



Mr. Speaker,

The Legislative Council
having this day passed a
Bill, intituled "An Act to
"amend and extend the
"Illawarra Harbour and
"Land Corporation Act of
"1890, and the Illawarra
"Harbour and Land Corporation
"Act Amendment Act of 1895,
presents the same to the
Legislative Assembly for its
concurrence; accompanied
by a copy of the Report from
and Minutes of Evidence
taken

Legislative Council Chamber,
Sydney, 2nd November, 1898.

taken before, the Select
Committee thereon.

John Jay
President.

*Transmitted to the Legislative Assembly
with Message of 1898. 2nd November 1898.
(SECOND SESSION.)*

—
NEW SOUTH WALES.

Legislative Council.

*John J. Halbert
Clerk of the Parliament*

REPORT FROM THE SELECT COMMITTEE

OF THE

ILLAWARRA HARBOUR AND LAND CORPORATION ACT
FURTHER AMENDMENT BILL,

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

ORDERED BY THE COUNCIL TO BE PRINTED,
20th October, 1898.

SYDNEY : WILLIAM APPLGATE GULLICK, GOVERNMENT PRINTER.

1898.

1898.

(SECOND SESSION.)

EXTRACTS FROM THE MINUTES OF THE PROCEEDINGS OF THE
LEGISLATIVE COUNCIL.

MINUTES NO. 4. WEDNESDAY, 31 AUGUST, 1898. ENTRY 6.

6. ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL (*Formal Business*):—Mr. Kethel moved, pursuant to Notice (*as by leave amended*),—
- (1.) That the Illawarra Harbour and Land Corporation Act Further Amendment Bill be referred to a Select Committee for consideration and report, with power and authority, if necessary, to visit the works of the company at Lake Illawarra.
- (2.) That such Committee consist of the following members, viz.:—Mr. Day, Mr. Trickett, Dr. Cullen, Mr. Brown, Mr. Jacob, Mr. Hyam, Mr. Macintosh, Mr. Dalton, Mr. Hughes, and the Mover.
- Question put and passed.
-

MINUTES NO. 13. THURSDAY, 20 OCTOBER, 1898. ENTRY 5.

5. ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL:—Mr. Kethel, as Chairman, brought up the Report from, and laid upon the Table the Minutes of Proceedings of, and Evidence taken before, the Select Committee for whose consideration and report this Bill was referred on the 31st August last, together with a copy of the Bill *as amended* and agreed to in the Committee.
- Ordered to be printed.
-

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1898.

(SECOND SESSION.)

ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER
AMENDMENT BILL.

REPORT.

THE SELECT COMMITTEE of the Legislative Council, for whose consideration and report was referred on the 31st day of August, 1898, the "*Illawarra Harbour and Land Corporation Act further Amendment Bill*,"—beg to report to your Honorable House as follows:—

Your Committee have examined the witnesses named in the List* (whose evidence will be found appended hereto), and the Preamble having been satisfactorily proved, they proceeded to consider the several clauses of the Bill, when it was found desirable to make certain amendments as well as to insert a new clause in lieu of clause 4 of the Bill as printed.

Your Committee now have the honor to lay before your Honorable House the Bill with the amendments above alluded to.

A. KETHEL,
Chairman.

No. 2 Committee Room,
Sydney, 20th October, 1898.

PROCEEDINGS OF THE COMMITTEE

WEDNESDAY, 7 SEPTEMBER, 1898.

MEMBERS PRESENT :—

The Hon. A. Kethel,
The Hon. A. H. Jacob,
The Hon. G. Day,

The Hon. W. J. Trickett,
The Hon. S. H. Hyam,
The Hon. T. Dalton.

Entry from the Minutes of the Proceedings of the Legislative Council, appointing the Committee, read by the Clerk.

Petition for leave to introduce the Bill, together with printed copies of the Bill, referred before the Committee.

Mr. Kethel, on motion of Mr. Jacob, called to the Chair.

Present :—W. H. Moseley, Esquire, of the firm of Billyard, Moseley, and Andrews (*Solicitors for the Bill*).

Frank Jarvis, Esquire, Secretary to the Illawarra Harbour and Land Corporation, called in, sworn, and examined.

Witness produced, as an Exhibit only, a tracing showing the course of the proposed Branch Railway referred to in the Preamble.

Witness handed in a letter dated 16 December, 1895, under the seal of the Central Illawarra Municipal Corporation, consenting to an application by the Illawarra Harbour and Land Corporation to allow their proposed branch railway to the works of the Smelting Company of Australia to cross the Kanahooka Road at the place and in the manner shown on plan. Also a letter dated the 12 August, 1898, under the seal of the said Corporation, conveying the approval by the Council of the Draft Extending Bill.

Witness also handed in a letter from the Camden Exploration Company (Limited), dated 2nd September, 1898, approving of the Bill; also a letter dated 13th August, 1898, from the hon. Secretary of the Dapto Progress Committee, expressing the unanimous concurrence of the Committee in the opinion that a harbour at Lake Illawarra would be a great boon to the locality; and a similar letter from the Secretary of the Dapto Agricultural and Horticultural Society.

Witness withdrew.

Thomas Andrew de Wolf, a director of the Illawarra Smelting Works, called in, sworn, and examined.

Witness withdrew.

Committee adjourