complied with the conditions in each of these three leases, which require you to put out 85,000 tons of coal, the actual output from two is more than what is required from the three?—Yes, I do say so.

604. Would it pay any other mine to barely comply with output in the leases? Would it not be necessary for them to have to put out a greater output to make it pay?—Not in the Brunner, but in the Wallsend it would. The plant in the Pit Heath and the Brunner Mine are practically amalgamated. The two mines in future must be worked as one, with one plant. Whether the output is large or not, they will have to be worked with one plant.

605. Are you aware that the Westport Coal Company—the owners of the Wallsend lease—some time ago acquired 150 acres of freehold in the centre of their lease?—I understood that was so.

606. The whole of that plant and machinery are on that 150 acres?—Yes; their surface-plant is so.

607. Can you tell us whether they are getting out coal from the 150 acres or from the leasehold?—I think it is from the leasehold and freehold.

608. Have you no plans of the working to enable us to see?—I have no plan with me of the Wallsend lease.

609. Will you allow your manager to send us one?—It is obtainable from the Mines Department: Mr. Binns has got it.

610. Will you tell us whether any coal has been got out of the freehold?—I do not know the boundaries sufficiently to be able to tell you anything definite about it: the leasehold, I know, is at both sides of the freehold, which is in the centre.

611. The Tyneside was a part of the Wallsend originally opened by Kilgour?—It was originally opened by the Greymouth Coal Company.

612. Mr. Kilgour erected machinery there?—He did.

613. He opened it afresh?—All I can say is, that he worked some coal: about opening I cannot say.

614. Has the Grey Valley Company purchased from Kilgour?—Yes; they purchased whatever interest he had.

615. Since they have purchased have they done any work?—Yes, a good deal.

616. Taken any coal out?—Yes, a lot of coal.

617. Out of Tyneside?—Yes, out of Tyneside. They worked it until the Newcastle strike took off.

618. When did it cease?—I could not tell you exactly the date, but I know it was worked two or three weeks after the strike took off.

619. After the Newcastle strike?—Yes.

620. What was the greatest output from the Brunner in one year?—111,000 tons.

621. Can you give us the average of the lease?—In 1884 it was 77,316 tons; in 1885, 111,899; 1886, 86,226; 1887, 77,121; and in 1888, 54,741.

622. What has been the output from the Wallsend?—I cannot tell you.

623. You have been connected with it?—All I could tell you is that for each of these periods my output was quite equal to the combined output of the other two: that I used to see for myself from the official records.

624. Are you able to give the Committee a statement as to the capacity of each of these mines—of the quantity you could take out from each mine suppose you had a demand?—The Wallsend,

1,000 tons a day. We could do that if we had sufficient assurance that the trade would continue, and we felt warranted in employing a number of miners and opening works.

625. That is from the Wallsend?—Yes.

626. What from the Brunner?—Within a couple of years' time we could bring the Brunner to the condition it was in before—that is, suppose we leave out all question of cost. Speaking of what it is capable of regardless of cost, I should say that the Brunner could be brought to give 1,000 tons a day, working two shifts.

627. The Coal-pit Heath?—That would be something less—say 500 tons a day.

628. Then, the Tyneside?—It is not prudent to work the Tyneside at all. It is broken coal. It would not pay anybody to work it. We do not propose to work the Tyneside again. It is quite sufficient to work the other pits. The Tyneside is not profitable to work.

WEDNESDAY, 17TH JULY, 1889.

Mr. KENNEDY, examination continued.

Witness: I was examined yesterday as to the output of coal, and the reasons why, as stated, the conditions of the leases were not complied with. That, no doubt, might be made a very serious matter. It would be well to refer to that matter again if you will allow me. It is natural it should be a matter of great interest to us. We have fairly good plant; the mines are sufficiently well developed: if we could find a market for all the coal we could produce at anything like remunerative prices, or even pay the cost of working, there would probably be no difficulty to present itself in working the mines. I may be allowed to follow this up by saying that I do not know the intention of the Committee in asking this inquiry.

629. *The Chairman*.] I will put you right in that matter. The intention is to get all the information possible to guide the Committee in making its report as to the state of the coal industry on the West Coast in all its bearings, and in trying to find, if we can, the means by which it can be assisted. The Committee will be glad to hear what further you have to state. Will you tell us what further information you can lay before the Committee?—I do not like the idea of having a lease and not complying with its conditions. I think it is desirable to explain my position in regard to that mine again. It may be said that no one ought to take a lease without complying with the conditions and seeing what he has to do. If you will take into account all the leases on the West Coast, and insist on their complying with the full output conditions, I say it would be impossible to find a market for all the coal you would so take out in New Zealand. I question even if it would be practicable to get a market beyond New Zealand that would pay. In regard to the Brunner Mine, you will see that we have more than complied with the conditions from the first, except for the past half-year. There have been to my own knowledge several leases joining our lease—one of which more particularly I might refer to—which had been under lease for ten or twelve years, where a large output was provided for, yet no attempts were made to enforce the conditions.

630. Would you mention it?—Fowler's lease. Mr Guinness knows it well. He asked, I think, that it should be extended, and it was extended.

Mr. Guinness: That is a lease that has not been opened at all.

631. *The Chairman*.] Is it still unopen?—My own notion is that a person who spends a large capital to comply with his lease is better for the country than one who does not work his lease at all. I cannot say what has brought on this investigation. It may be that it is some difficulty that has arisen between the miners and ourselves. If this particular mine is to be made the subject of inquiry, I would point out that there are persons in the district who have had leases for a number of years and never did anything at all. I have mentioned that it is a serious loss, when you have expended a large sum of money upon it, to allow a mine to remain idle; without work there is no profit. All the time they are not working there is an absolute loss, for several over-men, road-men, and artisans are employed, without counting interest on capital or depreciation. Here is a sketch-plan which I had made some time ago. [Examined on plan.]

632. Is that lease you call Fowler's still in the name of Fowler?

Mr. Guinness: It has been cancelled; it has not been worked.

633. *The Chairman*.] Then, it is not worked?—If all the conditions of these leases are to be enforced, then I think you might extend the inquiry so as to find whether it is possible to find a market for all the coal that should be produced under them. There is only 130,000 tons imported from Newcastle, but that is as nothing compared with the whole output that would accrue from the leases.

Mr. Fish: That makes it more important that the Government should reduce the charge for railage so as to let it be done at the minimum of cost.

634. *The Chairman*.] Will you leave this plan with the Committee?—Certainly. I was observing that, in my opinion, it is scarcely possible to comply with the output conditions in the present state of trade. At the time I said I was agreeable to increase the output of the Brunner Mine there is no doubt I thought at that time that we could get a market in Australia for our coal. Circumstances have changed since then. They have discovered in Newcastle what is called the Stockton Mine, which has come to the front, having a good gas-coal. That has destroyed, to a large extent, the prospect we entertained of having a big output for gas-coal, with a market in Melbourne. For some years I used to get 7s. or 8s. per ton at Melbourne over the price of Newcastle coal, because ours was a better gas-coal. They used to buy it for the Bendigo Gasworks. The Metropolitan Gasworks used to tell us that they would take any quantity we would send them at an advance of 4s. or 5s. above the ordinary price of Newcastle coal. It was on these circumstances that I based my hopes of having a bigger output, and a market in Australia.

635. Which led you into expense?—When I went to England the obligation of output was 30,000 tons in my Brunner lease. I saw that I could bring it up to 100,000 tons if my hope of this custom from Melbourne should be realised. My object was to get a bigger company, that would combine carrying not only for New Zealand, but for Australia. But this Stockton Coal-mine, which is now supplying the gasworks in Melbourne, has so pleased them that they would not give us a shilling advance for New Zealand coal now.

636. Where is it?—At the entrance to the harbour of Newcastle. I was at the mine about two months ago. I state these things to show, if there was any intention to enforce the output conditions to the full extent, what a hardship it would be for us in the present state of trade. I also say, from what I heard on the other side, that we have developed too much—there is too much development for the present state of trade. If we had at most two mines, it would be better for the mine-owner, for he could open more ground and be able to provide a uniform employment to the men. I said yesterday that miners will not work more than four days a week: I may perhaps be allowed to explain this a little further. At Newcastle they only work five days a week—they do not work on Saturdays at all. When I was working the Brunner Mine alone we had the greatest difficulty, more especially during the strike, to get them to work five days. Let a holiday come, or through interruptions to trade, or through interruptions caused by themselves, or official holidays, they cannot be got to work. Machinery will occasionally break down, and steamers will not arrive to the moment they are expected. We have to wait upon the arrival of steamers, and unless the steamer arrives at such a time as the men can go to work in the morning they will not go to work—indeed, unless they see the trucks, and there is a certainty of keeping them at work for that day. There are all these causes in operation to prevent full-time being put in. Then pay-Saturday comes: following Monday half the men go to work and half the number do not go. From a variety of other causes—sickness or drunkenness—there are other interruptions. I should say here that, taking the average, our men are good and sober men, but in a large body of men there will always be some you cannot depend on. What I say is, that, taking the whole of the causes of interruption, you will then bring the average time of the men's working down to four days in the week. I say that, taking the average of the whole, even if you have the work for them, they will not, on an average, put in more than four days a week. You must also bear in mind—I observed particularly when I was at Newcastle—that we have a very keen competition from that place to contend with. We have to face this everywhere that we can go. But even in Newcastle they had not anything like regular work. There were some twenty or thirty miners there that were not working even half-time. I told the Committee when I was examined yesterday that the combined output of our mines for 1888 was 160,000 tons, and that from that should be taken some 10,000 tons. I find that the reduction should have been stated at 30,000 tons. Were it not for the Newcastle strike we would not have exceeded 130,000 tons. I mention that to show that I do not think there was any falling-off by reason of the combination or amalgamation of the leases. We do not complain, except for the reason that it is stationary: it is not progressing as we should like to see it, and it cannot progress to that extent until we get further markets. For the money that has been expended, and the amount of ground opened, we ought to be 50 per cent. in advance; but that cannot be until we get the market.

637. *Mr. Guinness.*] And how do you think a better market can be made?—The only trade that I can see has to be conquered is the Newcastle import to New Zealand.

638. How do you suggest that could be done?—One method would be a duty of 2s. or 3s. on imported coal: then possibly some reduction might be made in charges, both as respects haulage and royalty.

639. Do you think a duty of 2s. or 3s. a ton on imported coal would be sufficient?—I know that we could sell a lot more coal if there were 2s. extra upon Newcastle coal. We offer our coal now in other markets than the local market, and we offer it at the same rate as the Newcastle. We do so at Lyttelton, Christchurch, and Dunedin, at Newcastle prices; but our freight is 2s. a ton more than the Newcastle rates—freights from port; I do not say from the mine. Our freights are even double those of Newcastle to some parts: to Auckland it is 4s. and 5s. greater.

640. Can you give any reason to the Committee why that is so?—The reason clearly is that our trade has to be done by steam-colliers, and there is no return-freight. These steamers are very costly. Each one of the larger class costs from £10,000 to £20,000. The interest, insurance, and depreciation are a very big item on that capital. I say there is no return-freight—comparatively no return-freight. There may be a very small return, but it is not much. There are a large number of sailing-vessels out of Newcastle that come to New Zealand, and they get even a better return-freight with grain than they get for coal. Coal-freight is regarded by them as a ballast-freight. The Union Company carry coal, and follow the sailing-ships. They can get no more for that coal than the ships, and they get little or no return-freight worth speaking of. Then, the mines in New Zealand are handicapped by having to pay 2s. railage and 6d. royalty. In Australia the various mines are freehold.

641. *The Chairman.*] Are there any Crown lands at all used for coal-mining in Australia?—I only know that the principal mines are freehold.

642. *Mr. Fish.*] The interest on capital would be a royalty in itself?—All the land had been acquired cheaply. But if you take our mines here, none of these leases are worth anything in our part of the world until after the machinery is put into them. The machinery and plant that are in the mine are worth more than its selling-value if you were to put it in the market. It is something like a section of land that might fetch more money than the same section with a house on it. The lease of an undeveloped mine is often regarded as worth more than a lease of a developed mine and machinery. As to the matter of a duty upon imported coal, it is probably known to the Committee that there is precedent for it. Queensland has a duty of 2s. on imported coal. There they are only just developing their coalfields.

643. *Mr. Guinness.*] Can you tell the Committee whether, in your opinion, if a duty of 5s. were put on Newcastle coal, it would or not have the effect of considerably raising the price of coal to the consumer?—Anything I might say on that would be only an opinion. As I said yesterday, I would consider it impolitic for the price to be raised to the consumer, and if a duty were put on I think the Legislature should fix the selling maximum price by statute.

644. *Mr. Fish.*] If the mine-owners would be benefited by an increased output, that would be the profit to them without increasing the price to the consumer?—I will put it this way: If our trade is, say, 7,000 tons, we are losing money; but if it is 15,000 tons we make the mine a paying concern even at the same prices.

645. *Mr. Guinness.*] What is the price of the different classes of coal put free on board at the Port of Greymouth?—Our selling-prices vary somewhat. We have been charging a little more for gas-coal—we have been trying to get 14s. for it. We succeed in some cases. We have to compete with the market. Our present selling-prices at Greymouth may be taken at 12s. 6d. for round coal—the best coal.

646. What for gas-coal?—That is not sold free on board at all—it is sold at a delivered price.

647. *Mr. Fish.*] At the port of consumption?—Yes.

648. But, suppose the gas people went down to Greymouth, what would you charge?—We would get 14s. if we could; but we would not lose trade, and we would perhaps have to sell for 12s. 6d. It is a matter of trade. For trade you must go into competition. Where we have no competition we would get a better price.

649. *Mr. Guinness.*] Then the highest price would be 14s. if you could get it?—Yes.

650. Are there any other classes of coal?—For “nuts” we get 8s. or 9s.; for slack we do not get more than 4s. or 5s. There is very little coal sold at Greymouth “free on board:” we have to send our coals into the market, and provide agencies for the sale of them. The average return, taking the whole all round, does not give these prices, nor anything like it. We are obliged to enter into business and compete with the Newcastle coals for the purpose of getting trade. The net return which we gather from our branches does not give these prices.

651. The Union Steamship Company are interested as shareholders in the Grey Valley Mine?—Yes.

652. Before this company was formed you were the owner of several steamers?—Yes; I was the owner of some steamers. I had some others chartered.

653. Do they belong to the Union Company or to the Grey Valley?—I sold to the Union Company.

654. Then, in point of fact, you and the Union Company owned all the steamers engaged in the coal trade, with the exception of the Anchor Line?—That is correct.

655. Have you a copy of the agreement between the Union Company and the Grey Valley Company as to the rate for carrying coal?—I have not a copy with me, but I know what are the terms of it.

656. What are the terms?—The terms consist of an arrangement by which they provide us with all the tonnage that we require for New Zealand at scheduled rates, conditional on that we reserve all our coal-carrying to New Zealand ports for them. That arrangement is subject to be terminated by six months' notice on either side.

657. Is there any provision in the agreement prohibiting your company from selling coals to other companies or persons?—None at all; but we reserve the carrying for them.

658. If you wanted to send a cargo to one of your own agencies in any other part of New Zealand would they have to provide the steamer?—Yes.

659. Suppose the Centennial Company, or the Elderslie Company, sent a steamer down to Greymouth for coal for their own use?—They would get it if it was for their own consumption; but if they were getting it to sell and deliver it in New Zealand we would not supply them. I will justify that action if you like.

660. You do not want them to go into the competition?—That is not the reason; it is this: You must either provide your own tonnage or you must make an arrangement with some other firm that is able to give you the tonnage. No matter whether you own these steamers or any one else, you must keep your work for them. As there is only a limited trade in New Zealand, and you give 5,000 tons of it to other steamers to carry, the output is not thereby increased, and, as the Union Company are bound to do that work according to the agreement, it is only right to keep the whole of them. Suppose I had steamers myself to carry all my freight, does any one suppose that I would supply the “Centennial” and lay my own steamers up? I would not do it in that case: why should I do it with any one else? If there is 100,000 tons to carry, the case is not altered. The Union Company must find steamers to carry it. What would they do if we were to give freights to other steamers? This is a mutual arrangement—it is mutually advantageous to both.

661. *Mr. Fish.*] If you did not make that arrangement you would have the risk of getting no bottoms at all?—Yes; if we have sufficient tonnage for winter it is double our requirements in the summer time.

662. Can you do any foreign business?—That is done chiefly by sailing-vessels that make the round trip going to England. This arrangement does not place us at any disadvantage whatever. They wish to get the freights: it suits us to give them the freights. We, of course, wish to get the freights as low as possible. I have been working this arrangement for the last twelve months, and there is no disadvantage whatever either to the owners or the public. I say that I am free to negotiate with any other firm unless the Union Company shall concede to me such terms as I would obtain, and, if they refuse, I would be free to recommend that arrangements be made with another firm.

663. *Mr. Guinness.*] Is not the effect of it to keep up the rate of freight to a certain fixed amount?—It helps that, no doubt—it has that tendency. I consider that, from a trade point, is justifiable. What has any of us to do in business if we cannot make it pay?

664. What I mean is, would it keep up the price of coals because it prevents any one entering into competition?—The real question in business is whether it will pay. I remember in Wanganui selling at 2s. or 3s. per ton loss. Who did it benefit, except a few consumers for the time being. That must soon come to an end. I carried a considerable deal of coal there when the freight was 14s. and 15s. Coal was supplied to the gasworks at 19s., the wharfage rate being 2s. 6d. I know the trade there very well, and I would not undertake to run with small steamers all the year round for 15s.

665. With regard to the harbour-works at Greymouth, are they sufficiently advanced to enable the company to allow bottoms to come there and enter into the foreign trade?—There is no question of allowing them to come; the question is whether you can induce them to come.

666. But is the state of the harbour such as would permit them to come if you could get up a foreign trade, say, with China or America?—The question is would they come. I do not think you can induce any shipowner to enter into the business there; the margin of profit to be earned is too small considering the size of the bottoms required. We have been trying to bring about something of that kind. I have authorised sales for merely cost price to see whether it can be done, so that vessels should come to Greymouth on the round trip under charter.

667. And you could not sell?—Nearly all the chartering, I should tell the Committee, is done for the round trip. That is the way in the case of large vessels. If there were any chance of getting moderately-sized vessels to enter our harbour it must be done in this way. How that may result I cannot say now. But there is an element which enters into this question which we cannot lose sight of—that is, the question of insurance. Colonial insurance offices will not take risks on large vessels coming to these ports. In England they take risks very freely on large vessels. There are many offices there who do that class of business. We have a case in Greymouth now. The master had to cable Home for authority to accept my offer, and obtained it. If she had been colonially owned she could not come.

668. *Mr. Withy.*] Reverting to the case of back freight for steamers, you have said that, practically, there is no back freight. Is it because the colliers are unsuitable for carrying, or that there is no demand in Greymouth: is it that there is no demand?—I mean to say that for the number of steamers that are in the trade the amount is small. One or two of the small steamers that make the round trip of the colony can take a good deal of cargo. In making this round trip fortnightly, however, they have to sacrifice one trip for coal: a collier would, for instance, run to Timaru and back in one week.

669. Is there not a considerable cattle-freight from many ports of the colony?—Yes; there is from Wanganui, but this can only be taken now and then; the vessels are small.

670. They would take coal there and bring cattle back?—Yes; probably thirty to forty head a week comes from Wanganui. But these cattle-boats are sometimes delayed. In bad weather the fact of having cattle on board makes the boat take a whole week on the passage. I was in the trade for a long time. We carried considerable freights in coal when the rate was from 14s. to 15s. We often used to come away without the cattle in preference to waiting for good weather, though cattle-rates were from 25s. to 26s. Freights went down to 8s. and 9s., and I lost £1,000 in trying to work that trade.

671. When you were in England, did you visit the English coal ports?—I did not go to Cardiff.

672. You did not go to the principal loading ports in the north?—No; I went to the Midlands, and through the collieries there.

673. You did not observe the different means adopted of shipping coal?—No. My reason for that was that at all our ports we had already fixed the plan for shipping. I knew that we were tied to a certain method of loading, no matter whether we might see other appliances much superior. Besides, I am satisfied from all I heard in Newcastle that we could not get more suitable appliances for what we want than what we have ourselves.

674. *Mr. Guinness.*] You are speaking of Greymouth?—Yes; the hydraulic cranes are put over the ship's hold, and lowered down to the "combing;" the bottom comes out of the truck; the breakage is very little.

675. *Mr. Withy.*] The whole truckload, by means of a jib-crane, is lowered down?—Yes.

676. *Mr. Hutchison.*] I understand that you have practically ceased to work the Brunner Mine for this year?—Up to the present time.

677. That was the one in which there was the largest output last year of the three?—Yes; I dare say it was. I think it had the largest output.

678. 54,000 tons last year?—Yes.

679. That would mean £1,300 odd?—Taking the part of the country we drew it from the Pit Heath Mine is really the same.

680. You are working from the Wallsend, which makes up the complement for the three?—That is probable; but I have not proved it that way. It is possible we may make it up out of the Brunner.

681. You are familiar with the terms of the Wallsend lease?—Yes.

682. It is peculiar. In the "remark column" of this return which has been produced it is stated that upon the completion of the railway the royalty ceased—that is, ceased when the coals were carried by train?—I do not know that it ceased on the completion of the railway.

683. You pay no royalty on what you mine from the Wallsend?—Yes.

684. The rent is £20 a year. The rent of the Brunner was over £1,000 last year. If you were working the Brunner this year you would only have to pay £480, and £20 for the Wallsend, however much you might take out—that is, £500 for the two?—But I wish the Committee not to infer that we are not mining: the inference would be that we have an interest in allowing the Brunner Mine to stand; but the Brunner can be worked for 6d. a ton less. The pumping and other difference in operations cost more than the difference of 6d.; we have no inducement to take the output from one mine more than another.

685. Who first held the lease of the Wallsend Mine?—The Greymouth Coal Company, of which I was one of the directors at its starting.
686. Were you a director at the time of the merging of the company into the present one?—No.
687. You sold it?—I sold it in 1874. There have been two companies wound up in connection with it previous to the present one.
688. The present company is the Grey Valley Company: from whom did they get the present lease?—They acquired the right from somebody in Dunedin; the purchaser of the other I do not know.
689. *The Chairman.*] The Greymouth Coal Company?—The Greymouth Coal Company spent £40,000, and sold out at auction for £11,000; the purchasers, in their turn, spent £15,000, and sold to the Westport Company.
- Mr. Fish.*] The Greymouth got so many shares in the Westport Company as a consideration?—Yes; the lease still stands in the name of the Westport Company, but it is under engagement to transfer.
690. When was that engagement entered into?—About eleven months ago.
691. I suppose when called on the Westport Company will transfer to the Grey Valley Company?—I suppose so.
692. But whether or not, is it a fact, so far as the Crown is concerned, that the Wallsend Mine is distinct from the Brunner and Coal-pit Heath?—At the present time it is distinct.
693. The Minister of Lands has never given his consent to the transfer from the Westport Company to the Grey Valley Company?—I am not aware; he may have for anything I know.
694. Can you tell the Committee when the freehold—that is, within the boundary of the Wallsend Mine—was acquired?—No; I cannot tell you. I suppose it was three or four years ago. I know merely from common report, and seeing it in the newspapers.
695. Is it on the freehold that all the plant is?—Yes.
696. Is the coal on the freehold worked?—I have not made myself acquainted with that; I am not sure where it is.
697. *Mr. Guinness.*] Where does it start from?—I cannot connect them in my mind with the underground workings. If I had known that these questions would be put to me I would have been prepared to answer them.
698. *The Chairman.*] But you can say that very little of their freehold coal has been worked?—Very little.
699. Is there any machinery on the leasehold of the Wallsend Mine?—Oh, yes!
700. The Tyneside has been put through?—Yes.
701. Is there sufficient machinery there to work that mine?—Yes; but it is not being worked.
702. Then, there is no machinery at work in any part of the Wallsend?—No; not on the surface perhaps. I would not say, however, that there may be working underground—tunnelling perhaps.
703. *Mr. Hutchison.*] There is another lease of 777 acres adjoining the Wallsend: is that under a similar agreement of transfer to the Westport Company?—They have already transferred it by deed.
704. Has the Minister assented?—I do not think he has assented.
705. *Mr. Fish.*] So far as he is concerned?—There is a deed, but we regard that as a matter of form. The lease provides that his assent shall be given—that is, if there should be no valid reason against it. Undoubtedly, so far as that lease is concerned, it is intended to give notice of surrender: there is the right to do so.
706. Do you know from that lease whether the conditions are the same?—There are the same output conditions.
707. But you have the right to surrender, you say?—There is the right; the conditions are not quite the same as the other leases.
708. Do you say that you have the right to surrender without the assent of the Minister?—Yes; by giving six months' notice.
709. *Mr. Guinness.*] You have not that lease with you?—No.
710. *Mr. Hutchison.*] Has any work been done under that lease?—There is another adjoining.
711. This was twenty-one years from 1887?—Yes.
712. The present is the third year, and the output should be 4,000 tons: is any part of that out?—None at all.
713. Any working?—No.
714. Any machinery on the ground?—Nothing.
715. *Mr. Guinness.*] There is a lease put down in the return as the Westport Coal Company for 240 acres from the 1st January, 1887: can you tell us anything about that?—I think it is marked on the sketch-plan which I have handed to the Committee.
716. Where does that join?—Next to the Coal-pit Heath.
717. Is there any work on that?—No, none.
718. Is that in the same situation as the last lease you referred to?—Just the same.
719. No work done?—No. The country round there near the Coal-pit Heath is a good deal beset with faults, where a man must spend a great deal of money in proving the faults. No one could afford to spend so much money in proving faults unless he had considerable ground ahead of him. The object of that 240 acres is to work out from the Pit Heath. It is quite possible, after having spent £15,000, one might run again on to a fault that would cut us off. No one would be warranted in spending so much money unless he had assurance of getting some output for his money.
720. *Mr. Fish.*] You say, Mr. Kennedy, that previous to the Grey Valley Company being formed you worked the Brunner Mine yourself?—Yes.

721. At that time the Wallsend was being also worked by the Westport Coal Company?—Yes; I think it remained idle for some time. It was worked some ten or eleven years ago. It then remained idle for several years without being worked. I should suppose it was in operation in all 1888, six or twelve months before the amalgamation.

722. Then, at the time you were competing with that company, how many trucks were available for transit of coal?—I think there were about 150 trucks altogether.

723. At that time you were carrying your coals in your own vessels: the Union Company were carrying coals for another company?—They were.

724. What was your experience of the facilities given to you for obtaining trucks, and those allowed to the other company for the Union Company's vessels?—Well, we were constantly at loggerheads about the trucks; but I believe there was no favouritism shown either to one or the other. What was done was done equitably so far as the local manager could do. There were times when the men would be idle. Although there might be sixty or seventy full trucks standing, we could not get any more work done until a steamer arrived in the harbour. The consequence was that sometimes two steamers would arrive in the harbour at the same time, and the men could not be got to work in time.

725. Was it not a cause of complaint that the Government were dealing harshly with you, and favouring them?—I never made a complaint as against the Union Company. If I made a complaint against any one, it would be against the coal company: they had trucks, but no trade. That complaint would come from the other side as well as from mine. So it would happen, when the shoe pinched each, each would complain. Sometimes one would be shut out of trade, and sometimes the other.

726. Would it be true if any one stated that one chief factor which induced you to amalgamate with this company was the knowledge that you could not get on with your own mine in consequence of these things I have referred to?—The principal reasons for my making the arrangement were the severe competition all round, and the apprehension that I would not be able to withstand that competition. Those were the reasons; but the question of the deficiency of trucks was an element in the decision, and a considerable element in it. The working is now under one head, under one management, and all this bickering has ceased. It is more advantageous, a good deal, to the miners, as well as to the mine-owners. It is also more economical to the Railway Department—considerably more economical.

727. Then, according to your knowledge, the Government did nothing in regard to facilities that would tend in the direction of monopoly?—I do not know of any action at all in that direction.

728. *The Chairman.*] Have the Government and the Railway Commissioners any power to give an impetus to the coal industry?—The only power that I see would be to favour the New Zealand coal on the railway as against the Newcastle coal. There are some differential rates in carrying native coal as against foreign; another facility would be given by reducing the haulage-rate.

729. Do you not think it desirable that it should be reduced?—I know it would be beneficial to the trade if it were reduced.

730. *Mr. Feldwick.*] There is a differential rate?—Yes.

731. What is the extent of the advantage?—It depends upon the length of the haulage. If it was a long distance the difference would be considerable—as much as 3s. 6d. a ton in some instances.

732. *The Chairman.*] Would an increase of the shipping accommodation tend to a larger output?—I do not think so. I do not know that any mere want of accommodation is any detriment in regard to vessels coming there; but if you mean improved harbour conditions I suppose it would give some impetus to the trade.

733. Would further improved conditions of the harbour bring larger vessels, and to that extent tend to bring a foreign trade?—Undoubtedly. I am still hopeful that a foreign trade can be made; but it will require a combination of all parties to bring it about, and a large amount of capital for carrying.

734. I understood you to say that the miners, unless they saw sufficient trucks in readiness for the day's work, frequently declined to go to work?—They wanted an assurance that we could keep them going for at least half the day before they would go into the mine.

735. That assurance would have to come from the Commissioners, who would have to supply the trucks?—They would take the assurance of the mine-manager. It often happens that a vessel would be waiting outside the bar early in the morning waiting tide, say, at 10 a.m., to arrive, and the men would not go to work at 8 a.m.: unless the men got a guarantee of half a day's work they would not go into the pit.

736. Does this often occur?—Not often since the amalgamation: it did occur about a month ago; the consequence was to delay the steamer twenty-four hours.

737. If other mines were working, would not that be rather increased than decreased?—It would.

738. *Mr. Fish.*] Would that not be obviated by storage at the wharf?—Of course that would be a relief; but storage at the wharf is a costly thing, and you would have to allow for it in cost of getting coal.

739. At the mine?—There is no margin whatever for it in working the mine.

740. Are the same rates of haulage charged for small coal as for large coal?—Yes, for the class we call nuts. There is slack, another class, for which they charge less: it is 3d. a ton less.

741. You speak of Fowler's lease never having been worked?—It was not worked during Fowler's time: the area was 1,000 acres.

742. It has never been worked?—There was nothing at all done to it.

743. For how long was it?—It was for six or seven years; but it was transferred to other people lately.

744. *Mr. Guinness.*] Is there any way of getting coal from that without constructing a railway. Suppose it were worked, would they have to construct a railway?—Yes.

745. How much?—Six or seven miles.

746. *The Chairman.*] Have you said all you wish to say of the main features of the amalgamation?—The main feature of the amalgamation was that we brought the properties together. There was no question of buying or selling, but were simply brought together. By the Union Company entering into it I think my interest is benefited. I think my interest is improved by that company coming in as a shareholder. That is my version of it. I arrive at that conclusion in this way: There is no question the competition was very keen with the Newcastle coal. It would probably be more severe now if they were not shareholders. In consequence of this they have a less desire to press the Newcastle coal into the market. Mr. Mills, the manager of the company, told me they have no desire to bring Newcastle coal in competition with the New Zealand coal.

747. Are there any provisions by which a restoration of your several interests might take place?—So far as the amalgamation is concerned, it is a permanent arrangement. There is no provision for restoring them to their former position.

748. Do you think the amalgamation was a desirable thing to happen?—I do. I consider that under the amalgamation there is a better assurance that the properties will be worked than there was before, and worked more competently than if they were worked separately. Of course, I see there is an impression that if there had been no amalgamation there would have been more output. If they had remained separate, and I worked six steamers, the Union Company would be running six more, and if there was not enough trade some one must go down. What would be the result? My property, like other properties probably, would be put into the market. While I maintained the fight there would perhaps be a bigger output from Greymouth. That is on the face of things. The owners would have to sell at any price to keep the steamers going. I wish to point out this as regards the progress of the trade—you have the figures before you: In 1885 the Brunner was the highest. The cause of that was that about then the Westport strike was on. We had therefore a big trade. Subsequently, as the Wallsend came into work, the Brunner output has been decreasing. What I contend, and have contended for during the last few years, is that, no matter how many pits are opened in the district, there will be no greater output on the whole than if there were only two. The trade is not in the colony. You can scarcely hope to conquer Newcastle competition. Their freights and their mining are cheaper than in New Zealand. Their coal-seams are not so steep as ours; theirs are flat seams. You can get a greater output from them in a given number of hours than you can get from our mines. With steep seams you can only work with one side of your "road." With flat seams you can work with both sides, so that you can get double the quantity of coal. Then, mechanical labour is a great deal cheaper at Newcastle than with us.

749. *Mr. O'Conor.*] What do you mean by mechanical labour?—I mean blacksmiths, engine-drivers, and artisans generally.

750. *Mr. Guinness.*] What are the rates you have to pay for hewing coal and bringing it to Greymouth?—The price varies according to the output: "free on board," in some instances it runs up to 10s. all round.

751. How do you make that up? Give us the items?—I do not know how far you may publish these particulars.

The Chairman: I do not think the Committee would wish in any way to interfere with the arrangements of your business.

752. *Mr. O'Conor.*] I think we might know all the charges at the pit-ports of Newcastle?—The cost of hewing coal, as well as the cost of all things connected with mining, varies. So much depends upon the quality of the mine itself. Bad roofs, floors, and so many things come into the question that you must take the average of years. Then you will have to include cost of proving faults. We are proving a fault now. All these things have to be put into the cost.

753. Would you say what the daily wages are at Newcastle—what the charges: these are very important things to know?—I am desirous to tell the Committee everything I know. I cannot say exactly what the daily wages are there. My own impression is, they do not get more than 10s. to 12s. Of all the miners that go into our pits 75 per cent. make more than 12s. for their day's work. Some of them make 15s. and 16s. for their day's work. Of course, there are a number of miners who have not much experience: they do not make so much. In many instances the manager has to make up their pay to them, where the faces are difficult to work. Contract works are not a safe indication of what coal costs. We have figures relating to pay in bad times, and they show that we were making a loss of £100 a fortnight in some cases.

754. Is that recently?—Yes; during March and April.

755. Have you any account for landing coal at Greymouth?—10s. to 10s. 10d.: that would include everything.

756. Small coal, dross, and everything?—I know there is the impression that we got the dross for nothing.

757. *Mr. Guinness.*] As a matter of fact, you do not pay the miner for hewing it: nothing is paid to the miners for cutting small coal?—That is incorrect; for the cost is calculated on the round coal.

758. *Mr. O'Conor.*] Although you pay for the round coal, that is assessed over the whole of the coal of every class?—It is 4s. a ton for round coal, but it will average only 2s. 10d. all round.

759. What I want to know is, whether you are paying 2s. 10d. for round coal and 4s. over all?—4s. for round coal, and that averages 2s. 10d. all round.

760. *Mr. Hutchison.*] What is that 2s. 10d. for?—It includes slack and nut coal.

761. As I understand you, you say that for round coal you pay 4s., and that the payment for nuts and slack is included in that. The slack and nuts are given in?—They get no payment for hewing it. We pay for the trucking; their payment is included in the 4s.

762. *Mr. O'Connor.*] For cutting?—Yes.

763. Will you explain another charge before leaving the mine? You spoke of dead-work, trucking, and so forth?—It is all paid piecework. There are “headings” and “yardage,” which is paid for as narrow work. From 4s. to 10s. a yard is paid—it all depends on the nature of the work.

764. Does that include timbering?—No, it does not.

765. Timbering is also extra?—Yes; we have to find the timber and pay for setting it also.

766. You seem to object to give particulars, but I think we ought to know any disparity that may exist between mining here and in Newcastle. Do you know the particulars in which they differ?—I am not in a position to say; but suppose the trucking and timbering were the same for a New Zealand port, there would still be advantages in favour of Newcastle. They have much more uniform work. They have so many large sailing-vessels in their harbour which act as storage for them for some time. Our trade is confined to steamboats. Our work must, in the nature of things, be more irregular. Some twenty more miners must be kept on than there is occasion for. This circumstance also tends to reduce the average wages of the men.

767. Do you wish, notwithstanding that, to say that the irregularities here in New Zealand necessitate a higher rate of pay?—Yes; taking everything into account

768. Will that hold good for the other employés of the mine?—No, it does not; because artisans are on day-pay. They have constant work, wet or dry.

769. How constant work?—That you would discover if you were working your mine, as there are any amount of breakages to be made good. Blacksmiths, engine-drivers, winding-men, and others have to be employed about a mine, though it is idle.

770. *Mr. Feldwick.*] There used at one time to be a considerable number of sailing-vessels on that coast?—The rates have got so low that sailing-vessels cannot work the business. I have had sailing-vessels myself. I know that if they came now they must work at a loss. They cannot make it pay for short runs. You might run vessels to long distances advantageously.

771. *Mr. Hutchison.*] There is a clause in the Coal-mining Act which provides the manner in which the mines are to be worked?—Yes.

772. How many men have been employed in the Brunner Mine this year?—Part of the time we might have twenty men.

773. Have you worked the mine with unabated vigour and effect?—We have been constantly working it to a limited extent.

774. For how long?—We have not left off working it altogether. I cannot give you the exact figures. Some days there would be more output than others. We were doing at the rate of a thousand tons a day during the Newcastle strike from all the three mines. When the demand ceased we worked Coalpit Heath and Wallsend for a day or two and another day the Wallsend and Brunner combined, alternately, in that way. As the trade continued slack we left off the Brunner, except doing some work for development.

775. Can you give us the output for 1888?—Yes.

776. You are aware that your royalty would be £1,120?—Do you mean on the obligations of the present lease?

777. But if you are not working the mine, or not doing more than you are doing now, your rent would be £480?—I have not calculated it: if you say so I will take it that way—assuming that is correct.

778. At the rate you are now working you would only have to pay £480?—I suppose that would be so.

779. Do you consider, with reference to the Brunner Mine, that as to the employment of men working the mine to its full capacity and with full and unabated vigour has been carried out?—I do not consider that that clause has been complied with completely; but I do not say that it has been technically broken, for there is another clause that says “faults,” and so forth, are to be taken into account.

780. Do you say there is a fault?—Yes.

781. When was the fault discovered?—A year ago.

782. How long ago?—It was discovered probably about—say, three years ago.

783. It has not interfered with your output?—No; not in past years.

784. But you say it has this year interfered with the output?—Yes.

785. Necessarily?—Yes.

786. It has come to that point?—Yes. If we were to continue to work the mine to its full capacity there would likely be some accident, as at Newcastle: the roof perhaps would come in.

787. Has the Inspector seen the fault?—Yes.

788. He has had his attention directed to it?—Yes; and we have spent a lot of money on that fault.

789. You spoke of an arrangement with the Union Company?—Yes.

790. Do you know what the arrangement is with the Anchor Company?—No, I do not know.

791. Do any other steamers than the Union and Anchor Companies' boats trade with Greymouth?—No; I do not think that any others come there now.

792. What is coal selling for at Wanganui?—I do not know. I have no personal knowledge on the subject.

793. Who sells?—We sell coal to the Union Company. That is all I know about it.

794. *Mr. Feldwick.*] The Anchor Line?—The Anchor Line and the Union Company.

795. You told us you had an arrangement with the Union Company whereby you were bound to load their vessels?—We give them our carrying.

796. You said, if the Centennial Line came to Greymouth you would refuse coals to them if they were going to deliver them in New Zealand?—Yes.

797. How is it, then, that you give coals to the Anchor Line?—That is a stipulation between us. We reserved that at the time of making the arrangement. The Anchor Company had a special trade. We did not interfere with their boats in any way—in fact, we stipulated in their favour.

798. Have you had an intimation from the Union Company that you were not to load any but the Anchor Company's boats?—We have had no intimation; it is well understood between us. I do not think it is a cast-iron arrangement. We demand of them to find the steamers necessary to carry our coal. Even if we had no obligation with them it would be unfair to give our carrying to others so long as they keep steamers in readiness to do our work.

799. If the Westport Company were to send a steamer to Greymouth for coal you would not load her?—No, I would not under the present arrangement.

800. What is the freight to Wanganui?—To Wanganui the freight that we would pay would be 11s.

801. And the return-freight?—I do not know anything about return-freight.

802. Would you be surprised to hear that the price of coal is £1 19s. in Wanganui?—I would if it were £1 19s. for Greymouth coal.

803. Let us say £1 15s. for Greymouth coal?—I do not know that I would be surprised to hear that it was £1 15s. at the yard, when you consider the charges for carting, storage, and other costs to the retailer. I would deliver coal at the ship's side for £1 5s. a ton to any one that wants it.

804. Can you order the Union Steamship Company to do it?—We have no arrangements with them to prevent them doing that. I offered 80 tons the other day to a flax-miller at that price; or I would make a contract to deliver 1,000 tons at 100 tons a month. When a retailer pays for the wharfage and cartage, taking all risks of trade, he would not make over a fair profit at 35s.

805. *Mr. O'Connor.*] Your price would be £1 5s. a ton for face-coal?—I sell screen-coal at £1 5s. to £1 6s., and very glad to get it.

806. How could you do that: you are an opponent in the trade?—That is one of the secrets of the trade.

807. You said just now that coal would cost you 14s. at Greymouth; then there is 11s. freight to carry it to Wanganui. Are the Committee to infer that you would be selling this coal for the benefit of the public?—The true inference would be that I would have the small coal as profit. I can say that I am willing to sell my round coal at cost-price, and take the small coal for the profit.

Mr. Hutchison: I think Mr. Kennedy, if he would do what he says he can do, could make it very comfortable for Wanganui people—very comfortable indeed.

808. *Mr. Guinness.*] Can you fairly dispose of all your small coal?—Not at all times at remunerative prices.

809. At any price at all?—Since our trade was restricted our small coal is less proportionately. There is all summer months a sufficient demand for it.

810. A good deal of the small coal has been wasted?—Yes; washed into the river, a great deal of it—thousands of tons.

811. Suppose you turned it into coke?—We have not been able to get sufficient sale for coke. At one time, in order to get a sale for coke, I made a contract at Noumea. I had to buy a ship for the purpose of the contract; but the contract was cancelled, and the ship was thrown on to my hands, and after converting her into a steamer got wrecked, losing me £10,000.

812. *The Chairman.*] We have some evidence as to Port Pirie: would there not be some demand for Greymouth coke there?—The Ngakawau or Albion Company are building coke-ovens at Port Pirie themselves for the purpose of manufacturing coke there, instead of at Westport. They are depending upon finding a sale for it at the Broken Hills, or at the Port Pirie smelting-furnaces. I cannot say whether their coals are better than ours.

813. *Mr. Feldwick.*] Does the "dross" make coke?—Yes; it is mostly the dross that is used.

814. There is a proposal—is there not?—to bring the silver ore to Westport?—That proposal, if there be such, does not come from the owners of the ore. The ore is very fine. A lot of it was sent down to Adelaide for treatment, but they lost a considerable percentage of it through the chinks in the truck. A very costly plant is required for smelting the ore. I do not think they would be disposed to divide their works. Their managers are well paid, getting from £3,000 to £4,000 a year. They would not care to have two staffs. The ore is too valuable to send away.

815. *Mr. Hutchison.*] Will you tell the Committee what mortgages are on the Grey Valley Company?—Nil. No one has a mortgage on ours. That is all I know.

816. Or any advance?—The property has not been transferred to the company; it is really in the nature of bonds: instead of my having fifty thousand shares in the company I have fifty thousand bonds.

817. Can you tell me what the advance is?—Nil. No shares have been issued. Fifty thousand bonds are held, representing a proprietary interest. The Westport Coal Company has a hundred thousand bonds. Our company is not indebted to any one.

818. The Union Company—have they paid any one?—They bought half my interest, and paid me cash for it. That is all I know.

819. Are you at liberty to tell us what they gave you?—I do not think that is desirable. I am at liberty to tell you if I think fit, and if the Committee think it relevant. Included in my selling price is £6,000 I paid for new plant; that has gone into the business. We are indebted to no one except for the ordinary business overdraft. Sometimes we are in credit; sometimes it is on the other side. As to management, I will say that I am the Managing Director. The whole of the operations are left in my hands. Both the Union Company and the Westport Company leave it to me to carry on the business the best way I can. Whenever they deem it desirable to have control they could assume it, as they have the voting-power—they could cashier me any day; but, although there is the voting-power, they have not interfered with me. I have and do exercise as much control as when the mine was my own separate property.

820. *The Chairman.*] Since the amalgamation, then, you have carried on the business in a new form?—Yes.

821. Has it been profitable or otherwise?—It was fairly profitable during the Newcastle strike.

822. Has it been so over the whole time?—The last half-year is not made up yet. The first half-year was just sufficient, considering the amount of capital embarked; but the past half-year, so far as we can at present discover, has not been remunerative.

823. What is the amount of capital in the three interests, the Union Company, the Westport Company, and the other company?—The nominal capital of the Grey Valley Company is £200,000. The Westport Company's interest is taken at £100,000. I know they have it in their books at that. My interest was taken in as being of equal value. The machinery plants combined were taken in as of equal value. I do not say that was the selling-value; but these were the valuations at the time of amalgamation.

824. Is it not this way: the Union Company having made an advance to supply them with capital?—No; the Grey Valley Company are under no such obligation.

825. Mr. Joachim says so?—Mr. Joachim is connected with the Westport Coal Company; he acts merely as secretary to the Greymouth Valley Company. The transaction was this: The Union Company bought portion of our interests. As I have said, they bought half my interest absolutely for cash. Instead of them getting shares they got bonds. That is the correct way of putting it.

826. *Mr. O'Connor.*] I think the two statements reconcile—that made by Mr. Joachim and that made by the witness?—This is the correct version.

827. *Mr. Guinness.*] Will you tell us whether the Westport Company competes with the Grey Valley Company in selling coal in the markets of consumption?—Yes, they do, and very keenly too.

828. *The Chairman.*] Would you tell the Committee the nature of the bonds—whether they are payable with interest?—They have never been issued.

829. *Mr. Hutchison.*] It is a fiction?—It is a stern reality; it is done by deed.

THURSDAY, 18TH JULY, 1889.

Mr. H. A. GORDON, Inspector of Mines, examined.

830. *The Chairman.*] You hold the position of Inspecting Engineer in the Mines Department?—Yes.

831. You have had experience in connection with the coal mines in Westland?—Yes.

832. The object of this Committee is to inquire into the position of the coal leases, also the position of the coal industry. The Committee will be glad if you will give them what information you can in connection with that industry—the state of the leases, the manner in which the mines are worked, both in regard to the mines themselves and the men engaged in them, the haulage of coals, and any other matter you know of?—I do not know exactly about all the points upon which you want information; but if you will ask me for information upon any particular point I shall be glad to tell you what I know.

833. Perhaps it would be better, and you might rather desire it, to make a statement from which, probably, the Committee could learn in what direction they should put their questions to you?—Of the leases in the Westport district, the first I would mention is the Westport Company's lease, at Waimangaroa. It consists of 2,479 acres. The output from that last year was 130,000 tons. This company has two leases, one at Ngakawau, the other at Waimangaroa. Both these leases it was agreed should be amalgamated, on the condition that the output from one (the Waimangaroa) equalled the output that was to be taken from the two together. The output from the two together should be, according to the lease, 110,000 tons, and more than that quantity was put out last year; so that there is more than what they are entitled to put out in the leases together.

834. What is the quantity?—About 130,000 tons last year. Another lease has been taken up lately—the Ngakawau—by a Sydney company, and called the Ngakawau Coal Company.

835. What area do they hold?—3,118 acres.

836. Is not that the old Albion Company?—Yes; it is the old Albion Company and other ground together. The output, according to the terms of their lease, is 20,000 tons the third year, the fourth and fifth year 25,000 tons, the sixth and seventh year 30,000 tons, and the ninth year 50,000 tons.

837. *Mr. Hutchison.*] Perhaps the witness would tell us the deficiencies and the surpluses?—The remainder of the term (sixty-three years) 100,000 tons per annum—that is, from the tenth year upwards. This company's lease was only granted the first part of this year. They have spent a very considerable sum of money in laying down a railway from the mine to connect with the Government railway.

838. *The Chairman.*] What length of line?—I should think it would be about three-quarters of a mile, or something about that.

839. *Mr. Withy.*] Are there two Ngakawau mines?—That granted to the Westport Company is what is known as the Granity Creek Mine.

840. *The Chairman.*] With reference to the Ngakawau (late Albion) Company: first let me ask, do you remember the existence of the Albion Company?—Yes; I remember.

841. They spent a good deal of money there?—Yes; in prospecting for good coal.

842. They went so far as to buy a steamer, did they not?—I was not aware of that.

843. Are you aware that it came to grief and was ruined?—Yes.

844. In the endeavour to open the Ngakawau Mine?—Yes.

845. *Mr. Hutchison.*] In reference to this Waimangaroa and Ngakawau-Westport, indicated Nos. 15 and 10 on the map, you say they were to be worked together under an arrangement so far as output was concerned?—Yes, so far as output.

846. Can you tell when the arrangement was made?—I cannot exactly tell; eighteen months or two years ago; it is some time ago, at any rate.

847. *The Chairman.*] Do you know of the alleged fault in the Brunner Mine?—Yes.

848. That has been known for two or three years?—For much longer than that: seven or eight years.

849. Have you inspected there lately?—I have not been into it lately—at least not for about the last twelve months.

850. *Mr. Hutchison.*] It is suggested that the fact of the existence of a fault is a sufficient dispensation as to the conditions of output of the Brunner Mine?—I do not know that you could put it that way: the Brunner, the Coal-pit Heath, and the Wallsend are worked under one company.

851. We are aware of that, but we do not know at present that there is any arrangement of give and take. I want you to tell us whether this fault in the Brunner Mine is a sufficient excuse for dispensing with output?—No doubt it would be an excuse: I do not know that they have got equally as good a seam at the other side of the fault.

852. *Mr. Guinness.*] Do you not know that the fault was proved?—Yes; coal was got, but the coal was not there so good when it was first opened.

853. *Mr. Hutchison.*] But the quantity?—The quantity was there; but if you cannot get a marketable coal there is no use taking soft coal—coal that was not marketable.

854. Is it coal within the meaning of the lease?—No doubt about its being coal.

855. Is it sufficient to allow of an output of 45,000 tons?—Yes; there was a stipulation as to working provide for. That is the mine in which, I understand, the largest output is stipulated on any of the three leases—Brunner, Coal-pit Heath, Wallsend—twice as much as the Coal-pit Heath and three times as much as Wallsend.

856. *The Chairman.*] You are aware that in this lease there is allowance made if faults are discovered in the working of the mine?—Yes.

857. *Mr. Hutchison.*] When do you inspect these mines?—Generally once in the year.

858. Do you make a report?—Not as a rule on coal-mines.

859. Who does?—Mr. Binns.

860. You say that the Koronui is not worked as their existing lease?—No; it was transferred to the Union Company. The Union Company surrendered, and the Westport Company took up 490 acres of ground held originally by the Koronui.

861. The Koronui lease is no longer in existence; but you say that part of their ground has been taken up by the Westport Company?—Yes.

862. Are you speaking from definite knowledge about the surrender of the Koronui lease?—Yes.

863. The portion that is now leased to the Westport Company in conjunction with other leasehold (numbers 10, 15, and part of 14, as marked on the map): you say they are worked together, and the output over all is sufficient for two?—Yes.

864. *Mr. Feldwick.*] Have you got any information relating to the Mokihinui Mine that has not been spoken of at all?—There are three leases held at Mokihinui—one of 320 acres; that was granted in July, 1885. For the third year there was stipulated 20,000 tons; for the fourth year, 40,000 tons; and for the remainder, 50,000 tons. There has been but little output, and no real work done.

865. *Mr. Withy.*] That is now overdue?—Yes; but they got permission to keep back output pending the formation of the company. They have to get their output yet. Two years were allowed them: of that period there is about ten months to run before they must commence work.

866. Is there railway communication?—It is close to the railway constructed by the Mokihinui Company.

867. The railway would serve both leases?—This 320 acres, I understand, is now proposed to be surrendered, and application has been made for 1,470 acres adjoining, which is all to be put in one lease, to be worked under one company, called the Cardiff Coal Company.

868. *Mr. Feldwick.*] What about the other Mokihinui property?—The Mokihinui Company hold a lease of 160 acres, which was granted in July, 1885. There is a considerable amount of work done on that, but there is no real output from it. The stipulation was—for the third year, 2,000 tons; fourth year, 4,000 tons; and the remainder, 5,000 tons. The Mokihinui Company likewise hold 640 acres at Coal Creek. They have constructed a railway, which cost £25,000, from a point about a mile above the mouth of the Mokihinui River, where they have coal-staiths; it is about four and a half miles, or thereabouts, in length. There is but very little output from that mine. The lease was granted in June, 1888.

869. Is the Mokihinui navigable for large vessels?—No; it would be no good to a coal-mine, as coal could only be taken away with small vessels occasionally. There is generally about 9ft. of water on the bar at spring tides, but sometimes it is less.

870. Where would they go to?—To Westport; that is the only way it can be expected to dispose of a large output of coals from these mines.

871. Then, there would be a very long haulage?—About thirty miles.

872. Who are the shareholders: do you know if Mr. O'Connor is one?—Yes.

873. Is he managing director?—Yes.

874. *Mr. Hutchison.*] One lease is not complied with and the other has not matured?—One is the small lease; the output this year under the small lease would be 4,000 tons.

875. We had a plan here yesterday produced by Mr. Kennedy—it was almost the same as the official map here except for the large amount of amalgamation shown, and it would probably be some years old—can you inform us how so much amalgamation has been brought about?—The history of these coal-mines is this: The mine that Mr. Kennedy formerly held was the first mine taken up and worked: it passed through several hands until Mr. Kennedy became the owner of it.

Adjoining Mr. Kennedy, but lower down the river, the Coal-pit Heath Company took up ground and wrought it, taking out coal for many years. Then, there was the Greymouth Company on the south side of the river from the Coal-pit Heath shaft; they spent a considerable amount of money, and had to give up; the mine was sold. Finally, the Westport Company purchased the mine, and sunk a new shaft. Afterwards they amalgamated with the Coal-pit Heath and Mr. Kennedy, in order to work the mines all together. Although the output from each of the leases is kept separate, the conditions of the original leases were to be fulfilled and maintained. That was the condition upon which the amalgamation was allowed to be made.

876. Do you not think, in doing so, they are tending in the direction of monopoly?—My experience is, if you come to look at it this way, that no company in New Zealand can ever do any good for themselves in developing the coal industry unless they have a good extent of ground and considerable capital: it requires a very strong company to succeed: you want a large amount of ground to work. At the present time the coal output from all the mines is limited to a great extent to the local consumption. There is not sufficient depth of water on the bars of the harbours to get in vessels large enough to send coal away to compete, say, with Newcastle and foreign markets. Until that is done, it is limited to the consumption within the colony, and that limit has been reached.

877. *Mr. Withy.*] You are speaking of the two rivers—the Buller and the Grey?—Yes; they are the only rivers navigable to any extent. It would be of no use to insist on a large output at the present time, so long as sufficient is supplied for local consumption. The reason is that you could not possibly take it away. About 600,000 tons was taken out last year. If you were to double that or treble that you could not get a profitable market for it.

878. Then, these two rivers form, as it were, the “neck of the bottle;” if you widen the neck of the bottle you could get more out; and the question is the draught of water at these two places?—Yes.

879. Speaking about this amalgamation, are you of opinion that any parties who have surrendered their leases to companies have made a good thing by doing it—men who have secured leases from the Crown and held them, making very little expenditure upon them and perhaps fallen into arrears with their rent, then surrendering to the company to the advantage of themselves?—Well, I could not exactly say.

880. Doing that for the purpose of speculation?—The department has done everything it could to guard against any speculation of that kind. A good amount of speculation of that kind was formerly done by people taking up leases without a solitary sixpence; also taking out prospecting licenses, and holding on from year to year to make money. I believe there are some who have made money by doing that.

881. *Mr. Feldwick.*] Like what they are doing now with the tin discoveries at Stewart Island?—Something like that. The department will not allow any more prospecting licenses to be issued.

882. *Mr. Withy.*] You say that every care is taken to prevent speculation of that kind?—Yes; but at first these licenses were allowed to be taken out. Once the party got a license after the ordinary term he made an application to get it renewed. The thing at that time was not looked very closely into, nor for some time after; but latterly the department has put a stop to that.

883. Are there any of these licenses still in existence?—I am not aware.

884. *Mr. O'Connor.*] At Collingwood, Mr. Gordon?—I believe there is one at Collingwood.

885. *Mr. Withy.*] Do you say there is one of those leases in existence, held by a person who has not the means of developing the lease, but still holding the property?—I am not sure whether Messrs. Kerr and Adams do not hold under prospecting license. As far as Collingwood is concerned, there is no real harbour there to take out coals; it is only small vessels that can get in there.

886. There is no real harbour?—No real harbour. You go up Golden Bay, then enter the inlet; there is very little water.

887. You look on it that Collingwood is never likely to become a leading coal-mining district without a coal-shipping harbour can be made there?—No.

888. *Mr. Guinness.*] When was the last time you inspected the Brunner Coal-mine officially?—Over twelve months ago.

889. Cannot you give us the month?—I cannot give you the month.

890. Was it when the mine was in full working-order?—Yes; it was before the amalgamation.

891. That was before last session?—Yes.

892. Before the 10th of May last year?—Yes.

893. Did you ever inspect the Wallsend Mine?—Yes.

894. When was the last time?—It was about that same time.

895. Were you down through all the workings?—Yes; I was down through all the workings.

896. Do you see on the plan 150 acres freehold in the Wallsend lease?—Yes.

897. Can you tell the Committee what coal they were working when you went down the mine?—Yes.

898. Was it the freehold or the leasehold they were working?—They were working partly both: I could tell exactly when underground whether it was the leasehold or the freehold, but, judging from the distance, I should say part of it was leasehold and part freehold.

899. Have you a map in your office of the workings, or can you furnish the information to the Committee?—I cannot furnish it, because the Mines Act says that we must not give such information to any person.

900. *Mr. O'Connor.*] With regard to the workings?—With regard to the workings: but at the present time most of the plans have been sent to Mr. Binns to get the workings put on, so that we have only a portion of the plans in the office.

901. Are you aware whether the coal-seam under the Grey River, along the boundary of the

Wallsend lease, is being worked by the Wallsend Company?—Not at the time when I was down last: they were not working close to the river: it must have been some distance away; but I could not tell exactly, without seeing the survey, whether they were close to the river or not.

902. I want to know whether the department have given the Wallsend Company any right to take coal from under the river?—No right: there was no coal being worked under the river, as far as I know, when I was down there last, but I could not tell this without seeing a plan of the workings; there was a stone-drive under the river to connect.

903. What is the depth of shaft?—It is 650ft. below the surface.

904. *Mr. Hutchison.*] To give all the information the Committee want, would you have to get it from your office?—I could not produce the plans of workings.

905. Could we have them here suppose they were required?—No; they are not all in Wellington; they have been sent to Mr. Binns to put on the workings.

906. *Mr. O'Connor.*] Can you give us the section of the Act under which you say you cannot give them to a Parliamentary Committee?—That is not specified.

907. *Mr. Guinness.*] Will you be good enough to show us the section?—I beg your pardon; I am wrong: the section I had in my mind was the 41st section, subsection (1). I am in error about that: it relates to officers furnishing drawings, plans, tracings, &c., without the consent of the Minister.

908. *Mr. O'Connor.*] I wish to ask you now to describe for us the state of the coal-mine industry at Westport?—I have just done so.

909. Have you explained to the Committee the position of the coal-mining industry when the output of coal first commenced?—Not exactly when coal was first found in the Westport district; there was no railway or anything else of the kind there then; but after the railway was made to Waimangaroa the company had to connect with it, and to make an incline before there could be any output.

910. Were there not two companies?—Three—the Wellington, the Koronui, and the Westport Companies.

911. There were three companies at first starting?—Yes.

912. What became of them afterwards?—The Wellington Company is defunct; the coal was not marketable; it got too soft.

913. What was the quality?—It was good enough, but it was too soft for marketable purposes.

914. Was it like the coal now worked at Ngakawau?—I think the coal at Ngakawau is better than what the Wellington Company was working.

915. Are you sure of that, Mr. Gordon?—They had a fair coal at first, but the coal got so very soft they could not find a market for it. There is plenty of coal at Ngakawau, but it is so soft that it will be difficult to get a market for it unless they convert it into coke.

916. On that point: you are not aware how many coke-ovens there were?—No.

917. Do you know what has become of them?—I think they are demolished.

918. Well, the Wellington ceased working: what have you to say about the Koronui?—The Koronui Company, after spending a considerable amount of money, and constructing a tramway for nearly three miles to connect with the railway, they found that it would not pay. It was bought, I think, by Captain Williams or some one else in Wellington, and afterwards transferred to the Union Steamship Company. The Union Company surrendered the lease.

919. Stopped working?—Yes.

920. Was there any coal there when they stopped working?—Of course there was coal.

921. Is it of inferior quality?—No; but it is difficult to get it down: the cost of transit to bring it to the railway is considerable. Indeed, it would require a man's capital to be very large to be able to work that part of the field.

922. Why so, Mr. Gordon?—A railway or decent tramway would have to be constructed. The coal could never be brought by the same tramway that was constructed to the Koronui mine cheaply to market; and what is wanted is a cheap way of conveyance.

923. Is the haulage up-hill?—It is down-hill; but there are different grades all the way down. The Koronui would be over 2,000ft. over the railway-line.

924. What is the distance from the foot of the hill to where the railway is started?—Nearly three miles.

925. An ascending grade?—Yes.

926. Is there any greater difficulty in working that coal than the coal found on the other side, which is now being worked by the Westport Company?—It would work out more expensively, and that means more capital to get to work on the back-country. The Westport Company has about three-quarters of a mile of tramway.

927. Have they cut into the coal, and carried through what coal is to be got up to the Coalbrookdale?—After they get to the top of the hill the line goes through the coal measures to the Coalbrookdale.

928. What distance is it from the incline?—About two miles from the top of the incline.

929. What height?—About 1,800ft.

930. What distance is it to Coalbrookdale?—Two miles.

931. How much of that is through coal working?—At least a mile and a half.

932. One would infer from what you say that it is a source of economy that they are able to run underground that distance?—It enables them to get coal at the head and put it on the lower level. It entails a great deal of expense to get haulage.

933. Would it not be better if it were made on more equal grades?—I think it would be. What I mean to infer is this: that it is purely a question of capital to open up all these mines. A company to go and open up the Koronui Mine would require a large output to pay for the outlay. Then, while the harbour is not improved the outlay is not warranted, because they cannot get the output away.

934. I ask you whether the Koronui could not be worked as economically as the Westport Mine?—It could be worked as economically once the outlay is made.

935. As a matter of fact, was not the outlay made and the mine working?—It was working, but not at a profit to the proprietors.

936. Do you know that for a fact?—The company failed over it.

937. Is it not a fact that the Koronui coal could be more cheaply brought out than that from the Westport?—I do not know what was the cost for bringing out either.

938. Are you not aware that there was a large amount of rock-work in the Westport?—Yes.

939. That involves extra cost?—Yes.

940. Are you aware of any rock-work in the Koronui? Do they not come on the face of the coal there without any rock-work?—Yes; but I say that the present way they have of taking the coal out from the mine would never pay any company to work the mine in that form.

941. You seem to agree that the descent is shorter; that the grades are not so difficult—they are all descending grades—and that the coal works easier: how, then, can you make the cost of getting coals out of this mine greater than that of Westport?—Descending grades are not always easier than ascending grades; the haulage may yet be very considerable, and the wear-and-tear on a descending grade is often very heavy.

942. Are the leases held by the Westport Colliery Company all on these maps that are held up here in the room?—490 acres of the Koronui was added.

943. That has been given up?—No; there is 490 acres of the original lease that now belongs to the Westport Company.

944. *The Chairman.*] That has never been surrendered?—It was surrendered, but the ground was taken up under a fresh lease.

945. *Mr. O'Connor.*] The Westport Company have acquired the Koronui surrendered lease?—No; they never had the lease; it belonged to the Union Company.

946. Are you not aware that the Westport Company bought out the Union Company?—I cannot tell.

947. Were they working together?—I cannot tell.

948. The coal-bearing portion has been transferred to the Westport Colliery Company, and retransferred?—No; not transferred. The rent was paid and the lease surrendered by the Union Company. When it was surrendered they got a new lease.

949. Did they not get the railway constructed to the foot of the hill?—No; I cannot tell.

950. Was it not removed and all the plant?—I cannot tell.

951. Does that represent all the property the Union Company has got?—No.

952. There is an application for the Waimangaroa lease?—There is an application from Haseldean and others.

953. I want you to state if the plan is correct in showing that the Westport Company has all the coal in the neighbourhood of Waimangaroa?—They have not.

954. What have they not?—There are outcrops in all these leases.

955. Is there a lease to Haseldean and Company for Waimangaroa?—The lease has been granted, but not issued.

956. What is the next lease the Westport Company hold?—They hold a lease of 2,900 acres.

957. Nothing has been done to develop that lease?—Nothing; but there is a provision in the new lease that these two properties, so long as the specified output from these two properties is made, although from one, that will be allowed.

958. Though the mines that run from Waimangaroa and Ngakawau would remain unauthorised until some portion of this coalfield is opened?—The Ngakawau Company have connected their mine with the Government railway.

959. Is not that what you describe as a useless coal?—It is a soft coal; but they intend to convert it into coke.

960. Do you not know that it is lying vertically?—Some of it is lying nearly vertically, or at least at a high inclination.

961. I would like to ask you a few questions about Collingwood. You stated that there was no harbour at Collingwood: are you not aware that by an extension of the wharf to the opposite side, or if a wharf were put there, would there not be deep water?—You must go a considerable distance before you could get a wharf.

962. Has the Mines Department the power of granting leases for that portion of the country?—It cannot actually grant leases. This is done by the Land Board under the Coal Mines Act, which brings them under the Minister; but he had nothing to do with it before the Coal Mines Act of 1886.

963. The Westland and Nelson Board can grant leases?—The Minister can refuse to recognise them.

964. But you have no right to grant leases there: that lies with the Nelson Board?—The Minister can refuse them; it goes through the Nelson Land Board. The assent of the Minister to the lease is required.

965. Do you know that large areas have been held at Collingwood without any money being expended or work done?—Yes.

966. Why is that allowed?—I cannot answer the question.

967. *Mr. Feldwick.*] I suppose the Westland and Nelson Boards are responsible for that?—I cannot say.

968. Do you know, Mr. Gordon, if the attention of the department has ever been called to the negligent misdoing of Nelson in this respect?—Never; I think attention has been called to it on the Buller Coalfield, which resulted in its being stopped there.

FRIDAY, 19TH JULY, 1889.

GEORGE SMITH examined.

969. *The Chairman.*] What is your name?—George Smith.

970. Where are you from?—From Denniston.

971. You represent the Denniston Miners' Association?—Yes; in the Westport District.

972. How long have you been in the district?—I have been eight years in the employ of the Westport Coal Company, but not continuously.

973. Following what occupation?—Coal-miner.

974. Has the output of coal since you went there been much increased?—Oh, yes; very greatly increased. When I went first to work there 20 trucks a day—20 trucks, of 6 tons each—lowered down the incline would be called big running; now they lower 120 trucks for a day's work.

975. Has there been much improvement made in the opening-up of mines?—Yes. When I went to Denniston they were making a road through the small to the head seam, varying from 14ft. to 16ft. It was the intention to cut through to get to the Coalbrookdale lease. They had to drive through. They were only working the small seam. Since I left they have had a lot of difficulties to get through.

976. Have improvements been made in the haulage?—Yes. At that time they used to draw the coal out of the mines by means of horses. A few years afterwards they put on an endless chain: that was an improvement on the horses. Two or three years ago they dispensed with that; and now they have an endless rope: that is a very great improvement. Now they have a very good haulage system.

977. Have the improvements made lessened the cost of coal?—Yes; it must have done so.

978. What number of miners were at work when you went there first?—Between forty and fifty men engaged in the mine hewing coal alone.

979. What number of men are engaged now in hewing coal?—I should say there are 250; from that to 280.

980. What men are engaged as artisans in connection with the mines?—About 360 men, all told, at Denniston Hill alone.

981. Have they any engaged at the port of shipment?—I could not say. That is on the present works of the Denniston coal-mines.

982. Are they pretty regularly engaged?—No; this last nine or ten months they have been working only from seven to eight days a fortnight.

983. When the Newcastle strike took place, the number of men was increased?—Yes, by about 100 or 150 men. They put on two shifts when the strike took place. They expected an increase in the demand for Westport coal.

984. Did that increase occur?—It did not occur to the extent they expected. They expected to keep the mine fully employed, whereas the men have only been employed from seven to eight days in the fortnight.

985. Supposing there was sufficient demand for coal to require the men to work six days in the week, would they do it?—Decidedly; but at the present time they could not work six days a week. They could, at most, only work eleven days in the fortnight; they could not work twelve days in the fortnight. You will understand there are two shifts. The back shift does not work on Saturday. The front and back shift change time and time about; so that, even suppose the men are working full time, they could only make, at most, eleven days in the fortnight.

986. We have been told that the men prefer to have two days to themselves.—I have been a miner since I was fourteen years old, and my experience is that most men would be willing to work full time if they could get it to do. There is only one place that I know of where there is a day taken. In Newcastle every second Saturday is an idle day. We have not entered upon that system here.

987. But you say they would be willing to work the full time if the work were offered to them?—The work in the mine is very hard work. A man up in years may get rather tired, or tire himself, and he might take a Saturday to himself; but that would happen only now and then; that would not happen every week, and would only happen with men well up in years. I know that in the Denniston district there is no wish to be idle.

988. Is that the general feeling up there?—It has been. The place has become more settled; men are beginning to build homes. Until recently they did not care about building homes, for they did not care about settling in the place.

989. Is it a cause of discontent that they cannot get land to build on?—No; the place itself had as much to do with it as anything else; but bad work, or, rather, want of employment, would make the feeling more intense.

990. But there is no difficulty about getting facilities in the shape of land to build houses on?—There is some discontent just now about the price of leases of building sections in Denniston.

991. What, as regards price: are there any sections to be sold?—Yes; there are some sections to be sold.

992. Government sections?—Yes; it is being surveyed for the Denniston Township.

993. *Mr. Guinness.*] Leasehold or freehold?—Freehold.

994. *The Chairman.*] What is the upset price of these sections?—I could not exactly tell; I have not built myself; but men who have built on the sections are discontented. The survey has been made since they bought and went down and settled there.

995. Has the work of the mines been much retarded by insufficiency of trucks?—Yes; at first—that is, years ago, but not latterly. Then there used to be a demand for coal, and they had not a sufficient number of trucks to supply the boats visiting the harbour.

996. Let me explain to you the object of this Committee. It is to learn from evidence the present state of the coal industry on the West Coast, or anything bearing upon its progress, or

anything that would be likely to facilitate its further development : so that any information you can give to the Committee in that respect we shall be glad to receive?—I would be better prepared if I had had any warning that I had to come before this Committee : but it was settled that any questions I would answer would be from the miners' standpoint.

997. *Mr. Feldwick.*] Do you know the Koronui lease?—Yes.

998. Can you tell the Committee why the working of that lease was abandoned?—There were rumours prevalent that it would not pay. I do not know whether that is true. I have also heard that the Westport Company can work a good portion of the Koronui lease from their present mine.

999. You are aware that the tramway was taken up?—Yes.

1000. Where was the tramway transferred to?—I think the Westport Company got the rails and machinery.

1001. If that mine was being worked, would there be a larger number of men employed?—Yes ; if the work was being carried out.

1002. Then, you think the amalgamation of the mines reduced the number of men?—The manager says that if the mine were working there would be a corresponding less number of men employed on the Denniston Hill.

1003. *Mr. Fish.*] You have no personal knowledge that that is so?—No.

1004. Except that if they could sell more coal it would be better for the men?—Yes ; but the company can at present supply the demand from the mine now in operation.

1005. *Mr. Withy.*] When they took the railway from the Koronui Mine, was it because there was not any longer a good approach?—It was the only approach they had from the railway. They could lower a good number of tons on the incline, but they considered the expense of working back over the top of the hill to the dip-coal was too much ; they had to work over the hill and bring the coal down again.

1006. Are they at the present time tapping that coal from below?—No, not at present ; the two leases are very close to one another. At present they are working on the Denniston Hill ; the workings are round by the back, on a lower level than the top of the Koronui was. If they worked the Koronui from Denniston they could work at a lower level.

1007. By going in a new way?—On the other side.

1008. Does that appear to be a reasonable contention on the part of the owners?—I do not know that it is a contention : it is only a rumour. When the Koronui stopped there was a meeting to protest against the closing up of the mine, for they considered that the Westport Company, according to the conditions of the lease, should keep the Koronui open.

1009. Were any conditions offered by the mine manager?—Not that I am aware of.

1010. Had the men who were working there to move to other places?—Some came to Denniston and some went to other places.

1011. Was it, in your opinion, desirable to leave?—I could not say.

1012. *Mr. Guinness.*] Do you know whether, when the Westport Company bought the Koronui Mine, they did not surrender the lease, and get a new lease?—I could not say whether they surrendered the lease, but I believe that recently they got an extension of their present lease in the direction of the Koronui lease.

1013. *Mr. Feldwick.*] It has been said that 500 men are or have been lately employed in the Westport mines?—No ; 150 less than that number.

1014. How many in the Coalbrookdale?—It is not opened up yet.

1015. It is a portion of the Westport Company's lease?—Yes.

1016. How many men are employed?—360.

1017. Actual miners?—No ; these are all employed in and about the mines.

1018. How many miners?—About 250 to 280.

1019. Is it true that the Granity Creek and the Westport join?—No, they do not.

1020. Then, the Granity Creek cannot be worked from the present workings?—No ; but they have made the survey to work Granity Creek.

1021. What is the distance between the two leases?—Six or seven miles.

1022. *Mr. Guinness.*] There is only one mine at work in Westport, although you speak of two — the Denniston and Coalbrookdale?—There is no Coalbrookdale.

1023. What do you call it?—We call the mine the Denniston Mine belonging to the Westport Company. The Coalbrookdale is only a portion of the present mine ; it is a portion of the present lease they are working : it is what we call a section : there is a tramway being made.

1024. *Mr. Fish.*] Then, what is called the Coalbrookdale and the other mine are practically one?—Yes.

1025. And so if they are working one they are working the other?—Yes ; but there is a difference in the thickness of the seam ; there is a Banbury seam—the Coalbrookdale seam.

1026. *Mr. Guinness.*] But from the mine it all comes through one tunnel?—Yes.

1027. *Mr. Feldwick.*] Are you acquainted with the rates of wages at Westport and at Newcastle?—I have worked at both places. There is very little difference in the wages paid to the coal-hewers. There is a difference in the wages of day-men in Newcastle and that paid to day-men by the Westport Company.

1028. What is the difference?—Day-men get 10s., whereas in New South Wales the rate is 7s. and 8s. for men working outside in connection with coal-mines.

1029. *Mr. Fish.*] But the cost of living is dearer at Westport?—Oh, yes ; but the rate of wages is somewhere about equal for coal-miners. In some parts of Newcastle district they are paid more than in Westport and other places. The district rate in Newcastle is 4s. 2d. There is a difference in the work in some places, which makes the difference in the rate of wages. In some places where the coal is harder to get they get more than where the coal is easy to get.

1030. What is the rate for hewing coal with you?—2s. 10d. gross weight.

1031. For round coal?—No; that is just as you get it. They were getting 3s. 10d. for screened coal, but we found that did not pay us, and we went back to 2s. 10d. gross weight.

1032. What would the cost of the coal be at the pit-mouth?—I could not form an estimate; there is a lot of things to take into consideration—cost of haulage, trucking timbering to keep the roof up, the cost of men to lay the roads.

1033. You would consider that outside your function?—I have no means of getting at it.

1034. Would the statement be correct that it was 11s. to be put on board ship?—I have heard that it is 11s.

1035. Do you know what they charge at Denniston for coal?—I could not say; the miners get it for nothing, and they are nearly all miners there; there are a few publicans and storekeepers. I think they pay 12s. for it, but I am not sure.

1036. *Mr. Guinness.*] As to the method in which this mine is worked, have you anything to say to that?—No; I have nothing to say against the method in which it is worked.

1037. With regard to the machinery, is there proper supervision and inspection?—I think so.

1038. Every precaution is taken with respect to the lives of the men?—Yes; specially in the mine. I do not know for outside of the mine: In the mine I know there is every care taken.

1039. With regard to ventilation?—Yes; we have liberty to appoint two of our number to go round and inspect the mine every month. The ventilation of a mine might be right to-day but bad a month hence. We have had occasion sometimes to grumble, but every time the matter was explained to our satisfaction. The reports vary; sometimes it is bad in certain sections. The manager knows that.

1040. *Mr. Withy.*] Is there anything that affects the working of the whole mine—any hindrance to the proper development of it?—I know of no hindrance; but I would not like to see one company working all the leases in the district. That would go against the working-man.

1041. Do not the Westport Company hold the lease on certain conditions?—I do not know what the conditions are; but I think they should open the Granity Creek lease. If the mines are worked by one company, and a man is discharged from one mine, he will be discharged from employment altogether. It would be better if these leases were opened by separate companies.

1042. *Mr. Feldwick.*] Would this railway from the Westport coal leases join the Granity Creek?—There is a branch line on the Waimangaroa River by which the present mine is worked.

1043. The Government line extends to the Ngakawau River?—Yes.

1044. The Ngakawau River section of the Government line is comparatively little used?—It has been closed until recently. They have continued the line to the Ngakawau River. Until six months ago the terminus was a mile and a half from the river. Since the Ngakawau started the line is extended to their works.

1045. Is the Ngakawau a private company?—Yes.

1046. That makes two separate companies?—Yes.

1047. Then, there is the Mokihinui?—That is just opening up: the line has not been extended to there.

1048. The only line the Westport Company have been using for all the traffic is that to Waimangaroa, the nine miles beyond that is partly lying useless?—Yes.

1049. It passes the Granity Creek lease, which the Westport Company hold?—Yes.

1050. Another seven miles would take it to Mokihinui: so that the building of that line would bring in another separate company?—Yes.

1051. Do you know the Mokihinui Mine?—No; I have not been in it.

1052. Is the quality of the coal good?—Yes; the quality is very good.

GEORGE ALFRED ANSELL examined.

1053. *The Chairman.*] You come from Greymouth?—Yes.

1054. Have you any official position in connection with the coal trade?—I am Chairman of the Grey Valley Miners' Association.

1055. Where are your head-quarters: near Greymouth?—At Brunnerton.

1056. At the mines?—Yes.

1057. You are intimately acquainted with the mines at present in work, and which have been at work there for a number of years?—I have been employed there for the past five or six years.

1058. Is it your business to go down the mines at present?—Unfortunately I have been "off" with a broken leg until lately. I have been unable to work again only for the last six or eight months.

1059. The Committee have been informed that of the three mines in your locality the Coal-pit Heath and the Wallsend are working about equal time; but there is the Tyneside Mine, is that under the Grey Valley Company?—Yes.

1060. Are you aware that there is a connection between the two mines—the Coal-pit Heath and the Wallsend—under the river?—There can be no connection between one side of the river and the other at the present time; it would take some months before any communication could be made.

1061. Are they working under the river?—Yes; there are workings under the river at the present time.

1062. Can you tell us what basis you have for that statement?—The basis is a colliery explosion that occurred some time ago. I examined the mine, and they found that a tunnel was extended under the river-bed in the direction of Taylorville. Coal-pit Heath is on the Taylorville side; the Wallsend is on the other side. From my own experience, knowing the position of the shaft, I am aware that a tunnel extends under there.

1063. Being driven for the purpose of accommodation?—I cannot say that it has been driven for the purpose of accommodation. As a practical miner, I should think they were endeavouring to get

out coal from the field at the back of the fault on the Coal-pit Heath side to bring it back to the Wallsend side.

1064. You say there is coal there under the river?—Yes.

1065. What is the thickness of the seam there?—About 18ft. ; it varies a good deal. You might get 18ft. at a particular place, and near it only 16ft. ; but, to speak within bounds, I might say it is from 14ft. to 18ft.

1066. We have been told that practically the Brunner Mine is closed?—Virtually stopped.

1067. Do you know anything of the fault that is alleged to have been found there?—Yes ; I am aware of two faults ; one has been passed through and the coal worked beyond it.

1068. When was that fault first discovered?—That was nine or ten years ago ; that was passed through. The whole of the coal to the rise has been worked between the two faults, and the pillars left in. As to the other fault, there has been a good bit of money spent in driving to get the coal on the other side of the fault. Bore-holes were put down to discover the coal, but they have not discovered it yet.

1069. Is there coal workable in the Brunner Mine at present?—Yes.

1070. To what extent?—Not having taken actual measurement I cannot tell you exactly, but I think there is enough coal there to employ a large number of men for the next two years.

1071. For the whole of last year the output was 54,000 tons : is it capable to that extent for the next two years?—Yes ; double that if required.

1072. The output requisite to comply with the Act is 45,000 tons?—Yes ; that is the compulsory output.

1073. You say it is capable of putting out double the quantity?—Yes ; double for the next two years. I may here state that the manager is prepared to put on eleven pair of men in that mine as soon as he can get it in working-order. They stopped in March last for the purpose of a new rope. It has not been worked since, but the manager has promised that the men might go into the mine and work, if they thought proper, at a reduction of $12\frac{1}{2}$ per cent. on wages.

1074. Why was that intimation made?—The men were in a state of starvation : so many men being out of work that the opinion was they had no power to resist the reduction of wages.

1075. But you say the means of working the mine are there?—Yes ; the machinery is there, and ready on the ground for the getting coal out.

1076. The men have not gone to work, have they?—I cannot say ; but I have seen in a Wanganui paper that the manager has agreed to pay the proper rate of wages.

1077. *Mr. Guinness.*] Since this Committee started?—Since this Committee started.

1078. *Mr. Withy.*] Would they be able to sell the coal if they got it?—I cannot see anything to hinder them selling it.

1079. The local price : is it higher?—Yes ; it is higher. I can give you the local prices : to the Greymouth Gas Company, in the month of July last before the amalgamation, the price was 8s. 6d. a ton for nuts, 12s. 6d. for round coal, and 6s. for slack.

1080. What is it now?—After the amalgamation the price was raised to 11s. for nuts, 14s. for round coal, and 7s. 6d. for slack : these are figures supplied from the gas company.

1081. They have continued the same since?—Yes ; I got this list of prices on Monday morning last.

1082. *Mr. Feldwick.*] Do you know what it is in other places—Wanganui for instance?—Yes ; having heard that the price of coal had gone up, I made it my business to make inquiries at Wanganui. The gasworks there, previous to July, under their old contract, paid 20s. 6d. a ton : the new contract coming in it is 28s.—this is the contract coming into force in July—that is an advance of 7s. 6d. a ton. I made inquiry at the Wanganui Brass Foundry and Engineering Works, and found that in 1887 they paid—for round coal 22s., nuts and slack 14s., and for coke 53s. a ton—terms, three months. In 1889 the price was for round coal and nuts combined 30s. a ton, and the coke, which was sold formerly at 53s. a ton, was charged 60s. a ton—terms, cash.

1083. Have you any other ports you can speak of?—I cannot tell you : if I had known I was coming here to give evidence I would have come better prepared, but the owner of the foundry told me that he could get coke from Newcastle for 5s. less than he got it from Greymouth.

1084. Is it raised at Brunnerton?—5s. for nuts was charged previous to the amalgamation : it is 7s. 6d. at the present time.

1085. For round coal?—That is very little used at Brunnerton.

1086. Has the decrease in the output of coal been due to the increase of wages?—Not the least ; in point of fact, there has been a reduction of wages. There has been a reduction in the price of yardage, at the Brunner Mine. Any price paid in addition to the price for hewing does not come from yardage. In fact, there is no yardage paid at the present time. There has been no reduction in regard to yardage at other places. The yardage in other places is still the same ; but not so much allowance for bad working as previously.

1086a. Simultaneously with this reduction, is it the fact that the company have acquired a better and cheaper means of haulage?—So far as the means of haulage is concerned, there is very little difference. The endless rope was in operation at the Brunner.

1087. Have many more men been employed?—No.

1088. Are their profits the same?—I cannot say. They have raised their prices.

1089. Can you speak as to the difference of the number of men employed?—Yes ; the number of men coal-hewing in the Brunner Mine in July, 1888, before the amalgamation, was 93 ; Coal-pit Heath, 56 ; Wallsend, 69. With regard to the Tyneside, the former owner refused to give me a correct return. Proximately, I put it at 20. Total, 238 men employed mining coal. At the present time the number is—Brunner, none ; Tyneside, none ; Coal-pit Heath, 76 ; Wallsend, 79 : total at all the mines, 155. The difference therefore in the number of men employed in hewing is 83. To this you must add one-third (28) for off labour, making a less number of men employed 111.

1090. Has the increase in the price of coal anything to do with it?—The increase of price has caused the trade to fall away. Hence there is no demand for coal, and, there being no demand for coal, there is no demand for miners.

1091. *Mr. Withy.*] Do you think the falling-off is not due to the ending of the strike at Newcastle?—I take it, with regard to the Newcastle coal, that the Union Company having the control of these two companies, it pays them better, as carriers, to bring the coals from Newcastle than to work the mines here.

1092. Was a greater number of men put on when the strike occurred?—This was before the strike occurred.

1093. *Mr. Guinness.*] The strike did not terminate until November?—No.

1094. *Mr. Feldwick.*] Is the effect of raising the price of New Zealand coal an encouragement of the Newcastle mines?—Yes; a direct encouragement.

1095. Do you believe it has that effect?—Yes.

1093. Can you give the total number of men employed on the coalfield?—I think, about 230 (approximate).

1097. How many men absolutely at work?—About sixty men out of work.

1098. How many days in the week do the men get to work?—For the last six weeks the men have been employed nearly full-time; previous to that they made about three days and a half.

1099. What is the earnings?—For the last six months the average has been £1 17s. 6d. a week.

1100. Do you know what has been the loss of wages through shortness of work?—The loss to the district has been £7,232 8s. for the six months, compared with six months of 1888.

1101. Have you any idea what has been the loss to the railway?—£2,400, compared with the corresponding six months of 1888.

1102. And royalty?—The decrease of royalty has been £602 12s.

1103. That is due to decrease of output?—Yes.

1104. Can you state the decrease of output for the corresponding period of 1889, as compared with 1888?—24,108 tons. The total output of the quarter ending March, 1888, was 35,361 tons; for the quarter ending June, 1888, 41,493 tons: total for the half-year, 76,854 tons. For the quarter ending March, 1889, 19,692 tons; for the quarter ending June of the current year it was 33,054 tons: total for the first six months of this year, 52,746 tons, showing a deficiency of 24,108 tons.

1105. You are aware that leases have been allowed to be largely amalgamated?—Yes.

1106. What effect has that on the prices of coal?—To enhance the price, as is proved by the above statement. You will see that plainly if you look at the prices in August, immediately after the amalgamation of the leases.

1107. The amalgamation: has it been detrimental to the miners?—A very serious detriment to the miners; owing to the decrease of the mine output, there has been a decrease of wages. When a working community loses between £7,000 and £8,000 in wages alone it is a very serious thing for them and for the district. You could not obtain houses there before the amalgamation; now, houses that cost £100 for building you could get for £40.

1108. Has the price for getting coal been reduced?—We offered on Saturday night to work the coal for 2s. 10d. all round, but the manager offered us 2s. 2d. to go into the mine and fill away altogether.

1109. What is the comparison with Newcastle?—Threepence a ton more than is paid in the Grey Valley; the average price there is 4s. 3d. for round coal.

1110. What do you think is the cost of raising coal to the pit's-mouth at Greymouth?—It should be put into the trucks, timber and everything included, at 6s. a ton.

1111. Do you know what it is done for at Newcastle?—I have not had any means of ascertaining. I did not know of my coming here until Saturday night.

1112. Do you know what the charge is by railway?—2s.

1113. *The Chairman.*] To Greymouth?—Yes; that would make it 8s. to the steamer. To this must be added royalty and wharf charges.

1114. Do you know whether they could be put in on the Westport side at that price?—I am not acquainted with the Westport side.

1115. *Mr. Feldwick.*] What is the tenure upon which the miners hold the land on which they live?—Under the Westport Company's freehold—the front sections. Of later date the sections let (£2 10s. annual rental) are not of corresponding size; these are back sections: the front sections were taken up long before. I think Mr. Kennedy got some concessions.

1116. *The Chairman.*] Is there any dissatisfaction among the miners?—There is some discontent, men having houses, and no demand for them; houses cannot be picked up and shifted. I might be allowed to state that, in addition to the men employed at the present time, we have paid the passages of a large number of men—that was in December and January last. We sent them away to relieve the surplus labour in the market.

1117. Will you state the number of men?—Twenty-nine.

1118. With their families?—Yes.

1119. How many souls altogether?—I could not say how many souls. We did not pay the expenses of the men's families, only for the men; we sent away the twenty-nine men at a cost of £137 3s.

1120. Did the Denniston miners do the same?—I cannot answer for that.

1121. Are these men likely to be brought back again?—One or two have returned with the expectation of the Midland Railway commencing.

1122. *Mr. Guinness.*] You say you have been in the Wallsend Mine, and seen the works?—Yes; I visited it on two occasions: at the time the inquiry was on *re* the explosion.

1123. Can you say if they are getting coal or taking out coal under the river?—Yes; they are working coal under the bed of the river; I could not say whether the workings are on the leasehold or freehold.

1124. It is stated that the men in your district refuse to work more than four days a week?—That is not true.

1125. Is it a fact, taking the whole year round, that with holidays and other interruptions, the men will not work more than four days a week?—That statement is emphatically untrue. I have never known an instance of the men refusing to go to work except on public holidays, and these are announced to the manager; there are about seven in the year: except in one case, a few months since, when the men, not seeing a sufficient number of trucks for a day's work, went home that morning. It is a rule with the men if there are no trucks there, and no work is likely to be done, to go home. The men have been frequently taken down the mine and kept there all day, never earning a single penny for their time. I consider it is useless to send men down the mine when there are no trucks, and no boats there. With regard to the present manager, I will say that he has never been guilty of doing this, but the manager that was there when this rule was made was often guilty of that trick. I have seen men having to go down the mine, and come back without any work. This was the only occasion that I ever heard any complaint about it. Miners are only too eager to get to work if the work is there for them.

1126. It has been said that drunkenness is a cause of the men not going to work?—I can say, having been used to miners all my life, that our miners are a most sober body of men.

1127. *The Chairman.*] Has that ever operated against the employers getting the benefit of six days work in the week?—No, it has not

1128. *Mr. Hutchison.*] Has drunkenness been an operating cause in the men not doing their work?—No, it has not been an operating cause. If the men have not worked more than four days it is because there is not the work for them. There has never been an average of more than seven and a half shifts per fortnight. The men would be only too pleased to go to work six days of the week.

1129. *The Chairman.*] Is the scarcity of work attributable to the employers, or the want of shipping?—The shipping. There is a deficiency of shipping to carry the coal away; but there are other causes connected with it besides the want of shipping.

1130. Have they been prevented working through a want of truck-accommodation?—Yes; that was another cause.

1131. Would you explain any other cause which you have not already explained?—I do not know of any other.

1132. *Mr. Guinness.*] Is there any other way that the coal-mines can be developed?—If they are to be fully developed we shall have to have a different harbour from the one we have now at Greymouth; that is the first large want. The port of Greymouth is not, I am aware, a port of export.

1133. Is the method of working them in connection with these coal leases one of the great obstacles at the present time to the development of the coalfield?—It is.

1134. In what way do you say it could be altered for the better?—My opinion is that the leases, when taken up, should be brought more under the system of quartz-mining leases. It should be stipulated that a given number of men should be employed when the application is made for a lease. Another improvement would be in the notification that there were leases to be taken up. I have given to this matter a great deal of consideration. Instead of the coal leases being left to competition in the colony they should be advertised in Great Britain. Sometimes people take them up with no intention of working them, but for speculation. They hold them without doing the work; whereas, if the Agent-General were allowed to advertise the leases in Great Britain, I think we should get capital out here to work such leases, instead of the thing being left to chance, as it is very often at present.

1135. Are the miners satisfied with the manner of inspection?—They are not. As a body, they are not satisfied with the inspection. The inspection, through the periods that elapse between the Inspector coming round, is quite useless to all intents and purposes.

1136. You mean as to the length of time between each inspection?—Yes; if a mine is in a dangerous condition the Inspector coming there once in three months is not sufficient. The inspection should be made, especially where there is pillar working, at least once a month.

1137. Do you think it is necessary to appoint sub-inspectors on the ground to be continually in these mines?—I think there should be thoroughly practical miners, who should have power to inspect these mines.

1138. Under the direction of a Chief-Inspector?—Such men could be appointed at a very small salary. They would thoroughly understand their work. The Government Inspector simply walks round and looks into the faces of the mine. I never yet saw a Government Inspector take up a pick and sound the roof, in order to see whether it was good, bad, or indifferent. I have seen men working under stones in places into which you would not send a dog.

1139. *Mr. Hutchison.*] You are allowed to appoint from the miners themselves persons who shall inspect the mine at certain times?—There is one thing to be said with regard to the work of mine inspection at the present time. If these men so appointed go round for the inspection of the mine and they find anything defective they will hardly dare to make a true report. If they offend the manager he will simply say, there is no more work for you. The result of that is that these men will become destitute of work, and there is no more work to be had in the district for them. That is another result of the amalgamation—if a man is discharged from a mine he is discharged altogether from the district. This happens under the present Mining Act. I do not say that such a thing will happen in any particular case, but what I say is, that a man might be sacrificed in this way. What I recommend is that the present Mining Act should be brought into more accordance with the Act

that exists at present in the Old Country: the miners should choose the two men that have to go round and inspect from some other mine, so that they can give a true report: if they made a false report they should be liable to three months' imprisonment.

1140. Where there is only one company, can that be done?—That is the difficulty I see.

1141. *Mr. Guinness.*] Will you state whether the mines have been or are being worked in a proper or workmanlike manner?—In my opinion, in former times the Brunner was not worked in a proper or workmanlike manner. I am sorry I must say the same of the Coal-pit Heath. It was what is practically known in mining-parlance as "robbing." A mine should be continued through to the boundary. The Brunner is not continued through to the outer boundary. Pillars were worked not very far from the mouth of the mine. The consequence was that, when the present manager tried to get in, it cost him thousands. One pillar coming down might cause the whole mine to be on the move; it sounds like thunder sometimes. There has been a large amount of pillars worked.

1142. *Mr. Hutchison.*] Is it cheaper to work on the pillars or on the face?—The cost is rather more to the owners on account of the timber necessary. The coal is crushed more. In sending out 11cwt. the men lose 7cwt. on each truck.

1143. *Mr. Guinness.*] Is the ventilation good?—In the Wallsend, splendid. The ventilation in the Brunner is also very good at the present time. In the Coal-pit Heath the number of pumps they have to use underground make the air very hot.

1144. Do you think that any alteration ought to be made?—An alteration would have to be made, provided the mine developed itself much further; but the whole of this mine is nearly worked out to the fault. It will be all pillar work in the course of twelve months. It is exhausted to the fault, and the fault will have to be driven through.

1145. Do you think that any alteration or amendment should be made in the Act to provide that when a man goes into a mine he should have a certificate that he is a practical miner?—Yes; I think that is a most important provision to be made. Oftentimes men are employed that do not understand mining. I heard of one man that was sent into the mine with a safety-lamp. There was gas in the place. He hung his little Scotch lamp to his cap. He was just going in when he was stopped. He did not know anything about. He was met at the foot of the incline and told the danger, but he did not know there was danger. If he had gone into where the gas was, no man would probably have come out of that mine alive. In the Home-country a man must have a certificate that he has been employed as a miner for two years before he can enter a mine to work.

1146. Then, you think there is an alteration required in the Coal-mines Act to that effect?—Yes; I think there are several alterations required in that Act. I could tell you what they are if I had my copy of the Act with me, in which I have marked the alterations I would suggest in the margin.

1147. *The Chairman.*] Does any danger exist now, or is any likely to occur, through faulty ventilation in the Coal-pit Heath?—No.

1148. In the course of twelve months?—It would be a hard job to say. When a danger occurs it often occurs in a few minutes. A single shot will sometimes start a thousand tons.

1149. But there is no immediate danger?—Not that one can foresee.

1150. *Mr. Feldwick.*] Should anything be done in respect of air-slits?—Not more than ten men should be ventilated by one air-slit. Gas and foul air may be taken round the whole of the mine where there is an air-slit for a larger number of men. Men have to swallow this, inhaling poison all the time. I think the Inspector, when he goes round, should test the air in the mine. It is easily done: he could carry a bottle of water in his pocket, and take it into the mine with him. When a man is firing off two or three shots a day the fumes confined underground are very detrimental.

1151. *Mr. Guinness.*] Do you suggest any alteration as to the inspection?—I think that is most important, and ought to be attended to, for the men's lives depend upon the machinery, especially in shaft workings.

1152. Is there anything defective in the inspection of machinery?—It is not frequent enough, for if a defect in rope, engine, or boiler at any time occurs, especially where there is only one boiler employed, the lives of the men are endangered. I might mention, for the information of the Committee, the case of a certain boiler, for which there was a certificate to carry 60lb., collapsing with 15lb.: if that happened when the men were descending the shaft the whole of them would be smashed to pieces.

1153. *The Chairman.*] You would recommend the inspection of mines once a month instead of every three months?—Yes.

1154. That would entail the employment of a resident Inspector?—Yes; but there would be plenty of employment for him between Westport, Greymouth, and Reefton.

1155. Would the same officer be fit for the two offices—namely, the inspection of mines and machinery?—There are not many practical miners that understand much about machinery. I should like to mention, in connection with this, that the man who has charge of the winding machinery ought to be a competent man, for he has the lives of men in his hands. Such men ought to be subjected to an examination. I cannot say what the examination should be, but it should be sufficient to secure competency. Perhaps it might be something similar to that which a man has to pass that has charge in one of the river-boats.

1156. You mean the man who has charge of the engine?—The least bit of overwinding will cause an accident sometimes.

1157. Is it the fact that the men so employed are not practical engineers?—I have known men employed that way in the colony who were not practical engineers.

1158. *Mr. Withy.*] Have they safety-hooks on the cages?—That would prevent overwinding, but not accident.

1159. *The Chairman.*] How is it in England with regard to men having charge of the winding machinery?—They would not be allowed to take charge of the engine unless they were thoroughly competent.

1160. What is the greatest output that could be obtained, say, in a week?—6,000 tons from the three.

1161. You say that the inspection of the machinery is not frequent enough?—It is only every six months now.

1162. Taking the winding machinery and so forth, how often should it be?—I think boilers should be inspected at least once a month.

1163. Have you any idea how many engines are at work in the Greymouth district?—There is one winding-machine at the Coal-pit Heath; there are two at the Wallsend; one at the Brunner, besides fan-engines.

1164. How many of them?—There is a large number of them employed.

1165. Is ventilation by fans or furnaces?—All by fans at the present time.

1166. *Mr. Feldwick.*] You say, of your own knowledge, that the miners are prepared to work six days a week, provided the work can be found for them?—Yes.

1167. *Mr. Withy.*] And the trucks standing ready?—Yes.

1168. *The Chairman.*] Not only willing, but anxious, I understand you to say, if the work can be found?—They are anxious, for I know that married men are a long way behind in the store-keepers' books, and they would be only too pleased to get that straightened up.

1169. *Mr. Feldwick.*] Can you tell us the number of days of working for six months?—The Coal-pit Heath had 184 double shifts—that is, 184 divided by two to give you the days for the six months—Wallsend, 100 single shifts; Brunner, 54 single shifts—averaging $63\frac{1}{2}$ shifts for the six months. That gives an average of seven days and a half a fortnight for the Coal-pit Heath and eight for the Wallsend Mine. Perhaps the Committee would allow me to say that the dispute existing between the miners and the employers is now settled.

TUESDAY, 23RD JULY, 1889.

JOSEPH KILGOUR examined.

1170. *The Chairman.*] You are an old resident on the West Coast?—Yes.

The Chairman: I will explain to you that the object of this Committee is to inquire into the state of the coal industry on the West Coast, and also to collect evidence and facts that would be useful to the Committee in forming an opinion as to what would most likely facilitate its progress; therefore the Committee would be glad if you could give any information that would help them in coming to a fair conclusion in respect of the coal industry, trade, means of haulage, and so forth; in fact, everything bearing upon the point.

Mr. Kilgour: Would you just mention the particular points you wish to have explained, and we will be able to get into the theory of the matter.

1171. *The Chairman.*] Well, I understand you were engaged in coal-mining there?—Yes; I opened the Tyneside working some twenty years ago. [Mr. Kilgour explained that he leased on royalty from the Christchurch owners, that after working the mine some time he sold out, and the Brunner Mine went into the hands of Messrs. Macarthy and Hughes, and that ultimately Mr. Kennedy obtained it. Subsequently he (Mr. Kilgour) made application to the Westport Coal Company for a portion of their lease which was lying dormant.]

1172. How long were you working that lease?—I think about three years. When I commenced operations in the original tunnel it was silted up, and there was water behind, and nobody thought there was good coal there.

1173. Had you any difficulty in getting your coal conveyed to the port?—I had great difficulty.

1174. In what way?—Simply because I could not get trucks when wanted. No matter what vessels I had in I could get no more than a stated number of trucks, and that was the cause of my being forced to give up; and I was very glad to get out of that mine.

1175. I understand you have parted with your interest?—I have parted with my interest.

1176. Have you still an interest in any coal leases?—I have only an interest in one lease. When I sold out to the Grey Valley Company and Union Steamship Company, and the vessel to the Union Steamship Company, I was bound not to start.

1177. Your interest in the lease of the coal-mine that you had you sold to the Grey Valley Company?—Yes.

1178. And the vessel?—I only had one vessel. I only had one that was my own. I had six or seven small vessels in the trade.

1179. Did you sell all to the Union Steamship Company?—No; these were only chartered vessels.

1180. Was your mine paying you when you sold out?—Yes; I was just beginning to make money out of it.

1181. What did it cost you to put your coal free on board?—It cost me about 6s. I have some of my pay-sheets here and statements if you wish to see them and see what profit I made out of the business. When there is a fair demand, and you can get it away, the profits are very good. When I could not get vessels, or get the coal away, or get it sold, of course my standing wages—that is, your engineer's and those attending to the machinery—had to be paid all the time, and that would take the profits away; whereas, when I had a fair trade and had the mine properly at work, the profits were satisfactory.

1182. What are the shipping facilities at Greymouth now?—The bar is very good in fine weather, but when south-westerly gales prevail and cause heavy seas to wash across vessels coming down empty have to be carefully handled, as it is rather dangerous when there is a heavy sea on. In anything like moderate weather though, the facilities are very good so far as river-accommodation is concerned.

1183. Supposing the present output was increased considerably—say, increased by 25 per cent. or 50 per cent.—is the accommodation for shipping sufficient to meet that increase?—Yes, to 200 or 300 per cent of increase. The facilities are very good, especially since these large hydraulic cranes have been put up. Coal is shipped in a much better state than it was prior to these cranes being put up. The coal previously was much knocked about in being shipped. Greymouth coal is characteristic for its tender nature.

1184. The mine you worked was not a difficult mine?—No.

1185. I am alluding to the last?—Yes; they were both in the same lease. I shifted my seat of operations to the present railway-station at Brunner, about a quarter of a mile further down the river from where I was originally getting up the coal. I got the coal up very-cheaply and very free, and the water came away in the upper workings.

1186. Was your mine ever stopped in working for want of trucks?—Yes, every other day. One of the last troubles I had here—

1187. Did that occur recently?—The very day I came, or it was three days before that, I had the “Oreti” in the port, the “Waikari” came in, and another sailing-vessel, and, with the exception of the harbour-tug, there was not another single vessel in the port at the time. I never thought for a moment that I would be refused. I had three weeks before come up to see Mr. Maxwell on the matter, and ultimately I got the number up to thirty trucks. I had seven vessels coming to and fro under charter, trading to Wanganui, Auckland, and different places. This was on a Monday morning. My own boat came in on the Sunday morning; the “Waikari” came in on the Sunday afternoon. I had thirty trucks full with coal ready to go on the “Oreti,” for shipment to Wanganui. Five of the trucks contained “face” coal, and I wanted all “round” coal. I sent to the manager to get more trucks, and he went to the Stationmaster. The reply was, “The trucks are all full; you can have no more. I can’t give you any trucks until I have instructions from Mr. Stone.” Of course, you understand there were thirty trucks full; but still, when vessels were lying in the harbour ready to take coal, I never thought for a moment they would refuse me more trucks. I had to empty the trucks before I could get any more coal away. [Witness explained he was put to considerable inconvenience and expense in having to pay his employés, who were kept idle in consequence of this hitch.]

1188. Do we gather from what you state that the Railway Department were responsible for not giving facilities to the haulage of coal?—Yes; there were no vessels belonging to the West-port Coal Company, nor yet to Kennedy’s, in port at the time.

1189. *Mr. Fish.*] Were there other trucks there idle?—Yes.

1190. Although the Railway Department had other trucks there, you did not get facilities?—No.

1191. How do you account for that?—Simply because the Stationmaster had instructions that that was the number of trucks I was entitled to, and I could not exceed that number.

1192. *The Chairman.*] Has this sort of thing happened since the railways have been under the new régime?—I am done with it now: I have been sold out for nearly one year.

1193. Was there a change made for the better, so far as your mine was concerned, when you sold out to the company?—They had the whole command then. They had all the trucks at their service. There was no person else to get trucks.

1194. *Mr. Fish.*] Do we understand this: that, in the working of the mine, greater facilities were given to the Grey Valley Company than to you?—I do not know whether greater facilities were given to them or not; I say my mine had to stop because, in developing the mine, I required a greater number of trucks, which were not given to me.

1195. Have you been refused trucks when trucks were lying idle?—Frequently I have been refused trucks when trucks were idle.

1196. *The Chairman.*] Was the price of coal locally increased after you gave up your mine?—Yes.

1197. *Mr. Withy.*] You spoke just now of coal-drops: were the original drops, before the cranes were brought into use, fixed ones? Were the coals shot from the same place, whether the ship was high or low?—Yes; the drops were fixed. In the case of large vessels, which were high above the wharf, they could not be loaded off the wharf except at a very low tide. What they call “gadgets” were used for this work. The coals were run up an incline on to the top of this, and then shot down a very long way to the vessel; and sometimes the fall made the coal nothing but dust.

1198. *Mr. Feldwick.*] Do you think the output of coal from the West Coast is affected by the amalgamation of the small leases?—It is affected in Greymouth.

1199. *Mr. Fish.*] That is to say, there is a loss by it?—Yes.

1200. Why is that?—It is all in the hands of one company. They can send for and bring away what coal they want. There were three companies before, and each had its customers, and was pushing on the trade, and the result was that the business was being extended. The present company only put out what coal they require.

1201. And they could sell more if it was taken away?—I do not know. I cannot speak as to the demands of the colony. I know that there is very little more than half the coal coming from there now that there was prior to the monopoly and the ending of the Newcastle strike.

1202. *Mr. Feldwick.*] Are the coal companies or the shipping companies to blame?—I think the shipping companies. The coal companies would be very glad to get rid of more coal. The shipping company I think is the cause of it. I know nothing at all about their private arrangements; but it appears to me they hold such a monopoly that they have the coal companies in their hands. No other coal can be produced than by the Grey Valley Company or the Union Steamship Company, as the case may be. It is impossible for a shipping company to go there unless they have some chance of getting coal other than from the present owners. There is not the slightest doubt that is the cause of the depression, as far as Greymouth is concerned.

1203. *Mr. Withy.*] Have you known other vessels than those of the Union Company and the Anchor Line loaded out with coal since the amalgamation?—Not that I know of. There are vessels going to other ports which come indirectly at the instance of the Union Steamship Company or the Grey Valley Company.

1204. To New Zealand ports?—Yes; the Union Company's boats cannot go into these ports.

1205. Is that the Anchor Line?—No; I am alluding to some sailing-vessels that go to Gisborne and other small ports where the Union Company's vessels cannot get into.

1206. *Mr. Feldwick.*] The sailing trade is stamped out altogether?—Altogether; yes.

1207. *Mr. Fish.*] You were really compelled to sell out your lease in consequence of the difficulty experienced in getting trucks from the Government?—That was the main reason. -

1208. If given by the Government proper facilities, you would be mining now?—I have every reason to believe I would.

1209. And your mine was paying you?—My mine was paying me.

1210. *Mr. Feldwick.*] What was the name of your mine?—Tyneside; it was a piece of ground they thought there was no coal in.

1211. *The Chairman.*] Will you kindly explain why, in your opinion, the present monopoly is the cause of the existing depression about Greymouth?—Because they do not take the coal away from the port. Between what coal they bring us from Newcastle and what they take from other places has been produced the depression in the coal trade at Greymouth. They take, as an ordinary merchant does with goods, only what coal they require for particular places.

1212. Although apparently the coal trade is in the hands of one mining company, are there fewer miners employed there than formerly?—Only one-half the number.

1213. Have any miners left the district?—Yes; a great number.

1214. I understand you to say you made shipments of coal to Wanganui?—Yes.

1215. At what price could you land it there?—About 8s. freight, and 10s. 6d. best screened coal—that is, 18s. 6d. I may tell you I had an engagement to deliver a consignment of coal to Walker and Hatrick, at Wanganui, and I had not fulfilled that engagement when I sold out; and I had to pay 3s. 6d. extra per ton to the Grey Valley Company to fulfil the contract.

1216. Supposing any other vessel outside those of the Union Company were to go into Greymouth for coal, would she have any difficulty in being loaded?—That question I could not answer. They have the business in their own hands. I have had several applications for consignments of coal, and they refused to supply coal to any port where their vessels went. For instance, I used to send coal to a firm in Napier by the "Rio." I sent three cargoes—some 1,500 tons. Some time ago the firm sent down to see if they could get any cargo for the "Rio." I handed the correspondence to the manager, Mr. Kennedy, but the "Rio" never came.

1217. One large shipment of coal was made to Melbourne about two years ago?—Yes.

1218. About 1,500 tons?—Yes.

1219. It is reported that that was not a success?—I believe not.

1220. Do you know the reason?—I could not say; some reports said the coal was not good, but it really was good.

1221. Have you heard any reason?—I heard that there was stone in the coal, and that it was not of good quality, and inferior; but it was not inferior. A good portion of it was taken from the Wallsend Mine, and at that time there was a little bit of stone in the coal. There might have been a little stone in the shipment, but, notwithstanding, the coal was well selected, and as good as any coal that ever left Greymouth.

1222. Do you think the haulage rates charged by the Railway Department were reasonable or excessive?—Pretty reasonable. They are less than originally paid. It was 2s. 6d., and it was ultimately reduced to 2s. No; I do not think the charges were excessive. They were very fair and reasonable.

1223. Do you know what they pay in other colonies?—I do not know what they are paying in other colonies. I may say we never objected to the charges.

1224. *Mr. Feldwick.*] Do you think the price of New Zealand coal is ruled by the price of Newcastle coal?—I think it has a great deal to do with it; yes.

1225. Then, in view of this, any concessions to the mineowners would not make New Zealand coal cheaper or dearer?—I do not grasp your question.

1226. What I mean is, if the price of New Zealand coal is regulated by the price of Newcastle coal any concession to the mineowners in the way of railway-rates would not affect the price of New Zealand coal?—Oh, no; I do not think so. I would like to point out that vessels trading between here and Australia will take anything as it were; a difference of 5s. in freight would make very little difference to them. Instead of coming over empty they bring Newcastle coal as ballast, and the rate of freight is therefore of little consequence to them.

1227. *The Chairman.*] Were any vessels to go to Greymouth now, would they have a difficulty in getting loaded unless they made arrangements with the Union Company?—Unless you make arrangements with the Grey Valley Company prior to going no person can get coal other than the one company.

1228. *Mr. Feldwick.*] If I owned a steamer and took her to Greymouth, and did not make arrangements with the Grey Valley or the Union Company, my steamer would be sent away empty?—If you were going to any of the Union Company's ports of call, to the best of my belief it would.

1229. Supposing to Wellington, I would not get coals?—I do not think you would, because I have been refused coals for ports where they have been trading.

1230. *The Chairman.*] Are the Committee to understand that the fact of the Grey Valley Coal Company having the chief mines in their hands is preventing the development of the coal industry in Greymouth?—Yes; certainly—most emphatically.

1231. *Mr. Feldwick.*] If there were more available ground, do you believe more people would go into mining there?—If there were more available ground?

1232. Yes?—There is more available ground, and we have two or three companies now commencing; but there is one thing I would point out, and that is, these companies are placed at a very great disadvantage. You are aware that the Government made a line to the mouth of the Brunner mines, whereas the present companies now being formed are supposed to make their own railways, which will require a great deal more expenditure to get the mines in work than was made on the existing mines.

1233. Are you alluding to the Mokihinui?—I was alluding to both Greymouth and Mokihinui. I now allude to Greymouth. A railway was constructed and a bridge put over the river to the very mouth of the Brunner Mine; and, furthermore, the Government take the trucks away by horse, and take them on to the railway. The companies now being formed will therefore be at a great disadvantage as compared with the present companies in having to make their own railway-lines.

1234. Will the Midland Company's line open up any more coal country?—[Witness explained that the Midland Company's line was completed to Nelson Creek, that the line ran within three miles past the Blackball Mine, and that contracts had just been let for the construction of a tunnel into the Blackball coal-seam. He further stated that a large bridge, 47 chains in length, between the Blackball and the Midland line had to be constructed.

1235. *The Chairman.*] The mining company has to make that bridge?—Apparently the company.

1236. What other leases about Greymouth are there in working?—The Coal Creek lease and Smith's lease down at Point Elizabeth. You may consider them in active operation, because they are surveying at present.

1237. *Mr. Guinness.*] And Hamilton's?—Hamilton's and Smith's, I think, are the same.

Mr. Guinness: No; they are separate leases.

1238. *The Chairman.*] Are you interested in any other lease?—I am only interested in the Blackball. When I sold out to the Grey Valley Company I was bound not to go into any other ventures beyond the one I was interested in—the Blackball.

1239. When do you expect the Blackball will be at work?—I should think coal would be put out in eighteen months; in fact, less than that, twelve months will bring us to the coal. Coal is exposed in the Blackball for over a mile.

WEDNESDAY, 24TH JULY, 1889.

Mr. CHARLES BROWN examined.

1240. *The Chairman.*] The Committee understands that you are largely interested in the coal trade?—I am manager of the Westport and Port Pirie Coke Company and of the Ngakawau Coal-mine. As to the coke company, we propose to get our coal from Westport. We are on very intimate terms with the Ngakawau Coal Company.

1241. That is the old Albion Company?—Yes.

1242. *Mr. Hutchison.*] Simpson's company?—Simpson is one of the directors.

1243. *The Chairman.*] Is that a proprietary of New South Wales shareholders?—New South Wales, Melbourne, Adelaide, Broken Hills. I have no direct interest in the coal company; I represent them simply as their agent. I am connected with the coke company, which is, however, intimately connected with the coal company.

1244. What is the capital?—£120,000.

1245. What is the area of ground?—I cannot exactly say; something over three thousand acres.

1246. *Mr. Hutchison.*] 3,118 acres?—Somewhere about that; it is over three thousand acres.

1247. *The Chairman.*] The object of the company, or one of the objects of the company, is to work the Ngakawau leasehold and develop it?—Entirely so; we are going to open the original Albion seam, which is only useful for coke; but we intend ultimately to work the hard coal as well.

1248. You say it is only useful for coke: I understand it is small coal?—It is crushed coal.

1249. Are there any large seams?—I think there are. This is a part of a seam where there must have taken place immense slips at some time or other. It is crushed coal—useless, except for coke. My mission is to build coke-ovens, if it be cheaper to make the coke at Westport than to carry the coals to Port Pirie for the purpose.

1250. The coke company is a separate company, registered in Adelaide, and chiefly of Adelaide shareholders?—No; Adelaide, Sydney, Broken Hills.

1251. The coke is intended to supply the Broken Hill Smelting-works?—Yes.

1252. It is your intention to go very largely into the manufacture of coke from coal on the West Coast?—It is not quite settled whether it will be more profitable to carry on the manufacture at Westport and carry the coke to Port Pirie, or to carry the coals from Westport to Port Pirie and build the ovens there. The cost of building the ovens at Westport will be more, although we shall get the coal more cheaply. I estimate that the mines require about 80,000 tons of coal a year, and we will not be able to get it immediately out of the Ngakawau Mine; but we will buy coal as well.

1253. You say it is a question whether you can more cheaply export the coal or build the ovens at Westport?—Yes; that is the question at present—if it is profitable to make the smelting at Westport. But we must put ovens up in any case. I should say it is mainly a question resting with your Government of railway-freights and shipping facilities.

1254. When are you likely to come to a determination on that?—Within a few weeks. I have all the data I want with respect to the coke-ovens: the erection of the smelting-works is a much larger question.

1255. Have you had it in contemplation to put up smelting-furnaces at Westport?—Oh, yes; that is a part of my mission.

1256. *Mr. Withy.*] For gold-ore?—For lead-ore: it is sometimes called silver-ore, but virtually they are lead-ores. It would assist the coal business if we could fill the steamers both ways: we could get the coke and coal carried cheaper. It is also a question whether we can get the fluxes we require in sufficient quantity on the spot. In effect, the whole question is whether it is cheaper to bring the coke to the ores or the ores to the coke.

1257. You say you will require 80,000 tons a year for your purposes?—Yes; we will always require to have a large amount of coke at Port Pirie: we cannot supply any other place than the Barrier from Port Pirie. If we make the ovens at Westport it would give us the command of the market of the colony.

1258. You are forming a railway, are you not, from Ngakawau?—Yes; it is about finished.

1259. What is the distance?—About half a mile.

1260. Are you going to put up modern coke-ovens?—It is a flue-oven—a very excellent oven in my opinion. We have been making coke some time from Westport coal: we have tried all kinds of coal.

1261. What did you find as to their quality?—The only coal that is most suitable for our purpose is the Westport coal.

1262. Is it superior to the Grey coal?—It is far superior to the Grey, which is more sulphurous and dirty.

1263. *The Chairman.*] Is the coke made from Westport coal equal to that imported from England?—Yes, in every respect; the only question is in respect of its strength—that is, its power to resist fracture—but there is no question as to its heating power and purity. In these two particulars it is fully equal to the best English coal. It is, however, not equal to the English coal in strength—that is, in its power to resist fracture or breakage.

1264. May not that occur through the process of manufacture?—I do not think that is the case. The difference, however, is not very great; as far as the ash is concerned—from this we judge of its purity—it is better as regards purity than the English coal.

1265. That is to say, the whole of it is consumed?—Yes.

1266. You said, I think, that you had a difficulty in getting all you could use?—That is our great difficulty, and it still exists.

1267. You told the Committee that the main question was as to freights and shipping facilities for carrying coke and coal?—Yes.

1268. Is it sufficient for the present?—I dare say for the present production it is sufficient, but I think you ought to be prepared for a very large trade, and a demand for an increased production. If you get vessels of 2,000 tons to carry your coal you would get the whole of the California and South American trade.

1269. Can you suggest any improvement?—I think the main thing wanted is more trucks. I do not think that the use of staiths is a good method for Westport. You would do better with trucks, as they do in Newcastle.

1270. That is, trucks that lift off?—Yes.

1271. I thought they had staiths there?—Yes, they have; but they have no cranes; everything goes through in shoots.

1272. Staiths are stationary?—Yes.

1273. The tide rises and falls considerably?—Yes.

1274. They tell me they can work except at high water?—Yes.

1275. At low water it breaks the coals?—It does not do the coals any good.

1276. The trucks, you think, are better?—Yes, for Westport. I do not think they are any more expensive.

1277. But in any case your company will be doing a very large trade in coke and coal?—Yes.

1278. Immediately?—Yes.

1279. What would be the requirement for the Port Pirie ovens during the present year?—It would be about 600 tons a week; but it is a matter of great importance to increase the depth of water. If bigger steamers could get in you would double the trade. If you take the "Ohau," which carries 700 tons, and the "Pukaki," which carries 1,400 tons, you will see the effect. Both steamers carry the same number of hands, and burn the same amount of coal. Thus you could get twice the quantity of coal, and the cost of carrying it would be just the same in the "Pukaki" as in the "Ohau." At Newcastle there are sometimes forty-one ships waiting for coal for San Francisco alone. They would take 70,000 tons. I was informed when over there that one mine had an order for the immediate supply of 50,000 tons for San Francisco—that is, from a single colliery. All that trade would belong to you, for you have far better coal; but at present you have not the shipping facilities to send it away. I have no doubt that you could have the California and South American trade if you had the means of supplying it. Coal is £2 a ton there; coal at Newcastle costs 11s: the balance is freight. Until you can get vessels drawing 21ft. of water you cannot get all that trade.

1280. *Mr. Hutchison.*] You do not contemplate mining except for the purposes of those two companies you have mentioned?—Oh, yes; we will mine as soon as possible for the purpose of opening up the seam of hard coal.

1281. To get a market where you can?—Exactly.

1282. Have you any arrangement with any line of steamers to carry coal for you?—We are negotiating with the Union Steamship Company at present for freight—that is, simply for coke-

making purposes. We have an agent—one of the directors—who is now on his way to London, charged to see what he can do in the way of chartering steamers—on time charter for twelve months—to carry coal. I expect he will return here towards the end of the year. I do not think that Westport can do much good with the local trade. You cannot carry coal beyond the local trade for want of sufficient shipping. If you had sufficient shipping facilities it would cost little more to carry 2,000 tons of coal than 1,000 tons, and large cargoes would swamp any market you have. It is a foreign export that will make Westport go ahead, or do any real good for the coal industry of the district.

1283. Do you think the Union Company could carry the Newcastle coal cheaper?—They are bringing coals from Newcastle now at 3s. a ton.

1284. Is not that a temporary thing?—They will not do it longer than they can help; but it is not to that I am looking. From the first I have been regarding the California and South American trade. You want to attract vessels that would take your coal away. It is better than the Newcastle coal—5 tons of Westport coal is equal to 6 tons of Newcastle coal. Remember the cost of the coal is not more than one-third or one-fourth; the balance is all freight.

1285. You are going to erect coke-ovens on the line of railway?—As nearly as possible to the junction with the Westport Company's mine.

1286. Somewhere near the town of Hector?—I know it by the name of Waimangaroa.

1287. You would not do the smelting of the ores at Westport?—That is what we do contemplate: we contemplate freighting vessels to Port Pirie with the lead-ore.

1288. You would have your smelting-furnaces near the sea and your coke-ovens as near as possible to the mine?—Yes.

1289. What is the capital of the coke company?—£120,000.

1290. *The Chairman.*] Is the capital of £120,000 for both companies, or for each?—£120,000 for each; but they have never been put on the market.

1291. You say that you have had some negotiations with the Union Company?—Yes; merely for carrying between Westport and Port Pirie.

1292. If your agent makes arrangements to charter steamers, what number will you have?—We want a steamer that will carry 2,000 tons every fortnight, or a sufficient number of steamers to do work equal to such shipments.

1293. That would take at least three?—Yes.

1294. For carrying on the coking business alone?—Yes.

1295. You were saying that it is impossible for Westport to do much local trade?—It is impossible to do anything like a large local trade that will develop the coalfield within a reasonable time.

1296. Suppose a line of vessels carrying 500 tons—there are some vessels of that kind in the trade—could not a good trade be done with different ports around New Zealand with such tonnage?—Yes; but my theory is that you cannot carry away coal profitably in these small vessels: the vessels required should carry at least double that.

1297. *Mr. Hutchison.*] Can you tell us what will be the grade to your mine?—Nothing worse than 1 in 60: the grade is very insignificant.

1298. Nothing like the Westport?—No; that is something terrific; it is an incline: I never saw anything like it in the world: the heavy railway-trucks are run up the incline instead of the tubs being brought down. All New South Wales mines having inclines are so worked; but they are now becoming awake to it: it is not only costly, but very dangerous.

1299. *The Chairman.*] When do you expect any of your steamers this way?—I could not say; I have had no communication from our agent. I do not know that he is in London yet. We hope to have one steamer out before the end of the year.

Mr. G. J. BINNS, Inspector, examined.

1300. *The Chairman.*] You are an Inspector of Mines for the colony?—Yes.

1301. Will you tell the Committee what your duties are?—I was appointed Inspector of Coal-mines with a view to safety in working them—to report on accidents and occurrences of that nature—in fact, to see that the Coal Mines Act of 1886 is carried out. I am also an Inspector under “The Mining Act, 1886,” and the Westland and Nelson Coalfields Administration Act.

1302. Are your duties wholly confined to coal-mines?—I am also an Inspector under “The Mines Act, 1886.”

1303. How long is your experience of mining?—Nearly eighteen years; my time has been occupied entirely with mining.

1304. How long have you been connected with the New Zealand mines?—Eleven years.

1305. And formerly?—In England.

1306. When did you make the last inspection of the West Coast mines?—In March last; I inspected the whole of the coal-mines in the Westport district.

1307. That is, the mines at work?—Except at Reefton—all the mines of the West Coast except those of Reefton.

1308. How often are you accustomed to make that inspection?—I avoid having any rule as to the time of my visit; but from twice to three times a year, but never less than twice a year.

1309. Do you think that twice a year is sufficient, or even three times, to guarantee safety in the working of these mines?—I think that to inspect them very often would simply be to relieve the manager of the responsibility, which in itself is a great safeguard, and in effect to substitute for it Government management.

1310. What part of the West Coast has the largest number of miners employed?—Greymouth.

1311. At the present time?—The Committee will perhaps allow me to mention that I have here a table showing the death-rate, giving the present number of men employed; it will show that the accidents here are fewer than in almost any part of the world where coal-mining is carried on.

1312. You can submit a copy of that table?—I will do so.
1313. Is the number of men employed larger at Greymouth?—There is certainly a larger output of coal.
1314. Are you speaking of the present time or any time within the last three months?—I believe that Greymouth has gone off a good deal, and that Westport has overtaken it.
1315. Is the number of men now employed greater than at Greymouth—nearly double?—It may be; I cannot tell what happened since I was there except from hearsay.
1316. As to the West Coast mines generally: are they safely worked?—They are tolerably safe mines—ordinarily speaking, they are safe. There is an amount of explosive gas at Greymouth.
1317. How about the ventilation?—At Greymouth, the Wallsend Colliery is very well ventilated. The Coal-pit Heath is better ventilated than it was; but still, though the amount of air is large, it is somewhat deteriorated by heat from the underground engines: this difficulty is being gradually overcome. The Westport is pretty well ventilated; and the Brunner is well ventilated.
1318. Are these the only mines in active work in Greymouth?—Yes; the Tyneside is closed.
1319. What about Westport?—That is pretty well ventilated, but it is not perfect.
1320. When you say “not perfect,” do the miners run any risk?—No; not at all. There is no gas at Westport.
1321. Going further down the coast—the Mokihinui—are they at work?—No; not when I was round.
1322. The Collingwood Mine, at Nelson?—I have not been there for some time.
1323. For how long?—In December last. That is well ventilated. It is a very small mine.
1324. How many miners are employed there?—Twenty hands all told.
1325. Is that the only mine at work over there?—Yes.
1326. Do the Committee understand from you that the inspection is twice a year?—Yes; never less than twice a year.
1327. Does that, in your opinion, meet the requirements of the case as regards safety?—It is very much oftener than in England. There is no detailed inspection there such as we carry out here.
1328. Will you describe the course you pursue in making your inspection through the mines?—I arrive at the mine without giving the manager notice, except in cases of special visits; I then proceed through the mine, examining all the workings, working places, workings of roads, and, if necessary, old workings.
1329. If necessary—why necessary?—Where there is supposed to be gas old workings might be very dangerous. I make a careful examination of the shafts. As to the steam machinery, I have nothing to do with that.
1330. Your duties only relate to the mine itself?—Yes.
1331. *Mr. Withy.*] Are you in the habit of tapping coal in the different parts of the mine?—Yes; I constantly try places for gas, and tap the coal. I have also to see that the ventilation and the timbering are right.
1332. Are there Sub-Inspectors of Mines?—No; there are other Inspectors besides myself, but they hold exactly the same position.
1333. *The Chairman.*] Do they reside on the spot?—Yes. Mr. Gow resides on the West Coast.
1334. Does he act under your instructions?—No; he is perfectly independent of me; he co-operates with me, but he is independent of me.
1335. *Mr. Withy.*] Do you look to the health and comfort of the men, or only to their safety?—To their health and comfort as well: they have to be provided with sufficient air to be able to breathe freely.
1336. What is the amount of air?—One hundred cubic feet of air per man per minute. That is the statutory quantity; that has always been found sufficient as a general rule.
1337. Do not different mines vary considerably in respect to the ventilation necessary?—Oh, yes.
1338. A mine at Greymouth would require more care than one at Westport?—Yes. Mr. Gow is appointed to investigate accidents promptly in cases where I cannot get over the ground; he has to investigate them promptly. It is impossible for the Inspector to get over every place where he has to go in time to make such investigations on the spot.
1339. *The Chairman.*] Is he a coal-viewer?—I do not think he has much experience in coal-mining, but he has a large experience in gold-mining.
1340. *Mr. Hutchison.*] Who is the officer that has to see to the due performance of the conditions of the lease?—The Crown Lands Agent, Mr. Greenfield.
1341. Who is there to see to the conditions of the lease under the Mining Act being performed?—I am not sure. I have an appointment under the Nelson Act too. I was appointed under the Brunner lease for a specific object.
1342. You are not aware there is any one?—There have been several new leases granted.
1343. Does that apply to the Westport Company or Coal-pit Heath?—I never saw that lease until this morning.
1344. Do you know how the output is gauged for the purpose of royalty?—No.
1345. Do you know any officer to whom that duty belongs?—No.
1346. Who takes that duty?—The railway authorities, I should imagine.
1347. It is stated that royalty is not paid on the quantity which the railway carries, but on a good deal less?—They furnish reports of the output under the Act; I obtain these from the manager; I get it direct; it is purely a proceeding under the Act. The reports are forwarded to me.
1348. What is there to show whether the company is working inside or outside its leasehold?—I have not the slightest idea.

1349. You have been in the Westport shaft this year?—Yes.
1350. You penetrated to the various parts of the mine?—Yes.
1351. Did it occur to you whether they were working inside or outside their leasehold?—That has nothing to do with my duty.
1352. Are you aware that they are making a communication with the Coal-pit Heath at the other side of the river?—The last I heard of it was that they did not purpose to make any such communication.
1353. Did you not see?—I believe headings had been made in that direction.
1354. You could not say whether these headings are inside the lease or not?—I cannot say.
1355. Are you aware that there is a great body of coal there?—Yes.
1356. Communicating?—No; there is a break.
1357. Where?—I can show you on the plans. [Examination on the plans.]
1358. Did you not see there were innumerable coal workings under the river?—Yes.
1359. Coal has been taken out?—Yes.
1360. By what authority?—I do not know by what authority.
1361. *The Chairman.*] Perhaps the lease goes under the river?—It might. The Coal-pit Heath worked off their lease. They put down their engines and laid out their pit off the lease.
1362. *Mr. Hutchison.*] Have you a copy of the lease?—I have not a copy of the lease.
1363. Can you form any idea how many thousands of tons of coal have been taken from under the river?—I could do it, but it would only approximate to real accuracy.
1364. *Mr. Withy.*] Have all the colliery proprietors to send returns to you periodically of the amount worked, the condition of the works, and the plans of working?—I am empowered to take copies of their plans if they keep more than a certain number of miners. This plan [produced] is up to October.
1365. *Mr. Hutchison.*] Nearly a year ago?—Nearly a year ago.
1366. But you were there in March?—I have not yet got a copy: something has prevented them sending it.
1367. Not of any mines?—Oh, yes; of some mines.
1368. Have you any of the three mines—Wallsend, Coal-pit Heath, or Brunner?—No; I have not got copies of these up to date.
1369. The Brunner Mine, you say, you were in in March?—Yes.
1370. How many men were then employed?—Eighteen men employed.
1371. Compared with twelve months before?—One hundred and seventy men, I think, twelve months before. The mine was moribund when I saw it last.
1372. These men were employed for the purpose of keeping the mine open?—Yes.
1373. Not for making output?—That was not apparently the object.
1374. Did you examine the alleged fault?—Not on this occasion, but I have many times within the last ten years.
1375. Have you examined it since the cessation of work?—No; I have not been down since.
1376. Is there any officer capable of examining that fault? It is stated that the fault suspends the operations of the Brunner lease: I want to know if that is a sufficient excuse?—This is a new fault; they have headed a long distance to this fault; they have not proved it. When I was there they were working at pillars.
1377. The main fault is of three years' standing?—Twelve years' standing.
1378. They have proved one fault?—That is the main fault.
1379. They got through it to the working coal again?—Yes; they got through it.
1380. Is there any reason why the output of the Brunner Mine should be suspended?—No.
1381. You are not aware of any officer whose duty it is to report on such a subject?—No.
1382. *Mr. Turnbull.*] You say they make returns to you?—Yes.
1383. Have you any means of checking those returns?—No.
1384. Then, the return is not reliable at all, or do you check them with the railway returns?—No: that would be useless, for in many places there is a local output.
1385. *The Chairman.*] When you say they make returns to you, do you mean the directors or the manager?—The manager of the mine.
1386. Could you tell us something about the coal-mining about Reefton, and the quality of the coal there?—Yes; at Reefton the coal is of first-class quality, both as a household and steam coal, but the mines are very badly worked indeed, and they are very small.
1387. Which are the principal mines there?—There are—Murray Creek, employing 2 men; Lankey's Gully, employing 3 men; Boatman's, 2; Burke's, 2; Inglewood, 1; Progress, 1.
1388. The Rainy Creek is not at work now?—No.
1389. But these mines are worked chiefly for the purpose of supplying engines in connection with gold companies?—Yes.
1390. In fact, in some instances they belong to owners of gold companies?—Yes, I think so; but I would not be certain.
1391. But there is a large extent of coal-seam there?—I do not think it is a very large coalfield, but there is a good deal of coal there. I would, if I am allowed, refer the Committee to my remarks on two of the mines in my parliamentary report:—

Boatman's Coal-mine, Boatman's.—Worked in the usual style of the district—no pillars, and the roof hanging on timber. I have written to Mr. Coghlan.

Burke's Coal-mine, Boatman's.—In October last the condition of this mine seemed a little improved. There was, however, no return, and the Act was entirely disregarded. The excuse was that Mr. Coghlan had been for some months very ill, and that therefore this mine and the last-mentioned, both of which belonged to him, had not received attention.

1392. Have you ever made any recommendation or suggestion as to the mode in which the

work in these mines was carried on?—I have several times. It would appear almost useless examining these mines from year to year and making recommendations without any result.

1393. What do you mean, that they are worked carelessly?—Yes; unless legal proceedings are taken it is futile to go on making complaint.

1394. Have you no power to take legal proceedings?—I have no power to take legal proceedings. I have sometimes recommended that legal proceedings should be taken, but no notice has been taken of my recommendation.

1395. Are they dangerous?—Very dangerous indeed.

1396. With whom does the responsibility rest?—With the head of the Mines Department or the Under-Secretary. I can only report. I have recommended action to be taken, not with regard to these mines particularly, but in other cases in other mines. My report has gone in since March.

1397. With regard to Boatman's and Burke's?—Yes.

1398. They are close together, are they not?—Within about a mile.

1399. Have you any statement that you would like to make to the Committee?—I did not know what evidence the Committee wanted. I have a statement showing diagrammatically the output of the West Coast coal, including the Westport and Greymouth districts, also as to what the output will probably be in a number of years to come.

1400. Would you be good enough to forward this statement, together with the other papers you have mentioned, to the Committee?—I will do so.

1401. *Mr. Hutchison.*] How long has the railway been running?—Since before I came to the colony.

1402. Before the under-river workings began?—The under-river workings are quite recent.

1403. Within the last two years?—They are very recent.

1404. Before the railway was running?—The railway has been running for the last eleven years, at all events.

1405. I want to know whether it is since the railway has been running that the royalty ceased?—I thought they paid extra haulage. I imagine there was some difference as to royalty on one side or other.

FRIDAY, 2ND AUGUST, 1889.

Mr. C. BROWN in attendance and re-examined.

1406. *The Chairman.*] I understood you to say that the Westport coal trade can be best developed only by a foreign trade?—Yes; but that is, provided a class of larger vessels can enter the harbour and take away the coals. That depends upon a sufficient depth of water. At Westport for some portion of the year there has been a depth of from 20ft. to 21ft., but lately it has been, I am sorry to say, only an average of 17ft.

1407. *Mr. Turnbull.*] As to the silting-up, do you know what is the cause of that silting-up?—There may be several causes. It might be owing to their going on with one of the breakwaters faster than the other, so that an eddy is created at the head of the former. For the first three months of the present year, I see by the Harbourmaster's books, the depth of water was never less than 20ft. I may as well tell the Committee that the consumption of coal in the whole of New Zealand is not more than the output from one large colliery at Newcastle, New South Wales.

1408. *Mr. Guinness.*] You said in one of your answers to a question that the Westport coal is superior to the Greymouth coal: have you tested them?—Yes, I have used both coals.

1409. Have you been to Greymouth?—No; I am going there on Saturday.

1410. You have not seen the harbour-works there?—No.

1411. Nor examined the port for foreign trade at Point Elizabeth?—No; but I have seen vessels bound for Greymouth come into Westport for shelter.

1412. What particular coal from Greymouth did you test?—The Brunner, I think; but I am not sure what mine the coal came from; but I am informed that there is very little difference in quality of all the Grey coals—they have all the same characteristics.

1413. Have you made a regular test of it?—We have made use of a very large portion of it in coke-making.

1414. *Mr. Fish.*] Solely for coke-making?—In making coke you get a very good idea of the quality of the coal.

1415. Is not the Greymouth coal better for gas purposes?—Yes, for gas purposes I believe it is better.

1416. But you say that the Westport coal makes better coke than the Grey?—Unquestionably; and I believe it gives a gas of greater illuminating-power, but not so much of it. It is, of course, a physical impossibility that they could both be a first-class coking-coal and a first-class gas-coal at the same time.

1417. Do you see any way of making the water deeper at Westport?—The difficulty will be, after the channel is made, to keep it clear. You will want to use very heavy harrows to do the work on the bar, so that the stuff may be carried by the scour out to sea.

1418. *The Chairman.*] Do you think that harrows would be better than dredges?—Yes, I think so, on the bar; inside you will have to use a dredge. They have to use a dredge inside of every harbour almost.

1419. Is there anything which strikes you as information that might be given to the Committee from your own personal experience?—With respect to the question of haulage and royalty charged, I would direct the attention of the Committee to what appears to me the unfairness of charging the same for soft and hard coal. It appears to me there should be some concession made on the haulage of soft coal. The royalty paid on soft coal is also the same as that paid on hard coal. I think there should be some concession here also. The principle of making a distinction is recognised in Aus-

tralia, where they carry the low-grade silver-lead ores at a much lower rate. They carry these low-grade ores from Cockburn, South Australia, to Dry Creek, near Adelaide, a distance of over 280 miles, at 18s. a ton; for the high-grade ore they charge rate and a half.

1420. *Mr. Withy.*] With regard to the soft coal or crushed coal: is that coal which is crushed in the formation?—It is a slipped coal, and comes down to very great fineness, some of it being as fine almost as soot. It has no commercial value whatever except for our purposes.

1421. Does that apply to the new mine, the Ngakawau?—No; only to the Albion section of it. It is not a question of small coal. This is not small coal; it is a crushed coal, which has no other value except for our purposes. As a matter of fact, there never has been any traffic in this crushed coal.

1422. What do you suggest should be the difference in the rate?—I think one-third would not be an unfair difference.

1423. *Mr. Turnbull.*] Does it take more labour to load this soft coal?—There is not much difference; it may be rather more. But I would remind the Committee that unless this soft coal is utilised for coke-making it would be wholly lost to the Government: if it were not employed for the purpose for which we propose to use it, it would remain valueless to the country.

1424. *The Chairman.*] Here the haulage is 2s. for eight miles?—That is a monstrous rate.

1425. *Mr. Turnbull.*] I think I understood you to say that it was a part of your scheme to put up smelting-works at Westport?—The whole matter is purely a question of freight: upon this depends whether we put them up here. That is, it entirely depends upon the arrangements we can make with the railway and the shipping people; and this latter again depends upon whether we can build our smelting-works here. If so, we can get full ships, and a consequent reduction on freights, both ways. Of course we must see all these things clear before we can go into such a large work.

1426. *Mr. Fish.*] There is no difficulty in building the works if the other conditions are satisfactory?—None whatever.

1427. Have you had any communication with the Minister of Mines on the subject?—I wrote to him the other day. I only got back to town yesterday. I will probably see him to-day.

1428. Does it rest with the Government whether you will build these smelting-works?—The question of the royalty charged is a very important element, as is also the question of railway carriage. We expect to use up some 80,000 tons of coal a year. A concession of 3d. a ton upon that would mean £1,000.

1429. And that 80,000 tons would be increased year by year?—No doubt it would; but that is what may be consumed right away.

TUESDAY, 6TH AUGUST, 1889.

GEORGE J. BINNS, examination continued.

1430. *The Chairman.*] I think when we left off your examination-in-chief you were on the subject of the danger pending in reference to two or three mines on the West Coast, Mr. Binns?—I do not exactly follow you. I was requested to get some particulars of death-rates.

1431. About not having power to take legal proceedings against owners of certain mines which were irregularly worked?—I wrote in my report to Parliament regarding that.

1432. I want you to state to the Committee more fully what irregularities you more particularly refer to?—I think what I was referring to at that moment was the Boatman's and Burke's coal-mines, two small mines on the West Coast, with one or two men in each, which are unsafe.

1433. Explain fully in what manner they are unsafe?—It was not so much a matter of unsafety as affecting the mines, but the owner has persistently, for some years, neglected to take any notice of warnings written to him; and I have represented to the Under-Secretary of the Mines Department that it is a waste of time for me to examine these mines any longer if legal proceedings are not taken, which I am not authorised to take without authority.

1434. How long is it since you made representations to the Under-Secretary—the last occasion?—My last representation was on the 7th June this year. If you will allow me I will read what I said: "On the 7th January last I wrote to the owner of these two mines regarding his continued opposition to the law, and have since received no answer, and must therefore recommend that, in the event of no improvement being evident at my next visit, legal proceedings be taken."

1435. Were legal proceedings taken?—No; although legal proceedings were not refused.

1436. How do you mean refused?—By the department.

1437. Do you mean to say the department interferes with you in the discharge of your duty?—I do, sir: I am sorry to have to say a thing of this sort.

1438. You say legal proceedings were not refused in that case, though they were not taken?—Yes.

1439. What do you mean by not being refused?—I did not make deliberate application to the Under-Secretary for authority to prosecute.

1440. Let the Committee understand this: Have legal proceedings ever been taken on your recommendation?—Yes. I will give you another example: On the 26th April, 1888, a joint telegram was sent by Mr. Gow and myself from Greymouth recommending that the managers of the Wallsend and Coal-pit Heath Collieries should receive notice to comply, within two weeks, with certain provisions of the Act. Perhaps I had better read the telegram: "H. J. H. Elliott, Esq., Under-Secretary of Mines, Wellington.—In spite of repeated warnings on the part of Inspectors, and promises from the management, the Westport Coal Company have not yet fitted safety-cages to the Wallsend and Coal-pit Heath shafts. We therefore beg to recommend that notice should be given to the manager of these mines that, in the event of his not complying with the Act within two weeks from date, legal proceedings will be taken. As it is impossible to give such notice with-

out authority to prosecute in the event of continued neglect, we beg to apply for such authority.—G. J. BINNS. J. Gow.”

1441. And what was done?—Nothing; I was refused. On the 18th May I sent the following urgent telegram from Greymouth: “H. J. H. Elliott, Esq., Under-Secretary for Mines, Wellington.—Referring to the joint telegram of the 26th April from Inspector Gow and myself, I beg to suggest that proceedings should immediately be taken against the Westport Coal Company’s mine-manager for violation of General Rule 23 at the Coal-pit Heath and Wallsend Mines. Repeated warnings have been given, and the circumstances of the former mines are exactly similar to those of the Shag Point and Springfield Collieries, which have adopted safety-cages for some time. In the case of Wallsend there may be some difficulty, but no attempt has been made to overcome it, and the company have simply set the law at defiance.—G. J. BINNS, Inspector of Mines.”

1442. Was any notice taken of that?—Yes. “Wellington, 30th May, 1888.—Mr. Inspector Binns, Dunedin.—Referring to the joint telegram of Mr. Gow and yourself of the 26th April, and your subsequent telegram of the 18th instant, with reference to the violation of special rules in not providing safety-cages for the Coal-pit Heath and Wallsend Mines, I have to inquire whether there is any probability of danger to life or limb from existing arrangements, owing to decay or other causes which may have rendered works defective or insecure.—H. J. H. ELLIOTT, Under-Secretary.

1443. Then, it took the Mines Department from the 26th April to the 30th May to decide whether they should reply to your notice on a matter of considerable urgency?—The matter was simply a breach of a portion of the Act.

1444. But it was a matter of considerable urgency and danger?—I would not say that. It was a breach of the regulations.

1445. Is not that a dangerous concern? Safety-cages are put on with the object of saving life, are they not?—Yes.

1446. Then, was it not a matter of danger and urgency? Was it not a matter from which accidents might occur?—Yes. I wrote a memorandum in reply to that, dated the 9th June, 1888.

1447. *Mr. Hutchison.*] How long were you on the West Coast at that particular time when communicating with the Under-Secretary by these two telegrams?—I could not say from memory.

1448. Where did you receive the Under-Secretary’s letter of the 30th May?—It was at Dunedin I received this letter of the 30th May.

1449. *The Chairman.*] Would you state to the Committee this: when you communicated on the 26th April from Greymouth, how long did you remain after that on the West Coast?—I am unable to say exactly, but I could find out.

1450. Were you on the West Coast from the 26th April to the 18th May?—Apparently so.

1451. You could have had a reply from the Mines Department in the interval?—Yes.

Mr. Hutchison here produced the Coal-mines Act, and read section 26, subsection (23), bearing upon the subject under review, as follows: “Every cage used in a mine shall be fitted with special and suitable appliances to prevent its sudden fall down a shaft, and also to prevent its coming into contact with the poppet-heads.”

1452. *The Chairman.*] Have you anything further to say?—I wrote, in reply to the Under-Secretary’s letter, a memorandum dated the 9th June, 1888. I said, “I am credibly informed that the Coal-pit Heath winding-engine is, or was at the time of the communication referred to, in a very insecure condition. The inspection of steam machinery —”

The Chairman: I do not know whether it would be right or not to take the *ipsissima verba* of communications between officials of the department with regard to calling attention to certain dangers in certain mines.

After some discussion on this point the examination was continued.

Witness: I was giving my reasons for sending the communication of the 9th June. Shortly stated, the matter was a breach of the Act, which ought to have been rectified.

1453. *The Chairman.*] You urged the matter again in a letter dated the 9th June, and no action was taken?—Urged most strongly.

1454. *Mr. Fish.*] Can you explain why no action was taken?—Of course, I cannot say—

1455. *Mr. Hutchison.*] Did you get a reply to that letter?—Yes; on the 26th June I got a reply from the Under-Secretary, enclosing a report from the Inspector of Machinery (Mr. Mowatt). That report stated that, although the Coal-pit Heath engine was somewhat defective, as regarded its safety he had no doubts. In reply to that, I sent a letter, saying that Mr. Gow, my brother Inspector on the Coast, who is a capable engineer, had stated the engine was dangerous and defective, and also pointing out that the good or bad condition of the engine had nothing to do with the case. I said that was a side issue, and that I had yet to learn that, “before the provisions of the Act are to be enforced, it was necessary to wait until the state of the mine or of the machinery and gearing connected therewith is so bad as to render the occurrence of a disastrous accident not only inevitable, but imminent.”

Mr. Hutchison: The witness is not correct in paraphrasing the report of the Inspector of Machinery. He stated that Mr. Mowatt reported that the engine was somewhat defective. Mr. Mowatt says the crank-pin, although slightly loose, is not dangerous.

Witness: The crank-pin is what the whole engine depends upon. The engine was therefore manifestly defective. I prefer to read the whole thing, but the Chairman has instructed me to condense my references to letters. In reply to that enclosure from the Under-Secretary, I wrote as already stated, saying that it was a side issue, and I had yet to learn it was necessary to wait until an accident was not only inevitable, but imminent. I may tell you that when Mr. Bishop obtained control of the mines he repaired the engine.

1456. *Mr. Hutchison.*] You say your complaint is still unrectified?—Yes; in the case of the Wallsend: the Coal-pit Heath has ceased winding.

1457. *The Chairman.*] Did you get any reply from the department to the letter wherein you mentioned they were raising a side issue, and in reply to your formal request for leave to prosecute?—No.

1458. Do we understand that up to the present time you have not obtained that leave?—I have not obtained that leave.

1459. Your actions as Inspector are hampered in consequence?—Yes.

1460. It hampers you altogether?—Yes. I have told them many a time to put this up. They do not put it up. They are masters.

1461. *Mr. O'Connor.*] You applied for leave to prosecute?—Yes.

1462. Has that correspondence taken place in writing?—Yes.

1463. *The Chairman* (to *Mr. O'Connor*): It was read before your arrival.

1464. *Witness*: I think it enormously important. I would rather go than undertake the responsibility of the position; but, unfortunately, one cannot always go when one wishes.

Mr. Hutchison: Is it quite clear the Inspector cannot do anything without the authority of the Minister; and the penalties under the Act are very heavy for the breach of any regulation?

1465. *Mr. Guinness.*] You do not say that under the Act you cannot take steps without the authority of the Minister?—No, I do not say that; but the department have given me instructions not to prosecute without authority from them.

1466. *Mr. Izard.*] Have you got written instructions not to prosecute without the authority of the department?—Yes.

1467. I think it is contrary to the Act?—I think it is very dangerous.

1468. *The Chairman.*] When did you get written instructions?—I could not say.

1469. Was it one, two, or three years ago?—I could not mention the date.

1470. Can you get those instructions?—Yes.

1471. I would like you to be particular on this point. Were your instructions in reference to a particular case?—No; they were general instructions.

1472. General instructions not to prosecute without authority from the Minister?—Yes.

1473. But you cannot say whether those instructions were given one, two, or three years ago?—I cannot say.

1474. You can produce them?—Yes, they are in my office at Dunedin.

1475. You will forward a copy of them?—Yes.

1476. *Mr. O'Connor.*] You got those instructions about two years ago?—No; I do not say that. I cannot say when I received them.

1477. It is a long time ago?—It is a long time ago.

1478. Have you never asked to be relieved of that instruction?—No, I have never asked to be relieved of the instruction.

1479. *The Chairman.*] Supposing you received these instructions when a certain Minister was in office, would you not be justified in asking for redirection under a new régime?—No; we cannot regard the personality of a Minister.

1480. *Mr. O'Connor.*] When do you make your reports?—Twice a year.

1481. Have you not mentioned in those reports the disability you were under?—Last year, in my report of the 7th March about the Wallsend and Greymouth Collieries, I mentioned that the safety-cages referred to in last year's report had not been provided. As in the case of the Coal-pit Heath Colliery, this formed the subject of correspondence with the Head Office.

1482. You do not refer to your being unable to prosecute?—I will give you another example: In my report of the 7th March I referred to another case, in which I forwarded an application from a colliery manager that I should prosecute the workmen. In this report I gave the correspondence I received in reply from the Head Office. When the printed proofs were given to me to correct this was cut out in the parliamentary report.

1483. *The Chairman.*] This was omitted?—Yes.

1484. By the department?—I do not know. I do not know who cut it out.

1485. You say a portion of your report was left out in printing?—Yes. It is not the first time.

1486. Do you mean to tell the Committee this: that the report presented to Parliament as coming from the Inspector of Coal-mines is not the true report as furnished to the department?—Yes. In other cases my reports have been emasculated and ruined, in my opinion. I state this with a full knowledge of the gravity of what I am saying. I have human life under my charge.

1487. *Mr. Izard.*] That report has not been laid before Parliament this year?—It is not laid before Parliament yet. The proofs presented to me for corrections were those of the report for this half-year.

1488. *Mr. Guinness.*] From which has been eliminated those portions referring to these charges?—The portion referring to a prosecution which was refused.

1489. *The Chairman.*] I would like to ask this question, that the Committee may thoroughly understand the witness on this important point: Is the Committee to understand that your report presented to Parliament last year was not, verbatim, the report you had furnished to the department?—I am not prepared to say that.

1490. I understood you to say that it was not one instance alone?—It was in years gone by.

1491. *Mr. Izard.*] Has it occurred in more instances than one?—I think so.

1492. Can you furnish us with a list showing the dates of the reports, and pointing out the omissions?—I daresay I could, if I were able to compare my reports with the published reports.

1493. *The Chairman.*] Perhaps you will be good enough to take note of that, and furnish the Committee with the dates in which these reports have been emasculated, and the matters which have been omitted?—Very well, sir.

1494. *Mr. Hutchison.*] Here is your report of last year.—I am not aware, but I do not think that was altered.

1495. *Mr. Guinness.*] It is the one about to be presented to Parliament that you complain of as having been altered?—Yes.

1496. *The Chairman.*] Can you speak confidently as to your report of last year?—No; unless I compared it.

1497. Well, will you be good enough to compare it?—Yes.

1498. Have you got a copy of the report you sent in this year?—Not a printed copy.

1499. *Mr. Guinness.*] To what time does this half-year's report bring you—the 30th June?—No; to the 7th March. I have furnished a supplementary report up to the 7th June.

1500. Is this last report the one of which printed proofs have been sent to you, and portions left out?—No; it was the report of the 7th March. I may say I did not apply for permission to prosecute the manager. I was instructed by the manager to apply for permission to prosecute some workmen who were guilty of a breach of the Act.

1501. *Mr. Feldwick.*] What was the breach of the Act?—They persisted in walking up a dangerous incline, contrary to the law.

1502. *Mr. Hutchison.*] Are you an Inspector under the Coal-mines Act?—Yes. There is a clause in the Coal-mines Act which provides that all persons appointed Inspectors under "The Regulation of Mines Act, 1874," shall be deemed to be Inspectors under the Coal-mines Act.

1503. Were you an Inspector under "The Regulation of Mines Act, 1874"?—Yes.

1504. *Mr. Guinness.*] How many years have you known the Brunner Mine?—Since 1878; nearly eleven years.

1505. Has the Brunner Mine been at all times worked in a proper manner, and most advantageous to the interests of the Government?—No.

1506. In what respect has it not?—Well, it is a long correspondence. If you like, I will read portions.

1507. Oh, no; just state briefly in what respects the mine has not been properly worked?—Well, at one time the pillars were worked in a very injudicious manner; that was stopped by myself. I have made extracts from all my published reports on the bad conditions of the mines, and also extracts from unpublished reports, but they are very lengthy.

1508. Have there not been large sums of money wasted through the improper working of that mine, in your opinion?—In my report of the 31st June, 1882, I made the following remarks: "The fact is, there has been no Government control over the system of working these mines, and I do not hesitate to say that large sums of money have been lost to the Government by the irregular manner in which this mine alone has been worked. As long, however, as the health and safety of the workmen are not directly affected, it does not come within the duties of my position." Subsequently I was appointed under an Act which brought this within the duties of my position—that is, the mode of working. I was appointed on the 17th February, 1882, and I stopped the pillar-working referred to about the 10th March, and I reported at the time: "As far as this mine is concerned, the harm is done, but others may be saved from the consequences of similar recklessness."

1509. Can you give any estimate to the Committee as to how much it has cost, or will cost, to rectify the errors of working previous to 1882?—I could not.

1510. What is the system that prevails in England with regard to the charging of royalty?—I will read an extract from a report of mine of the 28th July, 1882, which is directly in answer to your question. It is as follows: "I may remark, these leases are not similar to most colliery leases in England, where coal spoilt is paid for—that is, if a pillar be left in such a position as to be ungettable it has to be paid for as coal raised."

1511. They only pay royalty on what they get?—Yes.

1512. Are the present conditions of these leases conducive to a system of careless management?—The leases never go through my hands now. As to the old leases, the imperfections arise from the fact that the leases have been granted without reference to the technical officers. "The best coal deposits of the colony have been, in some cases, almost given away, and the future will show the folly of such a course," as I pointed out in a report to the department on the 15th September, 1884.

1513. Since then, have the Government submitted to you any of the forms of leases they have issued in order to get your opinion as to the conditions?—No.

1514. Can you give the Committee any estimate as to the tonnage or amount of coal annually wasted on the West Coast, with regard to the pillar-workings especially?—I could not.

1515. Is it of any considerable amount?—Well, of late years they have been very much better worked.

1516. *Mr. Hutchison.*] How is coal wasted on pillar-workings?—If the pillars are too small the roof crushes them.

1517. *Mr. Guinness.*] They rob the pillars and make them so weak that the balance is crushed?—The mines are generally very much better worked now; in fact, they are at present very well worked.

1518. Do you consider, in view of the large amount of pillar-work going on, that more frequent inspection is necessary than is made now?—I do not think more frequent inspection is advisable; it tends to relieve the managers of responsibility, and this division of responsibility between managers and Inspectors is dangerous. This opinion is held by the Inspectors in Great Britain. The present system of inspection is the only safeguard for the men.

1519. Can you give the Committee any information as to how much the coal-seam between Taylorville and Wallsend is being worked?—I have here a return of the estimated quantity of coal worked under the river up to the 31st October, 1888. I might mention it is only an approximate return; it is impossible to give accurate figures. The quantity I have set down at 20,376 tons.

1520. What direction are the deep drives going at the present time?—Across the river, going down the other side.

1521. Do you consider that if these leases of coal-mines were advertised in Great Britain they

would attract capitalists to take them up?—It is a very difficult question to answer. I know some English capitalists were out here not very long ago, and came out here with the intention, possibly, of investing in coal-mines, and they did not invest one half-penny.

1522. Do you consider it necessary to subdivide air in mines so that miners employed at or nearest to the end of the return air should be supplied with fresh air?—Yes, it is necessary.

1523. That is not done now?—I will not say it is done in every case.

1524. Is it done in the West Coast mines?—Well, it is the general custom.

1525. Is it done in all the West Coast mines? Will you state to the Committee where that is not done?—I think it is observed in all the mines. It is rather a difficult question to put for a technical man to answer.

1526. I will put it again. Do you consider it necessary to subdivide the air in mines so that miners employed at or nearest to the end of the return air should be supplied with fresh air?—I say yes, at once; it is necessary.

1527. Do you consider it detrimental to the health of miners being compelled to breathe air which has traversed so many subdivisions in which men are employed?—Well, it all depends.

1528. *The Chairman.*] Is there sufficient air in all these mines?—Yes; the air is very good.

1529. *Mr. Guinness.*] How many men do you think should be employed in each of these subdivisions?—It is impossible to say. It would depend upon twenty questions—how much gas there is, whether the mine is deep, and so on.

1530. I will take the Wallsend Mine: how many men should be employed in each of these subdivisions?—It depends upon the length of air. As to the course and quantity of the air entirely, it is very difficult to answer that.

1531. Have you ever had any complaints from any of the men in reference to the want of a proper supply of fresh air, or any complaints with regard to ventilation in the Wallsend Mine?—At the time of the explosion, when we had a Royal Commission, three years ago, one man complained that he had not sufficient air: he said he wanted 30,000ft. a minute. It was evident nobody could have lived in the place with 30,000ft. of air.

1532. *The Chairman.*] He would have been blown away?—Yes: about 3,000ft. or 4,000ft. is ample. The men have not complained about that mine. The Wallsend is very well ventilated. As to the Coal-pit Heath, that has not been well ventilated, for this reason: the air has been warmed by the presence of steam-pumps, which made it unpleasant; but the manager is overcoming that difficulty by moving his steam-pumps, and the air is getting better.

1533. Do you consider the present Coal-mines Act requires revision on the lines of the English Act, which compels division of the fresh air so as to reach each block of workings in its pure state?—No; I do not think so. I think our Act is pretty good.

1534. You know that in England they have passed an Act to that effect: do you not think our Legislature ought to follow in the same direction?—I do not say it would do any harm. I do not think it is necessary, though, at present.

1535. You think the miners are sufficiently protected without that?—Yes.

1536. *Mr. O'Connor.*] How many times during the year do you generally visit the coal-mines on the West Coast?—I do not pay regular visits. I abstain from regular visits, so that the mine-managers may not be prepared for me. I generally go, however, twice a year, though I have inspected the Brunner Mine twelve times in a year.

1537. During the year in which you inspected the Brunner Mine twelve times, did you live there the whole year?—No; I was there very frequently.

1538. *Mr. Guinness.*] I suppose, of these twelve inspections, you might make six in a week?—No; I sometimes spend a week in a place, and visit a mine several times, and I call that one mining inspection.

1539. *Mr. Feldwick.*] Mr. Fish has requested me to ask you several questions. What is your opinion as to the energy of the present mine-owners?—They have shown an enormous amount of perseverance and pluck, and a considerable amount of skill and enterprise.

1540. Have they done all that could be reasonably expected of them?—With regard to the mines, I think so.

1541. Considering the encouragement they get from the State?—I do not know what encouragement they get from the State.

1542. I suppose the State provided railways and shipping-accommodation?—Going back to my original answer, I think the companies have shown a large amount of enterprise, skill, and perseverance in opening up their mines, under great difficulties in many cases.

1543. Are you aware they have had any difficulties owing to breaks in the seams?—Yes; there are numerous breaks in the seams, especially at Westport.

1544. *Mr. Hutchison.*] These workings that have been made under the river are now in communication with the land on the other side. Is this land included in any lease from the Crown?—I tell you, officially, I know nothing at all about leases.

1545. They are now working on land on the other side of the river from Wallsend?—Yes.

1545A. You do not know, then, that that land, assuming it is freehold, was granted many years ago?—I know nothing personally or officially about it.

1546. *The Chairman.*] Was it granted during Mr. Rolleston's régime?—I do not know.

Mr. Hutchison: Perhaps you know, Mr. Chairman, what reservations there are in these grants implied or expressed?

The Chairman: None whatever. The only implied reservations are those which pertain to Crown grants generally; nothing further.

1547. *Mr. Guinness.*] Could Mr. Binns furnish the Committee with an estimate as to the quantity of coal in the different mines?—I have not made it out. The geological department will be able to give you that information. I produce a diagram showing statistics of accidents in various

classes of mining, number of deaths per thousand persons employed: average in British coal-mines, from 1871 to 1881, inclusive (Ireland included from 1874), 2·35; Austrian lignite for 1881, 2·9; Austrian coal for 1881, 2; British metalliferous mines, 1874 to 1883, inclusive, 1·645; New South Wales coal, 1883, 2·736; 1884, 2·24; 1885, 1·55; 1886, 3·69; 1887, 11·7 (Bulli disaster included): New Zealand coal average from 1879 to 1888, not including Kaitangata disaster (which occurred prior to enforcement of the Act), 1·8.

FRIDAY, 9TH AUGUST, 1889.

Mr. EUGENE O'CONNOR, M.H.R., examined.

1548. *The Chairman.*] We understand, Mr. O'Connor, that you are desirous of giving the Committee some information, particulars of which you know in regard to these West Coast coal-mines?—Yes; I shall be most happy to tell you what I know on the subject, but I may say, first of all, that I have been connected with the coalfields on the West Coast for a number of years—about twenty-five. In the early days, when these coalfields belonged to Nelson Province, I held office in the Provincial Government, and had a great deal to do with the subject now before the Committee.

1549. What years did this include?—From 1870 to 1877, I think. I came to the House, in the first instance, for the special purpose of forwarding the interests of these coalfields, and was so far successful as being instrumental in obtaining the formation of the Westport Railway.

1550. That is the present line, I understand?—Yes; at that time the coalfields were held by different persons, under prospecting licenses. The railway was constructed, and some eighteen months after the Westport Coal Company and the Koranui Company connected with the line.

1551. *Mr. Izard.*] That was about 1876?—The Koranui was the second company. At this time I became Chairman of the Koranui Company, and early became impressed with the idea that it would be a mistake to work separate branch lines, one going one side and one on the other of the Waimangaroa River. I had an idea that both should combine, and the coal be taken out to the rise on both sides. To do this, both companies should have combined, and obtained the sanction of the Government, for which purpose I waited upon the present Chairman, as Minister for Public Works.

1552. *The Chairman.*] That was in 1877? I think I remember seeing you?—Yes; I went down to Dunedin, as suggested by yourself, and saw a number of public companies, but no agreement was come to: at any rate, the result was very unsatisfactory to me. When I found out that the Koranui Company were determined to make the line up the steep inclines I determined to disconnect myself from the speculation, and subsequently withdrew, resigned, and sold out, making a heavy loss on my interest. Afterwards the Westport Coal Company proceeded with their work, and made a difficult line to the top of the hill, known as Fisher's lease, now Denniston, following the top of Waimangaroa Gorge. They commenced tunnelling: they worked for a considerable distance, probably a mile and a half, along a narrow strip of coal. After working out this, they extended their workings to the east and west. The railway to the Ngakawau was constructed by the Government for the accommodation of the first company, then known as the Albion, and abandoned. It is the same property which has been started lately by a Sydney firm. When the Government railway was joined by the Koranui the output of coal was commenced. I then dropped out of politics for about ten years. I saw that the interests of the coal-producers and the colony were being sacrificed by neglecting the harbour at Westport. The Koranui Company must have lost a deal of money by getting coal out under such difficulties, and they suspended operations, but resumed again after a while, and finally sold out to the Union Company. When the Koranui Company thus parted with its interest and closed the mine; there was a great clamour in the district. A number of workmen were dismissed in consequence of the coal being in the hands of one company. I returned again to the House in 1884, this time to obtain a reasonable treatment for the harbour. The Government, of which you, sir (Mr. Larnach), were a member, proceeded more vigorously, and the House passed a Bill for the purpose of completing the harbours of Westport and Greymouth, and the works went ahead to a considerable extent; but it will not be necessary to mention the troubles between myself, the Government, and the Harbour Board. The present Government have appointed on that Board persons holding Government offices, who act purely as dummies, under the management of Mr. Martin, the District Engineer.

1553. *Mr. Izard.*] But are they not managed from Wellington?—There is some absentee management vested in Wellington. The real management of both Boards is done entirely by Mr. Martin, who visits Westport occasionally. The last time I was there I procured this plan [handed in], which shows the present state of the works and their proposed extent. The Government have, under their new procedure of management, departed altogether from the system previously adopted. The previous Boards obtained large and valuable plant; and having in view this large expense, and also the maintenance of this plant, they pushed forward the works to the utmost of their ability. Now, since the Government have got possession, they started on a very different plan, and have contracted for the delivery of a small supply of stone, and have handed over to the contractor the whole of the railway-line—which was constructed at great expense—also all the plant, which was equal to more than double the work undertaken in the contract.

1554. *Mr. Hutchison.*] Who are the contractors?—Wilkie Brothers and Wilson. Letting the contract to these men meant they were to get about 180,000 tons in twelve months, which was not more than half of the working capacity of the plant. The contract was so drawn up that the contractors had the free use of the railway, with all freights and passenger-traffic. They also had free use of the cranes, &c. They only had to pay for the use of locomotives at £4 per day. When the contractors had signed this contract they took everything the Government had to give for nothing, but would not hire the engines. They imported two locomotives, and obtained an advance of 50 per cent. upon them. Afterwards the contractors made an offer to the Government for two locomotives, and the

Government sold them, so that they are now working their own on the line. The Government are now in this position: Their plant is all in the contractors' hands. Wanting to do some dredging in the harbour, they were compelled to place the matter in the hands of the contractors, who, of course, make their own price, and the Government, finding out that the plant was capable of doing far more work than was being done by the contractors, took occasion to increase the amount of stone to be delivered from 180,000 to 200,000 tons, but without tender and at the contract price. That should increase the work to be done, but under disadvantageous terms for the colony, and insufficiently to secure the early completion of the work. I know of these circumstances of my own knowledge. I have been consulted in reference to some of the arrangements. The result of all this is that the Government are now paying more for the works than previously, and the work is making slower progress. The contractors deposited £1,500 with their tender; but when they took over the work the Government handed over to them gratuitously explosives and tools worth between £2,000 and £3,000. I would suggest to the Committee that the production of this contract would be rather interesting. I have told you how the work at present stands under the contract let. At the present rate of progress it will take three years to complete both ends of the breakwater. If these were completed under the plans prepared by Sir John Coode there would be 25ft. of water instead of 18ft. This, of course, would open up the coal trade of New Zealand, and make the river navigable for very large steamers. The quality of the coal being so good, a very large trade outside New Zealand would soon be established. I think I have now said all I have to say in regard to the harbour. With regard to the Buller coalfield, it may be divided under three portions—viz., that from Westport to Waimangaroa River, from that to Ngakawau River, and thence to the Mokihinui River. The first section, bounded by the Waimangaroa, is now in the hands of the Westport Coal Company. There is one back section bearing the name of Hazelden, but I looked upon that as a dummy, because it is impossible to work it unless through the Westport Coal Company. Practically, the whole of the coalfield to Ngakawau is in the hands of the Westport Coal Company. It is true that the Ngakawau Company is working the old Albion Company's mine, but they will only get soft coal there; and it is very doubtful if that can be worked profitably, because other mines can get soft coal at a cheaper rate. The Ngakawau have some back country, where there is better coal; but, as the Westport Coal Company have all the frontage at Granity Creek, to reach this back country they would be compelled to make a railway up the Ngakawau Gorge—a most difficult and costly undertaking, not likely to be attempted. Dealing with the section beyond Ngakawau, we must first note that the railway stops there. At Mokihinui River, one party, which I represent as chairman, has a lease, and has expended about £26,000 in a railway and works connected with the river there: this is the Mokihinui Company. Two others have applied for large areas under lease: one is known as Cardiff, and the other is called Monaghan's Company. None of these companies have spent much capital on the ground. The Mokihinui are now getting a light-draught steamer, in compliance with the terms of their lease, for the purpose of delivering coal by Mokihinui. It will, however, be impossible for this company to enter fairly into the coal trade unless the railway is continued from Ngakawau to connect with the company's line.

1555. *Mr. Izard.*] What is the distance?—About six miles and a half.

1556. Is it an easy place to make a railway?—Yes. The line has been surveyed, and it has no difficulties, and should be very cheaply constructed. I may say that the Mokihinui people and a number of gentlemen interested in the coal trade have brought this under the notice of the Government, and have asked for some concessions and assistance for the construction of the line, but have been refused on the ground that it would be an injury to the interests of the public if such a line were held by a private company. The gentlemen interested have been promised that the question would be brought before Parliament. There is a plan of the West Coast coalfields in Dr. Hector's report 1886-87, which I would draw the attention of the Committee to. This report shows the distribution of coal. The Committee will there see that the bulk of the coalfield lies between Ngakawau and Mokihinui. It is quite evident that the company which has a monopoly of the field to Ngakawau will not like to see others enter the field in competition. The Mokihinui Harbour has been inspected by the insurance companies, who reported it good and navigable for boats drawing from 7ft. to 8ft., which is far too little for coal trade. I may add that I think it is impossible for the Westport Harbour to be properly utilised unless the railway is extended, because at present the coal supply is in the hands of a monopoly. I have a report on the Mokihinui mines [handed in] by Mr. Gordon, which I will place at the disposal of the Committee.

1557. *Mr. Guinness.*] Have you referred in your evidence to the construction of the Harbour Boards?—Yes; I have said that, contrary to the spirit of the Harbour Board Act, the Government have assumed entire control by placing the whole of the management in the Engineer; and also by placing Government officers to act as dummies, thus establishing a Board of false pretence to evade the law.

1558. Do you think it is in accordance with the spirit of the Act that the Engineer should be Chairman?—The whole thing is an anomaly; the whole working is astonishing. There appears to be no check—no public scrutiny—and the whole business of the Board is worked under the directorship of the Engineer. No person can get any information as to how the moneys are expended. My own opinion is that a very large expense is taking place at Westport to waste.

1559. It has been stated by the Minister for Public Works that the works are being carried on with all necessary speed: in your opinion, is that so?—No. The very valuable plant there, to a great extent, is kept unutilised. The work at present is costing more than formerly—in fact, more than it ever did—and is proceeding more slowly, because their hands are, so to speak, tied by a wretched contract. I have given an instance where the Board wanted to do some dredging, but, owing to their being tied down by their contract, extra money had to be paid really for the use of their own plant.

1560. *Mr. Izard.*] What time have the contractors got to finish their work?—I am not quite sure, but I think twelve months; from the present time, about seven,

1561. Do you urge that anything should be done to push on the work?—I think the contractors should be made to comply strictly with the terms of the contract.

1562. *Mr. Guinness.*] At the present rate of work, how long will it take them?—It would take three years to complete, while they have a plant that is capable of doing it in half the time. The work was lately 10,000 tons behind the contract.

1563. *Mr. Izard.*] Then, they are so far behind in their work that they will not be able to do it in time?—I will not go so far as to say that. They are bound to a monthly output; but it appears that they do just as they like. The Government appear to favour them. The consequence is that a lot of very valuable machinery is getting destroyed.

1564. Is there no penalty for non-compliance?—Yes; I think 6d. per ton.

1565. Is it enforced?—I cannot say.

1566. How far is the railway completed along towards Mokihinui?—As far as the Ngakawau River.

1567. What distance is that?—About nineteen miles; but there is only about ten miles utilised.

1568. Is it not all formed?—Yes; all formed and railed, but only nine miles used; the remaining portion is a burden and a loss. The bridges and sleepers are going to decay.

1569. There is a small local traffic to Ngakawau?—Yes; very small.

1570. *Mr. Feldwick.*] There is a train once a week or so?—Yes; once a week, and sometimes twice.

1571. *Mr. Izard.*] Do they carry passengers?—Yes, a few, and a few goods; but, as it costs 2s. 6d. per hundredweight to have goods carried from the railway terminus to Mokihinui, most of the goods go by a small steamer, which carries them from Westport for £1 per ton.

1572. Do you suggest that if the line were extended it would pay?—Yes, certainly; persons taking up property at Mokihinui would then have some outlet. Any one will see from Dr. Hector's report and plan it is impossible to get any connected workings between the Gravity Creek lease of the company and that being worked; but I understand that, notwithstanding the many public protests, the Government have allowed the output of one to cover the deficiency of output in the other, and thus helped to establish a baneful monopoly.

1573. *The Chairman.*] You were Provincial Treasurer in Nelson in 1874?—I am not quite sure about the exact date, but about that time I was.

1574. In those days, were these coalfields under the control of the Nelson Provincial Government?—Yes.

1575. The licenses granted to those interested were prospectors' licenses?—Yes.

1576. What length of time were these licenses granted for?—One year; but they were renewed from time to time.

1577. Any one holding a prospectors' license having discovered coal was entitled to a lease?—Yes.

1578. Referring to the Albion-Ngakawau: do you know what they are doing?—Yes.

1579. Are they to be of any service in the way of opening up the coalfield?—Yes. The coal is of a soft character, and is almost useless unless for coke. The company propose erecting coke-ovens for smelting purposes.

1580. Do you think what the company purpose doing is worthy the consideration of the Government?—Yes; because they are utilising a quantity of stuff which would otherwise be wasted.

1581. It would be unfit for every other purpose?—Yes; for commercial purposes.

1582. Might it not do to make up by pressure?—It would, but that would be too expensive.

1583. Do you think the Koranui Mines were worked systematically?—No; it appeared to me they were not properly worked. Some of them fell in.

1584. You have used the expression of "dummies" in connection with the executive of the Westport Harbour Board: the Committee would like you to explain, so as to be clear as to your meaning?—I mean that the Government have picked out subordinate officers, and gagged them by their instructions, as members of the Westport Harbour Board.

1585. What offices do these gentlemen hold?—Mr. Bird, R.M. and Warden; Mr. Kelling, Clerk to the Warden; the Postmaster at Westport, the Stationmaster; Mr. Wilson, the Assistant Engineer; Mr. Martin, District Engineer; and Mr. Rogerson, Collector of Customs. These gentlemen represent the present Westport Harbour Board. They are men of good business habits and high moral character. If they were allowed to act in a reasonable way they would no doubt be a protection to public interests, but they are not; they have to pass any resolution the District Engineer puts to them. I have been informed, on good authority, that a large number of accounts, involving expenses of several thousands, are simply placed upon the table. The Engineer places his hand on them and says, "These are to be passed," and they are passed.

1586. Not *in globo*?—No; in bulk, without any member of the Board knowing what the items are; and everything in connection with the Board is done in the same unsatisfactory and irresponsible way.

1587. Then, the Committee understand that these dummies are so many figureheads?—Yes; they have to follow the dictates of the Engineer, and through them the law is set at defiance.

1588. Have any of these gentlemen any experience in the works?—Oh, yes; the Engineer and his subordinate. The Postmaster has some experience of a technical nature; and every one of them are good business men.

1589. You say that the present action of the Government in this matter is outside the meaning of the Act?—Yes; strictly at defiance of it.

1590. Would that amount to a breach of faith towards the debenture-holders who have taken up bonds?—I cannot say it is a breach, because they have a colonial guarantee for them; but I feel that a large amount of money has been sacrificed through unskilful workmanship and bad supervision.

1591. You have spoken of the large plant handed over to the contractors: what is the value of that plant?—I should say considerably over £100,000.

1592. You were Chairman of the old Board, I understand?—Yes; for two years.

1593. And you therefore have some knowledge of the value of the plant?—Yes.

1594. And the contractors, I understand, paid no money consideration for this?—None. They paid £1,500 deposit, which will be paid back to them. As soon as they signed the contract, the Government handed them over all the explosives and plant, &c.

1595. They also handed over two locomotives, did they not?—That was afterwards. The traffic on the line now, however, goes into the contractors' pockets.

1596. Have you any idea what that amounts to?—Well, I think it pays very well; perhaps £20 per week.

1597. Under this arrangement with the contractors, do you know whether or not they are under any obligation to return the plant in as good order as when they received it?—Under the terms of the contract they are bound to return it in good condition, allowing for wear-and-tear; but a quantity of it is being spoiled by exposure: it will be corroded by sea-water, which will necessarily give it a short life. I look upon this plant as one of the most valuable in the Southern Hemisphere for quarrying and harbour-works.

1598. If the harbour-works were completed in accordance with Sir John Coode's plan, it would open the port to the whole world?—Yes.

1599. Had the old Board had the control of these breakwaters, about what time do you think they would have completed them, according to Sir John Coode's plan?—Next summer, I think. The breakwaters would have been completed by the summer of 1890.

1600. What is the length, in miles, of the Westport railway-line not in regular use?—A little under nine miles.

1601. How long has that been finished for traffic purposes?—About twelve or thirteen years.

1602. And during the whole of that time the line has been out of use?—Yes; and now that it is likely to be used a large number of the sleepers are decaying, and the bridges require renewing.

1603. What would be the cost per mile of making that line?—I have no data before me. I prefer not to answer that question; but, roughly, about £5,000 to £6,000.

1604. But you say that for twelve or thirteen years it has been partly unutilised?—Yes.

1605. *Mr. Izard.*] If properly worked at each place the output of coal would, I suppose, make it pay?—Yes; it would have paid about 15 per cent., which the line now used would pay if unencumbered with the half unused.

1606. *The Chairman.*] At the present speed the works are being carried on, what time will be taken to finish it?—It will take three years from the present time at the present rate of working.

1607. If the works were being pushed now as speedily as they were when under the control of the old Board, what time would it take to finish them?—About nine months, I should say; that is if they were pushed on vigorously; and then a quantity of valuable plant would be saved, and much money, both to the colony and to all interested in the coal trade.

1608. Looking at the importance of the coal trade of the colony and the West Coast, do you think the facilities given by the Government are sufficient in respect to royalties and freights?—No, I do not. I consider the coal industry in New Zealand is being handicapped under the present arrangements. The object of the Government should be to get the coal from the mines delivered at the lowest possible rates, so that the products of our mines could compete with foreign product. It costs the Westport Company 10s. a ton, the wages of the miners and other workers amount to 5s. or 6s.; and 3s. 6d. goes to the Government for haulage, royalties, and taxation, the remainder goes to the company to keep up their machinery.

1609. Have you any idea what amount of money is being spent at these harbours per annum?—At Westport, now, I should say, about £30,000 to £35,000 per annum.

1610. At any rate, something about £30,000 a year?—Yes.

1611. Would that cover about the whole that is being spent?—Yes.

1612. What revenue have you coming in now from the works?—I think the revenue from the Westport Harbour endowment is at a rate between £16,000 and £20,000 a year at the present time; but it should be double that.

1613. *Mr. Hutchison.*] The first lease of the Mokihinui Company was within a mile and a half of the river. We found, after working some time, the mine was not continuous, and it was abandoned: have you a right to abandon it?—Yes; at six months' notice. We worked it to stone. The Government owe us now £200; so our debt of £40 is not in much danger.

1614. What was the £200 for?—For contract work taken by the company, which has been completed but not paid for yet.

1615. You have paid up your rent?—Yes; instructions have been given to pay it.

1616. You have asked the Government for correspondence between Mr. C. Y. O'Connor and contractors: has that been laid on the table yet?—I am not sure; Mr. Reeves asked for it, not I.

Mr. E. J. O'CONNOR, M.H.R., recalled and re-examined.

1617. *The Chairman.*] The Committee will be glad to hear what you have to say in addition to the evidence you have already given?—I merely wished to say that, in regard to the Collingwood coalfield, there is only one company at work there, and that for a great number of years the coalfield has been parcelled out among different persons holding under leases and prospecting licenses. These licenses expire annually, and upon their expiring some one else in connection with the first holder applies for a license; so it is held from year to year, nothing being done to work the property. The Waste Lands Board of Nelson have uncontrolled powers over this coalfield. There is great dissatisfaction in the district on this subject. A coalfield that might give employment to a large number of people is locked up completely.

TUESDAY, 13TH AUGUST, 1889.

Sir JAMES HECTOR in attendance and examined.

1618. *The Chairman.*] Sir James, this Committee has been set up with the view of getting all the information that can be got with reference to the coalfields of the Westland District. The Committee, before closing its labours, have desired to be informed of your opinion as to the present state of the Westland coalfields, so far as may have been indicated by your observations during your most recent visits to the district: will you kindly give the Committee any information you possess as to the extent, value, and development of these coalfields?—Does that include all the coalfields?

1619. All the coalfields on the West Coast?—I have brought with me a small general map, showing all the areas and the distribution of minerals; referring to that will make what I have to say more intelligible to the members of the Committee. This is the South Island, showing the position of the Collingwood, the Buller, and the Grey coalfields.

1620. Whereabout is the West Wanganui coal-mines?—That is a part of the Collingwood; it takes in a very large area. Then the Buller coalfield takes in from the Keramea down to the Buller. The Grey occupies both sides of the Grey River, extending north to Canoe Creek, and for an inland distance which is not yet determined. The only large coal-mining survey that has been made is that of the Buller River district: it was made and charged to the £10,000 allocated out of the original public works loan for the development of the coalfields. A very careful and elaborate survey was made of the whole of the Buller plateau by means of that vote, so that accurate information only exists in regard to this particular field. The other field-boundaries are carefully put in; but we have no accurate knowledge as to the thickness and extent of the seams to the same extent that we have that information in respect of the Buller coalfield. My original survey was made in 1868–69, prior to the detailed survey. The topographical survey, upon which that detailed survey was founded, was made for the Public Works Department by Mr. William Cooper: all the details were carefully laid down in that survey: it was published on a large scale for public information: it was intended to be the basis on which a part of the coalfield was to be cut up into leasehold areas most convenient for working. Mr. Cooper did the topographical work; my department did the filling-in. That was made in 1874. The results are to be found among the parliamentary papers with large plans. It is somewhat interesting to find on that survey that the quantity of coal was estimated at 100,000,000 tons, assuming that subsequent experience would show that the seams remained the same thickness, and were not unduly broken by faults.

1621. You are referring to the Buller?—I am speaking of the Buller, about which alone I can speak with certainty. The coal, however, has not proved to run so steady as was at first anticipated, neither has the great thickness of the seams been maintained. It has been found that these very large seams run up against bluff faults; and beyond the fault the coal is suddenly thinned to so great an extent as not to render it unworkable, but to reduce the amount of coal that was calculated upon. For this reason the computation of the future yield of coal must be taken at a half, or about 50,000,000 tons; that is on the plateau, the part that has been carefully surveyed and mapped. But on the other hand, of late years it has been found, as the result of different surveys, that there is a greater extension of coal-bearing country than there was supposed to be at first, and that the coalfield runs to a greater distance north than was anticipated. North of the Mokihini especially there is probably a large area of coal that will probably be worked to the dip in the same manner as at Grey-mouth—that is, worked below the level. That was not taken into the former estimate. With reference to what is called the Collingwood coalfield, the area is very large, but the seams are comparatively thin. There are two distinct seams known there—one is a part of the upper surface immediately under the marine beds; it yields very valuable pitch-coal, not so useful for steam-going purposes, but excellent for household purposes. Towards the base there are two seams of bituminous coal, probably the best quality of coal found in New Zealand. The seams are comparatively thin contrasted with those of the Buller or the Grey: they do not exceed 4ft. in thickness, but still they can be worked profitably, owing to the facilities for mining and shipment, as there is good shelter. There will be no difficulty in developing this coal to a very large extent. The Grey coalfield has never been thoroughly surveyed. I may state, before leaving Collingwood, the survey has been so far of boundaries only. The area itself is pretty well determined, but the thickness of the seams and their extension can only be determined as they are opened up by actual working. The surface-indications do not enable the surveyors to give any exact information on that point; but they can say to what extent the coal-measures range. It is impossible to say whether good seams run continuously through them or not. With regard to the Grey, the development of the field has quite borne out former estimates—the mines immediately adjacent to the Grey River have maintained the thickness, and the faults anticipated from the surface-indications have occurred as was expected. They are not very serious, but a great part of the valuable coal is known to be worked out. The old Brunner Mine, that has been worked to the rise from the brink of the river, I am told, is stopped working. I have not seen it of late, and I am guided by the reports that have been made, but I understand there is very little left there but the pillars. Under the circumstances of these pillars, supporting as they do a great superincumbent mass, anything that would cause a slip would be extremely hazardous, and it would be dangerous to do anything to weaken these pillars without taking the greatest precaution. These coal-measures extend towards the north a considerable distance—along the coast as far as the Nine-mile Bluff; over the Paparoa Range for many miles, probably right through to Inangahua. The coal-seams are “unsteady,” and the faults are very evident. There is one of 90ft., which is distinctly seen on the sea-coast. That fault traverses the whole country. There are a number of tributary faults, which will make the winning of coals both hazardous and expensive. With regard to the Brunner Mine, I have no reason to think that the Inspector has not properly warned, and that every precautionary measure is not taken to diminish the danger. The coalfields have been taken out of my hands altogether, but knowing

this danger, and giving evidence as to the condition of this field, I thought it my duty to mention this danger. At Point Elizabeth they are having a survey made by which it will be possible to put down the coal-measures with more or less accuracy, but without a preliminary survey it is only a random guess as to the quantity of coal likely to be met with. There are several inland coal-areas.

1622. At Reefton?—The coal is not the same quality as that on the coast, but still it is a very valuable coal. The seams generally run with steadiness, and the total quantity of coal-bearing rock is very considerable; but back in the mountains, what between the denudations of the valleys and the manner in which the rocks have been dislocated in recent times, the coal-measures are by no means easily followed.

1623. Are there not some large deposits on the Totara field?—That is included in Reefton: it sets out from Reefton to Inangahua, and then it goes to Coal Creek. Between the Owen and Batou Rivers there is a considerable area of coal-bearing rocks, but to what extent the seams will be workable is hardly yet known. They opened one about 9ft. thick, in which they found a good smiths' coal; and in Papara they opened one which appeared at first to contain a good coal, but ran off into "slip" coal. Between the head of the Mokihinui and the Keramea there is a large area of plateau-coal which, in its formation, has been elevated to a high level, similar to Mount Rochfort. All these are coals of good quality, although the quality fluctuates a good deal. The area is not mapped-in, but it must be considerable. There are coal-measures in outlying patches along the coast, but they are not of sufficient importance.

1624. Have you made any extensive survey of the West Wanganui, in the Collingwood district?—That is all very well surveyed; all the different coal-crops, where it crops out of the surface, have been examined and laid down in maps. They are all described in the Geological Reports that are already published.

1625. Are the seams large?—Over the whole of the Collingwood district the seams are remarkably thin: what is worse, they are liable to "feather out," thinning off rapidly and passing into gravel and conglomerate. The field is not so much cut up by faults as the Buller, but there is that tendency suddenly to thin out, which is of much more frequent occurrence.

1626. Is it not likely that by deeper sinking you would get a more solid seam?—The faults affect the whole of the country. The whole thickness of the Buller measures, upon which the estimate of 100,000,000 tons was made, I do not estimate to exceed 1,600ft., and 1,200ft. of this is composed of coarse angular conglomerates in which coal seldom or never occurs, and, even if it did, it could not be successfully worked.

1627. You spoke of Golden Bay: did you allude to the place where the lagoon is?—No; I have recommended that a wharf should be constructed at Seaforth, where deep water runs in close, the only place where it is possible to put a wharf. A very simple wharf, like that at Petone, would answer the purpose. I have described it in one of my reports.

1628. Would that do for the whole of the Collingwood field?—Yes; it would do for the whole of the Collingwood field, instead of that line of railway to the township of Collingwood where there is a bar-harbour.

1629. Since the time you speak of fresh discoveries have been made that render the prospective yield to be very much greater than was thought at first?—Yes; I have here a rough estimate of all the coalfields in the colony. The areas come near enough, but to guess the tonnage contained in them is another thing altogether. One may, for convenience, make a rough guess, but it would not be at all reliable. The Buller contains 115,200 acres, including the Mokihinui, all at a low dip on the north side. I shall send this estimate in to the Committee.

1630. *Mr. O'Conor.*] Does that include the coal-bearing rocks up the river or only the reserve?—It goes up to Cascade Creek.

1631. Not to Macleay's Creek?—No; then it extends to Inangahua.

1632. What do you estimate as the thickness of seams?—The seams we have known up to the present time you may put down as 3yd. seams; in some cases they are thicker and in some thinner; that is about the average: if you take it all over it will make something like 1,038,000,000 tons: take the tenth part of that out and it makes 138,000,000 tons as the probable quantity of coal that is throwing away.

1633. You spoke of the Brunner Mine, and the great danger attendant upon working the pillars?—There is no doubt it will be a very risky matter if the pillars are worked to the rise. In this mine I do not think the coal has ever been worked much below the main water-level. I have no doubt the Mining Inspector is quite on his guard, and that he is quite aware of the enormous risk there is of a slip taking place before the roof settled on the floor. The seam was 26ft. thick, but near the fault it thinned to 18ft; through the fault it thinned to 12ft. The irregularities are in the roof, not in the floor; the floor is tolerably flat, the roof has been "waving," so that it depends on the variations in the roof. For many years I have had nothing to do with coal-mines, but I have always looked with suspicion on the working of that mine. It will require very great care in dealing with any of the supports to the roof. To take an extreme case, it resembles a ship shored up and ready for launching, as there is a great weight and sheering strain from the hill-top. If a slip occurred, the Grey River might be suddenly dammed back, but afterwards would force its way through, and do serious damage.

1634. Would not the lapse of time make the danger less?—Yes; but it has to be carefully watched, for, unless the abandoned workings are regularly inspected, which is not a very easy or safe thing to do, no one would know what is going on. The tendency of this bearing-down motion would be to crush the pillars. The floor I do not think would give way, but the roof would go by fracture: it is a hard, gritty sandstone, and if it goes at all it will go by fracture, and not by settling, as in the case of a shale roof. But the peculiar danger is in the shear or oblique and pushing-forward motion. I have thought it my duty to mention this to the Committee, although I have no doubt that it is well looked after, and that everything possible is done to prevent accident.

1635. You spoke of a good seam at the Owen?—Yes; it is a very nice coal—rather better than the Reefton coal.

1636. What is the thickness of seam?—9ft. was expected, but that is not borne out by working: it may be that the 9ft. was produced by the oblique dip of the coal.

1637. It has been a slip?—It may have been.

1638. What distance is the Owen find from the Keramea find?—It may be taken as almost the south end of it. In going up the Waimangaroa I went down the Mokihinui and crossed the head waters of the Keramea. I spent several days going down the Keramea. I was able to sketch this high-level coal: it is of good quality: that is where we get our finest fossil-plants.

1639. Is it possible that this coal stretches further into Nelson?—I have no doubt that at one time the whole of these ranges were covered with the coal formation, but it has been separated by denudation clearing away and destroying large areas of it. It rose in a dome-shape mass over the whole of this district. Owing to the denudation a large part of the coal-measures have been washed away, and the coalfields have been divided into different areas.

1640. *Mr. Withy.*] Would not that result in outcrops?—Yes; so they are: as you go along the valleys you can see the coal cropping out.

1641. With regard to estimated areas: if you took considerable borings over the country or district, then having struck the bed-coal, would you fix it by reference to the configuration of the country?—In the case of the Buller the examination was conducted by the outcrops. The outcrops are exceedingly numerous: there is no difficulty in tracing the seams with great precision; but, as I mentioned in one or two cases, it has been found that some enormously thick seams; as, for instance, at the Granity Creek—one showing 57ft. thickness of solid coal—dwindled down to 22ft. and 23ft. when followed 2 or 3 chains beyond the fault. Although still showing a respectable thickness, the great falling-off in the seam was very remarkable. I should say at the same time that thick seams are not so profitable as thinner ones, the cost of working them being so great. A 3yd. seam is about the best thing. The thick seam at the Mokihinui will be worked as an open mine—that is, they will work it as an open quarry. That will be about the cheapest got coal in the world, I suppose.

1642. *Mr. Hutchison.*] Have you any estimate of the coal that has been mined under the Brunner lease?—No; but I could get at it by taking the former estimate, and then getting how much coal they have taken out. I understand that they have taken nearly all out except the pillars: the pillars bear a certain proportion, so that by the working plans I could get at it. But I have nothing to do with that now.

1643. You are aware that coal-measures are under the river between Wallsend and Coal-pit Heath?—Yes, they go over the whole field. I have a large plan showing that and the section of the coal-measures from the gorge to the sea. The whole formation is a sequence.

1644. I am told they have reached over from the Wallsend side to the Coal-pit Heath?—There is a change altogether on the south side of the river; there are five or six oblique faults there. I have a plan showing them. If it is of any interest to the Committee I could produce it.

1645. *Mr. O'Connor.*] I noticed that when you were speaking of Collingwood you spoke of the site of a wharf which you proposed to construct; you did not give the name of the place?—Yes, I did; at Seaforth; they never built it; it was intended to be put up about 20 chains from Pakawau Creek.

1646. Are you aware how that portion of the coalfield is held—under what tenure?—It is held under prospecting licenses, I believe.

1647. You visited that place not long ago?—Yes; I was there last year.

1648. Was there any work done under these prospecting licenses?—No newly-taken up area; but there was one known as Davidson's Creek or Riley's Creek that had been opened, and a line made for the tram. Coal had been proved over a very large area; seam, 2ft. 6in., lying flat, and dipping to the eastward, whereas all the coal on the other side of the range has a westerly dip.

1649. How long ago since you were there?—I think it was the beginning of last year.

1650. Are you aware whether anything has been done there since?—I do not know. I have had a surveyor in the district, but he has not reported anything new having been done.

1651. Have you made any recommendation as to the subdivision of the coalfield into suitable blocks for working?—I understood that was the object of the expensive survey that was made of the Buller district. The special fund was £10,000, and that more than a half of the amount was spent in that district. I always anticipated that that part of the money which was really expended upon mere land-survey would be returned to the vote; properly speaking, it should be. I know that Sir Julius Vogel always intended that nothing was to be charged to this £10,000 except what properly belonged to the development of coal. When it is made use of for the purpose of letting land and obtaining rents and things of that kind it is not given to the development of coal. I always understood that the vote was passed for the purpose of putting Government in possession of information that would enable them to lay off the coalfield in natural areas. The map bears on the face of it evidence that these areas were to be made subject to careful examination, and for the purpose of finding out how leasing the areas should be determined so as to cause the least inconvenience, so that it would not be possible by getting small areas in one place to block out leaseholds which take up more inaccessible ground.

1652. Has that survey been utilised for that purpose?—Not that I am aware of. I think that all the leases which were then let were let by the Land Board of the Nelson Provincial District. The Hon. Mr. E. Richardson knows all about these: he was Minister at the time, and was quite alive to the importance of the whole thing.

1653. In what portion of the coalfield was that money expended?—From Ngakawau north down to Mount Rochfort in the south; from Waimangaroa back to Mount William. One traverse was carried to Orakaka and the other on to the Mokihinui, but the same work was not done on the eastern part nor the north.

1654. Do you think that, in respect of leases granted for a long term of years, definite knowledge should be obtained as to the best means of letting the ground?—Yes; it was a rare chance. In the Old Country, of course, the land is generally in private hands long before coal-mines are opened, and it is then a matter of arrangement between the owner of the land and the holder of the lease as to the working of mines for minerals; but where it is Crown property, and the Government open the land, it is more profitable to have the whole of the ground thoroughly examined and laid off in natural areas for working, especially in hilly countries.

1655. So that natural facilities would be taken advantage of in laying out the coalfield?—Yes.

1656. In regard to the area surveyed in the way you have described, what were the natural means of access to it?—From the railway.

1657. The railway is at the base of Mount Rochfort?—There is a certain amount of coal to the dip that would be easily accessible that is not yet worked at all.

1658. You mean coal under the sea?—Under the flats.

1659. You think there is coal under the flats?—I think there must be. It has always occurred to me that Granity Creek was the best point for bringing the high-level coal down to the sea. There is a favourable spur there for a self-acting incline.

1660. You consider Waimangaroa or Granity Creek the most favourable points for working all these areas?—I do not know; if it were in the hands of one person it would be. They have a railway there. I think it should be worked from the lower part of the field.

1661. If it were one company?—I am judging by the present great expense incurred in bringing coal down from the Coalbrookdale level. My own view has been that there was a mistake in not attempting something like an ocean wharf, such as the Buli Wharf. It is built on "spider-legs," and the steamers go alongside.

1662. Is there any shelter?—No; nothing equal even to what you have under Cape Foulwind coast. The expense of such a structure would have been a mere bagatelle compared with heavy bar-works and harbour-works, which may be destroyed.

1663. *Mr. Turnbull.*] Are there large deposits of iron in Collingwood?—Yes.

1664. *Mr. O'Conor.*] And on the Mokihinui?—Yes; and there is limestone to the north of the Mokihinui as well as ironstone. There is a clay-band ore on the north side of the river.

1665. Would that be useful as a flux for smelting?—Yes; the same as they use at Cleveland.

1666. *Mr. Turnbull.*] A large extent of it?—Yes; there is also another iron-ore at Parapara, the same as they make hæmatite paint with.

1667. *The Chairman.*] There is also an ore at Collingwood which they can make Bessemer steel from?—Yes.

1668. *Mr. Withy.*] Is the Collingwood coal a gas-coal?—Some of it is the best gas-coal, giving, I believe, 1,100ft. I should state that you do not get the limestone where you get the coal. It is a mere matter of the best place for shipment.

1669. *The Chairman.*] Mr. Brown, who has been examined as a witness here, spoke of erecting silver-smelting works, and said the limestone could be obtained from Collingwood. It occurred to me whether it would be necessary to make special works?—If he is going to use any quantity I am afraid he cannot load it in large quantities. There is no deep wharf there to carry away coals even at the present time. They have flat-bottomed boats there which take advantage of the flood-tide. When the tide is low these boats settle into the mud, and when it rises they get off again. A few hundredweight in addition to the ordinary load would keep them there until another tide—possibly until a spring-tide.

1670. The other wharf you spoke of would be of no advantage for taking away iron and coal?—Yes; the one at Seaforth could be used for any purpose; in some cases it would have to be brought to Parapara.

1671. Would it not be easier to make a wharf there?—It would be difficult, but it could be done. The water there is shallow, and it is more exposed. It depends very much on what you have to use in the largest quantities. Why Mr. Brown should go to Collingwood for limestone I do not know.

1672. *Mr. O'Conor.*] Is it the habit of the Government to consult you in regard to the disposal of coal-areas?—No.

1673. *Mr. Feldwick.*] It has been stated to this Committee that the pillars in the Brunner Mine can be removed in two years—either that they can or would be removed in that time: is that, in your opinion, a too rapid process of removing them?—I would not like to say unless I made an inspection.

1674. Do you think such an inspection has been made?—I have no doubt proper inspection has been made.

1675. But they are actually removing them?—I was not aware of it. I have not been in the Brunner Mine for a good many years. The Inspector is a statutory officer, and his function is strictly defined, so that one would not like to interfere between an Inspector and his work; but thinking there is a source of danger if these pillars were removed without taking great precautions, and having been asked the question by this Committee, I thought it my duty to speak of this danger as I have spoken of it.

1676. *The Chairman.*] The Buller coalfield is only one part of the area that was carefully surveyed?—Only a part.

1677. You think the Mokihinui Coal-mine, with the natural facilities that will exist to get out the coal, will be able to produce the cheapest coal in the world?—I do not mean the delivery of it; but it will be worked with an open face, and that is the cheapest mode of working. There will be no waste; no pillar-work, necessitating great extra expense; no working in the dark, and, consequently, a considerable saving upon oil and labour. [Witness was next examined at considerable length on the various plans and maps before the Committee.]

WEDNESDAY, 14TH AUGUST, 1889.

Mr. W. N. BLAIR, Acting Engineer-in-Chief, examined.

1680. *The Chairman.*] You are Acting Engineer-in-Chief?—Yes.

1681. This Committee has been set up chiefly to inquire into the coal leases of Westland, and the state of the coal industry. Important factors in connection with working that industry are railways and harbour-works. Perhaps you would be good enough to state in what way you have control over these works, or any connection you may have with them?—As you are aware, there are two harbours on the West Coast, namely, those of Westport and Greymouth. These harbours and the works in them had been for some time under the control of Harbour Boards created by special Acts; but last year the Government resumed the control of the works and everything in connection with the harbours. That took place at the end of the financial year ending the 31st March, 1888. I believe the intention of the Government was to pass an Act doing away with Boards altogether, but this was not done, and some sort of Board was required to carry out certain special functions under these Harbour Acts. Boards consisting chiefly of Government officials were therefore appointed.

1682. You are speaking of the present Boards?—Yes; the present Boards. These Boards were only supposed to do certain things with certain powers they had, but the control of the harbour-works, and generally the whole of the business of the harbours, passed into the hands of the Government. I went down at the end of the year to take over the work from the old Boards, and, in a manner, to initiate the work under the new régime. The new Boards had been instructed from Wellington as to their powers and functions. I am not sure whether each member had specific instructions, but the gentlemen composing the new Boards had intimation of what would be required of them.

1683. *Mr. O'Conor.*] In writing?—Yes. I went down and set the thing going. I gave certain formal instructions to each Board, and particulars as regards carrying on the works. I have copies of the letters here containing these instructions. If you ask for them they will be sent to you officially, or, if you like, I will read them to you now. The following is the first letter sent. [Letter read. *Vide* Enclosure A, Appendix.] These were the instructions which were given to the Greymouth Board. The instructions to the Westport Board [*Vide* Enclosure B, Appendix] are very much the same. There have since been some modifications as to payments, but they are quite unimportant. Then, there is a matter about wages at Westport, which probably the Committee would like that I should read to them: "As the Government is reducing salaries and wages all over the colony, and as the wages paid on the harbour-works are higher than is given in other places for similar services, intimation is to be given at next pay-day that foremen who are now receiving 13s. 4d. a day will in future only receive 12s., and that all other employés who are now receiving 12s. and under will be subject to an all-round reduction of at least 1s. per day. The present system of paying men all alike is to be discontinued. Each man is only to be paid what he is worth, the above reduced scale being the maximum for first-class workmen, such as a contractor would select. In order to carry out this system readily, it may be desirable to divide the ordinary workmen in the quarries into two classes—quarrymen and labourers, the former to receive 9s. and the latter 8s. per day. Surface-men on the railway should be paid wet and dry." There is a third letter with regard to the Secretary of the Board at Greymouth. [*Vide* Enclosure C, Appendix.] Since April, 1889, the works have been carried on on this basis: We gave instructions to the District Engineer, who is the Chairman of both Boards, to the effect that any action requiring formal authority should be agreed to by resolution of the Board.

1684. *The Chairman.*] Let us start at Westport: I suppose you have finished your general statement?—I think so.

1685. Will you tell the Committee the present position of the works at Westport?—I produce a plan showing the state of the works in June. It will be seen that the harbour-works proper are practically confined to the construction of two breakwaters. The west breakwater is carried out to a point shown on the map within 12 chains of its terminal point. There are two outer and three inner bars (known as such). The west breakwater is out the innermost of the outer bars. On the eastern side the breakwater has reached a point about thirty chains from its terminal point. It was only begun last year. The progress on it has hitherto been rapid, because the water was shallow. Inside there has been practically nothing done except some dredging. The dredging has been done alongside the wharf; nothing has been done towards the harbour-works proper—that is, to the main training-wall inside, on the western side of the river. That work we propose putting in hand shortly. It is for the purpose of confining the river to one deep channel. It is a part of Sir John Coode's plan. It is one of the most important things to be done; but it must be done cautiously, because it involves the complete alteration of the present channel. There are several places inside called "bars," but they can be only so called in contrast with the increased deepening going on at the outer bar. They are not new accumulations in any sense. The western training-wall will scour them out. But until the eastern breakwater is further advanced it might be dangerous to put in the lower portion of the wall. I think it would not be advisable to do anything to this lower wall until this breakwater is carried out, for it directly crosses the deep channel. The details of the progress of the works and the present state of the bar are given in the report that is attached to the Public Works Statement.

1686. How many months have these works been under your department?—Since the beginning of April, 1888.

1687. Have they been carried out as vigorously directly under Government control as they were under the control of the old Board?—Yes.

1688. And are still continued?—And are still continued. For a long time the work was carried on by the Government, but a contract has been let. There was some delay in getting the contract into full swing, but the difficulty has been got over, and the work will go on faster from day to day.

1689. *Mr. O'Connor.*] Could they not be pushed on faster than they are?—I do not think so.
1690. At what rate is stone being deposited under the contract—at what rate per day?—I cannot give you that, but I will give you the whole rate for the year.
1691. Is it not important to know what you are paying per day?—I cannot give you that; but I will now give you the total deposited for the last year from the report.
1692. *Mr. Guinness.*] What year do you mean?—The financial year.
1693. *Mr. O'Connor.*] Can you give us the number of working days?—I can send it to you.
1694. *The Chairman.*] Do you remember how long the original Harbour Board had control of these works?—Since 1875, I think.
1695. I mean the Harbour Board appointed under the Act appointing each Board separately—from 1885, was it, to 1888?—Yes.
1696. *Mr. O'Connor.*] Those instructions you gave to the new Boards recently appointed by the Government: were they given by authority of the Minister of Works?—Yes; I was told generally what to do; there were certain instructions sent before I went there. The whole matter had been discussed with the members of the Government. They sent me down to make the arrangements.
1697. You have spoken of funds: to the effect that when the Board's funds were used up you gave instructions that Treasury orders would be sent down in payment of wages?—They had certain funds to go on with; and, I believe, cash in bank.
1698. You are aware that the revenue under the old Board went into a certain account controlled by the old Board?—Yes.
1699. Do I understand you that the revenue coming to these Boards is not paid to the new Board, the accounts of which the new Boards control?—I cannot give you details; I know that the Boards send requisitions for funds.
1700. Then, the revenue goes to the Treasury?—I think the Treasury does all the financing, but I cannot give you the particulars.
1701. Do not the instructions you have given to the two Boards seem to indicate that, with the exception of the Engineer, who has practically to act under the direction of your department, the remaining members of the Board are set up as "dummies"?—I suppose that is the real position. It was explained to them that they were to carry out certain functions that had to be carried out by the Board; that is practically all they have been asked to do.
1702. They have not been asked to express an opinion on the finances of the Board, or on the works?—Not to my knowledge.
1703. *The Chairman.*] They are merely appointed in a manner to fulfil some conditions of the Act—that is, to form a quorum of the Board?—They were formed to carry out certain functions which under the Act must be carried out by a "Board."
1704. What are their executive powers?—To give the authority of the Board to certain proposals made by the Government.
1705. Have the Boards appointed an Engineer for these new Boards?—Yes; I think they have; they appointed him by resolution.
1706. *Mr. O'Connor.*] Who is he?—Mr. Martin.
1707. He is Chairman?—Yes.
1708. Was he not in the Government service?—He is District Engineer.
1709. Then, although District Engineer, he holds the same appointment in Greymouth?—Yes.
1710. Does he get extra pay?—No.
1711. He is not paid as Engineer to the Board?—No.
1712. *The Chairman.*] Is he allowed expenses?—The usual travelling-expenses.
1713. Where does he reside?—At Greymouth.
1714. Where are the greatest works going on?—As far as expenditure is concerned, there were more last year at Westport; but one position is as important as the other; there are as important matters to be settled in one place as in the other.
1715. How often does he go to Westport?—I suppose he is there about once a month.
1716. Not oftener?—I cannot tell.
1717. Are there no instructions?—No; he has an assistant, who resides at Westport.
1718. *Mr. Guinness.*] Is that assistant also a member of the Board?—Yes.
1719. *Mr. O'Connor.*] Is he appointed by the Board?—I do not know whether he is so. He is Assistant Engineer. He is a member of the Board.
1720. How is he paid?—He is paid by the Government out of the harbour funds.*
1721. *Mr. Guinness.*] If that is so steps should be taken to oust him for sitting illegally?—I cannot say, without referring to papers, what salary is paid to him; it can be easily ascertained.
1722. *The Chairman.*] In respect to the moles at Westport: is the stone carrying out the works as plentiful as it was formerly?—It is very much the same; I think there is a little more smaller stone; generally, it is pretty much the same as it was.
1723. Then, there is no difficulty in getting suitable material?—No; there is no difficulty.
1724. Do you think, when these walls are finished, they will have the effect prognosticated by Sir John Coode?—I do. I have the utmost confidence in saying so. The Greymouth works are of a similar kind: they have been quite up to expectation, if not beyond it.
1725. Let us go a little further up now—to Mokohinui: has there been any intention of carrying the railway further on?—Yes; there is a proposal now for carrying it on. The line has been pegged off and prepared for contract.
1726. Will you tell us the distance of road in the direction of this important coalfield?—Yes; I have a plan here.

* Should be Public Works Fund.

1727. *Mr. Guinness.*] Has the detailed survey of the line been made?—Yes; the line is ready for contract.

1728. *Mr. O'Conor.*] What is the distance?—It is not quite seven miles.

1729. Is that deducting what has been made lately?—It is just about seven miles.

1730. From the river?—It is 15 chains less than seven miles from the river.

1731. That is, 6 miles 65 chains?—Yes.

1732. *The Chairman.*] Will you tell the Committee what is the probable cost of the line?—The total cost—the estimate has been carefully taken out—taking in the iron bridge over the Ngakawau, the total cost will be £36,600; that is the estimate.

1733. Including the bridge?—Yes; the bridge is estimated to cost £10,200, but if we make it a timber construction it will cost £1,600 less. I may here state that these plans have not yet been revised by the Head Office. It may be even further reduced.

1734. *Mr. O'Conor.*] Will you be good enough to separate the road from the bridge, and tell the Committee the cost per mile of the railway, deducting the cost of what has been already constructed?—That is, upon the work constructed?

1735. The railway is made to the river?—These estimates begin at the river; they are made from the edge of the river (19-17); it is about £3,600 a mile.

1736. Does that include rolling-stock?—No; no rolling-stock.

1737. That is, on a dead level?—Yes; but there is some swamp that has to be made up.

1738. If that line were made it would bring into use how many miles of Government line that are now comparatively idle?—None now; the line used to lie idle from the junction of the Westport Company's line up to the Ngakawau Station, but now we have made it up a little further to the bank of the river.

1739. How much further up?—About 37 chains from that point the new company construct their line.

1740. What new company?—The Sydney company, I think.

1741. They are at present not at work?—No.

1742. Therefore it was useless until now?—Until they get to work.

1743. But it might be twelve months before they get to work?—I do not know their position.

1744. *The Chairman.*] The question of going on systematically, so far as they are concerned, depends upon arrangements being favourable between the Government and themselves in reference to freights and haulage, and so forth, and also whether they will erect coke-ovens; they have made a line to join the Government line: are you able to say what coal they have?—No.

1745. Have they commercial coal, household, or steam coal?—I do not know.

1746. Suppose the contract let, what would be a fair time to allow for the completion of it, according as the progress of works of that kind may be estimated in the colony?—It depends more on the character of the bridge to be constructed. About eight or nine months.

1747. Within twelve months?—Yes.

1748. It is not proposed to cross the Mokihinui?—No; it turns up on the eastern bank.

1749. Then, as to the length of the proposed bridge?—560ft.

1750. *Mr. O'Conor.*] Do you know the length of the bridge at Westport?—I cannot tell you from memory.

1751. How many times larger than this one is it? The reason I ask the question is that the bridge at Westport is three times, or, at all events, nearly twice, as large, and it cost but £16,000?—The estimate for this bridge is £10,000 odd.

1752. Does that include the embankment made at the river?—No; it includes only the bridge; there is no bank on the north and only 6ft. on the south side.

1753. *The Chairman.*] Have you plenty of timber in the district?—I have not revised the plan, so that it is not yet decided whether the bridge is to be iron or wood, but if wood, it will probably be built on ironbark piles. There is no doubt considerable difference in the cost of such a structure as between iron and wood if there is plenty of timber in the district.

1754. *Mr. O'Conor.*] Are you not aware that ironbark piles are cheaper than the local timber?—No; there is a difficulty in getting ironbark.

1755. Do you know the cost of the Buller bridge?—I do not know. It was a cheap bridge.

1756. Would you say what they gave for ironbark piles: was it 2s. 6d. a foot?—I do not know. There is a difficulty in knowing, very often, whether you get ironbark or not; it generally comes without the bark on.

1757. How can there be any difficulty in getting ironbark piles when, as you know, vessels come back from Australia to Westport in ballast?—I do not know that; I only know that there is a great difficulty in getting ironbark.

1758. The tender for them when I was at the Buller was 2s. 6d. a foot?—I do not know at all what it could be got for.

1759. *The Chairman.*] Do you know Port Elizabeth?—I have been there recently.

1760. On departmental business?—No; I took the opportunity of some spare time I had to take a turn in the steamer going in there?

1761. Has there been any proposal to connect Port Elizabeth by rail?—Yes; a private company are promoting a line. There are two competing companies there at present.

1762. Which are they?—The Cobden Railway and Coal Company and the Port Elizabeth Company.

1763. What is the distance from Cobden Bridge to Port Elizabeth?—About six miles.

1764. Is the country pretty level?—Yes; quite easy: there is a little saddle to cross, but no real difficulty.

1765. Would Port Elizabeth make a good port for shipment?—I do not think so.

1766. Is it possible to make it so?—Not with anything like a reasonable expenditure. It is a very exposed place, with very shallow water. You must go a long way up to get enough water for big ships.

1767. Would it be apt to silt up?—Possibly. I think any harbour outside the river would have a tendency to silt up.

1768. I thought Port Elizabeth was well protected?—No; it is not well protected; it is an exposed place. It is exposed to the full force of the worst seas: to the south-west, and north-west, and westerly gales.

1769. There is no shelter there worth speaking of?—Except on the eastward, where the land shelters. Port Curtis is the real name of the place.

1770. *Mr. Guinness.*] Mr. Blair gives a different opinion from that of the captains. You say, Mr. Blair, that Port Elizabeth is shallow?—Yes; very shallow.

1771. What do you call shallow?—16ft. to 18ft. is shallow.

1772. What is the distance from the line of rocks to the shore?—I could not tell you from memory.

1773. Is it not a mile or two from the line of rocks to the line of the shore?—I think it is a mile; more than a mile perhaps; but I could not give you an accurate estimate just now.

1774. Within what distance of the shore was it that you say you were able to find water so shallow as from 16ft. to 18ft.?—It is shallow till you get close within the line of the breakwater, then it is probably 25ft.

1775. Do you not know that soundings have been taken, showing from 8 fathoms to 5½ fathoms at the lowest, over a considerable area—three or four hundred acres?—No; I saw some recent soundings, but they were not anything like that anywhere near the shore.

1776. Which sea on the West Coast would you call the worst?—The south-west.

1777. You think Port Elizabeth is not protected?—No; it is not protected there.

1778. With regard to the works at Greymouth Harbour, will you look at the plan? You see Cobden Bridge: the Government commenced the training-wall a little way behind Cobden Bridge: is the half-tide training-wall at the place where it should be, according to Sir John Coode's plan?—According to Sir John Coode's plan it comes down a long way from that.

1779. Is the effect of leaving it there to allow some shingle to get down into the port?—I believe it would be proper to continue the work. I think that the training-wall should be continued.

1780. Are the Government going on with it?—I do not think it is quite fixed yet, but I believe it is the intention to go on.

1781. Does the Government Engineer, like the Harbour Board Engineer, keep a record of the average depth of water on the bar?—Yes; we have the depth of water.

1782. Do you not know that the Harbour Board used to keep a tidal record, showing the depth of water on the bar?—Yes.

1783. Has the Engineer in charge of the works continued that practice?—Yes.

1784. Can you tell us what it was from the 1st April, when the Government took charge?—I have given an abstract of it here in my report. The mean depth from April, 1888, to March, 1889, was 20ft. at high-water spring-tides, and 18½ft. at high-water neap-tides.

1785. What has been the greatest depth?—23½ft.; the lowest was 16ft.—that is, the highest of spring- and lowest of neap-tides. The lowest spring-tide was 17¼ft. You will find the improvement in 1881 referred to. There were 305 days on which the depth was under 12ft.; only fifty-seven on which it was between 12ft. and 14ft.; and three days between 14ft. and 16ft.

1786. Since then, up till now, it has been gradually increasing?—Yes; the Greymouth harbour-works have been perfectly successful.

1787. *Mr. O'Connor.*] I would ask you to come back to Westport, if you please: I wish to ask you whether any instructions were given by Government, when appointing their dummy Board, that the proceedings of that Board should not be made public?—I could not answer.

1788. Did you give any instructions that they should not be made public?—No; I gave no instructions.

1789. Are you aware that everything connected with the Board's operations is now kept from the public?—I gave no instructions; on the contrary, to the best of my recollection, the matter came up when the new Board was first appointed, and I told them to keep up the old system.

1790. How has it happened, then, that the proceedings have never been published?—I have seen them published over and over again in the newspapers. It must be discontinued lately.

1791. Are you aware of the contract that was entered into for building the breakwater?—The present contract? Yes.

1792. Was that contract entered into with the consent of the Board, or were they consulted about it?—I do not think they were consulted, but they gave their final consent, of course; they knew that the plans were prepared.

1793. Silent consent? A meeting of the Board was called?—Yes; the Board considered the tenders, but I do not think they expressed any opinion as to the policy of going on with day-work.

1794. Is it their business to confirm what the Chairman lays before them?—Yes; to a very great extent.

1795. With regard to the contract, are you able to give the particulars of that contract?—I have the specification here.

1796. Is the specification for quarrying stone for the railway handed over to the contractor?—Yes.

1797. All the plant of the Board?—Yes.

1798. Does it provide for any deposit of security for these things?—Yes.

1799. To what extent?—I have not this filled in; I have only the specification here, but I will put it in. You would be able to get it in a copy of the contract. £1,500 I believe it was.

1800. Does that include explosives and tools?—Yes.

1801. Is he bound to return them?—Some of them he cannot return; they are to be consumed. There are three lists attached to the contract of the property furnished to the contractor, and of what he may use in carrying out the contract.

1802. What is the value of them?—I cannot tell you.

1803. Is it £3,000 or £4,000?—No; nothing like that.

1804. Take the explosives alone, what is their value?—I do not know what is the value of the dynamite, but I do not think the explosives generally average more than about 1s. a pound; it is gelatine dynamite.

1805. What do you say is the value of the explosives?—I cannot say, without consulting prices.

1806. Are they all in that list?—There are three lists.

1807. *Mr. Guinness.*] You have been reading the Westport instead of the Greymouth soundings: will you tell me the greatest depth at Greymouth?—23ft.; the lowest is 17½ft., and the mean is 20ft.*

1808. *Mr. O'Connor.*] Will you tell us something more about these lists?—List A relates to material that may be consumed, such as blasting-powder; List B contains property to be furnished to the contractor for use in the works, and those things that are not used up are to be returned, fair wear-and-tear being allowed for.

1809. What is the valuation upon these two lists?—List A, £1,620; list B, £813.

1810. Then, you schedule the property handed over to the contractor?—It is all included.

1811. What is the value of the property handed over?—I do not know.

1812. Would you be able to supply the Committee with the value of these three lists you speak of?—Yes. List A, £1,620; list B, £813; and list C, £22,000.

1813. *Mr. Feldwick.*] That was not made a present to the contractor?—No; it was offered to all tenderers alike; it was, in fact, part of the payment for the work to be done.

1814. Was it valued before being handed over?—The tenderers took it into consideration when making out their tenders; they allowed so much for it. There was no valuation that appeared, but it was allowed for in the tendering. We did not put a value on it; we simply asked them to tender, and they took into account the facilities which these things would afford them in carrying out their contract for which they would otherwise have had to pay.

1815. What was the value of the plant?—It would take some time to get it up. There are, as I said, three lists, one of things to be consumed in the contract, which the contractor could not return; the next, of stuff that might be used and the residue returned; the next, property to be furnished for the purpose of carrying on the contract.

1816. Has the contractor given any security for their return?—£1,500.

1817. Then, the two things are mixed up together?—Yes.

1818. That is the only security for completion of the contract and the return of this valuable plant?—Yes; and the usual percentage to be deducted.

1819. There is an additional security held in hand?—Ten per cent. We pay 90 per cent. on the value of the work done, and 50 per cent. on the value of the materials.

1820. *Mr. O'Connor.*] When this contractor entered on his work, what balance of the £1,500 remained as security for wear-and-tear and fulfilment of the contract?—It matters nothing; we had the plant; he could not remove it without permission.

1821. Suppose we say, for argument sake, there were seventy thousand pounds worth?—There was not anything near that.

1822. The railway, was not that handed over?—Yes; but he could not run away with it; he cannot run away with anything.

1823. But, as a matter of fact, the railway has been handed over to the contractor?—Yes.

1824. What is the length of the railway?—Six or seven miles.

1825. How many cranes were handed over?—The whole of these details are given here in my report. There were three cranes of 5 tons, two of 17 tons, two of 20 tons, and three of 25 tons.

1826. All the engine-sheds and trucks: he got the use of them?—Yes; everything required.

1827. You say that all this is not worth £70,000?—I do not know what it is worth.

1828. Was he bound to keep it in order?—Yes.

1829. Has he done it?—Yes; he has been kept up to the work in every way.

1830. How do you know?—I have every faith in the officers of the Government there.

1831. You are really the superior officer in charge of this work: have you visited the place? if so, how often?—I have not been there since they took it over.

1832. How often has Mr. Martin been there?—I cannot say.

1833. You are responsible for the work, and you visited it once in twelve months, and you cannot say how often your subordinate visits it?—I cannot say how often Mr. Martin visits it, but the other officer (the Assistant Engineer) lives on the ground.

1834. Are there any instructions from the head of the department as to the number of times they should visit the work?—There are no instructions of that sort given to the District Engineer.

1835. Are you aware that the railway has gone much out of repair since it has been in the contractor's hands?—No; I would be very much surprised if it were so.

1836. As to the output of stone, is there a penalty for non-fulfilment?—Yes.

1837. What is the amount that he has put out in each term of three months?—20,000 tons from October to March; 14,000 from April to September.

1838. Has that been fulfilled?—No.

1839. How much is he short?—He was a little short the first quarter. I cannot tell you without referring to the books.

1840. Would you call it 10,000 tons?—I do not know the amount he is short, but I will get the information for you.

* Correct answer also given to question 1784.

1841. Has any penalty been inflicted so as to make the contractor keep to his agreement?—Yes.
1842. With regard to the other work—the dredging, for instance—can you tell the Committee what is the position of the dredging?—It was only begun recently, with the view of deep-water staiths.
1843. Have the Government called for tenders?—No.
1844. How is it done?—By dredging.
1845. How is the labour provided?—Day-work.
1846. Is it provided in the usual way or through the contractor?—I think some arrangement has been made with the contractor for taking away the stuff, but I do not know the details of the arrangement.
1847. Do you know how the dredging is progressing, so far as getting out the stuff is concerned?—I know that the dredging is not remaining permanently deep.
1848. Can you tell what it costs a year a ton?—No.
1849. Or the rate at which it is proceeding?—No.
1850. Do you know that the whole thing is made the laughing-stock of the public of Westport?—I do not know; but they are in the habit of laughing at trifling things.
1851. Have you not heard of any complaints?—No; and I would not pay any attention to them if I did.
1852. It is reported that the place is filling up again?—Yes.
1853. By whom reported?—By Mr. Martin.
1854. Is it correct? Has the Harbourmaster certified that it is correct?—I did not ask the Harbourmaster.
1855. Considering that your visits to Westport have been so few, do you not think a person living there and daily observing the result would be a better authority?—No, I do not.
1856. Has it been reported to you that alongside the wharf, where the work is going on, that it has filled up again?—What was reported to me was that the dredging has not been a success.
1857. Not a success because silt is carried in as fast as it possibly can, and is got out in spoonfuls every half-hour?—The report to me was that where the dredging had taken place the river was being silted up.
1858. What dredges are being used at Westport?—The “Hapuka.”
1859. What depth?—19ft. or 20ft.
1860. To what depth is she required to work where she is now working?—She can only do 20ft.; we cannot expect her to do more.
1861. You know the depth of water alongside the staiths?—We intended to dredge the staiths 22ft. at low water.
1862. You know that the tide rises 10ft. You know that now it is 17ft. or 18ft.: when it rises it is impossible for your dredge to work?—I am quite aware of that.
1863. Every time that a vessel comes to be loaded she has to be removed?—The dredge is unable to go down more than 20ft.; she can only dredge a certain time at low water. What we have done is this: when the dredge has worked as far as she can work we then use the Priestman's dredge, which can go to any depth.
1864. Have you any account given to you of the amount of stuff the Priestman's dredge is removing?—I have not.
1865. Nor what the other dredge is doing?—No: the whole thing is a very small job altogether.
1866. Have you paid any accounts?—The Board pays them.
1867. They do not come for revision to you?—No: we know what work is doing, and the authority issues from us.
1868. We have it from you that the Board exercises no control over expenditure?—No, practically.
1869. That they just regard the wishes of the Engineer?—Practically.
1870. We have it that the Engineer, as Chairman of the Board and engineer of the works, exercises uncontrolled power, seeing there is no means of control from Wellington?—To a very great extent that is so; but I assume that the Board, if they saw anything going wrong, would exercise control.
1871. Are they instructed not to do so?—I do not think so.
1872. Are other duties they perform simply perfunctory?—That does not prevent them, if anything is going wrong, exercising control. I know that some of them do express their views strongly on particular points.
1873. Would you not consider it the height of impudence to interfere in a matter where you were not authorised?—If they see anything going wrong it is their duty to interfere.
1874. Are they not responsible?—They are responsible.
1875. With regard to passing accounts: are you aware that the accounts are never examined, but are brought in, laid on the Board table, and a resolution is carried for passing them *in globo*?—I do not know; probably that may be so.
1876. I wish now to ask you something about the coalfield; but, before doing that, I would like to know whether any complaints have reached you about the Brunner contract?—There is a Labour Union there. They have written with reference to fortnightly payments. Some of them wish for fortnightly instead of monthly payments: also with respect to the truck system.
1877. Have any steps been taken by Government in the matter?—The statements about the truck system were found to be incorrect. If there was any difficulty in connection with that matter it was removed.
1878. Is it not existing now?—No; I cannot give you the particulars. I know it is not existing now.

1879. That is, in other words, your officers have so reported to you?—Yes. With regard to fortnightly payment, that subject has come up quite recently. It was an application by an organization called, I think, the Labour Union. Fortnightly payments are provided for in the contract, and, if the workmen insist upon it, they would get it; but, as a rule, fortnightly payments are not made anywhere. I have never known a case where the provision in the contract was insisted on. Good men do not care about payment oftener than once a month. As for the other class, the seldomer pay-day comes the better. I do not think that fortnightly payments, except in some rare cases, are necessary.

1880. Why put it in the contract?—So that in a special case we could insist upon it.

1881. Have not the labourers asked for it?—If all the men wanted it I have no doubt they could get it; but, as I have said, the good men do not want it, and the others are better without it.

1882. Are you aware that Mr. Reeves, the member for Inangahua, and myself were deputed to see Ministers on this very subject?—I do not know anything of it; but fortnightly payments have never been insisted on on any contract with which I was connected.

1883. Are you able to state why the railway was handed over to the contractors for their use in carrying passenger-traffic?—I do not know why it was done. It was a matter discussed and very fully gone into at the time, whether there should be a contract at all, and then what the contract should include. It was at one time thought best only to include the quarrying and the distribution of stone, and that the Government should do the carrying themselves; ultimately it was decided to get the whole thing into the contract.

1884. Is this parting with the railway, as it has been done by the Government, likely to complicate the working by preventing them proceeding with work in any direct extension?—I am not sure that it will not complicate matters in connection with the training-wall.

1885. Has it not compelled the Government to enter into an arrangement with the contractor on his own terms in regard to running?—No.

1886. To pay the contractor for the use of their own plant?—Nothing to speak of.

1887. Whatever it is they have to do it?—We can get plant of our own.

1888. By purchasing new plant?—Yes.

1889. Are there not complications between the contractor and the Railway Commissioners?—I have heard something of the kind. That is a complication that can be altered.

1890. Is that a complication for running passengers?—Goods.

1891. By preventing him running passengers and goods, would he be entitled to claim compensation?—We can prevent him coming to the railway-station.

1892. Have the Commissioners stopped him coming to the railway-station?—There is some hitch, but I do not know the particulars of it.

1893. With regard to the plant handed over to the contractor, is it in that contract that the contractor has to pay for the use of locomotives?—Yes; that is so.

1894. That is, he will have to pay £4 a day for the use of locomotives?—Yes.

1895. But instead of that has he not declined to take them?—He has bought some.

1896. Have they made him any advance?—I do not know.

1897. Has he not demanded the 50 per cent.?—He is quite entitled to an advance.

1898. When he was getting all the other plant for nothing: why was that done?—It was thought better to have locomotives under Government officials, who would keep them in better order.

1899. Why would not that apply to the other things?—It might apply, but we would have to work them. That would be mixing up contract with day-work. As a matter of fact, we intended to have handed charge of them to the Railway Department.

1900. But instead of that he has worked it so that his own pays nothing?—Yes; pays nothing for hire.

1901. *The Chairman.*] Now, with regard to the coalfields: do you know the position of the coalfield at the Buller?—In a general sort of way I know them.

1902. Do you know the extent of the coalfield?—Generally I do. I know that it is very extensive, extending up the coast to the Mokihinui.

1903. The railway opens up that portion to Ngakawau?—Yes.

1904. Where does the coalfield commence?—It commences at the Buller and extends away north. I have a map of the district, which I got prepared once.

1905. You say the railway is made as far as Ngakawau?—A large portion of the field extends beyond that.

1906. Does it not extend as far as Karamea?—I do not know.

1907. With reference to Greymouth, I would like you to say whether, if the present contract for carrying out the north and south breakwaters were completed, the harbour would be complete, or would it want further extension?—The difficulty is this: Sir John Coode's plan showed an overlap of about 120ft. only, the southern breakwater extending about 120ft. further seaward than the northern one, because most of the heavy weather comes from the south-west. This was to afford shelter to the mouth of the harbour. Some captains complain that—as one of them put it to me—it is “threading a needle” to go in there with the two breakwaters so closely opposite. Each being only 450ft. apart, they say they would have a difficulty in getting in in very bad weather. There was a vessel wrecked there called the “Gerda;” she was thrown on to the north breakwater. Some of these captains want the southern breakwater extended, so as to give them shelter as they go into the harbour. On the face of it the proposal seems reasonable, but there is a great risk in extending the south breakwater, lest we should do harm to the harbour. I have referred to this matter in my annual report. Sir John Coode said he did not think that any material alteration in the overlap would be required, but he said this part of his plan might be slightly modified. In the meantime we have made an overlap of 480ft. I am not at all sure that that overlap is the correct

thing. It may be too little or too much. If it is found that no harm takes place after a while we ought, I think, to extend the southern wall to give a little more shelter and sea-room; but, if we extend it too far for the current to follow the current, it will go out the easiest way, and turn to the north. This is the risk we have to face in going on. There is one thing to be said in reference to it, that, if we go too far with the south wall, we might always go a bit further with the northern wall. But the right thing to do can only be found by experiment. If the channel deepens and goes straight out, I would say go on further by degrees; but until the permanence of the channel is clearly established it will be dangerous to go on.

THURSDAY, 15TH AUGUST, 1889.

Mr. C. Y. O'CONNOR, Under-Secretary for Public Works, examined.

1908. *The Chairman.*] This Committee is here to consider the position of the West Coast coalfields coal leases; and also the harbour-works, and matters relating thereto. We are under the impression, from your position in the Public Works Department, that you can give the Committee some information in respect to the harbour-works—their present state and probable future when Sir John Coode's plans have been carried out—and also as to the progress that has been made since the Harbour Boards at present existent were formed. You may begin with Westport if more convenient to you?—You wish me to state the progress made since the Government took over the works?

1909. Yes; the progress made since the Government took over the works. We have evidence in respect to the whole period. If you would prefer to give evidence as to the progress from the time the Harbour Boards were formed, in 1884, you can do so?—There was really no break. Roughly speaking, the history of the case is, that at Westport, before the harbour-works were commenced, there was a depth of water generally available of from 12ft. to 14ft., and now, recently, the depth of water has been from 17ft. to 20ft. That is the effect of the works so far constructed at present.

1910. Over a period?—Over the period since 1884, when the Harbour Act was passed. There was practically nothing done towards the harbour works at Westport until the Harbour Act was passed in 1884. The Board got to work after that, and raised the necessary funds, and went vigorously on with the breakwaters; and when the works were transferred to the Government there was no cessation—things went on just the same as before.

1911. There was no diminution of progress—no diminution of output?—There was, perhaps, some diminution, in consequence of the trouble the contractor had with his men. The Government let a contract for the work in pursuance of what was understood to be the Harbour Board's intention. The Harbour Board had instructed their Engineer to prepare plans and specifications. We came in upon the work while this matter was still in abeyance. The Harbour Board had not actually called for tenders, and we called for tenders practically on the plans and specifications prepared by their Engineer. Very few modifications were made.

1912. Do you hold the position of Marine Engineer-in-Chief?—No, sir, I do not.

1913. What is your position?—I am simply Under-Secretary for Public Works.

1914. My reason for asking you was to know in what relation were your duties as to this Harbour Board?—As regards responsibility, I am not in any way responsible for the engineering works; but I happen to know something about these harbours. After Mr. Blckett left, owing, I believe, to pressure of work on the engineering staff, I was deputed to go to Westport and Greymouth to make a full report on the whole question of the administration and works of the Boards; so that I happen to know more in detail about these works than about other works of the department. I am, of course, a civil engineer.

1915. When were you there last?—In March.

1916. Of this year?—Yes, of this year.

1917. Did you visit both Westport and Greymouth?—Yes.

1918. What was the opinion you formed as to the progress of the works?—I was very much pleased indeed with the results shown at the Westport work. It will be more convenient, perhaps, if I confine myself to Westport in the first instance. I think the results there were exceedingly satisfactory. The extra depth of water amounted to quite 7ft. I should say that, on the average, 7ft. of increased depth had been obtained without any obstruction to the navigation in any way—that is to say, the harbour was just as easy of navigation as regards current and sea as it had been previously; with the advantage, as before stated, of having about 7ft. extra depth of water. There has been nothing done recently in Westport to the interior works.

1919. *Mr. Izard.*] What do you mean by the interior?—What you might call the river compartment—inside the mouth. Practically nothing has been done in the interior contemporaneous with the carrying-on of the ocean-works. All the work that has been done alongside the railway, the wharves, bank protection, and so on, was done before the works were commenced by the Government. No doubt the time has now come when it would be desirable to increase these works. The increase of depth on the bar has, of course, made the harbour available for a much larger class of shipping, and shipowners are more willing to go there.

1920. What increased works do you refer to?—Increased accommodation for loading coals and loading ships generally. In the report which I made on the 21st May last, some time after coming back from the West Coast, I made the following recommendations, after going thoroughly into the question:—

(First.) The deepening of the river-channel over the inner bar, by means of the construction of a portion of the western training-wall, as shown on Sir John Coode's plan. There is just now only 17ft. of water on this inner bar at ordinary high tide, when there is 20ft. at the entrance.

(Second.) The deepening and widening of the berths for shipping alongside coal-staiths by means of dredging.

(Third.) The alteration of railway wagons, so as to admit of coal-loading being done by cranes, as at Greymouth, as well as by staiths, and the providing of cranes for this purpose. The staiths, I may say, are rather overtaxed at present.

1921. What are these staiths?—The coal is tipped into bins, and thence discharged into ships whenever required. The coal can, of course, remain in these bins for any time. They are very useful for storage, holding as they do some hundreds of tons.

1922. *Mr. Withy.*] Are they hoppers?—Yes. These staiths, as I said, are rather overtaxed at present, and it is not possible to load, practically, more than one ship at a time. My proposal is to extend the wharfage, and provide for two steamers, by loading one in the same manner as at Greymouth and the other as they do at present at Westport—that is, loading one by hydraulic cranes and the other by staiths, as at present. That is what is meant by recommendation No. 3.

(Fourth.) The extension of the railway wharf down to the coal-staiths. That is in pursuance of the recommendation as to loading by cranes.

(Fifth.) The deepening, by dredging, of the shipping-berth in front of the cattle-yards. That is a small but requisite work.

(Sixth.) The further development of relief channel near Snag Falls by dredging &c., and the impeding of the overflow channel at the same place by planting willows, &c. [Mr. O'Connor pointed out on the map the proposals with regard to this work. He explained that this relief channel had been cut some years ago, in consequence of "clogging-up" of the main channel of the river with snags, and had been found to work very satisfactorily.]

1923. *The Chairman.*] What would be the probable cost of this work?—It would, of course, have to be done gradually, and we cannot tell exactly what it will cost. It could not be all done at once. We would do a little and let the river help; and so on. To make a guess at the cost, I should say about £10,000.

1924. By allowing the river to help in this way, is it not apt to add to the difficulties near the mouth in filling up?—Well, yes; some of the shingle would no doubt find its way down to the wharves.

1925. What is the width of this channel?—Originally it was only 6ft.; now it is in places several chains wide.

1926. It widens itself?—Yes.

1927. Is not the stuff carried out of it apt to silt up in the river?—Yes; but a good deal of it passes on to the sides. Any of it that comes down to the wharves we will have to get rid of by dredging.

1928. Is it cheaper to take that risk, with the possibility of expending money in dredging, than to lift it out and deposit it somewhere else?—We would not put any of the stuff we dredge out of relief channel back into the river; the only shingle which would go down the river would be shingle which we did not dredge out, but which is carried down by the river itself. I do not think it would pay us to dredge out the whole relief channel to the full size required. I think the probabilities are we shall not have to dredge very much of what comes down the river; most of it will lodge on the sides of the river above the wharves or else go out to sea.

1929. *Mr. Withy.*] Do you make this recommendation with the view of increasing the scour on the bar or to prevent danger?—To prevent the danger of the river leaving its present course and going out by the Orawaiti.

1930. It will increase the scour on the bar?—Not appreciably, I think. The last recommendation is, "That it would be a wise precaution to leave the distance between the ocean training-walls at entrance to harbour considerably greater than is shown on Sir John Coode's plans, with the intention of reducing this width hereafter by means of offset walls, if found desirable to do so." When I made that recommendation I did it with a certain amount of timidity, for I did not know whether such a thing had been done before or not; but since then I have found a report of Sir Vernon Harcourt's, an engineer of eminence, who recommends the same thing under similar circumstances. [Mr. O'Connor explained the proposal by aid of a map.]

1931. *The Chairman.*] You consider Sir John Coode's plan is too narrow as to the position of these walls?—Yes; I am quite convinced it is.

1932. Is it too late to alter that?—No; I am recommending it now.

1933. What extra width would you suggest between these two walls?—At least 200ft. beyond Sir John Coode's plan. I should mention, however, that it has already been decided by Mr. Blakett that the entrance should be 100ft. wider than Sir John Coode shows it.

1934. *Mr. O'Connor.*] Government have already decided to increase the width by 100ft., and you recommend widening by another 100ft.?—Yes. I do not think that will be too wide; but if it is we can bring it to exactly what we want afterwards by these cross-walls.

1935. *Mr. Izard.*] Do other professional men agree with you?—I have not had an opportunity of consulting other professional men on the matter, but I cannot see any mischief that could ensue in leaving the entrance too wide. Very great mischief might ensue by making it too narrow.

1936. Sir John Coode has not been consulted yet about this alteration?—No; there has been no communication with him on the subject as yet.

1937. Is it proposed to communicate with him now, before it is gone on with?—Yes; the Premier approved of Sir John Coode being consulted on the matter; but I go to the extent of recommending that if Sir John Coode's opinion cannot be got in sufficient time—I mean to say that if this work is progressing so as to get closer than 800ft. before we get Sir John Coode's opinion—it ought to be stopped, or else it ought to be gone on with with the view of making it 800ft.

1938. If the work were finished on the present plans, it would have to be pulled down again to allow of your alteration being carried out?—Yes.

1939. It ought not, then, to go beyond a point where you can make the width 800ft.?—No; it should not.

1940. *Mr. O'Connor.*] Has Sir John Coode been communicated with yet?—No.

1941. Not yet, although you made your report in May?—The Government had not an opportunity till recently of fully considering the report.

1942. *Mr. Izard.*] I understand that the depth at the inner bar is 17ft.?—Yes.

1943. And that there is about the same depth of water at the outer bar?—The depth is 20ft. at the outer bar at high water.

1944. To what extent do you expect to increase the depth of the inner bar?—To quite the depth of the outer bar. We could make it deeper; but there is no particular object in making it deeper at present.

1945. Do you expect to get a greater depth than 20ft. on the outer bar?—Yes; I have no doubt we will.

1946. What depth?—I think we ought to get 22ft. or 23ft. The work has turned out better than Sir John Coode expected. He only expected to get 20ft. at high-water of neap tides when the works were entirely finished, whereas we have 20ft. now, although they are a long way from completion.

1947. *Mr. O'Connor.*] His report says 25ft., does it not?—I do not think so.

1948. *Mr. Izard.*] Can you tell us what expenditure has been incurred on this work already?—Up to 30th June last it was about £241,000.

1949. Already incurred?—That is the expenditure only. The liabilities consist merely of the balance of existing contracts.

1950. What do you estimate will be the expenditure necessary to complete the work?—Sir John Coode's estimate was £488,776.

1951. And that will be exceeded?—No; I do not think so. Quite the contrary—it is being done a good deal cheaper than he expected.

1952. Even with the alterations* that you are proposing?—With regard to that cut up the river? That he did not provide for, but his amount will cover that.

1953. You think, then, that, including your proposed alterations, Sir John Coode's estimate will not be exceeded?—No; I do not think it will be exceeded. I think that, in fact, £500,000—which is, in round numbers, Sir John Coode's estimate—will more than cover the expenditure.

1954. What length of time do you assume it will take to finish the work?—Well, that I should hardly like to say at the moment. We have never actually estimated that.

1955. At the present rate of progress, approximately?—Well, to guess at it, I should say about four years; but it might possibly be done sooner than that.

1956. In that four years do you include inner and outer works?—Yes. We are not, as a matter of fact, spending more than about £50,000 a year at present, and at that rate it would take five years to expend the remaining £260,000. It all depends upon the rate of progress. We could nearly double the present rate, if necessary, but your question, I understand, was based upon the present rate of progress.

1957. *Mr. O'Connor.*] You stated in the earlier part of your remarks that the minimum depth of water previous to the commencement of the works was between 12ft. and 14ft.: do you not wish to correct that. Do you not think it was a great deal less than that?—I did not say that was the minimum depth. I said the average available depth was between 12ft. and 14ft. I was speaking of the outer bar. What I said was that the average available depth of water for navigation at that time was 12ft. to 14ft., and that the similarly reputed depth now, by which shipping is guided, is 17ft. to 20ft.

1958. Are you aware that boats drawing from 12ft. to 14ft. were habitually working the place half-loaded, in consequence of not having sufficient water to work full loads?—Of course, you cannot get ships drawing 12ft. to go into only 12ft. of water, but ships drawing 10ft. were frequently in and out there.

1959. Full loaded?—Yes, I believe so.

1960. Ships reputed to be drawing 10ft. of water?—Yes, I think so. Of course, there were occasions when they could not get in drawing 10ft. There were, no doubt, exceptional occasions, when they could not get in even when only drawing 8ft.

1961. What is the depth they are working at now?—They can work up to 17ft. under favourable circumstances; but there are times when they cannot do that. For instance, in a heavy sea the "seend" or undulation takes off 2ft. to 6ft. from the available depth. With a very heavy sea the 20ft. would perhaps be only good for 15ft. net.

1962. The inner bar you described as hard?—I believe its presence there is due to cemented gravel, which the river does not easily disturb.

1963. Are you not aware that the whole river ran formerly across that very place a few years ago?—It runs across it now.

1964. You must be aware that the river, at a much greater depth than it now is, has travelled across that very place?—That is what I do not know. I do not know that the river was a greater depth.

1965. Have you not got the old soundings?—We have not any old soundings that I know of showing more than 17ft. at that place at any time.

1966. From the old soundings, did you not find that place is directly over the old channel?—The channel had only 12ft. of water.

1967. I had a house just opposite that very place, and a pool there had 20ft. of water?—The shingle there now seems to have a consistency and resistance to scour that is exceptional.

1968. Do you think that is not due to the shifting of the bank itself and the shelter it receives?—Possibly.

1969. The system that is now being adopted to let the contract down there: you stated you inferred it was done in prosecution of a system adopted by the previous Harbour Board?—It was

carrying out what was understood to be the intention of the previous Harbour Board. They had given instructions for plans and specifications to be got out.

1970. Are you not aware that the Board did that in consequence of suggestions made by the Government, and against their own judgment?—No; I am not aware of that.

1971. Are you aware that the official report of the Board condemned the contract system, and stated distinctly that the contract was being prepared in deference to the views of the Government?—No; I was not aware of that. I did not know the Government ever impressed upon the Board the desirability of letting the work by contract.

1972. With regard to the contract itself, were there not two copies of proposed contracts left in the Harbour Board office when the Harbour Board constituted under the Act retired from office, one by Mr. Bell, and the other by Mr. Austen?—I do not know. I could not tell you.

1973. Are you not aware that neither of those proposed contracts was adhered to?—I know the present specification does not follow word for word the old one. Some modifications were made in it by the direction of the Engineer-in-Chief.

1974. In the proposals of the old Harbour Board, did they not agree that the public interests would best be conserved by letting the work of quarrying in two contracts, taking security over the machinery, and not handing over any portion of the railway-line?—I do not really know; I know the Government took that into consideration, and very carefully consulted with the engineer as to the *pros* and *cons* of it. The first proposal was that the contract should simply be the quarrying of stone. On that basis Government was to run the whole traffic, tip the trucks, and so on. It was then proposed, as a modification on that, that the contractor should do the tipping business and Government simply keep the rolling-stock in their hands; and finally, that was found to be so complicated that it was decided it would be better to let the contractor run the whole thing, and put him under considerable security for the safe custody of the implements, machinery, and everything. I am not prepared to give an opinion as to which was the best, but I know the matter was very carefully considered by the Engineer-in-Chief, Mr. Martin, and Mr. Maxwell, the then Railway Manager, and the conclusion come to was that the most practical course to adopt was what I have just stated.

1975. The result was an entire departure from the proposal of the Harbour Board, which was merely to let the work and retain the plant in their hands?—I do not really know what the proposal of the Board was.

1976. But you said the contract was let in pursuance of proposals of the Board?—I know the specification taken up by the Government, on which the contract was let, was found in the Harbour Board office.

1977. Was that adhered to?—Not in all its details.

1978. Are you aware the proposal of the Harbour Board was to let the work and retain the plant in their hands?—I do not know, but I rather doubt that being the case, because I have a copy of the contract here. There is a schedule signed by the Secretary to the Board in which a scale of rates is put down for the contractor to carry on.

1979. What contract is that?—This is the present contract.

1980. I know in the present contract that is being done. That is entirely a departure from the proposal of the Board?—This is a schedule of rates, which apparently emanated from the Board.

1981. From what Board? Will you show in what way you can connect that schedule of rates with the Board?—It is signed by Mr. Greenland, Secretary to the Board.

1982. Is not Mr. Greenland's Secretary to the present Board?—No. I think not.

1983. Is he not still acting in that capacity?—He is acting as clerk, I believe.

1984. You said ample security had been given for the plant: will you be good enough to state what security has been taken for the plant, and what property was handed over to those persons, and what was the value of that property?—The cheque deposited was £1,500. There is also 10 per cent. on the progress payments.

1985. Against that cheque, what was handed over to the contractor in the shape of plant—the value of the implements, machinery, and working-plant that would be worn out in the course of twelve months?—Do you mean the value of the material that he was to use up on the work?

1986. The material that was handed over to him to save him buying a new plant?—I could not undertake to answer that question in a moment. I may say, if Mr. Blair has already answered this question, it hardly serves any purpose to ask it of me, for I should in ordinary course simply ask Mr. Blair for the information, and then supply it.

Mr. Feldwick explained that Mr. Blair had not answered the question, but had undertaken to supply the information asked for.

1987. *Mr. O'Connor.*] In your report you recommended that the inside training-walls should be proceeded with?—Yes; one of them.

1988. Are you aware whether the contract now let gives Government any facility for using the railway-plant or trucks for such purpose?—I take it for granted that the contractor would be quite willing to put stone there or anywhere else. It is all the same to him where he puts it as long as he is paid for it.

1989. The contractor could be paid to put stone on the training-wall instead of on the breakwater?—Yes.

1990. Would not that put a stop to the works on the breakwater?—It depends on whether the contract would be carried on at the ordinary rate, or arrangements made for increased output.

1991. Has the output been increased already?—The contractor has liberty to increase it. He is bound under penalty to put out a certain quantity, and he has got liberty to increase it if he can—to put out more month by month.

1992. In that way Government can provide by private arrangement with the contractor for depositing stone on the inner bar?—Yes, if necessary; but the present contract runs out in a few months.

1993. How many months?—In about four months. The due date of completion is about the end of December next.

1994. I wish the Committee to have some information as to this: provided your suggestions were carried out as to that inner wall and the suggestion that you made with regard to the extension of the contract, would not that compel the Government to enter into a private arrangement with the contractor without competition, giving him the advantage of the plant?—If they kept up the same output on the ocean breakwaters, and still wanted to do this inner work, they would have to arrange with the contractor to increase the output, but it would be at the same price as the present work.

1995. Why so? He would only do it if it paid him, would he not?—Well, if he did not do it at the same price he would not get the work.

1996. Government would be in this position: they would either have to make arrangements with him or not do the work at all?—I take it that would be so, during the term of his contract.

1997. Has anything been done towards carrying out your suggestions at all?—The dredging has been undertaken in a small way. It is not being vigorously gone on with yet. That is all that has been put in hand.

1998. When was that report of yours put in, then?—It is dated the 21st May.

1999. Would it have involved any very great extra work if your suggestion to consult Sir John Coode had been made use of, and correspondence initiated?—I do not apprehend there was any very great urgency.

2000. I understood you to say it would perhaps be necessary to delay the works until Sir John Coode had given his opinion: was it not then a matter of urgency?—I said if it was necessary I would recommend the delaying of the works.

2001. Do you not think that was necessary?—No; all I mean to say is that I do not think the work ought to pass the point previously specified until Sir John Coode has been consulted in the matter, so that it may be diverted.

2002. How far are the works off that point?—I could not really say. I do not know what amount of progress they have made since I was there. They were then a long way from it.

2003. Would it mean some months?—Yes; probably it would mean many months.

2004. *The Chairman.*] There is plenty of time to communicate with Sir John Coode?—Yes, I think so.

2005. *Mr. O'Connor.*] As to these walls, the western one has to go 12 chains, and the other, the eastern one, 35 chains?—Yes, that is, one is a quarter of a mile behind the other.

2006. Are you not aware the previous Board recommended that Sir John Coode should be consulted as to the deviations made in the harbour-works proposed?—I mean as to the alteration in the plans?—No; I was not aware of that.

2007. Do you not receive correspondence that goes from the Harbour Board to the Minister for Public Works?—No; not always. Until recently, as a matter of fact, it always went first to the Marine Department. It is only recently, since the Board has been composed of Government officers, that the correspondence has come direct to us.

2008. Are you in a position to state how the affairs of these Boards are managed?—The Public Works Department is responsible for them now. Practically the affairs are carried on in just the same manner as our ordinary departmental business. The Board is simply constituted in order to comply with the Act, and the department is wholly and solely responsible, just the same as if there were no Board. The Engineer-in-Chief is responsible for the designs of the work, and the District Engineer is responsible for the execution of it.

2009. *The Chairman.*] You spoke of the increase of accommodation for shipping: you have made a recommendation to that end in your report?—Yes.

2010. Do you also recommend that increased activity should be made in the progress of the works generally: I mean the ocean works?—I do not think that much can be done in that way. The western wall fixes the whole thing, and that cannot be carried on with very much greater rapidity than it is being carried on at present.

2011. You are aware that the question of loading large ships, carrying from 2,000 to 3,000 tons of coal, depends upon the increased shipping-accommodation; and they are dependent upon the bar almost entirely?—Yes; that is so.

2012. You recommended dredging should be done?—I recommended dredging should be done to a small extent, but that I look upon as only a temporary thing, to be done out of deference to the wishes of the people in the locality. The effect of the dredging will be only temporary, pending construction of the training-walls.

2013. Taking into consideration the scour you refer to being likely to ensue at Snag Falls and the inner bar, would it not be desirable that dredging should commence as early as possible?—I should not recommend that dredging on a large scale should be done until certain it would immediately be followed by training-walls, to preserve the depth.

2014. Would it not be desirable that dredging be done concurrently with the inner walls?—I should not advocate its being done long before the walls are in progress, because I think that if it were done long before the construction of these walls it would only fill up again. The training-walls narrow the channel, and, the channel being narrowed, I think, if dredging once done, the depth would be retained; otherwise, I think, dredging would only be wasted, as it would fill up again.

2015. *Mr. Izard.*] You do not attribute much benefit to the dredging being done at the present time?—The dredging being done now is only a very small affair, just in order to keep the berths

clear, as is done in other ports. The berths at present are too shallow for the vessels that come in there. The present dredging is only to keep berths clear round about the wharf.

2016. *The Chairman.*] Do you know any dredge, suitable for the purpose, in the colony?—It has always seemed to me that the Lyttelton dredge would be the most suitable—that is, a dredge with tenders or barges. The Port Chalmers dredge would not be suitable, because it would require to go in and out over the bar. The sort of dredge required is one which would be easily moved and waited on by barges. A big dredge which goes out to sea is the cheapest where everything is favourable. It all depends on the circumstances of the case.

2017. With reference to widening the entrance according to your suggestion, assuming that Sir John Coode approves of that plan, would the cost be any more, so far as the eastern wall is concerned, *per se*?—It would scarcely be any more expensive; it would be practically almost the same.

2018. I think we have done with Westport: can you give us some information about Greymouth?—The results are not quite so satisfactory at Greymouth.

2019. The harbour-works there are very much nearer completion, are they not?—Yes; and as in the case of Westport, they have created a very great increase in the depth of water, but it has not been attained without detriment to the ease of navigation—that is to say, it is accompanied by difficulties in navigation which go a long way towards mitigating the advantage. I was very sorry to find that that was so.

2020. May I ask you whether Sir John Coode's plans were carried out in their integrity?—Well, as a matter of fact, they were improved upon in the way that he suggested they might be. The width of entrance, which was put down at 400ft., was made 450ft.; and my opinion of it was that 450ft. is not enough. The consequence is that the torrent which runs out in freshes is exceedingly dangerous to navigation.

2021. If it had another 100ft., would it then be too wide?—I do not think it would. At times, when the water is low, there is a tendency for the shingle to form a bar from the south. On the other hand, when there is a large quantity of water and there is a sea on, the current comes down with such amazing rapidity that ships cannot navigate it, and interruptions to communication are almost as frequent as they were before the harbour-works were undertaken. The cause of delay and danger before was shallow water; the cause now is floods. It should, however, be mentioned that the bar can now be worked by a much larger class of vessel than could enter there formerly. The conclusion I came to with regard to Greymouth was that, in consequence of these walls being so close together, it would be necessary to extend the western (or southern) wall some 300ft. or 400ft. further, to give ships an opportunity of having a little sea-room, and to get into proper protection.

2022. That is to continue the one wall further out?—Yes.

2023. Have you made a recommendation to that effect?—Yes.

2024. It is ahead of the other one now, is it not?—Yes; but not so far as I consider it should be. [Mr. O'Connor explained his proposal by aid of the map.]

2025. What extra distance have you recommended this wall should be extended?—About 500ft. in all. It is very expensive. It costs about £60 per foot. The total cost of the extension will be £30,000, but 200ft. of it, to cost about £12,000, is provided for out of the money at present available; the balance, 300ft., to cost £18,000, is not as yet provided for.

2026. Is that 200ft. being carried out?—Only to the extent which the present loan will provide for.

2027. Has your recommendation been adopted—has it been approved?—I understand that it cannot be until the question of funds is submitted to Parliament.

2028. It requires an extra sum to the amount provided—further borrowing powers?—Yes; further borrowing powers. I recommended two or three different works. That is one of them; the others are of smaller importance.

2029. *Mr. Guinness.*] With regard to that half-tide training-bank that you are constructing from the Cobden side of the river, under and beyond the Cobden Bridge: is that work going on now?—You mean the half-tide training-wall on the north side of the river? Yes; that is in progress.

2030. Has it been recommended that that should be continued?—Yes; my recommendations were—(1) That the south breakwater should be extended 500ft.; (2) that the north training-wall should be completed throughout from Cobden to the vicinity of the north breakwater; (3) that of the shingle-bank, at the south side of the river, in the vicinity of the Cobden Bridge, the portion which lies below the bridge, should be removed by excavation and dredging. The estimated cost of these works is £70,000 in excess of the funds now available.

2031. What is the length of the half-tide training-wall which starts above the Cobden Bridge?—I could not state the exact length of it without the plan.

2032. Do you know a considerable portion of the length has to be made yet before it is finished?—Yes.

2033. Do you think that work should be gone on with?—Yes.

2034. Do you not know any stoppage of that work has a tendency to dislodge the shingle from a point about opposite it and lodge it at a point alongside the wharves where the shipping lies?—Yes; I reported that at present the shingle-bank at Cobden Bridge deposited itself at the wharves, to the detriment of navigation and the shipping lying there.

2035. Has your recommendation been adopted yet?—No; it cannot be adopted until the question of funds is brought before Parliament.

2036. Do you know anything about the site for a harbour at Point Elizabeth, five or six miles north of the Grey?—Practically nothing.

2037. Have you had any soundings taken?—No.

2038. You know the place, do you not?—Yes, I know it, having passed it by in a steamer, and having ridden along the beach. I have no idea of the probable cost of making a harbour there, or anything of that sort.

2039. What principal sea or wind do you think that bay affords protection against?—It affords protection against the heaviest seas that obtain on that part of the coast.

2040. That is the south-west?—The south-west and west. Yes.

2041. Have you had any estimate of what the probable cost to complete a breakwater there would be before your department?—Not that I know of.

2042. In what position do the Greymouth Harbour Board funds stand at the present time? Is there any money left in hand available now?—The completion of the works actually in hand will absorb all the funds available.

2043. That is, the completion of the works now let?—Yes; the contracts, with certain necessary extras.

2044. With regard to the accounts, I want to know whether there is any system of checking these accounts now paid by the "dummy" Boards in existence?—The accounts are subject to audit, just the same as if the Board had real power.

2045. As to whether the expenditure is reasonable or exorbitant: who is there to certify as to whether the charges are fair and reasonable, or exorbitant, or otherwise?—I understand the audit is just the same as it always was. Of course, Mr. Martin, the Chairman, certifies that the accounts are fair and reasonable.

2046. He is the only person who is authorised to do that?—He and the Engineers under him.

2047. There is no other engineer under him at Greymouth?—No; but there is at Westport.

2048. He is the person that is so authorised?—Yes. He certifies as to the work being done. If the work is under contract, of course it is simply a certificate under the contract.

2049. That is as to contracts. You must admit, though, that during the last fifteen months a lot of work has been done by day-labour and piece-work?—Very little, I think; very little indeed has been done by day-work. Nearly all the work has been done in pursuance of contracts.

2050. Are there extras?—Yes, there are extras.

2051. Is not this training-wall being done as an extra?—I believe a portion of it is; of course, at the contract schedule rates. The only question that can arise there is the question as to quantity, and no auditor can check that; that must depend entirely upon the Engineer. There is a greatly-mistaken notion as to the amount of audit that can be put on Engineers' accounts. When an engineer gives a certificate that a man has done certain works in a certain time you are really dependent upon that engineer's honesty and veracity. Nobody else can tell. He is, in many cases, the only one who can certify as to the quantity. It is only the correctness of the arithmetic and reasonableness of the charges and things of that sort which can be checked by the auditor.

2052. I am not dealing with the question of audit at all. I am dealing with the question of giving orders for work, passing that work, and certifying whether the charges are fair and reasonable. Coming to another question, as to ordering of materials: a good deal of material is ordered by the Board?—Very little: it is contract work.

2053. I was on the Board for some years, and a good deal was ordered then, in Christchurch?—Yes, then; a lot of work was done by day-labour then, and the Board went into the market and got the materials. We do not do that, as we let the works by contract.

2054. I am speaking of Greymouth?—Yes; at the Grey nearly all the works have been done by contract. I cannot say of my own knowledge, but I heard a good deal of day-labour was employed before the Government took the works over.

2055. Only in the case of dredging, and in cases of damage to the works. Mr. Martin has the ordering of all material that is required for the works, at any rate?—Yes; all that is required beside the contracts.

2056. When those accounts come in, are they not submitted *in globo* to the Board, and a formal resolution made by Mr. Martin that the accounts as submitted be passed for payment?—Yes, I think so; the department holds him responsible.

2057. Mr. Martin occupies the position of Chairman of the Board and Engineer to the Board?—Yes.

2058. Is he paid out of the harbour funds for his services?—No; he is paid by the Government.

2059. No portion of his salary is refunded in any way?—I do not think it has been. It has been spoken of to make claim against the Board for engineering services, but I do not think any such claim has yet been made.

2060. In Westport, I understand, there is another Government engineer, who is also a member of the Board, and acts in Mr. Martin's absence?—Yes; Mr. Wilson.

2061. Mr. Martin is also a member of the Westport Board?—Yes.

2062. And Chairman of the Westport Board as well?—Yes.

2063. Do you get copies of the minutes of that Board sent to you?—No; the Marine Department does, though.

2064. You do not see those minutes?—We do not trouble about the Board at all. We hold Mr. Martin responsible for everything that is being done. The Government is carrying out the works just the same as it is carrying out the Christchurch Road, and the Buller Bridge, and all other works.

2065. The Harbour Act is being ignored?—The Harbour Board is only used as an instrument to enable us to work under the Act.

2066. Government have taken up this position without resolution passed by the General Assembly authorising them to do so?—The Government has not taken upon itself the responsibility by Act of Parliament.

2067. *The Chairman.*] In reference to the completion of that work of Wilkie Brothers, at Westport, as to the time in which the contract is to be completed: in looking through the specifications, I see you are referred to the special conditions; and then, in the special conditions, whether it is owing to my not understanding them or not, I cannot find out the time for completion?—I confess I could not when looking through the papers just now.

2068. There appears to be really no time mentioned for the completion of the work: can you enlighten the Committee?—My impression is the contract expires in February next; and, moreover, I find the rate of progress at which it is being gone on with now, will complete the work in that time, or thereabouts.

2069. You cannot say when the contract time expires?—I could not find out from those papers, and I therefore speak from memory. The time, however, is necessarily fixed by the terms of the contract. There is a total quantity of stone to be put out, and it has to be put out at a given rate per month, so that necessarily fixes the time at which the contract must be completed.

FRIDAY, 16th AUGUST, 1889.

Mr. E. WITBY, M.H.R., examined.

2070. *The Chairman.*] I think, Mr. Witby, you proposed to make a statement to the Committee of your observations upon the methods of shipping coal from some of the English seaports visited by large colliers?—I may say that my principal source of observation was at West Hartlepool, a large shipping port for the Durham coalfields. The advantage of the system there adopted was that no power was required, and very little supervision for the actual tipping of coals into the steamers or ships. There was a large gantry or staith raised along the dock-side, at such a height as suited the largest vessels that came under it. On the top of this gantry were several lines of rails. Possibly, the highest part stood 35ft. above the quay. That was, of course, very considerably above the level of the railway running from the collieries, which were many miles distant. The locomotive going behind each train, when it came near the staiths, pushed the whole train before it up an incline and over a summit, situated at some distance—more than the length of the train, at any rate—before it arrived at the dock-side. When the train was pushed over this summit the truck-brakes were put down to prevent them running down on the decline. Then the locomotive was detached, and went away. The whole remaining operation of tipping the coals into the vessels and bringing the empty trucks to the ground-level again, at a considerable distance, was done by gravity; done in this way: The end truck of the train was detached from the next one by a man in attendance at the staith. He raised the brake and the wagon commenced to run down the decline. With the brake he controlled it so that it stopped at the tip where he wanted to put it. He then put down the brake and secured the wagon firmly. The bottom doors were then knocked open and the coal fell into a receptacle at the top of the shoot attached to the staith; from that it slid down into the vessel. When the truck was empty the brake was again lifted and the truck allowed to proceed down the decline, diverging to one side until it passed the points of the return line. When it passed these points it was stopped again, the points were “set over,” and it commenced to run back by the reverse decline. It ran right back down the lower side of the staith, until it got to the ground-level, half a mile away. Each truck went through the same process, and a train of empty trucks was thus formed on the ground level.

2071. A sort of zigzag?—Yes. Then, when the coal was in the receptacle at the top of the shoot—I should say there are several of these shoots, one beyond the other along the staith—when the coal was in these receptacles it went down a sloping shoot, and fell over the hatchway of the vessel. There were several devices in connection with these shoots. In the first place, they were hung in a vertical frame which would slew round to a considerable angle laterally; so that if a vessel came alongside whose hatches were closer together than the distance between the spouts, or further apart, the spout could be turned at an angle towards the hatches.

2072. On much the same principle as the lights of a piano?—Yes. Then, as these staiths had to accommodate vessels of varying heights out of the water, the shoots were made so that they would bodily go up and down through a range of several feet—going down lower for a low ship and rising higher for a high one.

2073. *Mr. O'Connor.*] The principle is pretty much the same as that adopted at Westport, but not the lateral movement. The whole thing, you say, goes bodily up?—Yes; it goes up and down bodily. Then, in addition to this bodily up-and-down movement of the shoot, it can be inclined from the staith to every degree of declivity as well; so that for a very high ship the coals are sometimes shovelled along a horizontal shoot. In order to prevent too great breakage of coal by the fall, there are ranged along these shoots several shutters, which are controlled by levers and chains on the outer edge of the shoot, so that the coal can be stopped at perhaps three stages in its course down, and so the full momentum of the whole fall never comes upon any one shutter. I think this describes the pith of the thing.

2074. *Mr. Izard.*] The coal does not get broken up much?—No. I might add to this description the observation that the Committee will see there is no steam-power required for actually shipping the coals into the vessel at all. Consequently, there is no fireman or engineer wanted to drive a crane. There is no steam-boiler necessary; and consequently no time wasted by getting up or running down steam. No repairs are needed to boilers or machinery. No costly plant is wanted, such as that required for hydraulic gear such as is used at Cardiff.

2075. *The Chairman.*] What is the motive power?—Absolutely none. Some of the older-fashioned staiths, which are very useful for smaller vessels, were on a different plan. Here the line ran at right-angles to the side of the dock; and there was a platform hanging about 20ft. over the edge of the dock carrying the railway. This platform was counterweighted sufficiently to keep it up with an empty truck on it. It was then controlled by a brake; and, at pleasure, the staiths-man could lower the platform down as far as was necessary to suit the height of the vessel. He then applied the brake again, until the truck was emptied into the vessel's hold. Then, by freeing the brake the platform rose with the empty truck on it, and it ran back along the line.

2076. Do I understand you that you would be prepared to supply a rough sketch of the plans you have described should it be considered desirable to go further into this subject?—Yes; I

should be very pleased to do so. I might add that the former apparatus is considered the most approved design for quick, cheap, and effective loading of large screw-colliers from 1,200 to 2,000 or 3,000 tons burthen. It is the plan adopted at a shipping port which ranks fourth or fifth among the large coal-shipping ports in England, where such large steamers frequently come in on one tide and proceed to sea the next tide fully loaded. There is no doubt of its being a system capable of doing an enormous lot of work at the smallest possible cost.

DAVID WILKIE, Contractor, examined.

2077. *The Chairman.*] Are you a member of the firm of Wilkie, Wilson, and Co., contractors of Westport?—Yes.

2078. Your firm are contractors for the Westport harbour-works?—Yes.

2079. It is a part of the business of this Committee to learn the progress made with the Westport harbour-works, the output of coal, and the condition of the coal-mining industry. *As you have the principal contract there in connection with the harbour-works, you will be able to give the Committee information as to the terms of your contract—the progress you are making with the works. You will, if you please, confine yourself as much as you can to the matter of your contract. The first question I will ask you is, What quantity of stone you have to put out?—The quantity under our contract is 180,000 tons.

2080. Have you a copy of the contract?—Yes; here is a copy of the contract [produced].

2081. What are the terms of the contract?—We have to deliver at the rate of 20,000 tons of stone per month from October to March (both months inclusive), and 14,000 tons from April to September (both months inclusive).

2082. What date do you reckon from?—From one week after signing the contract.

2083. What date does it commence from?—It was signed on the 1st February.

2084. This year?—Yes; this year.

2085. When did the contract commence?—It was some time before the Board could put us in possession of the works.

2086. Was it about the middle of February?—Somewhere about the middle of February.

2087. What was the rate per ton that you were to receive?—We had different prices, according to the class of stone.

2088. Will you be good enough to state what they were?—For first-class stone—that is, from 10 tons to 20 tons and upwards—we were to receive 3s. 9d. a ton.

2089. *Mr. Turnbull.*] For the second class?—For the second class, 3s. 6d.—that is, for stone from 3 to 10 tons.

2090. And the others?—The third class would be smaller—that is, from 5cwt. to 3 tons—and the fourth class from $\frac{1}{2}$ cwt. to 5cwt; this smaller stone was for filling in the body of the wall.

2091. The whole contract was for 180,000 tons?—Yes.

2092. Was it for an annual or a total amount?—The total amount we were to deposit.

2093. *Mr. Withy.*] It could be done in a year?—Yes.

2094. You only executed the contract this last year?—Yes.

2095. *The Chairman.*] When does your contract expire?—Eleven months from the time of commencing.

2096. Is there any penalty for short deposit after a certain date?—Yes; 6d. a ton.

2097. How is it ascertained?—They measure up every three months, and if we are short this penalty is charged.

2098. Then, practically, you divide it into four parts?—Yes; and if we are short of the quarter they impose the penalty according to the number of tons short.

2099. Is there any reference in your contract to “twelve months,” or a period specific?—You take it at the rate deposited per month.

2100. *Mr. Hutchison.*] How would that reckon out, taken from the middle of February?—Divide into four quarters; if there is any deficiency on the quarterly period it may be held over to the yearly period, when the whole is made up.

2101. *The Chairman.*] Have you any allowance made you if you deposit the quantity within the time of your contract?—No; no allowance.

2102. *Mr. Withy.*] Have you heard of any proposal to alter the direction of the east wall, so as to keep further out from the west wall?—No.

2103. Have you heard any suggestion of that kind?—No.

2104. What is their distance apart?—I have heard it is 700ft.

2105. At the point you have got to?—Yes.

2106. You have not measured it?—No.

2107. *The Chairman.*] The deduction, you say, was to be 6d. a ton?—Yes.

2108. *Mr. Hutchison.*] Starting from the middle of February, what was required to be deposited to the middle of May—this is, the first three months of the period?—In the month of March we would have 10,000 tons to put out—that is half the month. The rate for that month is 20,000; the rate for April would be 14,000.

2109. A quarter would be 45,000 tons?—From February to March we would have 20,000 tons to put out; then from the middle of March 14,000 to the end of March.

2110. What to the middle of May, the first three months of the period?—7,000.

2111. That would be 51,000 for the first three months?—We were short.

2112. How much?—I could not say how much: the next month, to the middle of June, we would put out 14,000, to the middle of July 14,000, and to the middle of August—this month—14,000.

2113. That is, for that three months' periods, 42,000, which with the other makes 93,000: what would be the output until now?—I wired for that, and have received the following telegram in reply:

“The output should be 93,000 : it is 92,000. Each crane averages 1,600 tons per month : lending two cranes and wagons for two months meant a loss of 6,400 ; consequently, the output is 5,000 tons to the good.”

2114. Then, if you had the use of that plant you would have 99,400?—Yes.

2115. Under what circumstances was a part of your plant taken by the Government?—We lent it to the Harbour Board : they wanted two cranes and wagons.

2116. Was that with the concurrence of the Government?—Yes.

2117. You had 92,000 put out?—Yes.

2118. What is the output required for the next three months?—To the end of September it is 14,000 per month.

2119. That would be more correctly for the quarter to the middle of September at the rate of 14,000?—Yes.

2120. And for the latter half of September 7,000?—Yes.

2121. And then?—20,000 to completion of contract.

2122. Then there would be October, 20,000 ; November, 20,000 ; December, 20,000 ; January, 20,000. That should complete to 110,000 to the end of January. That would be 173,000, leaving 7,000 to be done in February to complete the contract?—Yes ; I am satisfied we will be done by then.

2123. Can you give us any opinion of the character of the work being done—as to its stability and permanence?—It is very substantial, as far as I know. I do not think it could be done faster than it is being done.

2124. *Mr. Withy.*] Is it a rough wall or is it faced?—It is a rough wall ; a tipped wall.

2125. No facing?—The small stone is put inside ; the large outside.

2126. *Mr. Izard.*] What width is it?—16ft. to 18ft. on the top.

2127. At the bottom?—It goes down a slope of 2 to 1.

2128. *Mr. Turnbull.*] Has the sea any effect in removing the wall, to your knowledge?—Very little ; last Sunday it flattened it about a chain.

2129. Threw the stone into the harbour?—No ; flattened it down : we fixed it up by the Sunday evening.

2130. What is the height of the wall above the level of the sea at high tide?—The sea was coming over it : at ordinary high water, when it is calm, it would be about 8ft. or 9ft.

2131. Not more than that?—I do not think so.

2132. Is it cemented at the top?—No.

2133. The telegram says that 92,000 tons of stone have been deposited : are you in a position to divide the stone into four classes—that is to say, how much of the heaviest, then of the heavier, and then of the ordinary kind?—I think we are up to specification as far as class is concerned.

2134. You are regulated only to deposit a certain quantity of each class?—There is only 35,000 tons of the first class, 55,000 of the second class, 39,000 of the third class, and 51,000 of the fourth class.

2135. Is the water deepening fast from where you are throwing it?—Round the end of the wall at the west side the water is very deep.

2136. Where you are depositing?—Yes ; there is a grip there at the end of the wall : they are putting out staging. We expect to get over the hole in a short time. It is shallowing now.

2137. What is the width of it?—Some 100ft. or 150ft.

2138. *Mr. O'Connor.*] You said you were in arrear on the first three months : could you say what the amount was?—No.

2139. Was it 10,000 tons?—I could not say.

2140. You have pulled up since?—Yes.

2141. The average would be for the last three months about 500 tons a day?—No ; from 800 to 900 tons : last month we put in more than the 20,000 tons.

2142. The average would be that, but to pull up for loss you have put in nearly 1,000 tons?—Yes.

2143. Does that include the 20,000 tons extra you had given to you?—Yes ; if we can do it.

2144. Will you explain to the Committee what that extra is for?—They wanted us to employ eighty-four men that were out of employment—that were locked out. Mr. C. Y. O'Connor wanted us to put on these men. I told him we could put out the necessary quantity with the men we had. He said he would increase the output if we put them on. We put them on.

2145. Then, it was the result of an arrangement for employing further men?—Yes.

2146. That 20,000 tons extra is not included in the 180,000?—There was no specific quantity extra. We can put out as much as we can at contract prices.

2147. Do you anticipate that you will be able to put out more?—I do not know that the plant is capable of putting out more.

2148. Have you not pulled up 10,000 tons in three months?—Some of that is at the rate of 14,000 tons.

2149. Do you intend to work a shift?—No.

2150. But you have pulled up 10,000 tons since May?—Yes.

2151. You are now doing something else in the way of dredging?—No ; we merely lend plant. We are allowed 15 per cent. for taking the stuff away.

2152. You are allowed that for use of plant and management?—On the management.

2153. For what the Government takes up in dredging?—For men that are actually employed in dredging.

2154. In return for that you give these two cranes and the wagons you spoke of?—No.

2155. What do you get for giving the cranes?—Nothing.

2156. For the wagons?—Nothing.

2157. What does the consideration come in for?—For management, for supervision, use of tools, of our men.

2158. Is there not a person employed by the Harbour Board to supervise the dredging?—No; we supervise it ourselves.

2159. Who pays the overseer?—The overseer is a workman; he works at it; he is paid 1s. a day extra.

2160. You do not pay him?—We do not pay any of them.

2161. Does not the Engineer of the Harbour Board supervise?—He does, the same as he supervises our contract. If anything goes wrong we will get it rectified. We pay the men, but the Harbour Board pays us. The men that are on the dredge itself we have nothing to do with. We pay the men on the tip.

2162. The Harbour Board pays you back again?—Yes.

2163. In addition to that they pay you 15 per cent. for supervision on the cost of the work?—It is a very small item; it comes to about £120 more on that.

2164. *Mr. Izard.*] How much—£230?—Yes.

2165. *Mr. Withy.*] You are not bound by your contract to take the wall to a given point?—No.

2166. So that if the 180,000 tons did not go so far you are not responsible?—No.

2167. If it goes further you are still obliged to put out 180,000 tons?—Yes.

2168. *The Chairman.*] It matters not whether your 180,000 tons are consumed in 3 chains, a mile, or twenty?—No.

2169. *Mr. Turnbull.*] Was this arrangement in regard to dredging made when you took over the men?—No; it is only about six weeks since.

2170. It was no condition of your taking over the men?—No.

2171. *The Chairman.*] Is the whole of the plant which you have lent to the Board and the tools for doing the dredging the plant which the Government lent to you?—The bulk of the plant is the Board's.

2172. It is re-lent, in fact?—Yes.

2173. *Mr. Izard.*] You do not get any payment for the plant you use for dredging?—No.

2174. You pay the wages in the first instance, and you get the money back again?—Yes.

2175. You advance the money, in fact?—Yes.

TUESDAY, 20TH AUGUST, 1889.

Mr. L. WILSON in attendance and examined.

2176. *The Chairman.*] You are Assistant Secretary of the Marine Department?—Yes.

2177. I think it was the custom of the Harbour Boards of the West Coast (Greymouth and Westport), if I remember rightly, to submit to the department copies of the minutes of their proceedings?—Copies of the minutes were, by direction, sent by the Boards to the Marine Department.

2178. *Mr. Guinness.*] Minutes of all proceedings?—The ordinary minutes of the Board.

2179. *The Chairman.*] When was that practice initiated?—We have them from the beginning; they were not got at first, and consequently there was a large accumulation of arrears. We have got them in the case of one of the Boards: they send them still. The other has not done so quite recently.

2180. Why has not the other Board done so?—They were going to be written to the other day about it, but we omitted doing so.

2181. Then, it is not the intention to discontinue?—No.

2182. You know something of the report submitted in regard to Port Elizabeth?—Yes.

2183. The Committee has seen the report: has anything further been done in connection with that report?—Nothing has been done since, to my knowledge. I believe that at various times private persons have gone there and looked at the place; but nothing has been done.

2184. *Mr. Guinness.*] We want you to produce the reports of Mr. Balfour, the Marine Engineer?—They have already been laid on the table of the House. I think they were laid on the table of the House two days ago.

2185. And the report of Lieutenant Woods?—Yes; the reports of Messrs. Woods, Balfour, and Blackett. They were laid on the table of the House two days ago. They are a part of the regular records of the House.

2186. *Mr. Feldwick.*] You mean they are on the table of the House of Representatives?—Yes.

WEDNESDAY, 21ST AUGUST, 1889

Mr. H. J. H. ELIOTT, Under-Secretary of Lands and Mines, in attendance and examined.

2187. *The Chairman.*] You were asked, Mr. Elliott, to bring some papers with you in connection with these coal leases: what papers have you brought?—The order was so wide that I have brought everything bearing on the subject.

2188. I mean all papers relating to leases, concessions, correspondence, &c., relative to the amalgamation of leases, divisions of ground, or returns of output?—Yes; I have brought all the papers relating to these matters.

2189. *Mr. Withy.*] Can you show any leases joined together as regards output?—Yes; the Waimangaroa and Ngakawau.

2190. *Mr. Hutchison.*] In 1885? It is pointed out that it was a subsequent lease, which must have proceeded on a different basis altogether. Was there any agreement under the later lease (1888), or any subsequent agreement?—No; they continued the old agreement.

2191. *Mr. Withy.*] Then, does that agreement apply in the altered circumstances?—It has been held to apply.

2192. *The Chairman.*] The Waimangaroa and Ngakawau are the only amalgamated leases?—There are more than that by the return.

2193. Has the amalgamation made no return to the Government and the Harbour Board in respect to the output of coal?—The output was increased by 20 per cent.

2194. Has that output increased the haulage and the receipts?—Yes.

2195. *Mr. Hutchison.*] Do you know whether there is any agreement subsisting in regard to amalgamation in future?—I know of none.

Mr. PARK in attendance and examined.

2196. *The Chairman.*] You are connected with the Geological Department?—Yes.

2197. Have you been long connected with it?—About ten years altogether.

2198. Do you know much about the Westland coalfields, or that portion of the country where coal-seams exist?—The only portions of that country that I know much about are the West Wanganui areas.

2199. Will you describe to the Committee the country where they are?—They are mostly in the north-west extension of the South Island—that is, between Collingwood and West Wanganui Inlet.

2200. That is, if taken in a direct line, it would strike the coast about the mouth of the West Wanganui River?—No; about Kauerangi Point.

2201. What district is it known as?—The West Wanganui coalfield. I can produce a tracing of it, and give you the results of my last trip.

2202. How long were you there?—About five weeks altogether. Since then I have made a survey of the part that runs to the Aorere River.

2203. What is the depth of water on the bar at West Wanganui Inlet: do you know?—14ft. at high-water spring-tides. The harbour is a safe one at all times. It is said to be superior to Greymouth or Westport by mariners who frequent it.

2204. What area did you cover in these five weeks?—Twenty miles square, approximately—that is, about four hundred square miles.

2205. Did you find many traces of coal?—Yes; I examined outcrops of coal in a great many places.

2206. Will you describe to the Committee any important seams that you have discovered?—I have notes of the observations I made on the ground.

2207. You might make a *précis* of them for the use of the Committee?—I will do so.

2208. You may also describe to the Committee generally, from your notes, the coal-seams that you examined during the five weeks you were surveying the district?—Yes. The coal consists of three different kinds: (1) a bituminous coal of very fine quality; (2) a pitch-coal; (3) a brown coal. The bituminous coal occurs in the lower coal-measures; the pitch-coal in the upper coal-measures, passing southwards into the brown coal.

2209. Which predominated?—In this district I calculated that there are 25,260,000 tons of coal.

2210. That is, Collingwood?—Yes. Most of it is under water-level. 12,600,000 tons of brown coal, of which 3,600,000 tons are level free. There remains 9,000,000 tons of pitch-coal below water-level.

2211. Then, the bituminous coal?—They are exposed along the face opposite the Aorere Valley, or Collingwood district.

2212. Was there much of that?—I can give you the particulars. The number of seams known along the line of outcrop facing the valley is said to be seventeen, of which only five are known to be of any size.

2213. What do you call of any size, for we have been accustomed to hear of seams 25ft. and 26ft. thick?—I mean approaching to workable size.

2214. Three feet, would you say?—No; about 2ft. Only 2ft. seams have been worked at the present time at the coal-mine at Ferntown.

2215. Have they been regularly worked?—Yes.

2216. Where are they situated?—At Ferntown, Collingwood.

2217. Are you alluding to the Collingwood Coal Company?—Yes; the company that supplies the gasworks at Nelson.

2218. What is the output?—It is very limited. It takes them all their time to supply enough coal for the gasworks. It is very small indeed.

2219. Did you find any seams on the West Wanganui?—Yes; there are some large and workable.

2220. What size?—About 4ft. or 5ft. in thickness.

2221. Does it extend a long distance?—For a distance of about two miles extension.

2222. Along the coast?—Parallel with the coast.

2223. Did you trace them back from the coast?—No; they are not traceable inland. They dip to the westward, under the water-level.

2224. Towards the sea?—Yes; that is why I calculated the coal to 1,000ft. below water-level.

2225. Are there facilities for coal trade there?—The facilities are very great indeed.

2226. For shipment? Do you know what distance the Mokihinui River is from West Wanganui? What is the distance from Cape Farewell?—About eighty miles; sixty-five to West Wanganui River.

2227. Then, the whole of that country appears to be intersected with coalfields?—Yes.

2228. *Mr. Guinness.*] Have you made any survey of the coal-measures in the Grey Valley district?—No; I have not been so far south as that.

2229. *Mr. O'Connor.*] Can you state in whose hands that territory is?—I believe it is private property. It was formerly Native land. It was bought from the Natives by a Wellington syndicate.

2230. Does the property of the Wellington syndicate come into Golden Bay?—No; it includes only the Taitapu of 90,000 acres.

2231. Does the coal come into Golden Bay?—It dips to the westward, and rises to the top of the range on the Collingwood side.

2232. It is highest on the Collingwood side?—Yes.

2233. How near does it go to Golden Bay?—Up to the foreshore almost.

2234. You stated that the whole of the property belonged to a Wellington syndicate?—The West Coast part of it.

2235. Where is the boundary of that property?—House-roof Hill, and from there to Mount Hodges; then to Higgins's Peak, and from there to Gouland Downs.

2236. It does not come over the range?—It comes to the crest of the range.

2237. The answer you gave just now was that the whole of the property mentioned was in the hands of a syndicate: that would be hardly correct. Then I understood you to say that the property comes up to the crest of the dividing range: whose property is it on the other side: you say the coal comes to the other side?—It is partly Crown land, partly under lease to the Nelson Coal-mining Company, and partly to Kerr and Adams.

2238. In other words, except what this coal company holds, the balance is Crown land?—The balance is Crown land. The leased land belongs to these two companies.

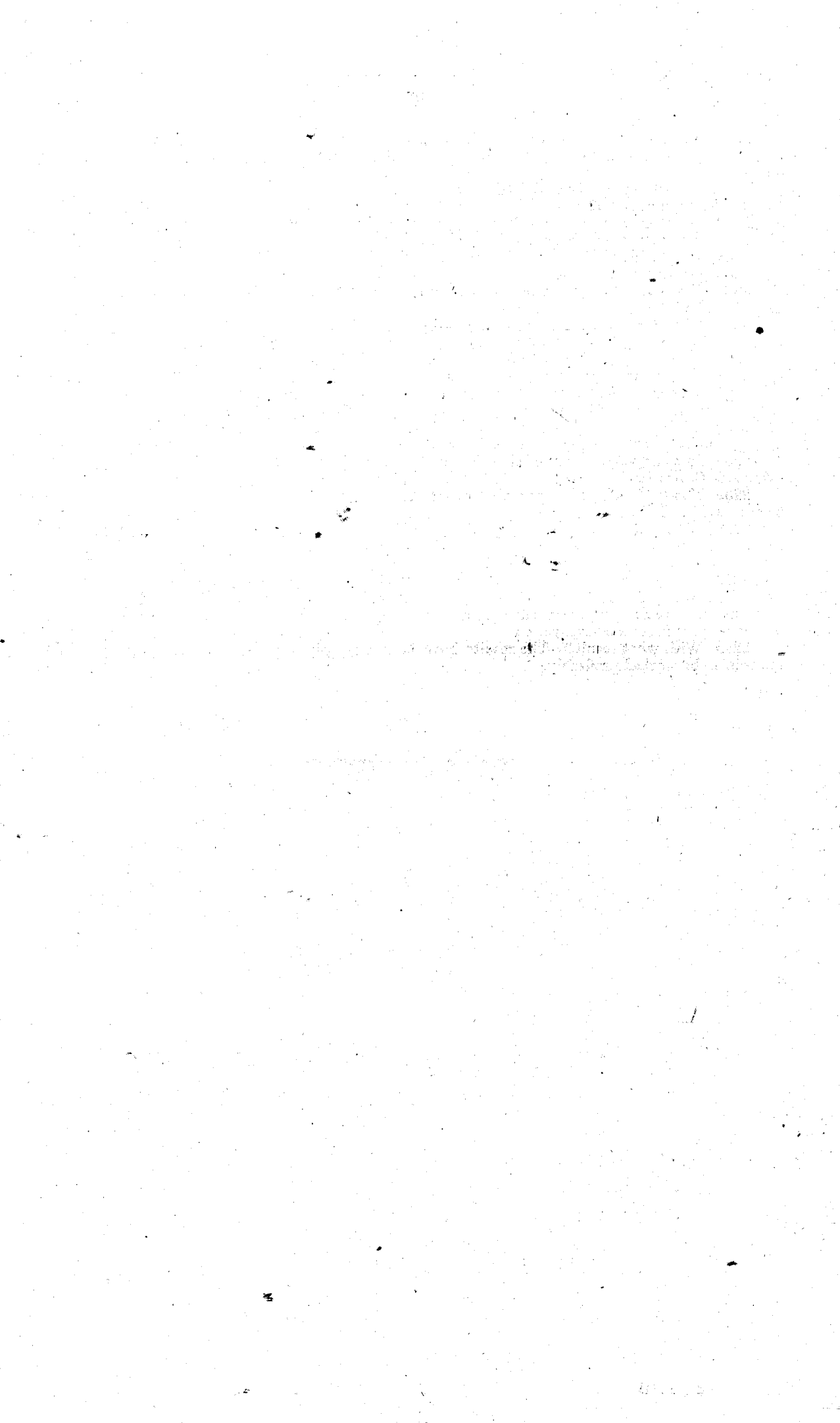
2239. You have told us the part that is under lease: have you been over the ground that has been leased?—Yes; most of it.

2240. What extent of coal country is there there?—It may be something like a frontage of three miles; the depth half a mile.

2241. This coal you are describing is workable from the Collingwood side?—Yes.

2242. Has anything been done in developing the Collingwood side?—Yes; a good deal of money has been spent by the Nelson and Collingwood. At Pakawau a large amount of money has been spent in borings and opening out the coal and in surface-excavations. At Seaforth a large amount has been spent in surface-excavations.

2243. With what result?—The results have been disappointing. The coal-seams appear to be too thin to be worked profitably.



APPENDIX.

CONTENTS.

| | PAGE. | | PAGE |
|--|-------|---|------|
| No. 1.—Returns of Number and Tonnage of Steamers Loading at Westport and Greymouth .. | 88 | No. 21.—New South Wales Railway Charges .. | 105 |
| 2.—Return of Quantity of Coal shipped .. | 88 | 22.—Return of Ventilation and Number of Men, West Coast Coalfields .. | 105 |
| 3.—Statement of Cash Prices of Coal .. | 89 | 23.—Return of estimated Quantity of Coal worked outside Wallsend and Coal-pit Heath Boundaries .. | 106 |
| 4.—Particulars of Greymouth and Westport Railways .. | 90 | 24.—Cost of Coal at Westport .. | 106 |
| 5.—Statement of required Output, Buller Reserve .. | 93 | 25.—Union Steamship Company: Extract from <i>Australian Star</i> .. | 106 |
| 6.—Return of Leases on Buller Coal Reserve .. | 94 | 26.—Output of Coal .. | 106 |
| 7.—Return of Leases within Coal Reserve, Buller County .. | 95 | 27.—Correspondence Supplementary to Evidence of Mr. J. Mills, M.H.R. .. | 107 |
| 8.—Return of Applications for Coal Leases granted but not issued, Buller Coal Reserve .. | 96 | 28.—Mokihinui Coalfield Report, by Mr. H. A. Gordon .. | 108 |
| 9.—Return of Coal Leases outside Coal Reserve, Grey County .. | 96 | 29.—Coal Leases North of Grey River .. | 110 |
| 10.—Return of Leases within Coal Reserve, Grey County .. | 97 | 30.—Coal Lease at Mokihinui .. | 110 |
| 11.—Return of Applications granted but not issued, Coal Reserve, Grey County .. | 98 | 31.—Amalgamation of Leases .. | 111 |
| 12.—Return of Leases within Coal Reserve, Grey County .. | 98 | 32.—Westport Harbour Contract: Letter from Under-Secretary, Public Works .. | 111 |
| 13.—Return of Leases outside Coal Reserve, Grey County .. | 99 | 33.—Royalty on Coal: Extracts from Correspondence .. | 112 |
| 14.—Statement of Coal Leases, Collingwood County .. | 99 | 34.—Mr. M. Kennedy and Mr. Seddon's Evidence .. | 112 |
| 15.—Statement of Licenses to Prospect for Coal, Collingwood County .. | 100 | 35.—Letter Supplementary to Evidence of Mr. Binns .. | 113 |
| 16.—Statement of Rents and Royalties in Arrear .. | 100 | 36.—Extracts from Mr. J. Park's Report, Collingwood Field .. | 113 |
| 17.—Return of Coal Leases, Grey, Buller, and Collingwood Counties .. | 101 | 37.—Reports on Proposed Harbour, Point Elizabeth .. | 115 |
| 18.—Rough Estimate of Area and Quantities in Coalfields .. | 104 | 38.—Letter A, referred to in Mr. W. N. Blair's evidence .. | 116 |
| 19.—Statement of Differences in Cash Prices of Westport and New South Wales Coal .. | 104 | 39.—Letter B, referred to in Mr. W. N. Blair's evidence .. | 117 |
| 20.—Rough Estimate of Coal taken from New Zealand Fields, with Balance calculated to remain .. | 105 | 40.—Letter C, referred to in Mr. W. N. Blair's evidence .. | 118 |
| | | 41.—Haulage-rates .. | 118 |

No. 1.

RETURN showing Number and Tonnage of Steamers which loaded Coal at Westport from the 1st January, 1887, to the 30th June, 1889.

| Date. | Number of Steamers. | Registered Tonnage. | Date. | Number of Steamers. | Registered Tonnage. |
|-------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| 1887. | | | 1888. | | |
| January | 39 | 7,734 | August | 46 | 8,506 |
| February | 42 | 8,434 | September | 42 | 9,712 |
| March | 42 | 8,508 | October | 34 | 8,830 |
| April | 32 | 6,649 | November | 33 | 7,828 |
| May | 44 | 9,111 | December | 34 | 6,729 |
| June | 33 | 6,896 | | | |
| July | 33 | 6,709 | | 381 | 82,428 |
| August | 47 | 8,484 | | | |
| September | 33 | 6,298 | 1889. | | |
| October | 31 | 6,028 | January | 41 | 9,143 |
| November | 27 | 5,504 | February | 33 | 6,836 |
| December | 25 | 5,779 | March | 40 | 7,855 |
| | | | April | 38 | 7,627 |
| | 428 | 86,134 | May | 40 | 8,013 |
| | | | June | 41 | 9,537 |
| 1888. | | | | 233 | 49,011 |
| January | 13 | 2,864 | SUMMARY. | | |
| February | 28 | 5,843 | 1887 | 428 | 86,134 |
| March | 23 | 5,056 | 1888 | 381 | 82,428 |
| April | 31 | 6,790 | 1889 | 233 | 49,011 |
| May | 29 | 5,932 | | | |
| June | 34 | 6,600 | | | |
| July | 34 | 7,738 | | | |

RETURN showing Number and Tonnage of Steamers which loaded Coal at Greymouth from the 1st January, 1887, to 30th June, 1889.

| Date. | Number of Steamers. | Registered Tonnage. | Date. | Number of Steamers. | Registered Tonnage. |
|-------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| 1887. | | | 1888. | | |
| January | 29 | 6,989 | August | 33 | 7,611 |
| February | 31 | 6,369 | September | 52 | 14,214 |
| March | 37 | 9,027 | October | 30 | 8,266 |
| April | 32 | 7,912 | November | 39 | 10,731 |
| May | 34 | 7,537 | December | 26 | 7,211 |
| June | 40 | 9,471 | | | |
| July | 30 | 6,887 | | 403 | 101,263 |
| August | 24 | 5,763 | 1889. | | |
| September | 27 | 6,691 | January | 32 | 8,815 |
| October | 33 | 8,764 | February | 27 | 6,514 |
| November | 33 | 8,347 | March | 22 | 5,235 |
| December | 35 | 7,919 | April | 22 | 5,464 |
| | 385 | 91,678 | May | 27 | 6,796 |
| | | | June | 32 | 8,519 |
| 1888. | | | | 162 | 41,343 |
| January | 33 | 7,705 | SUMMARY. | | |
| February | 34 | 8,126 | 1887 | 385 | 91,678 |
| March | 22 | 5,321 | 1888 | 403 | 101,263 |
| April | 30 | 7,056 | 1889 | 162 | 41,343 |
| May | 43 | 10,456 | | | |
| June | 35 | 8,312 | | | |
| July | 26 | 6,254 | | | |

No. 2.

RETURN showing Quantity of Coal shipped from the Ports of Westport and Greymouth respectively, 1st January, 1884, to 30th June, 1889.

| Year. | Westport. | Greymouth. |
|-------------------|-----------|------------|
| | Tons. | Tons. |
| 1884 | No record | 98,407 |
| 1885 | 78,093 | 129,608 |
| 1886 | 117,979 | 117,620 |
| 1887 | 111,176 | 157,817 |
| 1888 | 124,100 | 155,545 |
| 1889 (six months) | 73,543 | 52,746 |
| Total | 504,891 | 711,743 |

STATEMENT of CASH PRICES for the various kinds of COAL from the Westland District and New South Wales for the Five Years ending 31st December, 1888; also cost of Mining, Railway Terminal Charges, and Port Dues.

| Ports. | Westland District. | | | | | | | | | | New South Wales. | | | | Cost of Mining. | Railway Terminal Charges. | Port Dues. |
|--------------|--------------------|----------|----------|----------|-----------|------------|-----------|-----------|-----------|-----------|------------------|----------|----------|----------|-----------------|----------------------------------|--|
| | Westport. | | | | | Greymouth. | | | | | Prices per Ton. | | | | | | |
| | 1884. | 1885. | 1886. | 1887. | 1888. | 1884. | 1885. | 1886. | 1887. | 1888. | 1884. | 1885. | 1886. | 1887. | | | |
| Auckland | 25/-35/ | 25/-35/ | 25/-35/ | 25/-35/ | 25/-30/6 | 25/-30/6 | 25/-30/6 | 25/-30/6 | 25/-30/6 | 25/-30/6 | 20/-25/ | 20/-25/ | 20/-25/ | 20/-25/ | 20/-25/ | Manukau to Auckland, 2/6 per ton | Manukau, 3d. per ton quarterly; Auckland, 6d. per ton half-yearly; wharfage, 1/ per ton. |
| Thames | 31/6 | 31/6 | 31/6 | 31/6 | 31/6 | 31/6 | 31/6 | 31/6 | 31/6 | 31/6 | 27/6 | 26/ | 24/ | 24/ | Nil | Wharfage, 1/ per ton. | Wharfage, 9d. per ton. |
| Kaipara | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Foreign, 1d. per ton; coastwise, 3d. per ton, quarterly. |
| Tauranga | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Wharfage, 2/ per ton. |
| Poverly Bay | 45/ | 45/ | 45/ | 45/ | 42/ | 42/ | 42/ | 42/ | 42/ | 42/ | 45/ | 45/ | 45/ | 45/ | .. | .. | 2d. per ton first day; 1d. per ton afterwards. |
| New Plymouth | 42/ | 42/ | 42/ | 42/ | 42/ | 42/ | 42/ | 42/ | 42/ | 42/ | 45/ | 45/ | 45/ | 45/ | .. | .. | Wharfage, 1/ per ton; weighing, 6d. per ton. |
| Wanganui— | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Foreign, 1d. per ton; coastwise, 3d. per ton, quarterly. |
| At wharf | 26/-28/ | 26/-28/ | 26/-28/ | 26/-28/ | 23/-26/ | 23/-26/ | 23/-26/ | 23/-26/ | 23/-26/ | 23/-26/ | 24/-26/ | 24/-26/ | 24/-26/ | 24/-26/ | 24/-26/ | .. | Wharfage, 1/ per ton; weighing, 6d. per ton. |
| Retail | 40/-41/ | 40/-41/ | 40/-41/ | 40/-41/ | 40/ | 40/ | 40/ | 40/ | 40/ | 40/ | 36/-37/ | 36/-37/ | 36/-37/ | 36/-37/ | 36/-37/ | .. | Foreign, 1d. per ton; coastwise, 3d. per ton, quarterly. |
| Patea. | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | 36/ | .. | Wharfage, 1/ per ton. |
| Wellington | 21/-25/ | 21/-25/ | 21/-25/ | 21/-25/ | 19/-22/ | 19/-22/ | 19/-22/ | 19/-22/ | 19/-22/ | 19/-22/ | 20/-23/ | 20/-23/ | 20/-23/ | 20/-23/ | 20/-23/ | .. | Wharfage, 2/ per ton. |
| Napier | .. | .. | .. | .. | 30/-31/ | 30/-31/ | 30/-31/ | 30/-31/ | 30/-31/ | 30/-31/ | 26/6 | 28/ | 28/ | 28/ | 28/ | .. | 2d. per ton first day; 1d. per ton afterwards. |
| Wairau | 26/6 | 26/6 | 26/6 | 26/6 | 27/6 | 27/6 | 27/6 | 27/6 | 27/6 | 27/6 | 28/6 | 28/6 | 28/6 | 28/6 | .. | .. | Wharfage, 1/ per ton; weighing, 6d. per ton. |
| Picton | 25/-30/ | 25/-30/ | 25/-30/ | 25/-30/ | 22/6-27/6 | 22/6-27/6 | 22/6-27/6 | 22/6-27/6 | 22/6-27/6 | 22/6-27/6 | 22/6-25/ | 22/6-25/ | 22/6-25/ | 22/6-25/ | 22/6-25/ | .. | Foreign, 1d. per ton; coastwise, 3d. per ton, quarterly. |
| Nelson | 32/8 | 32/8 | 32/8 | 32/8 | 22/-28/ | 22/-28/ | 22/-28/ | 22/-28/ | 22/-28/ | 22/-28/ | .. | .. | .. | .. | .. | .. | Wharfage, 1/ per ton. |
| Westport | 9/-13/ | 9/-13/ | 9/-13/ | 9/-13/ | 22/-28/ | 22/-28/ | 22/-28/ | 22/-28/ | 22/-28/ | 22/-28/ | .. | .. | .. | .. | .. | .. | Wharfage, 1/ per ton. |
| Greymouth | 27/6-30/ | 27/6-30/ | 27/6-30/ | 27/6-30/ | 18/6-22/ | 18/6-22/ | 18/6-22/ | 18/6-22/ | 18/6-22/ | 18/6-22/ | .. | .. | .. | .. | .. | .. | Wharfage, 2/ per ton; berthage, 5d. per ton. |
| Hokitika | 19/-24/ | 19/-24/ | 19/-24/ | 19/-24/ | 23/ | 23/ | 23/ | 23/ | 23/ | 23/ | 21/9 | 20/ | 19/ | 19/ | 20/ | .. | Wharfage, 2/ per ton; berthage, 5d. per ton. |
| Christchurch | 27/ | 25/ | 22/6 | 22/6 | 23/ | 23/ | 23/ | 23/ | 23/ | 23/ | 23/ | 23/ | 23/ | 23/ | 23/ | .. | Wharfage, 2/ per ton; berthage, 5d. per ton. |
| Timaru | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Wharfage, 2/ per ton; berthage, 5d. per ton. |
| Oamaru | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Wharfage, 2/ per ton; berthage, 5d. per ton. |
| Dunedin | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Wharfage, 2/ per ton; berthage, 5d. per ton. |
| Invercargill | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | Wharfage, 2/ per ton; berthage, 5d. per ton. |

* Average, 25/ per ton. † Cannot ascertain. ‡ Average, 11s. per ton. § Average, 22/6 per ton. ¶ Average, 22/ per ton. †† Average, 21/6 per ton. ‡‡ Average, 21/ per ton. ††† Wholesale.

Department of Trade and Customs, Wellington, 19th July, 1889.

H. S. MCKELLAR, Secretary and Inspector.

No. 4.

PARTICULARS OF GREYMOUTH AND WESTPORT RAILWAYS.

RETURN showing COST of CONSTRUCTION, REVENUE, EXPENDITURE, and RATE of INTEREST on GREYMOUTH and WESTPORT SECTIONS for Years ended 31st March, 1887, 1888, and 1889.

| Year. | | | | (a) | (b) | (b) | (c) |
|------------|-----|-----|-----|-------------------------|----------|--------------|-------------------|
| | | | | Cost of opened Line. | Revenue. | Expenditure. | Rate of Interest. |
| Greymouth— | | | | £ | £ | £ | £ s. d. |
| 1886-87* | ... | ... | ... | 189,393 | 22,898 | 12,461 | 5 10 2 |
| 1887-88* | ... | ... | ... | 195,114 | 28,817 | 17,367 | 5 17 5 |
| 1888-89* | ... | ... | ... | 199,121 | 27,235 | 14,047 | 6 12 6 |
| Westport— | | | | | | | |
| 1886-87† | ... | ... | ... | 214,804 | 19,785 | 9,400 | 4 16 8 |
| 1887-88† | ... | ... | ... | 222,894 | 18,180 | 9,736 | 3 15 9 |
| 1888-89† | ... | ... | ... | 232,934 | 24,663 | 11,663 | 5 11 8 |

* These amounts do not include £127,234 expended on harbour-works by the Government out of Public Works Fund, nor any expenditure by the Greymouth Harbour Board.

† These amounts do not include £14,111 expended on harbour-works by the Government out of Public Works Fund, nor any expenditure by the Westport Harbour Board.

GREYMOUTH SECTION.

Goods of Classes A, B, C, D, E, will be charged as Class A. Maximum rate, 5s. per ton.

Coals from the mines at Brunnerton and Wallsend consigned to port for shipment will be charged 2s. per ton, including weighing and delivering to the ship.

Clay and bricks from Brunnerton Sidings to Greymouth will be charged 2s. per ton.

Coke consigned to Greymouth for shipment, where not otherwise specified, will be charged 3s. per ton, including weighing and discharging into ships. Minimum, 14s. per truck.

Coke consigned to Greymouth for export to ports beyond the Colony of New Zealand will be charged 2s. 6d. per ton, including weighing and delivering to ships. Minimum charge, 12s. per truck.

Timber will be charged 9d. per 100 superficial feet.

Receiving and discharging ships' ballast will be charged 1s. per ton. Minimum charge, 10s.

Railway plant and material, in full truck-loads, Greymouth to Brunnerton, will be charged 3s. 6d. per ton; consignee to take delivery in the railway trucks and perform the unloading.

CLASSIFIED RATES.

| Class | Miles | | | | | | | | |
|-----------------------------------|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| A Merchandise | per ton | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| B " | " | | | | | | | | |
| C " | " | 4 6 | 4 6 | 4 6 | 4 6 | 5 0 | 5 0 | 5 0 | 5 0 |
| D " | " | | | | | | | | |
| E Grain, &c. | " | | | | | | | | |
| F Hay, Straw, &c. | per truck | 7 0 | 7 0 | 7 0 | 7 0 | 7 6 | 8 0 | 8 6 | 9 0 |
| H Wool, &c., undumped | per bale | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 |
| H Ditto, double-dumped | " | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 |
| K Timber | per 100 superficial feet | 0 9 | 0 9 | 0 9 | 0 9 | 0 9 | 0 9 | 0 9 | 0 9 |
| L Firewood | per truck | 9 0 | 9 0 | 9 0 | 9 0 | 9 0 | 9 0 | 9 0 | 9 0 |
| M Sheep, &c., double-floor trucks | " | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 |
| M Cattle and Sheep, single-floor | " | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 |
| N Minerals | per ton | 2 6 | 2 6 | 2 6 | 3 6 | 3 6 | 3 6 | 3 6 | 3 6 |
| P Native Coal | " | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 |

GREYMOUTH SECTION.

GREYMOUTH.

Charges for use of Wharf.

| | | |
|--|-------|-----|
| On all sailing-vessels, foreign, intercolonial, or coastwise, from ports beyond the limits comprised between Cape Farewell and Milford Sound, per ton register, per trip | s. d. | 1 0 |
| On all sailing-vessels from ports within the above limits, per ton register, per trip | ... | 0 9 |
| On all coasting steamers from ports beyond the limits comprised between Cape Farewell and Milford Sound, per ton register, per trip | ... | 0 9 |

| | | | | |
|--|-----|-----|---|---|
| On all coasting steamers trading only within the above limits, per ton register, per trip | ... | ... | 0 | 6 |
| On all intercolonial steamers when coming to the wharf, per ton register, per trip | ... | ... | 0 | 6 |
| On all vessels or steamers tendering ships or steamers (not entering the river) in the roadstead, per ton register, per trip | ... | ... | 0 | 1 |
| On all vessels coming for coal (in ballast) | ... | ... | 0 | 1 |
| The maximum charge on any steamer to be £5 10s. per trip. | | | | |
| The minimum charge on any vessel coming for coal or timber in ballast to be 5s. | | | | |
| On vessels, sailing or steam, with one-fourth cargo (or less), one-fourth rates to be charged. | | | | |
| If with more than one-fourth but less than one-half cargo, half-rates to be charged. | | | | |
| If with more than one-half cargo, full rates to be charged. | | | | |
| Tug-steamers to pay 2s. 6d. for each vessel or steamer brought into the river. | | | | |
| All charges are to be paid within twelve hours after arrival. | | | | |

Rates.

| | | | | |
|---|-----|-----|---|---|
| On all goods and luggage not otherwise specified, per ton weight or measurement | ... | ... | 2 | 0 |
| Minimum charge | ... | ... | 0 | 3 |
| Wool, per bale | ... | ... | 0 | 6 |
| Green flax, per ton | ... | ... | 0 | 6 |
| Sheepskins, per bale not exceeding 2 cwt. | ... | ... | 0 | 3 |
| Hides, each | ... | ... | 0 | 1 |
| Shingles, per 1,000 | ... | ... | 0 | 3 |
| Palings, per 100 | ... | ... | 0 | 3 |
| Slates, per 1,000 | ... | ... | 2 | 0 |
| Timber, per 100 superficial feet | ... | ... | 0 | 2 |
| Half-dues for wharfage to be charged on all goods transhipped into lighters, &c., from vessels lying alongside Government wharves, or at any of the Government moorings | | | | |
| Cattle and horses, per head (first 20) | ... | ... | 1 | 0 |
| " " (each additional) | ... | ... | 2 | 0 |
| Sheep, pigs, goats, &c., per head (first 50) | ... | ... | 1 | 6 |
| " " (each additional) | ... | ... | 0 | 3 |
| Poultry, each | ... | ... | 0 | 1 |
| Vehicles, four-wheel | ... | ... | 0 | 1 |
| " two-wheel | ... | ... | 5 | 0 |
| Parcels, each | ... | ... | 2 | 6 |
| | ... | ... | 0 | 3 |

Goods for Transhipment.

When goods are landed on wharf *ex* ship, and redelivered to other ships, they will be charged 2s. 6d. per ton, according to ship's manifest, or by weight or measurement, at the option of the department, including wharfage, handling, and one week's storage, after which storage will be charged for.

| | | |
|--|-----|-----|
| Goods transhipped into lighters or vessels from vessels lying alongside the wharves, per ton | s. | d. |
| | ... | 1 0 |

Cranage.

| | | | | |
|---|-----|-----|----|---|
| For use of crane on wharf or yard, per ton (minimum charge, 15s.) | ... | ... | 0 | 6 |
| Exceptional cargoes (as may be determined by the Railway Department) to be charged per day, or otherwise by special agreement. | | | | |
| The charge for cranage does not include the cost of haulage to the crane when the goods have been previously deposited at a distance therefrom. | | | | |
| Minimum charge for use of 12-ton steam-crane | ... | ... | 40 | 0 |

Storage.

| | | | | |
|--|-----|-----|---|---|
| On goods not removed within 12 working hours, per day, per ton | ... | ... | 1 | 0 |
| On timber not removed within one week, per 100 feet superficial, per day | ... | ... | 0 | 2 |

The working hours are from 8 a.m. to 5 p.m. on week-days.

No ship shall discharge or take in cargo at other times without written notice being given by the ship's officer to the Wharfinger, under a penalty of £5 for each offence. The time allowed for receiving coals from the trucks into ships is at the rate of 30 tons per hour. Demurrage will be charged on such trucks as are detained beyond the time calculated at such rate, at 5s. per truck per hour or fraction thereof.

The captain or agent of each vessel is to supply the Wharfinger with a correct copy of the vessel's manifest prior to discharging any cargo, under a penalty of £5 for each offence.

WESTPORT SECTION.

The charge for receiving and discharging ships' ballast will be 1s. per ton. Minimum charge, £1.

One penny per ton will be charged for use of gravel shoot.

Goods of Classes A, B, C, D, E, will be charged as Class A.

Timber, minimum charge, 10d. per 100 superficial feet.

Native coals consigned from Waimangaroa Branch line to Port for shipment will be charged 2s. 5d. per ton, including weighing and discharging from the coal staiths.

Coke conveyed from the Waimangaroa Branch line to Port for shipment will be charged 16s. 8d. per truck, including weighing and discharging from the coal staiths. Small lots will be charged as Class D.

CLASS O.

Road-metal conveyed from Sergeant's Hill to Westport will be charged 1s 6d. per ton. Minimum quantity, 5 tons per truck.

CLASSIFIED RATES.

| | | Miles | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--------------|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>Class</i> | | | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| A | Merchandise ... per ton | } | | | | | | | | | | |
| B | " ... " | | | | | | | | | | | |
| C | " ... " | | 4 6 | 4 6 | 4 6 | 4 6 | 5 0 | 5 6 | 6 0 | 6 6 | 7 0 | 7 6 |
| D | " ... " | | | | | | | | | | | |
| E | Grain, &c. ... " | } | | | | | | | | | | |
| F | Hay, Straw, &c. ... per truck | | 7 0 | 7 0 | 7 0 | 7 0 | 7 6 | 8 0 | 8 6 | 9 0 | 9 6 | 10 0 |
| H | Wool, &c., undumped ... per bale | | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 | 1 0 |
| H | Ditto, double-dumped ... " | | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 | 1 9 |
| K | Timber per 100 superficial feet | | 0 8 | 0 8 | 0 8 | 0 8 | 0 8 | 0 8 | 0 8 | 0 8 | 0 8 | 0 8 |
| L | Firewood ... per truck | | 7 0 | 7 0 | 7 0 | 7 0 | 7 6 | 8 0 | 8 6 | 9 0 | 9 6 | 10 0 |
| M | Sheep, &c., double-floor trucks " | | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 |
| M | Cattle & Sheep, single-floor " | | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 |
| N | Minerals ... per ton | | 2 6 | 2 6 | 2 6 | 3 6 | 3 6 | 3 6 | 3 6 | 3 6 | 3 6 | 3 6 |
| P | Native Coal ... " | | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 | 2 6 |

| | | Miles | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
|--------------|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>Class</i> | | | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. | s. d. |
| A | Merchandise ... per ton | } | | | | | | | | | |
| B | " ... " | | | | | | | | | | |
| C | " ... " | | 8 0 | 8 6 | 9 0 | 9 6 | 10 0 | 10 8 | 11 4 | 12 0 | 12 8 |
| D | " ... " | | | | | | | | | | |
| E | Grain, &c. ... " | } | | | | | | | | | |
| F | Hay, Straw, &c. ... per truck | | 10 0 | 10 0 | 10 0 | 10 6 | 11 0 | 11 6 | 12 0 | 12 6 | 13 0 |
| H | Wool, &c., undumped ... per bale | | 1 1 | 1 2 | 1 3 | 1 5 | 1 6 | 1 7 | 1 8 | 1 9 | 1 10 |
| H | Ditto, double-dumped ... " | | 1 11 | 2 1 | 2 2 | 2 6 | 2 8 | 2 9 | 2 11 | 3 1 | 3 3 |
| K | Timber per 100 superficial feet | | 0 9 | 0 10 | 0 11 | 1 0 | 1 1 | 1 2 | 1 3 | 1 3 | 1 4 |
| L | Firewood ... per truck | | 10 2 | 11 0 | 11 10 | 12 8 | 13 6 | 14 4 | 15 2 | 16 0 | 16 10 |
| M | Sheep, &c., double-floor trucks " | | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 9 | 16 6 | 17 3 | 18 0 |
| M | Cattle & Sheep, single-floor " | | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 | 15 0 |
| N | Minerals ... per ton | | 3 6 | 3 6 | 3 8 | 3 10 | 4 0 | 4 2 | 4 4 | 4 6 | 4 8 |
| P | Native Coal ... " | | 2 6 | 2 6 | 2 8 | 2 10 | 3 0 | 3 2 | 3 3 | 3 5 | 3 6 |

WESTPORT SECTION.

WESTPORT.

Charges for use of Wharf.

| | £ | s. | d. |
|---|-----|----|-----|
| For every vessel lying at a wharf, per day, per ton register | ... | 0 | 0 2 |
| Minimum charge | ... | 1 | 0 0 |
| For every vessel coming for coal lying at a wharf, per day, per ton net register | ... | 0 | 0 1 |
| On every vessel tendering vessels (not entering the river) in the roadstead, per ton net register, per trip | ... | 0 | 0 1 |

Rates.

| | | | |
|---|-----|---|-----|
| On all goods and luggage not otherwise specified, per ton (minimum charge, 3d.) | ... | 0 | 2 0 |
| Wool, per bale | ... | 0 | 0 6 |
| Timber, per 100 feet superficial | ... | 0 | 0 2 |
| Firewood, per cord | ... | 0 | 1 0 |
| Cattle and horses, per head | ... | 0 | 2 0 |
| Sheep, pigs, goats, &c., per head (first 50) | ... | 0 | 0 3 |
| " " " (each additional) | ... | 0 | 0 1 |
| Hides, each | ... | 0 | 0 1 |
| Palings, per 100 | ... | 0 | 0 6 |
| Poultry, each | ... | 0 | 0 1 |
| Shingles, per 1,000 | ... | 0 | 0 6 |
| Minerals, per ton | ... | 0 | 0 6 |
| Drays, four-wheel | ... | 0 | 5 0 |
| Drays, two-wheel | ... | 0 | 2 6 |

Goods for Transhipment.

When goods are landed on wharf *ex* ship, and redelivered to other ships, they will be charged 2s. 6d. per ton, according to ship's manifest, or by weight or measurement, at the option of the department, including wharfage, handling, and one week's storage, after which storage will be charged for.

| | | | |
|--|-----|---|---|
| Goods transhipped into lighters or vessels from vessels lying alongside the wharves, per ton | ... | 1 | 0 |
|--|-----|---|---|

RETURN showing Revenue from Passenger-traffic on Greymouth and Westport Sections for the Years ended 31st March, 1887, 1888, and 1889.

| Year. | Greymouth. | Westport. |
|------------|------------|-----------|
| 1886-87... | £ 3,230 | £ 1,801 |
| 1887-88... | 4,335 | 1,882 |
| 1888-89... | 3,369 | 2,021 |

No. 5.

STATEMENT showing the REQUIRED OUTPUT OF COAL from the COAL LEASES on the BULLER RESERVE.

| Name of Company. | Date of Lease. | Output according to Conditions of Lease. | | | | | | | | Remarks. |
|---|----------------------|--|--------------|--------------|--------------|--------------|--------------|---------------|-----------------------------|---|
| | | First Year. | Second Year. | Third Year. | Fourth Year. | Fifth Year. | Sixth Year. | Seventh Year. | Eighth Year and afterwards. | |
| Union Steam Shipping Company (formerly Koranui Company) | 1st January, 1876 .. | Tons. .. | Tons. 8,000 | Tons. 11,000 | Tons. 15,000 | Tons. 17,000 | Tons. 20,000 | Tons. 20,000 | Tons. 20,000 | The whole of these leases practically belong to one company, who have been allowed to hold them on condition that the required output is made from any of the mines. These four leases have been amalgamated and a new lease executed in favour of the Westport Company, in which the required conditions with regard to output is 75,000 tons per annum; after the eighth year, 50,000 tons. |
| Union Steam Shipping Company (formerly Koranui Company) | 1st January, 1879 .. | .. | 8,000 | 11,000 | 14,000 | 17,000 | 20,000 | 20,000 | 20,000 | |
| Westport Company, Waimangaroa | 1st January, 1880 .. | 30,000 | 35,000 | 40,000 | 45,000 | 50,000 | 50,000 | 50,000 | 50,000 | |
| Westport Company, Ngakawau .. | 1st January, 1882 .. | .. | .. | 20,000 | 25,000 | 30,000 | 35,000 | 40,000 | 45,000 | |
| Mokihinui Company, Mokihinui .. | 1st July, 1885 .. | .. | 51,000 | 82,000 | 99,000 | 114,000 | 125,000 | 130,000 | 135,000 | |
| A. D. Bayfield, Mokihinui .. | 1st July, 1885 .. | .. | .. | .. | 2,000 | 4,000 | 5,000 | 5,000 | 5,000 | |
| | | .. | .. | .. | 2,000 | 4,000 | 4,000 | 4,000 | 4,000 | |

RETURN of LEASES ISSUED for COAL-MINING PURPOSES upon the BUTLER COAL RESERVE, showing the DATE of ISSUE, NAMES of LESSEES, CONDITIONS of LEASE, whether such CONDITIONS have been COMPLIED with or NOT, and whether any of the LEASES have been AMALGAMATED or FORFEITED.

| Name of Lessee. | Date of Issue of Lease. | Locality. | Term of Lease. | Rent per Annum. | Royalty and Rent in Arrear. | Conditions of Lease. | Remarks. |
|--|-------------------------|-------------|------------------------------|---|-----------------------------|---|---|
| | | | | | £ s. d. | | |
| James Mills, Union S.S. Company (formerly Koranui Company) | Dec. 11, 1878 | Waimangaroa | 42 yrs., from 1st Jan., 1876 | First yr., £33; remainder of term, £165 | .. | Royalty—6d. per ton first twenty-one years, 1s. per ton remainder of term. Output—second year, 8,000 tons; third year, 11,000 tons; fourth year, 15,000 tons; fifth year, 17,000 tons; remainder of term, 20,000 tons per annum. Lessee to pay rates and taxes. Coal to be conveyed by Government railway; rate not to exceed 2d. per ton per mile and terminal charges. Works to be carried on with full and unabated vigour during term. Lease may be determined if rent or royalty in arrear forty-two days, or for breach or non-performance of covenants of lease after notice to perform same | Not working this mine at present. |
| James Mills, Union S.S. Company (formerly Koranui Company) | April 15, 1880 | Ditto | 42 yrs., from 1st Jan., 1879 | First year, £44 0s. 6d.; remainder of term, £220 2s. 6d. | .. | Royalty—6d. per ton first twenty-one years, 1s. per ton remainder of term. Output—second year, 8,000 tons; third year, 11,000 tons; fourth year, 14,000 tons; fifth year, 17,000 tons; remainder of term, 20,000 tons per annum. Other conditions as above. | Not working this mine at present. |
| James Mills, Union S.S. Company (formerly Koranui Company) | Mar. 27, 1885 | " | 37 yrs., from 1st Jan., 1884 | £8 .. | .. | Surface lease only. To run concurrent with above lease. On revocation or determination of above lease this lease to be null and void. | |
| Westport Coal Company (Limited) | Mar. 20, 1883 | " | 99 yrs., from 1st Jan., 1880 | £352 | 1,848 6 9 | Royalty, 6d. per ton. Output—first year, 30,000 tons; second year, 35,000 tons; third year, 40,000 tons; fourth year, 45,000 tons; remainder of term, 50,000 tons per annum. Other conditions as in above leases | On the application of the company the Government consented to allow the payment of rents and royalties to stand over until the 31st December, 1887. This mine is not being worked at present. |
| Westport Coal Company (Limited) | Nov. 26, 1883 | Ngakawau | 99 yrs., from 1st Jan., 1882 | £738 | 738 0 0 | Royalty, 6d. per ton. Output—third year, 20,000 tons; fourth year, 25,000 tons; fifth year, 30,000 tons; sixth year, 35,000 tons; seventh year, 40,000 tons; eighth year, 45,000 tons; remainder of term, 50,000 tons per annum | No return of output. |
| Mokihinui Coal Company (Limited) | June 8, 1885 | Mokihinui | 45 yrs., from 1st July, 1885 | First 2 yrs., £4 per ann.; next 2 yrs., £16 per ann.; remainder of term, £40 per ann. | .. | Royalty, 6d. per ton. Output—third year, 2,000 tons; next four years, 4,000 tons; remainder of term, 5,000 tons per annum. Other conditions similar to above leases | |
| A. D. Bayfield | June 8, 1885 | " | 42 yrs., from 1st July, 1885 | First 2 yrs., £8 per ann.; next 2 yrs., £32 per ann.; remainder of term, £80 per ann. | 20 0 0 | Royalty, 6d. per ton. Output—third year, 2,000 tons; next four years, 4,000 tons; remainder of term, 5,000 tons per annum. Other conditions as before. | |

ALFRED GREENFIELD,
Crown Agent.

Nelson, 10th November, 1887.

RETURN of Coal Leases within the County of Buller (within the Coal Reserve) on 1st July, 1889.

| Lessee. | Section. | Block. | District. | Area. | Term. | Annual Dead Rent. | Royalty. | Output required by Lease per Annum. | Actual Output for Year 1888. | Remarks. |
|--|---------------|-------------|-----------|---------------------|----------------------------------|---|-------------|---|------------------------------|--|
| Westport Coal Company (Limited) | 1, 2, 3, 4, 1 | X, VI, XIV. | Kawatiri | A. R. P. 2,479 1 38 | 99 years, from 1st January, 1888 | £620 | 6d. per ton | 75,000 tons | Tons cwt. 130,218 18 | This leasehold comprises portion of the land originally held by the company, and also portion held by the Koranui Company. On the winding-up of the latter company their lease was sold to Mr. Williams, who subsequently transferred to the Union Steamship Company; and on the surrender of the lease by that company, the Westport Company was allowed to amend the boundaries and take up a new lease, including part of the coal-bearing area of the Koranui leasehold. |
| Ditto | 1 1 1 | VI, VII, X. | Ngakawau | 2,951 2 7 | 99 years, from 1st January, 1882 | £738 | Ditto | Fourth year, 20,000 tons; fifth year, 25,000 tons; sixth year, 30,000 tons; seventh year, 35,000 tons; eighth year, 40,000 tons; ninth year, 45,000 tons; remainder of term, 50,000 tons per annum | Nil | In July, 1885, the Government agreed to allow these two leases to be worked together, as regards output, on the understanding that the total output in each year from either or both leaseholds should be increased by at least 20 per cent. over the output required by the two leases. |
| Edward P. Simpson (Westport and Ngakawau Coal Company) | 1 6 2 | II, I, VII. | " | 3,118 0 0 | 63 years, from 1st January, 1889 | £155 per annum for first 2 years, £310 for third year, £775 per annum up to twenty-first year, £1,550 per annum for remainder of term | " | Third year, 20,000 tons; fourth and fifth years, 25,000 tons per annum; sixth and seventh years, 30,000 tons per annum; eighth and ninth yrs., 50,000 tons; remainder of term, 100,000 tons per annum | " | This company has already expended a large amount of money in the construction of a railway, and in opening up the mine. |
| A. D. Bayfield | 6 | XV. | Mokihinui | 320 0 0 | 42 years, from 1st July, 1885 | First 2 years, £8 per annum; third and fourth years, £32 per annum; remainder of term, £80 per annum | " | Third year, 2,000 tons; next 4 years, 4,000 tons per annum; remainder of term, 5,000 tons per annum | " | In January, 1888, the output clauses were suspended for two years, several influential persons having taken interest, with reasonable prospect of raising the necessary capital. |
| The Mokihinui Coal Company (Limited) | 5 | " | " | 160 0 0 | Ditto | First 2 years, £4 per annum; next 2 years, £16 per annum; remainder of term, £40 per annum | " | Ditto | " | |
| Ditto | 1 | XVI. | " | 640 0 0 | 63 years, from 1st July, 1888 | First 3 years, £32 per annum; next 4 years, £64 per annum; remainder of term, £160 per annum | " | Third year, 10,000 tons; next 4 years, 15,000 tons per annum; next 35 years, 20,000 tons per annum; remainder of term, 50,000 tons per annum | 124 0 | This company has expended about £25,000 in the construction of a railway and other works in connection with the mines. |

RETURN of Applications for Coal Leases granted but not yet issued, within the Buller Coal Reserve, County of Buller.

No. 8.

| Applicant. | Area. | District. | Term. | Annual Dead Rent. | Royalty. | Output per Annum. | Remarks. |
|---|-----------------|-----------|----------|--|-------------|--|---|
| Bernard Ballin and others | Acres. 1,920 | Ngakawau | 63 years | First 2 years, £100 per annum; third year, £200; fourth to twenty-first, £500; remainder of term, £1,000 per annum | 6d. per ton | Third year, 20,000 tons; fourth and fifth years, 25,000 tons per annum; sixth and seventh years, 30,000 tons per annum; eighth and ninth years, 50,000 tons per annum; remainder of term, 100,000 tons per annum | Lessees to expend £5,000 within first 2 years of term in opening up the mines, to give an approved bond for £1,000, to secure the above expenditure or amount of bond to be forfeited. |
| W. R. Haselden and others, for the Buller Coal-mining Company | 2,560 | " | " | First year, 1s. per acre; second year, 2s. per acre; third to twenty-first years, 5s. per acre; remainder of term, 10s. per acre per annum | " | Second year, 5,000 tons; third year, 20,000 tons; fourth and fifth years, 25,000 tons; sixth and seventh years, 30,000 tons; eighth and ninth years, 50,000 tons; remainder of term, 100,000 tons per annum | £5,000 to be expended within two years in opening mines, at least £2,000 of which to be expended the first year; an approved bond for £1,000 to be given to secure above-mentioned expenditure. |
| Mokihinui Coal Company (Limited) | 1,400 (about) | Mokihinui | " | First 2 years, 2s. per acre; third to twenty-first years, 5s. per acre; remainder of term, 10s. per acre | " | First year, 5,000 tons; second and third years, 20,000 tons; fourth and fifth years, 25,000 tons; sixth and seventh years, 30,000 tons; remainder of term, 50,000 tons per annum | This area includes existing lease of 640 acres to be surrendered. Additional royalty of 1s. per ton on all coal shipped from the Mokihinui River after completion of railway from Ngakawau to Mokihinui. |
| A. D. Bayfield and others, for the New Cardiff Coal Company | 1,800 (about) | " | " | Ditto | " | Second year, 5,000 tons; third year, 20,000 tons; fourth and fifth years, 25,000 tons; sixth and seventh years, 30,000 tons; remainder of term, 50,000 tons per annum | This area includes existing lease of 920 acres to be surrendered. Additional royalty of 1s. per ton on all coal shipped from the Mokihinui River after completion of Ngakawau and Mokihinui Railway. £5,000 to be expended on the mines within two years, of which £2,000 is to be expended the first year of term. Approved bond for £1,000 to be given to secure expenditure. |

RETURN of Coal Leases within the County of Buller, outside the Coal Reserve.

No. 9.

| Lessee. | Section. | Block. | District. | Area. | Term. | Annual Dead Rent. | Royalty. | Annual Output required by Lease. | Actual Output for Year 1888. | Remarks. |
|---------------------|----------|---------|-----------|-------------------|------------------------------------|-------------------|-------------|--|------------------------------|----------|
| Moore and Walker | 75 | VI. | Waikakere | A. B. P. 2 0 0 | 21 years, from 1st January, 1884 | £ s. d. 2 0 0 | 6d. per ton | No specified output in leases of small areas | No return.. | Lignite. |
| Wietzell and Powell | 2 | Sq. 137 | " | 4 0 31 | 21 years, from 1st September, 1871 | 4 5 0 | 2d. per ton | Ditto | " | " |

RETURN of Coal Leases within the County of Grey, Nelson District (within Coal Reserve) on 1st July, 1889.

| Lessees. | Section. | Block. | District. | Area. | Term. | Annual Dead Rent. | Royalty. | Annual Outputs required by Lease. | Actual Output for 1888. | Remarks. |
|--|----------|-------------|------------|-----------------------------------|--|---|---|--|-------------------------|--|
| Grey Valley Coal Company (Brunner Mine) | 24 | Sq. 119. | Mawheranui | A. 1,280 R. 0 P. 0 | 63 years, from 1st January, 1887 | Eight years, at £480; twenty-eight years, at £750; twenty- seven years, at £1,000 | 8 years, 6d. per ton; 55 years, 1s. per ton | First 8 years, 45,000 tons; next 28 years, 75,000 tons; remainder of term, 100,000 tons | Tons. 54,741 | Originally granted to Croaker, Hughes, and McCarthy for 21 years, from 1st January, 1874; transferred to the Brunner Coal-mining Company in 1875, and to Martin Kennedy in 1879; surrendered, December, 1886, and new lease issued for 63 years at increased rental and output, and double royalty after 8 years; and transferred to the Grey Valley Coal Company in November, 1888. |
| Westport Coal Company (Coal-pit Heath Mine) | 231 | Sq. 119 | Cobden | 777 0 0 | 63 years, from 1st January, 1889 | Eight years, at £250; twenty-eight years, at £500; twenty- seven years, at £750 | 21 years, at 6d. per ton; remain- der of term, 1s. per ton | First 8 years, 25,000 tons; next 21 years, 30,000 tons; remainder of term, 50,000 tons per annum | 33,460 | Originally granted to the Coal-pit Heath Company, from 1st January, 1875; transferred to the Westport Coal Company, September, 1887; surrendered and new lease granted, 1st January, 1889, at increased dead rent, and double royalty after 21 years. |
| W. S. Smith | 25 | Sq. 124 | " | 1,280 0 0 | 66 years, from 1st January, 1889 | Two years, at £64; third year, at £128; fourth to twenty- first year, at £320; residue, £640 per annum | Ditto | Third and fourth years, 12,000 tons; fifth year, 15,000 tons; sixth year, 18,000 tons; seventh year, 21,000 tons; eighth year, 24,000 tons; ninth year, 27,000 tons; tenth to twenty-first years, 30,000 tons; remainder of term, 100,000 tons | Nil | Originally leased to G. W. Moss, from January, 1877, to September, 1879, when lease surrendered. In July, 1882, lease granted to present lessee, who held possession till 1888, when he was allowed to surrender, and new lease issued on giving bond for £1,000 to expend £5,000 within first 2 years of term; royalty doubled after 21 years. |
| W. S. Smith and F. Hamil- ton | 26 | Sq. 124 | " | 1,280 0 0 | 66 years, from 1st January, 1889 | Ditto | Ditto | Third and fourth years, 12,000 tons; fifth year, 15,000 tons; sixth year, 18,000 tons; seventh year, 21,000 tons; eighth year, 24,000 tons; ninth year, 27,000 tons; tenth to twenty-first years, 30,000 tons; residue of term, 100,000 tons | " | Originally held by W. S. Smith by lease dated 1st January, 1877; sur- rendered in 1879. |
| A. Macdougall and others (Coal Creek Company) | 11 | Sq. | " | 4,000 0 0 | 65 years, from 1st July, 1888 | Two years, at £200; five years, at £500; seven years, at £750; seven years, at £1,000; remain- der of term, at £2,000 per annum | Ditto | Third and fourth years, 25,000 tons per annum; next 6 years, 50,000 tons per annum; next 11 years, 75,000 tons per annum; remainder of term, 150,000 tons per annum | " | The dead rent to commence from 1st January, 1889. Bond for £1,000 given to secure expenditure of £5,000 within 2 years. Part of this land, 1,086 acres, was originally leased to holders (Fowler and Rose). |

RETURN OF APPLICATIONS FOR COAL LEASES GRANTED BUT NOT ISSUED (WITHIN COAL RESERVE), COUNTY OF GREY, NELSON DISTRICT.

| Applicant. | Area. | District. | Term. | Annual Dead Rent. | Royalty. | Output per Annum. | Remarks. |
|-----------------------------|---------------|-----------|-------------|--|--|--|---|
| Hamilton and Smith .. | Acres. 238 | Cobden .. | 65 years .. | First year, 1s. per acre; second year, 2s. per acre; third to twentieth year, 5s. per acre; remainder of term, 10s. per acre | 6d. per ton for 20 years, afterwards 1s. per ton | Second year, 3,000 tons; third and fourth years, 6,000 tons; remainder of term 12,000 tons per annum | This lease is to be amalgamated with the other leases held by Hamilton and Smith, and the works will be commenced on this area and connected by railway down Rocky Creek. |
| A. McDougall and others .. | 700 | .. | .. | Ditto .. | Ditto .. | Second year, 5,000 tons; third and fourth years, 10,000 tons; remainder of term, 20,000 tons per annum | This lease is to be amalgamated with the lease already held by the applicants of 4,000 acres adjoining |
| H. J. Masters and others .. | 1,280 | .. | 66 years .. | First 2 years, £64; third year, £128; fourth to twenty-first year, £320; remainder of term, £640 per annum | 6d. per ton for 21 years, afterwards 1s. per ton | Third and fourth years, 12,000 tons; fifth year, 15,000 tons; sixth year, 18,000 tons; seventh year, 21,000 tons; eighth year, 24,000 tons; ninth year, 27,000 tons; tenth to twenty-first years, 30,000 tons; remainder of term, 100,000 tons per annum | The lessees to expend £5,000 within two years in opening up the coal-mines, and to give a bond for £1,000, the amount to be forfeited if £5,000 not expended within the time specified. |

NOTE.—The whole of the Grey Coal Reserve, Nelson District, is now taken up.

RETURN OF COAL LEASES WITHIN THE COUNTY OF GREY, WESTLAND DISTRICT (WITHIN COAL RESERVE), ON 1st JULY, 1889.

| Lessees. | Section. | Block. | Area. | District. | Term. | Annual Dead Rent. | Dead Rent in Arrear. | Royalty. | Annual Output required by Lease. | Actual Output for 1888. | Remarks. |
|--|----------|---------|----------------------|-----------|-------------------------------|---|----------------------|-------------|--|-------------------------|--|
| Westport Coal Company (WallSEND Mine) | 733 | X. | A. B. P. 853 3 31 | Arnold | 21 years from 1 August, 1873 | £20 .. | £ 20 | 6d. per ton | First year, 2,000 tons; second year, 5,000 tons; remainder of term, 15,000 tons per annum | Tons. 48,927 | On completion of the railway the royalty ceased on coal carried by train; lease originally held by the Greymouth Coal Company (Limited), and was granted by Public Works Department in 1875. |
| Martin Kennedy .. | 711 | IX., X. | 777 0 0 | " | 21 years from 1 January, 1887 | First 3 years, £20; next 4 years, £100; remainder of term, £200; £250 | 20 | Ditto | First 2 years, nil; next 5 years, 4,000 tons; next 7 years, 8,000 tons; remainder of term, 10,000 tons per annum | Nil. | |
| R. Nancarrow, Edward Ireagh Lord, and Thomas Watson Wilson | 712 | X. | 772 0 0 | " | Ditto .. | Ditto .. | 20 | " | Ditto .. | " | |
| Joseph Taylor and Edward Ireagh Lord | 734 | X., XI. | 640 0 0 | " | 21 years from 1 January, 1889 | " | .. | " | " | " | |

RETURN of COAL LEASES within the COUNTY of GREY (outside the COAL RESERVE), NELSON DISTRICT.

| Lessee. | Section. | Block. | District. | Area. | Term. | Annual Dead Rent. | Royalty. | Annual Output required by Lease. | Actual Output Year 1888. | Remarks. |
|---|----------|--------|------------|---------------------|---------------------------------|--|-------------|---|--------------------------|--|
| Wilson, Hill, and Bishop (The Black Ball Coal Company, Limited) | 1 | II. | Mawheranui | A. R. P. 640 0 0 | 21 years from 1st January, 1886 | First 2 years, £16 per annum; next 3 years, £64 per annum; remainder of term, £160 per annum | 6d. per ton | Third year, 5,000 tons; next 4 years, 10,000 tons per annum; remainder of term, 20,000 tons per annum | Nil | Originally held by Kilgour, Schofield, and Halerow; transferred to Black Ball Coal Company in 1886. The output clauses of these leases were suspended for two years from the 1st January, 1888, the company having satisfied the Land Board that they were using efforts to raise the necessary capital to work the mines, and were also negotiating for the construction of the railway with the Midland Railway Company, who have the right to take over these leases by their contract. |
| Ditto | 2 | " | " | 640 0 0 | Ditto | Ditto | Ditto | " | | |
| " | 3 | " | " | 634 2 13 | " | " | " | " | | |
| Westport Coal Company | 8 | V. | Cobden | 240 3 3 | 21 years from 1st January, 1887 | Two years at £12 per annum; three years at £24 per annum; remainder of term, £60 per annum | " | Third year, 2,000 tons; next 4 years, 5,000 tons per annum; residue of term, 10,000 tons per annum | " | |

STATEMENT of COAL LEASES within the COUNTY of COLLINGWOOD on 1st July, 1889.

| Lessee. | Section. | Block. | District. | Area. | Term. | Annual Dead Rent. | Royalty. | Output per Annum required by Lease. | Actual Output for Year 1888. | Remarks. |
|--|----------|--------|-----------|-----------------------|---------------------------------|--|-------------|---|------------------------------|--|
| J. C. Richmond and others | 1 | X. | Pakawan | A. R. P. 1,097 0 0 | 21 years from 1st January, 1886 | First 2 years, £28 per annum; next 3 years, £56 per annum; remainder of term, £112 per annum | 6d. per ton | First 2 years, 1,000 tons per annum; remainder of term, 4,000 tons per annum | 3,786 tons | A small output is mentioned in the lease as the coal-seams are thin; there is, however, a clause in the lease providing that the lessees shall continue to work the mines uninterruptedly to the satisfaction of the Inspector of Mines. |
| Kerr and Adams | 1 | XIII. | " | 640 0 0 | Ditto | First 2 years, £16 per annum; next 3 years, £32 per annum; remainder of term, £64 per annum | " | Third year, 1,000 tons; each subsequent year, 4,000 tons | Nil | Formerly held by J. Russell. The four leases held by Messrs. Kerr and Adams are all adjoining, and for all practical purposes may be considered as one lease. |
| Kerr and Adams, transferred from R. G. Peacock | 5 | " | " | 450 0 0 | 30 years from 1st January, 1888 | First 3 years, £22 10s. per annum; next 4 years, £45 per annum; remainder of term, £112 10s. per annum | " | Third year, 1,500 tons; next 4 years, 4,000 tons per annum; remainder of term, 7,000 tons per annum | " | The lessees have expended a considerable sum in their endeavours to float a company to work the mines. |

STATEMENT OF COAL LEASES within the COUNTY of COLLINGWOOD on 1st July, 1889—continued.

| Lessee. | Section. | Block. | District. | Area. | Term. | Annual Dead Rent. | Royalty. | Output per Annum required by Lease. | Actual Output for Year 1888. | Remarks. |
|----------------|----------|--------|-----------|---------------------|---------------------------------|--|---|---|------------------------------|----------|
| Kerr and Adams | 6 | XIII. | Pakawau | A. R. P. 640 0 0 | 30 years from 1st January, 1888 | First 3 years, £32 per annum; next 4 years, £64 per annum; remainder of term, £112 per annum | 6d. per ton | Third year, 2,000 tons; next 4 years, 4,000 tons per annum; remainder of term, 10,000 tons per annum | Nil. | |
| " | 2 | " | " | 120 0 0 | 21 years from 1st January, 1886 | First 2 years, £3 per annum; next 3 years, £6 per annum; remainder of term, £12 per annum | " | Third year, 200 tons; remainder of term, 800 tons per annum | " | |
| J. Marshall | 3 | II. | " | 320 0 0 | 21 years from 1st January, 1888 | First 7 years, £16 per annum; next 7 years, £24 per annum; remainder of term, £48 per annum | 3d. per ton, first 7 yrs. afterwards, 6d. per ton | First 2 years, nil; next 5 years, 2,000 tons per annum; next 7 years, 4,000 tons per annum; remainder of term, 5,000 tons per annum | " | |

No. 15.

STATEMENT OF LICENSES to PROSPECT for COAL within the COUNTY of COLLINGWOOD.

| Licensee. | Term. | District. | Area. | Remarks. |
|---------------|---------------------------------|-----------|---------------------|------------------------------------|
| M. M. Webster | 12 months from 1st August, 1888 | Pakawau | A. R. P. 640 0 0 | Not previously held under license. |

No. 16.

STATEMENT OF COAL-LEASE RENTS and ROYALTIES in ARREAR, omitted from RETURN.

| Lessee. | Section. | Block. | District. | Area. | Dead Rent in Arrear. | Royalty in Arrear. | When due. | For what period. | Remarks. |
|--|-------------------------|--------------------|-----------|---------------------|----------------------|--------------------|-----------------|------------------|-------------|
| <i>County of Buller (within Coal Reserves).</i> | | | | | | | | | |
| Mokihinui Coal Company (Limited) | 5 | XV. | Mokihinui | A. R. P. 160 0 0 | £ s. d. 16 0 0 | £ s. d. | 1 January, 1889 | For year 1889 | In advance. |
| A. D. Bayfield | 1 | XVI. | " | 640 0 0 | 32 0 0 | | " | " | " |
| " | 6 | XV. | " | 320 0 0 | 32 0 0 | | " | " | " |
| Westport Coal Company (Limited) | 1 and 2 3 and 4 1 | XI. VI. XIV. | Kawatiri | 2,479 1 38 | | 2,635 9 6 | " | For year 1888 | " |
| <i>County of Grey (outside Coal Reserves).</i> | | | | | | | | | |
| Wilson, Hill, and Bishop (Black Ball Coal Company) | 1 | II. | Arnold | 640 0 0 | 64 0 0 | | 1 January, 1889 | For year 1889 | In advance. |
| " | 2 | " | " | 640 0 0 | 64 0 0 | | " | " | " |
| " | 3 | " | " | 634 2 13 | 64 0 0 | | " | " | " |

RETURN of COAL LEASES in the COUNTIES of GREY, BULLER, and COLLINGWOOD, 1st July, 1889.

| Date of Lease. | Lessees. | Term and Date of Commencement. | Name and Locality of Leasehold. | Area. | Dead Rent. | Royalty per Ton. | Output in Tons. | | | Remarks. | |
|----------------|--------------------------------------|--------------------------------|---|------------------------|--|--|-------------------------------------|---------------------------------|----------------------------------|----------|--------------------------------|
| | | | | | | | Required by Lease Last Year (1888). | Actual Output Last Year (1888). | Required by Lease for Year 1889. | | Output to June, 1889. |
| 30 July, 1888 | Westport Coal Company (Limited) | 99 years from 1 Jan., 1888 | Coalbrookdale Lease, Kawariri District: Buller Coal Reserve | A. B. P. 2,479 1 38 | £520 per annum .. | 6d. .. | 75,000 | 130,218 | 75,000 | 75,257 | |
| 82 Nov., 1883 | Ditto | 99 years from 1 Jan., 1882 | Ngakawau Lease: Buller Coal Reserve | 2,951 2 7 | £738 per annum .. | 6d. .. | 35,000 | | 40,000 | .. | |
| 28 June, 1875 | " | 21 years from 1 Aug., 1873 | Wallsend Mine, Arnold District: Grey Coal Reserve, Westland | 853 3 31 | £20 per annum .. | 6d. .. | 15,000 | 48,927 | 15,000 | 32,588 | |
| 18 June, 1886 | " | 63 years from 1 Jan., 1889 | Coal-pit Heath Mine, Cobden District: Grey Coal Reserve, Nelson | 777 0 0 | 8 years at £250; 28 years at £500; 27 years at £750 per annum | 21 years at 6d.; remainder of term, 1s. 6d. .. | .. | *33,460 | 25,000 | 28,480 | * Output under previous lease. |
| 24 Nov., 1886 | " | 21 years from 1 Jan., 1887 | Cobden | 240 3 3 | 2 years at £12 per ann.; 3 years at £24 per ann.; remainder of term, £60 per ann. | 21 years at 6d.; remainder of term, 1s. 6d. .. | Nil | Nil | 2,000 | Nil | Outside the coal reserve. |
| 22 July, 1887 | Grey Valley Coal Company | 63 years from 1 Jan., 1887 | Brunner Mine, Mawheranui District: Grey Coal Reserve, Nelson | 1,380 0 0 | 8 years at £480, 28 years at £750, 27 years at £1,000 per annum | 21 years at 6d.; remainder of term, 1s. 6d. .. | 45,000 | 54,741 | 45,000 | 5,728 | |
| 28 Mar., 1889 | Edward P. Simpson | 63 years from 1 Jan., 1889 | Westport and Ngakawau Coal Company's Lease, Ngakawau: Buller Coal Reserve | 3,118 0 0 | £155 per ann. for first 2 years; £310 for third year; £775 per ann. up to twenty-first year; £1,550 per ann. for remainder of term | .. | .. | .. | Nil | Nil. | |
| 8 June, 1885 | The Mokihinui Coal Company (Limited) | 42 years from 1 July, 1885 | Mokihinui: Buller Coal Reserve | 160 0 0 | First 2 years, £4 per ann.; next 2 years, £16 per ann.; remainder of term, £40 per ann. | .. | 9,000 | 124 | 4,000 | " | |
| 30 June, 1888 | Ditto | 63 years from 1 July, 1888 | Ditto | 640 0 0 | First 3 years, £32 per ann.; next 4 years, £64 per ann.; remainder of term, £160 per ann. | 6d. .. | Nil | Nil | Nil | " | |

In July, 1885, the leases held by the company at Waimangaroa and Ngakawau were amalgamated on the understanding that the minimum output was to be increased 20 per cent. This would make the output for the year 1889, 138,000 tons, which, if taken from either mine, would be a compliance with the terms of the amalgamation, if that amalgamation was not destroyed by the issue of the new lease of 30th July, 1888.

RETURN OF COAL LEASES IN THE COUNTIES OF GREY, BULLER, and COLLINGWOOD, 1st July, 1889—continued.

| Date of Lease. | Lessees. | Term and Date of Commencement. | Name and Locality of Leasehold. | Area. | Dead Rent. | Royalty per Ton. | Output in Tons. | | | Remarks. |
|----------------|--|--------------------------------|--|---------------------|---|--|-------------------------------------|---------------------------------|-------------------------|---|
| | | | | | | | Required by Lease Last Year (1888). | Actual Output Last Year (1888). | Required for Year 1889. | |
| 2 June, 1885 | A. D. Bayfeild | 42 years from 1 July, 1885 | Mokihinui: Buller Coal Reserve | A. R. P. 320 0 0 | First 2 years, £8 per ann.; third and fourth years, £32 per ann.; remainder of term, £80 per ann. | 6d. .. | Nil | Nil | Nil | |
| 25 Sept., 1888 | W. S. Smith | 66 years from 1 Jan., 1889 | Point Elizabeth, Cobden: Grey Coal Reserve, Nelson | 1,280 0 0 | 2 years at £64; 3rd year, £128; fourth to twenty-first years, £320; remainder of term, £640 per ann. | First 21 years, 6d.; remainder of term, 1s. Ditto .. | " | " | " | |
| 10 Dec., 1888 | W. S. Smith and F. Hamilton | Ditto .. | Ditto .. | 1,280 0 0 | Ditto .. | .. | " | " | " | |
| " | A. Macdougall and others | 66 years from 1 July, 1888 | Coal Creek: Grey Coal Reserve, Nelson | 4,000 0 0 | 2 years at £200, 5 years at £500, 7 years at £750, 45 years at £1000, 45 years at £2000 | " .. | " | " | " | The dead rent commences 1st January, 1889. |
| " | Martin Kennedy | 21 years from 1 Jan., 1887 | Arnold District: Grey Coal Reserve, Westland | 777 0 0 | First 3 years, £20 per ann.; next 4 years, £100 per ann.; next 7 years, £200 per ann.; remainder of term, £250 per ann. | 6d. .. | 4,000 | 4,000 | .. | |
| " | R. Nancarrow, Edward Iveagh Lord, and T. Watson Wilson | Ditto .. | Ditto .. | 772 0 0 | Ditto .. | 6d. .. | Nil | 4,000 | .. | |
| " | Joseph Taylor and E. Iveagh Lord | 21 years from 1 Jan., 1889 | " .. | 640 0 0 | " .. | 6d. .. | " | .. | .. | |
| 11 Jan., 1886 | Wilson, Hill, and Bishop | 21 years from 1 Jan., 1886 | Black Ball Coal Company, Grey Valley | 640 0 0 | First 2 years, £16 per ann.; next 3 years, £64 per ann.; remainder of term, £160 per ann. | 6d. .. | 5,000 | 10,000 | Nil | |
| " | " | Ditto .. | Ditto .. | 640 0 0 | Ditto .. | 6d. .. | " | " | " | The output clauses were suspended for two years from the 1st January, 1888. |
| " | " | Ditto .. | Ditto .. | 640 0 0 | Ditto .. | 6d. .. | " | " | " | |
| 5 Sept., 1883 | Moore and Walker | 21 years from 1 Jan., 1884 | Charleston (Waiatake) | 2 0 0 | £2 per annum | 6d. .. | 5,000 | 10,000 | " | |
| 1 Sept., 1871 | Witzell and Powell | 21 years from 1 Sept., 1871 | " | 4 0 31 | £4 5s. .. | 2d. .. | " | " | " | |

| | | | | | | | | | | | |
|----------------|---------------------------|----------------------------|--|-----------|---|--|----|-------|-------|-------|-------|
| 17 Oct., 1885 | J. C. Richmond and others | 21 years from 1 Jan., 1886 | Collingswood Coal-mine: Pakawan District | 1,097 0 0 | First 2 years at £28 per ann.; next 3 years at £56 per ann.; remainder of term, £112 per ann. | 6d. | .. | 4,000 | 3,786 | 4,000 | 1,709 |
| 26 Sept., 1885 | Kerr and Adams | Ditto .. | Pakawan District .. | 640 0 0 | First 2 years at £16 per ann.; next 3 years at £32 per ann.; remainder of term, £64 per ann. | 6d. | .. | 1,000 | Nil | 4,000 | Nil |
| 1 May, 1888 | " | 30 years from 1 Jan., 1888 | " | 450 0 0 | First 3 years at £22 10s. per ann.; next 4 years at £45 per ann.; remainder of term, £112 10s. per ann. | 6d. | .. | Nil | " | Nil | " |
| 26 Mar., 1888 | " | Ditto .. | " | 640 0 0 | First 3 years at £32 per ann.; next 4 years at £64 per ann.; remainder of term, £112 per ann. | 6d. | .. | " | " | " | " |
| 22 April, 1886 | " | 21 years from 1 Jan., 1886 | " | 120 0 0 | First 2 years at £3 per ann.; next 3 years at £6 per ann.; remainder of term, £12 per ann. | 6d. | .. | 200 | " | 800 | " |
| 4 Nov., 1897 | J. Marshall .. | 21 years from 1 Jan., 1886 | " | 320 0 0 | First 7 years at £16 per ann.; next 7 years at £24 per ann.; remainder of term, £48 per ann. | 3d. per ton for 7 yrs.; 7d. per ton remainder term | .. | Nil | " | Nil | " |

* No specified output required in these small leases.

ALFRED GREENFIELD,
Commissioner of Crown Lands and Crown Agent.

No. 18.

ROUGH ESTIMATE of the Probable Area and Quantities contained in the New Zealand Coalfields.

| No. | Name. | Acreage of Coal-measures. | Tons. |
|-----|---------------------|---------------------------|-------------|
| 1 | Kawakawa | 19,200 | 11,360,000 |
| 2 | Waikato | 64,000 | 51,200,000 |
| 3 | Mokau | 16,800 | 32,720,000 |
| 4 | Collingwood | 46,000 | 15,000,000 |
| 5 | Karamea | 13,400 | 5,360,000 |
| 6 | Wangapeka | 12,800 | 5,520,000 |
| 7 | Matiri | 10,800 | 4,700,000 |
| 8 | Buller | 115,200 | 138,240,000 |
| 9 | Reefton | 12,800 | 5,120,000 |
| 10 | Grey | 44,800 | 53,760,000 |
| 11 | Clarence | 6,400 | 2,560,000 |
| 12 | Malvern | 9,600 | 7,680,000 |
| 13 | Somers | 1,920 | 768,000 |
| 14 | Kakahu | 3,200 | 1,280,000 |
| 15 | Shag Point | 19,200 | 8,000,000 |
| 16 | Green Island | 9,600 | 11,280,000 |
| 17 | Clutha | 32,000 | 51,000,000 |
| 18 | Winton | 16,000 | 12,800,000 |
| 19 | Nightcaps | 32,000 | 25,600,000 |
| | | | 443,948,000 |

13th August, 1889.

JAMES HECTOR.

No. 19.

STATEMENT showing Difference in Cash Prices of Westport and New South Wales Coal at the Four Principal Cities of the Colony for the Four Years ended the 31st December, 1888.

| | 1885. | 1886. | 1887. | 1888. |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| AUCKLAND. | | | | |
| Westport | £ s. d. 1 5 0 to 1 15 0 | £ s. d. 1 5 0 to 1 15 0 | £ s. d. 1 5 0 to 1 15 0 | £ s. d. 1 5 0 to 1 15 0 |
| New South Wales | £ s. d. 1 0 0 to 1 5 0 | £ s. d. 1 0 0 to 1 15 0 | £ s. d. 1 0 0 to 1 5 0 | £ s. d. 1 0 0 to 1 5 0 |
| Difference in favour of N.S.W. coal | 0 5 0 to 0 10 0 | 0 5 0 to 0 10 0 | 0 5 0 to 0 10 0 | 0 5 0 to 0 10 0 |
| WELLINGTON. | | | | |
| Westport | £ s. d. 1 1 0 to 1 5 0 | £ s. d. 1 1 0 to 1 5 0 | £ s. d. 1 1 0 to 1 5 0 | £ s. d. 1 1 0 to 1 5 0 |
| New South Wales | £ s. d. 1 0 0 to 1 3 0 | £ s. d. 1 0 0 to 1 3 0 | £ s. d. 1 0 0 to 1 3 0 | £ s. d. 1 0 0 to 1 3 0 |
| Difference in favour of N.S.W. coal | 0 1 0 to 0 2 0 | 0 1 0 to 0 2 0 | 0 1 0 to 0 2 0 | 0 1 0 to 0 2 0 |
| CHRISTCHURCH. | | | | |
| Westport | £ s. d. 0 19 0 to 1 4 0 | £ s. d. 1 0 0 to 1 4 0 | £ s. d. 0 19 0 to 1 4 0 | £ s. d. 0 19 0 to 1 3 9 |
| New South Wales | £ s. d. .. 1 1 9 | £ s. d. .. 1 0 0 | £ s. d. .. 0 19 0 | £ s. d. .. 1 0 0 |
| Difference in favour of N.S.W. coal | .. 0 2 3 | .. 0 4 0 | .. 0 5 0 | .. 0 3 9 |
| DUNEDIN. | | | | |
| Westport | £ s. d. .. 1 4 6 | £ s. d. .. 1 4 6 | £ s. d. .. 1 5 0 | £ s. d. .. 1 5 3 |
| New South Wales | £ s. d. .. 1 1 0 | £ s. d. .. 0 19 0 | £ s. d. .. 0 19 0 | £ s. d. .. 0 18 6 |
| Difference in favour of N.S.W. coal | .. 0 3 6 | .. 0 5 6 | .. 0 6 0 | .. 0 6 9 |

No. 20.

ROUGH ESTIMATE of Amount of Coal taken from New Zealand Coalfields, so far as Information can be obtained, with Balance calculated to remain.

| Name. | Probable Quantity in Field. | Taken out. | Still in Field. |
|------------------------------|--------------------------------|------------|-----------------|
| | Tons. | Tons. | Tons. |
| Kawahawa and Whangarei... .. | 11,360,000 | 898,310 | 10,461,690 |
| Collingwood | 15,000,000 | 29,120 | 14,970,880 |
| Buller | 138,240,000 | 648,244 | 137,591,756 |
| Reefton | 5,120,000 | 33,703 | 5,086,297 |
| Grey | 53,760,000 | 1,119,928 | 52,640,072 |
| Malvern | 7,680,000 | 232,276 | 7,447,724 |
| Otago | 70,280,000 | 1,727,223 | 68,552,777 |
| Southland | 38,400,000 | 117,279 | 38,282,721 |
| Other fields | 104,108,000 | ... | 104,108,000 |
| Totals | 443,948,000 | 4,806,083 | 339,141,917 |

No. 21.

NEW SOUTH WALES RAILWAY CHARGES.

DEAR SIR,—

Railway Department, Head Office, Wellington, 10th July, 1889.

I am directed by the Railway Commissioners to inform you, with reference to your recent interview, that they regret they have not a spare copy of the New South Wales Railway scale of charges, but the rates for carriage of coal are as follow:—

| | Where Trucks are provided by Commissioners. | Where Trucks are provided by Owners. |
|----------------|--|---|
| | s. d. | s. d. |
| 7 miles | 1 6 per ton | 0 10 per ton |
| 12 " | 1 6 " | 1 1 " |
| 20 " | 2 1 " | 1 5 " |
| 28 " | 2 9 " | 1 9 " |

Yours, &c.,

E. G. PILCHER,

Acting Secretary.

E. O'Connor, Esq., M.H.R., Wellington.

No. 22.

RETURN OF VENTILATION AND NUMBER OF MEN EMPLOYED, WEST COAST COAL-MINES, SOUTH ISLAND, NEW ZEALAND, ETC.

Ventilation.

Coalbrookdale Colliery (30th March, 1889).—District intake, 11,480 c.f.p.m. for 44 men; main return, 27,349 c.f.p.m. for 72 men.

Greymouth-Wallsend Colliery (18th March, 1889).—Main return east side, 16,802 c.f.p.m.; for west side, 25,200 c.f.p.m.: 42,002 c.f.p.m. for 112 men.

Coal-pit Heath Colliery (25th April, 1888).—Part of return, 16,636 c.f.p.m. for 58 men.

Number of Men employed, 31st December, 1888.

| | Above. | Below. | Total. |
|--------------------------------|--------|--------|--------|
| Brunner Colliery | 33 | 148 | 181 |
| Coal-pit Heath Colliery | 23 | 93 | 116 |
| Tyneside Colliery | 10 | 20 | 30 |
| Wallsend Colliery... .. | 32 | 112 | 144 |
| Coalbrookdale Colliery | 80 | 327 | 407 |

DEATH-RATE, COAL-MINES, SOUTH ISLAND, NEW ZEALAND.

| | | | | | |
|------------------------------------|-----|-----|-----|-----|---------|
| Tons raised per life lost in 1888 | ... | ... | ... | ... | 167,786 |
| Men employed per life lost in 1888 | ... | ... | ... | ... | 472 |
| Lives lost per 1,000 men employed | ... | ... | ... | ... | 2.12 |

For Ten Years, 1879 to 1888 inclusive (not counting the Kaitangata Explosion, which was prior to the enforcement of the Act).

| | | | | | |
|-----------------|-----|-----|-----|-----|---------|
| Tons per life | ... | ... | ... | ... | 174,511 |
| Men per life | ... | ... | ... | ... | 509 |
| Lives per 1,000 | ... | ... | ... | ... | 1.8 |

Great Britain Coal-mines for 1888.

| | | | | | |
|-----------------|-----|-----|-----|-----|------|
| Men per life | ... | ... | ... | ... | 602 |
| Lives per 1,000 | ... | ... | ... | ... | 1.66 |

No. 23.

RETURN OF ESTIMATED QUANTITY OF COAL WORKED OUTSIDE BOUNDARIES OF LEASES AT (1) GREYMOOUTH-WALLSEND COAL-MINE, AND (2) COAL-PIT HEATH COLLIERY, GREYMOOUTH.

(1.) *Greymouth-Wallsend Coal-mine*.—Approximate quantity of coal worked beneath the river to the 31st October, 1888: Gross quantity, 27,168 tons, less $\frac{1}{4}$ = 20,376 tons.

(2.) *Coal-pit Heath Colliery*.—Approximate quantity of coal worked within five chains of the right bank of the river to the 31st October, 1888: Gross quantity, 46,250 tons, less $\frac{1}{4}$ = 34,688 tons.
25th July, 1889. GEORGE J. BINNS, Inspector of Mines.

No. 24.

COST OF COAL AT WESTPORT.

SIR,—

Westport Coal Company (Limited), Dunedin, 19th July, 1889.

I have the honour to acknowledge receipt of your letter of the 10th instant, and in reply I beg to state, for the information of the Committee, that the coal from this company's Westport Mine costs, free on board ship at Westport, including 2s. 6d. per ton haulage and 6d. royalty, 10s. per ton; add for depreciation on plant and machinery, 6 $\frac{1}{2}$ d. per ton; for depreciation on leases, 3d. per ton: exclusive of interest on capital, 10s. 9 $\frac{1}{2}$ d. per ton.

Mr. Kennedy having appeared before the Committee will no doubt have given you the information you require respecting the Greymouth mines. I have, &c.,

GEORGE JOACHIM,
Manager.

The Hon. W. J. M. Larnach, M.H.R., C.M.G., Chairman
Westport Coal Committee, Wellington.

No. 25.

[Extract from *Australian Star*, 1889.]

THE UNION STEAMSHIP COMPANY.

MR. JAMES MILLS, managing director of the Union Company, has been interviewed in Sydney, and gave the following interesting particulars of the Company's business: "Since it has first started the company has increased its fleet from four small vessels to no less than forty-five steamers, and some of them are boats like the "Mararoa," the "Manapouri," and the "Wairarapa," the finest ships of their size afloat; others, of course, vessels of smaller capacity. The aggregate tonnage of their fleet is 38,500 tons, and the combined strength of their engines 36,000 horse-power. Last year the ships steamed 1,490,000 miles, burned 140,000 tons of coal, of which fully one-half was quarried in New South Wales, and carried as cargo 70,000 tons of coal, all of which came from Newcastle. Their employes afloat number 1,372, of whom 304 are navigating officers and engineers, 684 seamen and firemen, and 384 stewards and cooks. All these people are Europeans, and very many of them Australasian born; and, as the years go by, and the younger men displace their elders, the proportion of Australian born will gradually and perceptibly increase. Then, there is the staff ashore—150 hands at least—busy with books and figures, and an army of mechanics and labourers dependent on the company. A quarter of a million sterling represents the annual wage-list; and 1,000 tons of meat, equal to 33,000 sheep of 60lb. weight each, is the annual consumption of meat on board the Union Company's ships. During the current year the company will have an important increase in their fleet. Four new vessels are at present nearing completion for their special services. Two of them will be cargo-steamers and the other two fine passenger-ships, a little larger than the "Mararoa," the largest vessel now in their employ. These ships, which are built after the American plan, with an exceedingly large amount of cabin-accommodation on deck, will take their place in the ordinary service.

No. 26.

OUTPUT OF COAL.

Nelson, 18th March, 1889.

I HAVE again to call your attention to the fact that no returns of output from the company's mine have been sent to this office, and to inform you that, unless the conditions of the company's leases be complied with in this respect without further delay, I must report the matter to the Hon. the Minister of Lands.

ALFRED GREENFIELD,

Commissioner of Crown Lands.

The Secretary to the Mokihinui Coal Company (Limited), Wellington.

I may also inform you that no additional ground will be leased to the company while the conditions of the existing leases remain unfulfilled.

Mokihinui Coal Company (Limited), Corner of Customhouse Quay and Brandon Streets,
 SIR,— Head Office, Wellington, 20th March, 1889.

I have the honour to acknowledge the receipt of your favour of the 18th instant. This is the first communication I have received from you since becoming secretary; and, as I have not yet seen the leases, I trust my ignorance of the conditions in the way of making returns will be overlooked.

The following are the particulars as furnished by me to the Inspector of Mines in conformity with section 60 of "The Coal Mines Act, 1886," and I suppose are what you require: "The quantity of coal wrought in the Mokihinui Coal Company's mine from the 1st January to the 31st December, 1888, was 316 tons."

The Commissioner of Crown Lands, Nelson.

I have, &c.,

CHARLES A. DEACON, Secretary.

No. 27.

CORRESPONDENCE SUPPLEMENTARY TO EVIDENCE OF MR. J. MILLS, M.H.R.

Mokihinui Coal Company (Limited), Corner of Customhouse Quay and Brandon Streets,
 SIR,— Head Office, Wellington, 6th May, 1889.

Referring to my favour of the 20th March, I find I erroneously informed you that the output of coal from the above-named company's mine for the year was 316 tons. I find from information since to hand from Mr. Straw, the mine-manager, that the output was 124 tons only. Apologizing for the mistake,

The Commissioner of Crown Lands, Nelson.

I have, &c.,

CHARLES A. DEACON, Secretary.

MY DEAR LARNACH,—

Wellington, 26th July, 1889.

I enclose an extract from a letter just received from our Westport agent regarding the want of loading-facilities at that place: it might be useful to the Committee. This question of wharfage and facilities for loading coal is becoming a very serious one; and, in view of an increased output from the Westport Mine for foreign demand and the opening of the Ngakawau Mine in a few months, I am afraid we shall have a deadlock unless Government take immediate steps to make some provision.

Yours, &c.,

W. J. M. Larnach, Esq., M.H.R.

JAMES MILLS.

Union Steamship Company of New Zealand (Limited),
 Westport, 24th July, 1889.

DEAR SIR,—

With regard to increased shipping facilities, I would like to point out that we require more accommodation for the present trade. I fully believe that a wet dock in the lagoon will be found necessary for the large craft; but am afraid it would take a long time to construct, and what are we to do meantime? It often occurs now that even when there is coal in stock steamers have to wait for a loading-berth, and, as the trade is increasing, we shall lose time, and be obliged to load to a great extent during overtime hours at heavy expense. Only one steamer at a time can load quickly with present arrangements, though we often load two at moderate pace. But though coal-loading accommodation is most urgently required, we also require more berthage for steamers discharging and waiting to load. At present only one steamer can discharge at a time, and it is a common thing to see steamers double- and even treble-banked, which, to say the least, is dangerous in a river; and passengers have the inconvenience of crossing steamers decks. It is really urgently required to connect the wharf with the staiths. More rolling-stock is also badly wanted—the present output warrants it—and how we will manage when the Ngakawau Company send in coal is a puzzle to me. Last week the mine stood three shifts for want of storage, and, as a consequence, "Ohau" was detained from Friday till Monday night, "Kawatiri," Saturday till Tuesday, and "Wareatea," Sunday till to-night (Wednesday). Mr. Brown saw the necessity, and told me he would bring the matter under notice of the Government. The storage of about 400 tons in the staiths is of no use whatever to any of the large steamers.

CHARLES HOLDSWORTH,

James Mills, Esq., Wellington.

Agent, Union Steamship Company.

Mr. J. MILLS to the Hon. Mr. LARNACH, Chairman, West Coast Coalfields Committee.

Union Steamship Company of New Zealand (Limited).

DEAR SIR,—

29th August, 1889.

When under examination before your Committee I undertook to supplement my evidence by certain details regarding port-dues and cargo-rates at certain ports, and also to refer to any arrangements existing between our company and the Anchor Company regarding the Wanganui trade. I have pleasure now in attaching a memorandum containing the information required. I also beg to thank you for affording me an opportunity of perusing rough proof of portion of the evidence given by other witnesses, and ask your permission to offer explanations on certain points.

When under examination myself I was not quite clear as to the extent of the information to be elicited by the Committee, and was therefore probably not so explicit on certain points as I otherwise would have been, seeing also that I was naturally unwilling to divulge more of the private concerns of our own business and others interested than could be avoided. I gather from the tenor of many of the questions that several members had an impression that some arrangement detrimental to the public interests existed between the Union Company and the coal companies, and I also notice that some witnesses hazarded statements on the subject which were mere guess-work, and of which they could not possibly have any knowledge.

It was apparently desired to show that the Union Company held a preponderating influence both at Westport and Greymouth, and that it was in their interest to restrict the output in order to allow an increased sale of Newcastle coal, and that the decreased output, especially at Greymouth, during the early part of the current year was due to this. Such, however, was not the case. As I stated in my evidence the Union Company had no pecuniary interest in the Westport Company. They had undertaken merely to supply the Westport Company with sufficient tonnage to carry their coal for local trade. Rates were fixed by mutual agreement from time to time, and were subject to *pro rata* reduction to meet competition from any source, including Newcastle. A similar arrangement existed with the Grey Company. It is true the Union Company held equal to a quarter interest in this company in the shape of bonds, but the management was entirely distinct, and was naturally largely directed by those holding a preponderating interest. It was not in any way to our interest to exclude West Coast coal, seeing that the more that was sold the more freight we earned; neither was it in our interest to reduce the price, seeing that the freight was entirely ours, and any reduction in price carried a reduction in freight.

It is true that the output from Greymouth fell off considerably during the early part of this year, but this was owing to the fact that during 1887 and 1888 the output had been inflated—in 1887 by the temporary stoppage at Westport, and in 1888 by the stoppage of Newcastle coal, owing to the strike there. It also happened that the largest consumers of Grey coal—viz., the railways and gasworks of New Zealand—fearing a rise in price, had stocked themselves very fully during December last, and so required very light supplies in the early months of this year.

Newcastle coal interferes very little with the sale of Grey coal, but more largely with Westport coal, as the latter is so much used for household purposes, and is therefore in more direct competition with Newcastle. There was, no doubt, an increase in the importation of Newcastle coal in the early part of this year, owing to the increased grain-trade from New Zealand. This brought more tonnage to our ports, and caused competition among the importers of Newcastle coal, which naturally led to a lowering of the prices. I cannot gather, however, that there was any such increase as would lead to a serious curtailment of the output of the local mines. As I stated, the Union Company landed during the year ending the 31st December, 1888, in all New Zealand ports, 45,269 tons of Newcastle. For the five months ending the 31st May we landed 24,977 tons. This is equal to 60,000 tons for the year; but it would really be less, as the importations during the latter six months of the year fell off considerably. These figures are from the returns supplied me.

Mr. Seddon threw some doubt on my statement, and quoted an utterance of mine in Sydney, where I stated that we had carried 70,000 tons of Newcastle coal during the year. This was only a rough estimate based upon the previous year's work, as I had not the latest figures in my hands; and also included coal carried to other places than New Zealand. I at the same time stated that we consumed during the year 140,000 tons, of which about half was Newcastle coal: this, you will understand, is coal supplied to the steamers' bunkers at Sydney, Newcastle, and Melbourne. In the southern ports of New Zealand we supply our steamers with nothing but local coal, of which we use 70,000 tons in the year ourselves. It is to our interest to use this coal, as it is recognised to be much superior to Newcastle for steaming-purposes.

Mr. Seddon also quoted a statement said to have been made by me in evidence, "that the wharf-accommodation at Greymouth was insufficient." I think this must be a mistake, as a remark of this nature could only have applied to Westport. My evidence is not contained in the proofs supplied to me; but, if such a statement is made so as to apply to Greymouth, I wish you would correct it, as I believe the wharf-accommodation there to be quite sufficient for the trade in the immediate future. I would like to have criticized some of the extraordinary statements made by some witnesses in reference to the working of the mine and the cost of producing coal, but feel that you would rather wish me to confine myself to matters of more direct interest to the company I represent.

Yours truly,

JAMES MILLS.

MEMORANDUM FOR WEST COAST COAL COMMITTEE.—(Accompanying letter of the 29th August, 1889.)

Wanganui Trade.—I find an arrangement has been made between the Anchor Company and our local agents whereby we divide equally the carriage of coal from Westport to Wanganui. Westport coal is supplied through one firm in Wanganui, and I gather that they resell it at £1 17s. per ton. This, however, includes dues (2s. 6d.), receiving and delivering, bagging, carriage, as well as loss by small coal. These altogether, with dues, probably amount to 10s. per ton. In Dunedin, where the dues are 2s. 6d., coal-merchants reckon they require to add 10s. to cover cost.

Re Dues.—The only general dues at Sydney and Newcastle are 4d. per ton annually levied as light dues. At Newcastle a berthage charge of $\frac{1}{2}$ d. per ton per day is levied. At Greymouth light dues are levied of $\frac{1}{4}$ d. per ton per trip coastwise, and tonnage-dues varying according to the cargo on board on arrival—9d. per ton when with full cargo, 2 $\frac{1}{2}$ d. per ton when with quarter cargo, and 1d. per ton when in ballast, the maximum charge being £5 10s. At Westport the light dues are the same as at Greymouth, but there is a charge for berthage of 1d. per ton, and port-charges of from 1d. to 2d. per ton.

Rates of Freight.—To Grey and Westport from Dunedin, Oamaru, Timaru, Lyttelton, and Wellington, 15s. per ton for general cargo, special concessions being given for large quantities.

No. 28.

MR. GORDON'S REPORT ON APPLICATIONS FOR COAL LEASES.

In pursuance of the instructions of the Hon. the Minister of Mines to visit the coalfields and inspect the boundary of the land applied for, and report on the applications of the Mokihinui Coal Company and Messrs. Bayfield, Rowland, and Grant, for the information of the Nelson Land Board, I have the honour to report on the same as follows:—

In regard to the application of Messrs. Bayfeild, Rowland, and Grant for coal leases at Mokihinui, and the objection of the Mokihinui Coal Company against granting the same: The Mokihinui Company has a lease of a square block of 640 acres, the western boundary of which follows the ridge between Coal Creek and Chasm Creek. They have also made application for the ground adjoining the northern boundary of their present lease, and a lease of 320 acres held by Mr. Bayfeild. Mr. Rowland applied for and got a prospecting license for 640 acres on the western and southern boundary of the Mokihinui Company's lease in March, 1887, and, before his prospecting license expired, applied for a lease of the land. This application surrounds two sides of the Mokihinui Company's lease, and, if granted, would prevent the company from ever extending their workings in the direction where they are likely to find coal.

Although the Mokihinui Company hold a lease for a block of 640 acres, they could not work half of this ground economically from the present place of operations, which is at Coal Creek, as the dip of the coal is easterly, or about 15° to the south of east, varying in dip from 1 in 6 to 1 in 8. It is only to the westward of Coal Creek that they can work the coal economically. There is a portion of the lease on the east side of Coal Creek on which the granite rocks appear and do not contain coal, and on the west side of Coal Creek there is a wide fault which must extend for some considerable distance. On the south side of this fault there is an outcrop showing the coal to be about 30ft. in thickness; but the coal here appears to be denuded in places, and does not continue regular through the land on the west side of the creek.

Mr. Rowland's application for a lease embraces the land on both sides of Chasm Creek, which is a steep rocky gorge. In some places there are perpendicular sides of 200ft. high, while in other places the gorge widens out, but it is only in very few places where one can get down from the terraces into the creek-bed.

Coal was discovered on both sides of this gorge by Mr. A. Grant, who is one of the party interested in Mr. Rowland's application. He accompanied me over the field as well as Mr. Snodgrass, the District Surveyor, and Mr. Seagar, one of the directors of the Mokihinui Company, and showed me two outcrops of coal 20ft. in thickness, and another which was laid bare for about 70ft., and showed about 22ft. in thickness. Outcrops of coal could also be seen in places on the opposite side of the Chasm Creek to the two already referred to. Although there are three different applications for coal leases—namely, by Mr. Rowland, Mr. A. Grant, and Mr. Bayfeild—they are all for one company, termed by the applicants the "New Cardiff Coal Company," which is also said to hold the lease of 320 acres already granted to Mr. Bayfeild.

It is very evident that the Mokihinui Company had never sufficiently prospected their ground before applying for a lease or they would never have taken it up in its present form. They have already shown, however, by the amount of money already expended (about £25,000), that they intend to carry on coal-mining operations in a systematic manner. They have constructed a railway for four miles and a half—that is, from the outcrops of coal at Coal Creek to a point on the Mokihinui River, where they are constructing staiths to hold coal, and where small vessels can come up and load. It is to a certain extent owing to the works this company has constructed that attention has been directed to the adjoining land; and these works have been the means of allowing the present applicants to get back to discover these outcrops of coal.

The coalfield in this district is greatly broken up and the coal denuded in many places, so that, although there appears to be a large extent of coal, there is no doubt it is a country where there will be tremendous faults, breaks, rolls, and downthrows to contend with; and, unless a company has a good extent of ground to work, it would not likely prove a successful undertaking either for themselves or the colony. The applications for the small leases only mean that they are taken up with the view of selling them to a company with sufficient capital to work them; indeed, it is only encouraging a system of levying blackmail on those who are in a position to work the mines systematically. It may be said that the more coal companies there are the cheaper coal will become; but it will be of no permanent advantage to the colony unless the mines can be made to pay for working. It is far better to have a few good companies who have capital to prospect and develop the coal-industry than to have a number of small companies who work the mines from hand to mouth, and finally have to succumb, and get into large holdings eventually.

In support of what I have stated, there are at the present time two coal leases in the Mokihinui district—one held by the Mokihinui Company, of 160 acres, on which a considerable amount of work has been done, and the coal proved to be of very little commercial value; and one lease of 320 acres held by Mr. Bayfeild, where very little prospecting has been done. The ground appeared to be held with the view of selling to those who will expend money to test it, and the area is too small for any company with the necessary capital to work the coal. Thus, a large outlay is required to get plant on the ground and open up the mine to work it advantageously; and there is not sufficient coal in the area, considering the difficulties there are to contend with, having faults and breaks, to pay fair interest on the money expended.

The coal on the eastern side of Chasm Creek applied for by Mr. Rowland could not be advantageously worked by him, as it dips into the lease held by the Mokihinui Company. The only way that it could be worked by Mr. Rowland would be from the adjoining land applied for by Mr. Bayfeild, and that would be by working it from the dip. Taking everything into consideration, I would recommend the western boundary of the Mokihinui Company's lease to be extended to Chasm Creek, as the coal can be more advantageously worked through this lease than by any other way; and that an equal area be given to the applicants on the western boundary.

I see no objection to granting the application of the Mokihinui Company for a lease of the land on the northern boundary, but would recommend that conditions should be inserted in the lease binding the company to have a far greater output of coal than that specified in the present lease, which is only 2,000 tons per annum for the fourth, fifth, sixth, and seventh years, and afterwards 5,000 tons.

There is also another application by Mr. Moynihan for 3,000 acres, which, I understand, is to be amended so that it can be taken up in one block instead of the form originally intended. They

intend to cut off that portion adjoining the western boundary of Grant and Bayfeild's, but, be that as it may, I would not recommend a lease to be given in the form first applied for.

The Mokihinui coalfield will never be worked with any chance of success until the coal is taken by railway to Westport, where the harbour is very much improved. At the time of my visit there was 10ft. of water on the bar at low water. There are, however, shingle-banks inside in the river which do not admit of vessels of large tonnage yet being taken in; but there are reasonable hopes of this harbour being yet able to insure vessels drawing 18ft. to 20ft. of water getting into the port to load up with coal; and, if this is an accomplished fact, the coal-industry in this district is likely to be a large one.

The Westport-Ngakawau Company, which belongs to a Sydney syndicate, are making excellent progress with their works—the railway-formation will be completed in a month, and a commencement has been made to open up the mine. This company only got their lease last year, and they have shown by the large amount of work already done that they intend to carry on their operations on an extensive scale. The coal that they are now opening up is of a very soft character, but they intend to convert it into coke, and wish to have their coke-ovens built as near the mines as possible. The only convenient ground for this is the land on the flat on section 2, adjoining Mr. Nairn's freehold; but, if any portion of this section were conceded to them for this purpose, it should only be on the condition that no dwelling-houses be erected on it beyond an office for the company's use and residence for the manager, as there is a Government township surveyed on the opposite side of the river.

In regard to the issue of new leases, there should be embodied in them a condition that the lessees should spend a certain amount of money the first and second years—say, for large leases £5,000 each year—and the third year a substantial output of coal—say, 10,000 tons—increasing the output every year. If they fail to comply with these conditions the lease should be cancelled. The Westport-Ngakawau Company has set a very good example to other companies in this respect, and it is unfair to those who try their utmost to develop the coal-industry to allow ground to be locked up by other people who probably do not intend to spend money on working the coal, but are merely holding it with the view of selling their interest at a higher value.

HENRY A. GORDON,
Inspecting Engineer.

N.B.—In granting leases to Rowland and Grant, a provision should be inserted giving the Government power at any time to take a railway through the leases, either on the surface or underground, without any compensation; but, in the event of the railway being taken through the coal, the Government to make provisions for any crossings the lessees require.—H. A. G.

No. 29.

COAL LEASES NORTH OF GREY RIVER.

The CHAIRMAN, Coalfields Committee, to the COMMISSIONER of CROWN LANDS, Nelson.
(Telegram.) 27th August, 1889.

PLEASE explain how only three leases, as under, appear in return of 1st July—namely, Smith, 1,280 acres; Smith and Hamilton, 1,280; and McDougall, 4,000—whilst by plan three others appear—namely, McDougall, 685; Masters, 1,280; and Hamilton, 223—and report immediately whether any amalgamations are agreed to or granted. If so, please give particulars.

W. J. M. LARNACH, Chairman, Coalfields Committee.

The COMMISSIONER of CROWN LANDS, Nelson, to the Hon. Mr. LARNACH.

(Telegram.) Nelson, 27th August, 1889.

THE three last-mentioned areas in your telegram are leases promised but not issued, and are included in return as application. It is intended to amalgamate the three blocks in the names of Smith and Hamilton, and also two blocks in the names of McDougall and others. The application in the name of Masters has no connection with either of the others. The Minister of Lands is aware of the intention to amalgamate, and he will have to fix the terms of consent (see section 9, "Westland and Nelson Coalfields Act, 1877").

ALFRED GREENFIELD.

No. 30.

COAL LEASE AT MOKIHINUI.

The CHAIRMAN, Coalfields Committee, to the COMMISSIONER of CROWN LANDS, Nelson.
(Telegram.) 27th August, 1889.

PLEASE send particulars of Moynihan's application for coal lease at Mokihinui, and state, if granted, on what terms.

W. J. M. LARNACH, Chairman, Coalfields Committee.

The COMMISSIONER of CROWN LANDS, Nelson, to the Hon. Mr. LARNACH.

(Telegram.) Nelson, 27th August, 1889.

MOYNIHAN's application is for 3,000 acres on the south-west, and adjoining Bayfeild's application. The lease has not yet been granted by Land Board. The terms will probably be similar to Ngakawau lease, granted to Simpson, with clause added compelling lessee to expend £5,000 within two years or forfeit £1,000.

ALFRED GREENFIELD, Commissioner of Crown Lands.

No. 31.

AMALGAMATION OF LEASES.

(Memorandum No. 862.)

Crown Lands Office, Nelson, 19th August, 1889.

Westport Coal Company's Leases.—I enclose herewith return of coal leases, having corrected the remarks relative to the amalgamation of the Waimangaroa and Ngakawau leases. With regard to the question as to how far the terms of amalgamation apply to existing leases, although legally the agreement was at an end on the surrender of one of the leases amalgamated, I think the company can fairly claim that the amalgamation should be held to apply to the existing leases, when it is considered that the new lease is for the same area, with an additional acreage, and that the required output under the new lease was increased to 25,000 tons in consequence of the additional acreage. With regard to checking the output from the mines, you will probably recollect that I applied some time ago to be furnished with monthly returns from the Railway Department showing the tonnage of coal and coke carried from each mine at Grey and Buller, in order that I might compare them with the output returns received from the lessees. These returns were supplied for a short time and then discontinued. If these returns were regularly supplied it would be a fair check on the output.

ALFRED GREENFIELD,

The Under-Secretary, Crown Lands, Wellington.

Commissioner of Crown Lands.

No. 32.

WESTPORT HARBOUR CONTRACT.

The UNDER-SECRETARY for PUBLIC WORKS to the CHAIRMAN, West Coast Coalfields Committee.
SIR,—

Public Works Department, Wellington, 26th August, 1889.

With the printed copy of my evidence, which came to me for correction on Saturday last, there were two or three pages of other evidence, amongst which was a portion of the evidence of Mr. David Wilkie, contractor, which relates to some transactions with which I was connected while at Westport, and, as I do not quite concur in the way Mr. Wilkie puts the case, I think it desirable that I should state for your information what my recollection of the facts is.

With relation to some question of 20,000 tons of stone, Mr. Wilkie, in reply to a request that he would explain to the Committee what that extra was for, stated as follows: "They wanted us to employ eighty-four men that were out of employment—that were locked out. Mr. C. Y. O'Connor wanted us to put on these men. I told him we could put out the necessary quantity with the men we had. He said he would increase the output if we would put them on. We put them on." My recollection of the case, however, and I may say that I made careful notes of it at the time, and have same still, is to effect as follows: When I was at Westport I found that the dispute between the contractor and the union men was still going on, and that the works were consequently very much delayed. Up to that time the union men had insisted that they must all be taken on, and that nobody but union men must be employed, and that, moreover, contractor must give reason if he discharged any of them in the future. With the view of endeavouring to smooth matters over, I told these men that I thought that their attitude was quite unreasonable, as contractor had got men down from Auckland whom he could not reasonably discharge; and that, therefore, they could not expect to be all taken on; and that the claim that contractor must give reason for discharging any of them, although stated to be sustainable in the case of coal-mines, was, I considered, altogether preposterous in the case of works of the character in question. On this they reconsidered the matter and eventually agreed that if contractor would put on about eighty of them, which was, I think, about two-thirds of the total, they would be satisfied. The contractor stated that he had room for eighty—that is to say, that the machinery and appliances supplied to him by the Government would admit of his employing that number in addition to those he had already got—but that if he put on so many he would be putting out stone in excess of the quantity provided for in his contract; and he then came to me and asked if the Government would have any objection to that. I stated that I thought not, but would refer the question to Hon. Mr. Mitchelson. As a matter of fact, there could be no reasonable objection, seeing that the Government and all others interested in the work were desirous of having it pushed on as rapidly as possible, and that the contract price is a reasonable, and, in fact, I think, a low, one. The quantity fixed by contract was as much as the Engineer thought contractor could put out, and contractor was, of course, bound under heavy penalties to put out that quantity; but there seemed to be no reason why he should not be allowed to put out more if he could do so within the term of his contract. It was, however, distinctly understood that there should be no extension of the contract term. On putting this to the Government it was approved, and contractor was informed accordingly.

Mr. Wilkie's statement, above quoted, that he could have put out the necessary quantity with the men he had must evidently have been made without due consideration, as I feel certain he could not have put out anything like the contract quantity with the men he had at the time that I am speaking of, as he was admittedly a long way behind his contract rate at that time, and did not work anything like up to it until the strike was over and the union men went to work again.

I have, &c.,

C. Y. O'CONNOR,

Under-Secretary for Public Works.

The Chairman, West Coast Coalfields Committee, House of Representatives.

P.S.—If Committee wishes for any further evidence as to the accuracy of this statement it can readily be obtained, as there are many persons in Westport who were present at the interviews which I had with the men and with the contractors, and I would submit that Mr. Wilkie's version of the case, which was evidently given without due care, should not be accepted without further investigation.

No. 33.

ROYALTY ON COAL.

Extracts from Correspondence.

The UNDER-SECRETARY OF LANDS to COALFIELDS COMMITTEE.

SIR,—

General Crown Lands Office, Wellington, 26th August, 1889.

I have the honour to acknowledge the receipt of your letter of the 13th August, inquiring what checks exist as to the output of coal. . . . I transmit herewith for the information of the Committee copies of memoranda on the subject from the Commissioner of Crown Lands, Nelson, the Assistant Controller, and the Railway Commissioners. . . .

I have, &c.,

H. J. H. ELIOTT, Under-Secretary.

The UNDER-SECRETARY OF LANDS to the CROWN AGENT, Nelson.

CAN you give any information as to this question? Please reply as soon as possible. . . .

14th August, 1889.

H. J. H. ELIOTT.

The CROWN AGENT, Nelson, to the UNDER-SECRETARY OF LANDS.

I HAVE taken it for granted the Audit Department compared the royalty payments with the railway receipts; the only other check would be periodical inspection of the works. There is no reason to suppose the statements of output furnished are false or incorrect.

15th August, 1889.

ALFRED GREENFIELD, Crown Agent.

The UNDER-SECRETARY OF LANDS to the AUDIT DEPARTMENT.

CAN the Audit Department furnish the Committee with any further information on the subject

17th August, 1889.

H. J. H. ELIOTT.

The ASSISTANT CONTROLLER to the UNDER-SECRETARY OF LANDS.

THE audit of the railway accounts having been taken out of the hands of the Audit Office in December, 1885, the department has now no means of checking the tonnage upon which royalty is paid. The Audit Department takes care that either dead rent or royalty is paid, the payments being alternative; but the output on which royalty is paid, as given by the Receiver of Land Revenue, is accepted as correct. An examination of the company's books was made by the Audit Department in 1884, in connection with a settlement of accounts to the 31st December, 1883, then being arranged (see A 84/51, with L 84/814), but no subsequent examination has been made by this department.

19th August, 1889.

C. T. BATKIN, A. C. and A.

The Hon. the MINISTER OF LANDS to the CHAIRMAN, Railway Commissioners.

CAN the Commissioners furnish any further information for the Committee?

19th August, 1889.

G. F. R.

The CHAIRMAN, Railway Commissioners, to the Hon. the MINISTER OF LANDS.

PLEASE find Mr. Maxwell's memorandum herewith. It will appear that there is really no check on the actual output of the mines, the statement of the mine-managers having been accepted without challenge.

22nd August, 1889.

J. MCKERROW.

MEMORANDUM.—The audit of the railway accounts does not affect the question, as far as I can judge. Section 6, "Revenues Act, 1885," preserves to the Controller-General the right to inquire into all matters as provided in "The Public Revenues Act, 1878." The traffic-regulations which I issued provide for retention of the railway way-bills at the respective stations for twelve months, after which they are forwarded to store, and are finally destroyed, but until they are destroyed they and all other documents are available for the Controller's investigation at any time. In 1884, and before that, I suggested that, as the railway carries all the coal, it was the proper department to attend to the checking of royalties. This suggestion was forwarded to the Land Department, but it seems to have been thought inexpedient for the railways to undertake the work: for this reason we have never compiled the railway accounts to show the coal independently of the other minerals carried, or to keep separate statements of the output of each mine.

22nd August, 1889.

J. P. MAXWELL.

No. 34.

MR. M. KENNEDY AND MR. SEDDON'S EVIDENCE.

SIR,—

Grey Valley Coal Company (Limited), Wellington, 29th July, 1889.

I have to thank you for the printed report of Mr. Seddon's evidence before your Committee. There is only one passage I wish to make any remark on—viz., my disagreement with Union Company, and my surprise to find the markets all supplied. This must be one of many jokes in circulation thereon, for I never had any difficulty in obtaining steamers, and ever since the Newcastle strike took off always had a difficulty in finding a market for our coal. Assuming the Committee do not want me before them again, I now beg to say I purpose leaving Wellington in a day or two.

Yours &c.,

M. KENNEDY.

The Hon. W. J. M. Larnach, Chairman, West Coast Coalfields Committ

No. 35.

Mr. G. J. BINNS to the Hon. Mr. LARNACH.

SIR,—

Dunedin, 16th August, 1889.

I was recently directed by you to obtain and forward to you a copy of instructions from the Mines Department as to the initiation of prosecutions against mine-managers and others without authority. I have now the honour to state that I am unable to find any document couched in the exact terms referred to. I was speaking from memory at the time, and was doubtless thinking of a letter sent to me on or about the 3rd June, 1886, instructing me not to employ counsel without authority. This appears to have been sent back to the departmental head office when I gave up charge of the West Coast quartz-mines, and my only record on the subject is a letter from myself to the Under-Secretary of Mines, dated the 14th June, 1886, and concluding, "I will note that portion of your memorandum relating to the employment of counsel; the point has not been raised before." Again, in a letter dated the 29th May, 1886, in answer to a memorandum (returned with papers as already stated) from the Under-Secretary of Mines, I wrote, "The proceedings were, as usual, authorised by the Inspector of the district; in this case myself." This was evidently in reply to a query as to who had authorised a recent prosecution.

I need not tell you that it is impossible to proceed against a colliery- or mine-manager without employing legal assistance, for to do so would be to risk a failure, which would be very damaging to the authority of the department; and this taken in conjunction with the fact that on two occasions (as already stated in my evidence) authority to prosecute was refused; also, that in my annual report of the 7th March last, in referring to the Glenochiel Colliery, Otago, I wrote, "At this small colliery the Act is not kept. As I have frequently stated on former occasions every means other than prosecution has been tried, and, as the initiation of that final resource is in the hands of the Minister I must leave the matter where it is." This has not been contradicted; and I may therefore, I hope, be excused for stating from memory that such instructions had been issued. If they have not actually, at any rate equivalent restrictions have been placed upon me.

I have, &c,

The Chairman, West Coast Coalfields Committee,
House of Representatives, Wellington.

GEORGE J. BINNS,
Inspector of Mines.

No. 36.

EXTRACTS FROM REPORT ON WEST WANGANUI COALFIELD, COLLINGWOOD COUNTY, BY MR. JAMES PARK, F.G.S., 8TH JANUARY, 1889.

The coals of this area divide themselves by their different composition into three distinct classes—namely, upper brown and pitch coals, and lower bituminous coal. An important result of my late survey has been to show that the measures containing these coals are stratigraphically conformable to each other, and belong to the cretaceo-tertiary formation of New Zealand. In consequence of this, the lower bituminous coals are found to have a much greater extension towards the West Coast than mapped by Mr. S. H. Cox, F.G.S., late Assistant Geologist. It should, however, be stated that during my survey, I enjoyed far greater facilities for examining the coal outcrops than were possessed by Mr. Cox in 1882. During the past year many miles of track have been cut through the bush, intersecting the country in many directions that were formerly not accessible, besides a thorough exploration has been made of the coal-measures, and a large amount of labour expended in opening out all the known coal outcrops throughout the district, a work ably conducted under the direction of Mr. W. L. Forster, land and mining surveyor.

Bituminous Coal.

The lower coal-measures, consisting of coarse sandstones and conglomerates, occupy the summit and high slopes of the main range from the sources of the Paturau to Mount Burnett and House-roof Hill, round which they mantle, and thence extend to the Pakawau Gorge. They also form the steep precipitous cliffs on the Whakamaramao, opposite Collingwood, from the north side of the Kaituna to the source of the Otamataura River.

The coal occurs interbedded with the conglomerates at the base of the series. The number of seams known along the line of outcrop facing the Aorere Valley is said to be seventeen, of which only five are of any size, and of these only two have been worked at Ferntown; and at the present time the condition of the seams in that mine is causing some anxiety to the manager, the coal being both irregular and thin, besides showing a tendency in all the workings to pinch out towards the dip.

At the sources of the Kaituna, Paturau, and Mangamangarakau the largest seams have dwindled down to 6in. in thickness; and in the lower course of the latter and on the plank of Houserook Hill they are reported by Mr. Forster to be very thin and everywhere unworkable. From the above observations it will be seen that bituminous-coal is not likely to be a product of this district.

Pitch-coal.

The upper coal-measures consist of brown sandstones, grits, and grey-coloured fireclays, containing seams of pitch-coal which passes into ordinary brown coal in the southern extension of the coalfield. They extend from the upper end of the West Wanganui Inlet southward to the foot of Bald Hill, near the Golden Ridge, where they rapidly contract, and thence pass southward to the Turimawiri, forming a narrow belt, parallel with the coast, varying from a quarter of a mile to a mile in width.

The principal areas where pitch-coal has been proved to exist are—(1) On the west side of the inlet, north of the entrance; (2) on the west side of the inlet, extending from the entrance south to

the Mangamangarakau Swamp, and thence southward along the foot of the escarpment of the coast range to the Paturau River; (3) on the east side of the inlet from Wairoa Creek to Mangamangarakau Swamp.

1. *On the West Side of the Inlet, North of the Entrance.*—At the first four headlands a seam of coal 4ft. thick crops out at sea-level, having a gentle dip to the west. Some twenty years ago it was worked at three different points by parties of working-men, who are said to have made good wages for a time by shipping the coal to Nelson in sailing-vessels. Having only the most primitive appliances at their disposal, the coal was principally won from shallow workings between high-water and low-water marks. The amount of available coal in this area down to a depth of 1000ft., calculating only on a basis of the extreme points at which the coal has been proved—namely, 100 chains—would be 6,060,000 tons, the whole of which would be below water-level.

2. *On the West Side of the Inlet, from the Entrance South to the Paturau.*—From the north side of the Pole Point to the head of the Mangamangarakau Swamp a seam, with a shale parting, giving 4ft. of clean coal—no doubt the southern extension of the seam on the north side of the entrance—crops out at many places at sea-level, dipping to the westward at an average angle of 6°. About ten years ago the West Wanganui Coal Company was formed in Wellington to work this seam; but soon after opening the coal at Melbourne Point it had to suspend operations, owing, it is said, to the influx of sea-water into the mine. The lease was taken over by another company, which put down a series of trial bore-holes. Coal is said to have been found in all of these, but nothing further was done. Passing southward from the inlet the line of outcrop is obscured by recent accumulations, and the coal does not show on the surface until the bank of the Paturau is reached. The seam is here 4ft. thick, divided by a thin shale parting. The composition of the coal at the inlet is as follows:—

| | | | | | | |
|--------------|-----|-----|-----|-----|-----|--------|
| Fixed carbon | .. | .. | .. | .. | .. | 45·00 |
| Hydro-carbon | ... | ... | ... | ... | ... | 38·90 |
| Water | ... | ... | ... | ... | ... | 4·80 |
| Ash | ... | ... | ... | ... | ... | 11·30 |
| | | | | | | 100·00 |

Evaporation-power, 5·85lb.

This is a very good household coal.

The amount of coal in this seam to a depth of 1,000ft., calculated at 4ft. of clean coal with an average dip of 7°, would be 19,200,000 tons, most of which would be below water-level, the dip being everywhere to the westward.

3. *On the East Side of the Inlet, from Wairoa Creek to Mangamangatau.*—On the north side of the Wairoa arm a 2ft. seam of superior pitch or semi-bituminous coal crops out at the sea-level, with a gentle dip to the west. In 1869 a company of working-men—Scott Brothers—worked this seam, excavating the coal in large blocks above the tide-way. The data at my disposal is too limited to permit me to make even an approximate estimate of the probable amount of available coal in this area. An analysis of a sample of this coal at the Colonial Laboratory gave the following results:—

| | | | | | | |
|--------------|-----|-----|-----|-----|-----|--------|
| Fixed carbon | ... | ... | .. | ... | .. | 50·10 |
| Hydro-carbon | ... | ... | ... | ... | ... | 37·10 |
| Water | ... | ... | ... | ... | ... | 8·60 |
| Ash | ... | ... | ... | ... | ... | 4·20 |
| | | | | | | 100·00 |

Evaporation-power, 6·51lb.

Several small seams of coal varying from 4in. to 8in. in thickness are exposed at the foot of the cliffs, near the mouth of the Mangamangarakau, but, excepting the 2ft. seam at the Wairoa arm, no workable coal has yet been found on this side of the inlet.

Brown Coal.

South of the Paturau the coal becomes more hydrous and earthy, passing into an ordinary brown coal. The principal areas where this coal is found, are—(1) the low hills between the Paturau flats and Lake Ōtuhei; (2) on the Pakihi country, between the Anatoki and Turimawivi; (3) and several patches near the Golden Ridge.

1. *On the Low Hills between the Paturau Flats and Lake Ōtuhei.*—Three distinct lines of coal outcrop have been traced and in many places opened out in this area, but, so far, only one workable area has been discovered. The seams generally crop out in the beds of the small water-courses, where they form low waterfalls. The dip is to the westward, at an average of 7°. The lowest seam is 4ft. thick, and is divided by a shale parting 8in. wide. . . . About 40ft. higher in the sequence there is a 16in. seam contained in black shale. . . . About 60ft. still higher in the sequence there is an outcrop of a 12in. seam, divided by a shale parting into two small seams 4in. and 6in. thick respectively. . . . The amount of coal in this field to a depth of 1,000ft., calculating on the 3ft. of clean coal, would be 10,200,000 tons, of which 1,200,000 tons would be above water-level. The results of an analysis of a sample of coal obtained at the outcrop of the 4ft. seam is as follows:—

| | | | | | | |
|--------------|-----|-----|-----|-----|-----|--------|
| Fixed carbon | ... | ... | ... | ... | ... | 51·17 |
| Hydro-carbon | ... | ... | ... | ... | ... | 20·20 |
| Water | ... | ... | ... | ... | ... | 12·41 |
| Ash | ... | ... | ... | ... | ... | 16·22 |
| | | | | | | 100·00 |

Evaporation-power, 6·65lb.

2. *On the Pakihi Country, between the Anatoki and Turimawivi.*—At this place, situated about three miles from the coast, there is a seam of coal 4ft. thick, contained in quartz grits and fireclays, overlying a stratum of quartz conglomerate. The coal-measures here are about a square mile in extent, forming a bare sloping plateau from 400ft. to 600ft. above the sea. The coal crops out on the west side of a small stream flowing into the Turimawivi. It dips to the westward at an angle of 5°, and passes below the limestone which forms the high escarpment ridge bounding the open country on the west side. An analysis of a sample of coal from this place gives the following result:—

| | | | | | | |
|-----------------|-----|-----|-----|-----|-----|--------|
| Fixed carbon... | ... | ... | ... | ... | ... | 35·76 |
| Hydro-carbon | ... | ... | ... | ... | ... | 46·63 |
| Water | ... | ... | ... | ... | ... | 16·41 |
| Ash | ... | ... | ... | ... | ... | 4·20 |
| | | | | | | 100·00 |

The amount of available coal in this field above water-level would be 2,400,000 tons, after making due deductions for gullies and places where the seam has been removed by denudation.

3. *Near Golden Ridge.*—On the lease of the gold-mining company holding this ground there is a seam of impure brown coal varying from 3ft. to 6ft. in thickness. It is bare on the surface, and rests on a loose quartz breccia, which, in its turn, lies upon the upturned edges of the palaeozoic sandstones and slates. It dips to the north at an angle of 30°. Its height above the sea is 680ft.

Remarks.

Summarising the above results we find that there are by actual survey 25,260,000 tons of pitch-coal, most of which is under water-level; and 12,600,000 tons of brown coal, of which 3,600,000 tons are level free, the remaining 9,000,000 tons being below water-level.

At the present time the brown coals are too far from water communication to be placed in the market with any chance of success. On the other hand, the pitch-coals on the west side of the inlet are close to deep water in a harbour possessing great facilities for shipping, and, considering their superior quality, it is surprising that they have been allowed to remain undeveloped so long.

No. 37.

Extract from Parliamentary Paper D.—No. 6B, of 1871.]

EXTRACT FROM A REPORT BY MESSRS. BLACKETT AND HECTOR, DATED 21ST JULY, 1871, ON THE
BEST COURSE FOR A RAILWAY TO CONNECT THE COAL-MINES ON THE GREY RIVER WITH A
SHIPPING PORT.

Port Curtis.

The latter trip was for the purpose of judging of the capabilities of the bay north of Point Elizabeth, for the construction of an artificial port, a suggestion that has been frequently made, and was even favourably reported on by the late Mr. Balfour (report of the Marine Department, 1868). Mr. Balfour's opinion, however, appears to have been founded on a report and chart, furnished by the Marine Surveyor (hereto appended) which contemplates rather the construction of a harbour of refuge, capable of holding three or four vessels, than a port adapted for trading purposes.

Point Elizabeth is a promontory composed of limestone rocks, and is prolonged by a chain of rocky islets, and a reef in a northerly direction for about a mile, whilst the general trend of the coast is about 20° to the east of north. A shallow bay is thus enclosed, having a shelving, sandy, beach, quite open to the heavy sea that frequently rolls in from the north and west. There is no doubt that with a large expenditure it would be possible to close the gaps between the islands by a sea-wall, and, by carrying it forward in a curve, afford a certain amount of protection from the above directions; or, what might be still better, to construct an independent wall within the shelter of the natural reef, and by this means form a harbour of limited extent. The objections to the formation of such works, however, would be, in the first place, the enormous expense. This would be greatly increased by the want of proper material, there being no stone within reach at all adapted for the construction of marine works that would be exposed to heavy seas. The limestone at the point which has been suggested as available is totally unsuitable; its resistance to the encroachment of the sea at that place being entirely due to the manner in which the strata are naturally placed, presenting a hard surface, dipping at an angle of 37° to the westward, from which direction the heaviest swell rolls in. Secondly, the construction of a sea-wall between or within the islands and reef would not fail in short time to lead to the filling-up of the bay by preventing the scour which at the present time takes place through the passages, there being no large river entering the bay, or other means of maintaining a counteraction to the great accumulation of drift, which tends to obliterate the irregularities in the coast-line.

These considerations appeared to be so conclusive against our recommending any expenditure for works at this place that we did not think it necessary to require any exact surveys or soundings to be made.

EXTRACT FROM REPORT OF MARINE SURVEYOR.

I also forward herewith a small sketch of Port Curtis, being formed by Point Elizabeth a few miles to the north of Greymouth. Mr. Woods was instructed to procure a few soundings in the bay on the first available opportunity, and this sketch is the result.

The soundings show that there is an area of probably not less than a quarter of a square mile already partially sheltered, and with a depth at low water of two fathoms and upwards. Seeing that there is an ample supply of hard limestone on the spot, very fairly adapted for the construction of a breakwater, and that this bay is of perfectly easy access from the Grey coalfields, its future

importance as a harbour will be sufficiently obvious; indeed, it is the only place on the West Coast which I am acquainted with where there are both natural facilities and abundant material for constructing a barless commercial harbour of very considerable dimensions, in direct and easy communication with very valuable coalfields. I hope during the present year to procure a careful survey of Port Curtis on a large scale.

J. M. BALFOUR.

G. A. WOODS to JAMES M. BALFOUR, C.E.

SIR,—

Surveying Steam Sloop "St. Kilda," 27th June, 1868.

I have the honour to forward the following report on the bay formed by Point Elizabeth:

The indentations of the coast-line between Point Elizabeth and the cliffs to the northward form a small bay, which is partially protected by an island lying immediately off the point, and one or two islets and rocks that stretch across nearly to the main land on the north side.

The passage between the first-named island (*a*) and the islet (*b*) is clear of rocks and shoals, with a depth of from four to six fathoms, but immediately after passing this line the water shoals rapidly, and in the centre of the bight breaks with considerable violence; half-way across between this break and the point, and under lee of the island, a depth of from three to four fathoms was found, but the bottom is uneven, requiring a careful survey and opportunities for observing the effect of northerly and north-west winds upon the space of water lying between the point and the mid-bay shoal before any definite report can be made as to its capabilities for shipping.

If a rubble breakwater could be constructed from the inner side of the mid-bay reef towards island (*a*) and the passage closed between the point and (*a*), then a small harbour would be formed, capable of holding three or four vessels. Presuming, however, that this expenditure would be undertaken mainly with a view of making it a small harbour of refuge, it is necessary to make sure that the sea does not break across the entrance from (*a*) to (*b*) in seaward gales, as that would be fatal to any vessel attempting to enter between (*a*) and the end of the breakwater.

I have, &c.,

JAMES M. BALFOUR, Esq., C.E.,
Colonial Marine Engineer, Wellington.

G. A. WOODS,
Chief Marine Surveyor.

[NOTE.—The references above in italic letters are to a map which it is not thought necessary to reproduce.]

No. 38.

LETTER A.—(Referred to in Mr. Blair's evidence.)

Greymouth Harbour-works.

SIR,—

Greymouth, 7th April, 1888.

Referring to the action that has been taken in connection with the Harbour Board, I have the honour to submit the following memoranda of what is required in carrying on the business of the Board until more permanent arrangements are made.

As already intimated, the new Board will only be asked to attend to such matters as are by law required to be done by a Board; the general conduct of the works and other business will be undertaken by the various Government departments immediately concerned.

With reference to the funds in the hands of the Board, these you can apply as far as they will go in payment of current expenditure; and after they are exhausted payments will be made by Treasury cheques, or through your imprest account, as in the case of Government expenditure. As I find that the Board's contracts require payments to be made fortnightly, and as the practice has been to pay within a day or two of the certificate being given, I have telegraphed to Wellington for the funds necessary to meet this month's payments.

As the Government is curtailing expenditure in every direction, it is necessary to reduce the staff on the harbour-works to the lowest possible limit. Will the Board, therefore, kindly intimate to the Engineer and Secretary that their services will not be required after the expiration of the three months' notice required under their agreements. The notice to be given as from the 1st May. In dispensing with the Engineer and Secretary, their convenience should receive every possible consideration; and, if they wish it, they can be relieved from duty as soon as you complete the arrangements for taking over their work. You will also, in giving those officers notice, kindly say that the Government wishes to express its appreciation of their services, and regret at the necessity which has arisen for dispensing with them.

With reference to the other employes of the Board, some saving can, I have no doubt, be made by combining the offices of overseers and weigh-clerk; and the caretaker of dredge and barges and mechanical engineer are to be dispensed with altogether. The Harbourmaster and his subordinates can see to the custody of the dredges and barges, and the engineer of the tug will do any inspection of machinery that is required.

So soon as it can be conveniently arranged the staging at the south breakwater is to be done by petty contract instead of day-labour. This will enable you to dispense with the services of most of the carpenters.

As you are aware, Government has lately reduced the wages of overseers, gangers, artisans, and labourers. The same rule will apply to the Harbour Board's employes whose services are retained.

Any overseers and other employes who have been appointed formally by the late Board will, of course, require to be dealt with by resolution of the new Board; but the other changes can be effected by yourself as District Engineer.

The master of the tug is to take his instructions from the Harbourmaster; and the tonnage-fees will be collected by the Railway Department along with the wharf dues.

Correct inventories and lists are to be prepared of all plant, documents, and other property taken over from the Board and included in the store-returns.

F. W. Martin, Esq., Chairman, Greymouth Harbour Board and
Government District Engineer.

I have, &c.,

W. N. BLAIR.

No. 39.

LETTER B.—(Referred to in Mr. Blair's evidence.)

Westport Harbour-works.

SIR,—

Westport, 23rd April, 1888. *

Referring to the action that has been taken by the Government in connection with the Harbour Board, I have the honour to submit the following memoranda of what is required in carrying on the business of the Board until more permanent arrangements are made.

As already intimated, the new Board will only be asked to attend to such matters as are required by law to be done by a Board. The general conduct of the works and other business will be undertaken by the various Government departments immediately concerned.

With reference to funds, the Government will, on your requisition, supply such funds as are from time to time required for authorised works, and payments are to be made in such manner as will be directed by the Treasury and Public Works Department.

The books of the Board are to be kept as at present, the accounts being still subject to audit as hitherto.

The tenders just received for the quarrying of stones for the breakwater are not to be accepted, but a fresh contract is to be prepared, to include quarrying, hauling, and depositing. This will do away entirely with day-work, and all the foremen and other officials connected therewith will of necessity be discharged. Any of these officials who under their engagements require notice are to be at once informed that their services will not be required after the works are handed over to a contractor.

Until so handed over, the works are to be carried out by day-labour as at present, special attention being directed towards getting the quarries into the best working-order possible.

As it may be necessary in putting a new face on the quarries to take out a greater proportion of small stones, you are at once to begin the eastern wall, where this class of material is most required. You are also authorised to arrange for the building of the eight or ten stone wagons still required; they can be built as an extra on the present contract.

As the Government is reducing salaries and wages all over the colony, and as the wages paid on the harbour-works are higher than is given in other places for similar services, intimation is to be given at next pay-day that foremen, who are now receiving 13s. 4d. a day, will in future only receive 12s.; and that all other employés, who are now receiving 12s. and under, will be subject to an all-round reduction of at least 1s. per day.

The present system of paying workmen all alike is to be discontinued. Each man is only to be paid what he is worth, the above reduced scale being the maximum for first-class workmen, such as a contractor would select. In order to carry out this system readily, it may be desirable to divide the ordinary workmen in the quarries into two classes—quarrymen and labourers—the former to receive 9s. and the latter 8s. per day. Surface-men on the railway should be paid wet and dry.

With reference to the administrative staff, as the Government is curtailing expenditure in every direction, it is necessary to reduce the Board's staff to the lowest possible limit, and amalgamate the work with that of the Public Works Department. Will the Board, therefore, kindly give formal information to the Secretary and Assistant Engineer that their services will not be required in their present capacities after the three months' notice required under their agreements, the notice to be given as from the 1st May. You are, however, authorised to re-employ Mr. Greenland as a clerk in the Public Works Department and Secretary to the Board at a salary of £250 a year, the engagement being terminable in the usual way—a month's notice on either side. Mr. Austin is for the present to be employed in the survey of the Mokihinui Railway. If the work is not finished within the three months over which his notice extends you will keep him on under a monthly engagement at his present rate of salary till the survey is done, after which you will be instructed as to further disposing of him. In intimating these changes to Messrs. Greenland and Austin kindly say that the Government wishes to express its appreciation of their services, and regrets the necessity which has arisen for reducing their status.

Under you, Mr. Wilson will have general charge of the harbour-works, and all the business connected therewith. You can employ Mr. John Barrowman at once, and give him charge of the outdoor work after the contract is let; he is to act as Inspector, with Mr. J. G. Balfour to assist him. Mr. Barrowman is to be paid at the rate of £4 per week, and Mr. Balfour at the rate of £3 10s. In addition to the above you will require one or two weigh-clerks, who will also do the storekeeping.

As the greater portion of the plant and stores are to be handed over to the contractor the storekeeping work will be very much lessened, and, as the working of the traffic on the railway will also be handed over, the services of the Stationmaster can be dispensed with altogether. Correct inventories and lists are to be prepared of all plant, documents, and other property taken over from the Board and included in the stores-returns under a distinct heading. All consumable stores, small plant, and hand-tools that can be utilised on the works are to be handed over to the contractor, a list of them being attached to the specification. The present dangerous practice of carrying passengers by the stone-trains is to be discontinued at once. The Harbour Board office is to be taken over and used by the Public Works Department.

In conclusion, I beg to impress on you the necessity for strict economy in administering the affairs of the Harbour Board; at the same time every effort is to be made to carry out the works expeditiously.

F. W. Martin, Esq., C.E., Chairman, Westport Harbour Board and Government District Engineer.

I have, &c.,
W. N. BLAIR.

No. 40.

LETTER C.—(Referred to in Mr. Blair's evidence.)

MEMORANDUM for F. W. MARTIN, Esq., C.E., *re* Works and Staff at Greymouth.

Westport, 21st April, 1888.

REFERRING to arrangements already made, and our conversation on the subject, will you kindly arrange further as follows:—

Mr. Allen, your clerk, is to be appointed Secretary to the Board at an addition to his present salary of £40, the arrangement being subject to a month's notice on either side, as in the case of temporary Government appointments. Mr. Shain is to remain on for the present at Greymouth nominally as draughtsman, but you can, of course, utilise him in surveying and otherwise as you may see fit. An assistant competent to do general outdoor and office work will be sent from some other district to Greymouth as soon as the matter can be arranged. The Public Works office is to be removed to the Harbour Board's office at your earliest convenience, and the old office utilised for such public purpose as you may consider best. Possibly the Railway Department may wish to get possession of it for a Stationmaster's house.

W. N. BLAIR.

No. 41.

LETTER addressed by the MANAGER, Westport Coal Company (Limited), to the CHIEF COMMISSIONER, New Zealand Railways, on subject of Haulage Rates.

DEAR SIR,—

Wellington, 8th July, 1889.

Referring to the conversation which I had with you this morning, I now beg to bring under your notice the excessive haulage now charged by railway for the haulage of coal from Waimangaroa to Westport, and to ask you to make a reduction to this company.

Newcastle coal is now being brought into this market in such large quantities, and sold at such low rates, that we have had to reduce our price to prevent the loss of our trade altogether. This reduction which we had to make is equal to 1s. 6d. per ton on the whole output of the mine; and, although we have been able to maintain our trade at this heavy reduction, it has so reduced our profits that I have no hesitation in saying a continuance of present prices will inevitably ruin the company and close our mine.

I see no prospect of any cessation of the present influx of Newcastle coal, as the colliery proprietors are sending it down here on their own account; and, in order to keep our mines going, we must be prepared to sell at low rates.

I would remind you that the haulage-rates at Newcastle are considerably below those charged at Westport; and I cannot but think it will be for the interest of all concerned that this company should get some relief in the shape of a reduction in the haulage-rates.

It will be manifest to you that the whole revenue of the railway at Westport and of the Harbour Board depends on the continuance of this company in the field. I therefore beg to ask for a reduction of at least 3d. per ton on the haulage-rates, and I trust the Commissioners will see their way to meet us in this matter, and thereby prevent what seems at present inevitable—namely, the closing of our mines, and the loss of a most valuable industry to the country.

I am, &c.,

GEORGE JOACHIM, Manager.

James McKerrow, Esq., Chief Commissioner, New Zealand Railways.

The ACTING-SECRETARY, Railway Department, to the MANAGER, Westport Coal Company.

SIR,—

Railway Department, Head Office, Wellington, 11th July, 1889.

I have the honour, by direction of the Railway Commissioners, to acknowledge the receipt of your letter dated the 8th instant, relating to the rate of carriage on coal from the Waimangaroa line to Westport, and, in reply, to inform you that the Commissioners have very carefully considered your application for a lower rate, but regret that they are unable to entertain it.

I have, &c.,

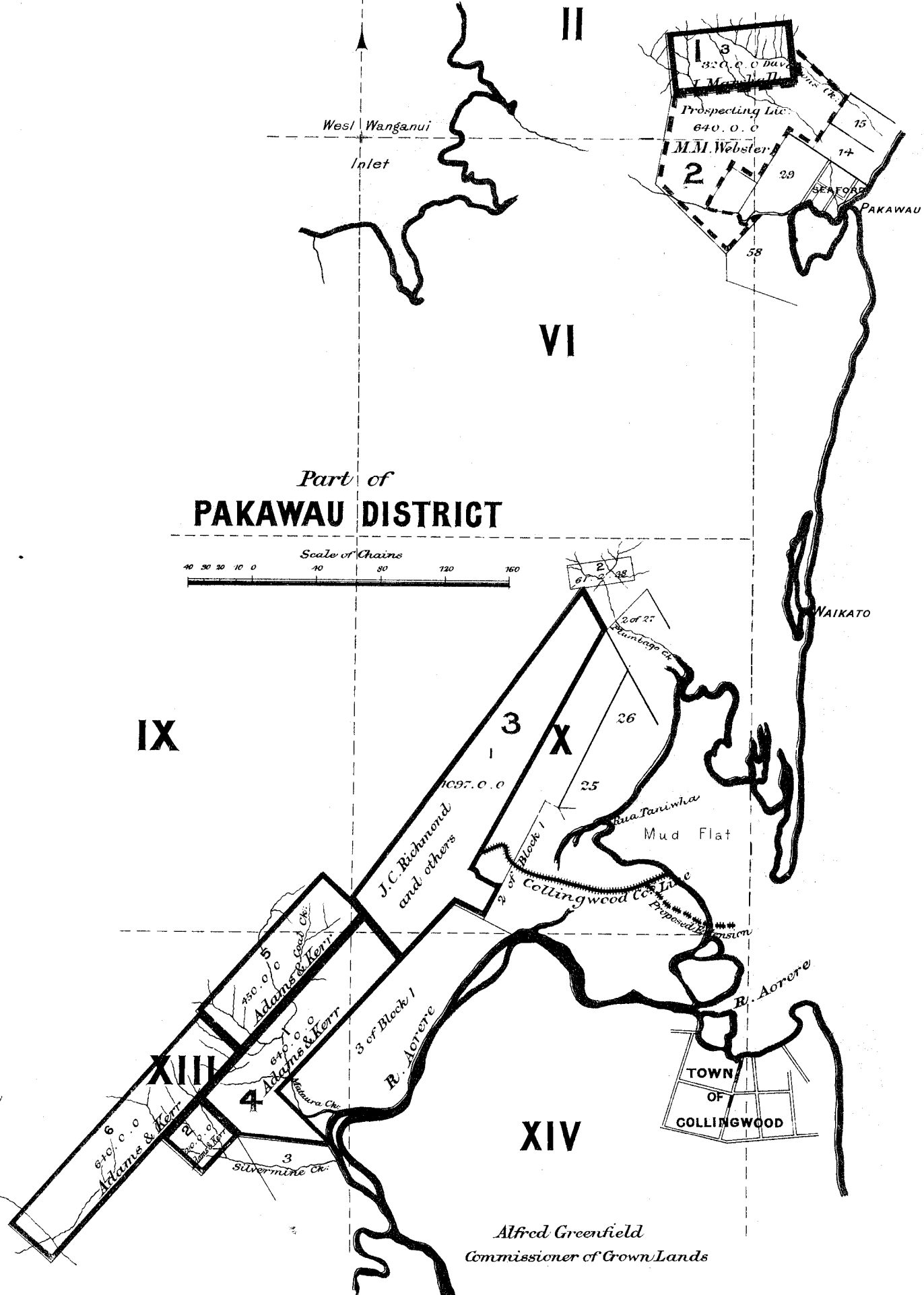
E. G. PILCHER, Acting-Secretary.

G. Joachim, Esq., Manager, Westport Coal Company, Wellington.

[Approximate Cost of Paper.—Preparation, nil; printing (1,450 copies), £98.]

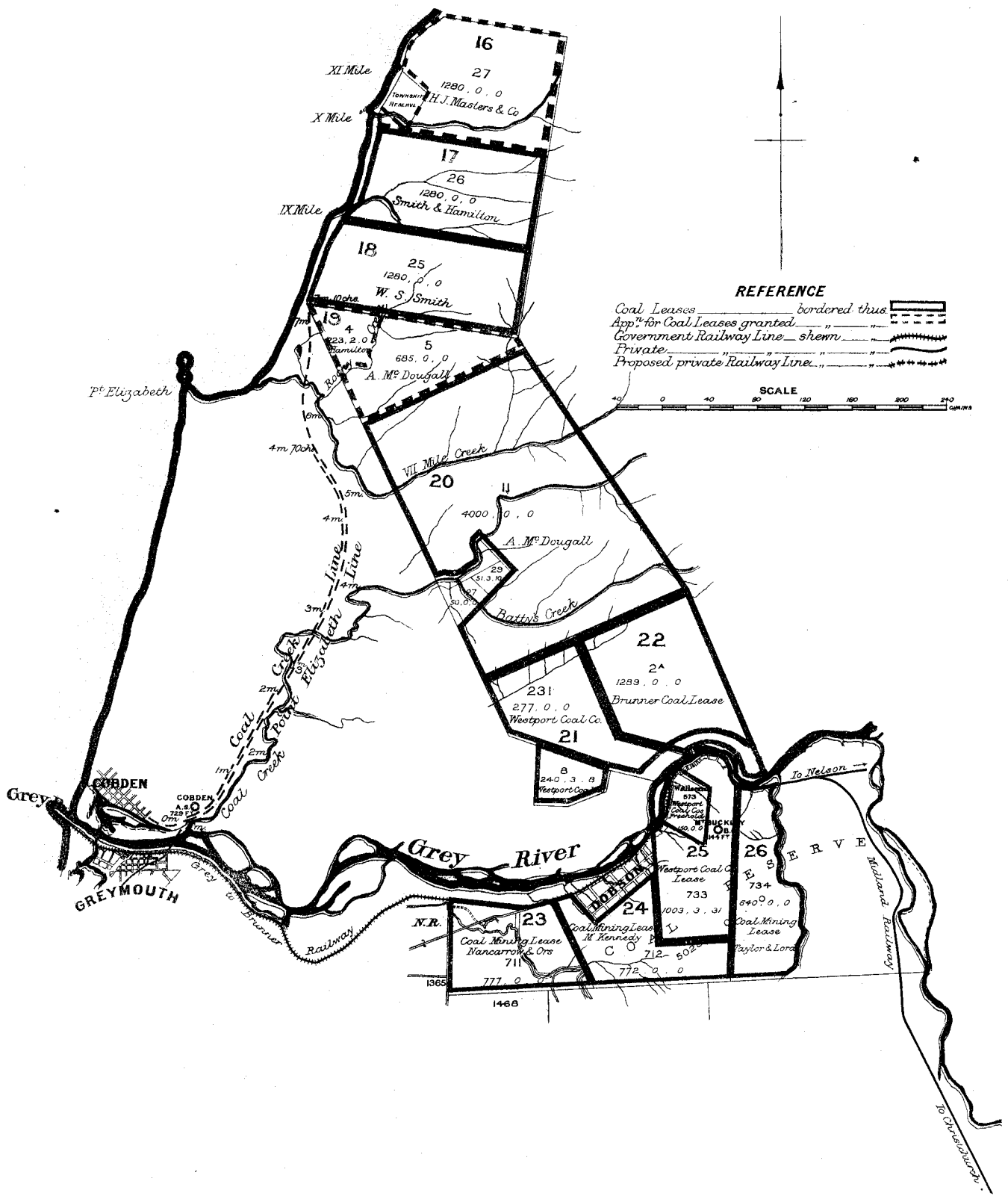
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Part of
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






Alfred Greenfield
Commissioner of Crown Lands

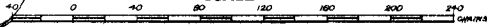
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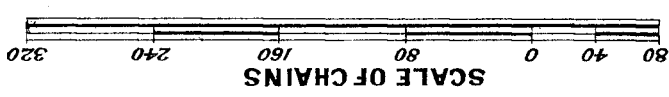
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 Private _____ " " " " _____ 
 Proposed private Railway Line _____ " " " " _____ 

SCALE



Signed Alfred Greenfield
Crown Agent
12th July 1889



Coal Leases
Applications for Coal Leases Granted
shown thus

REFERENCE

Government Railway Lines shown thus
Private
Proposed Govt
Private

NOTE

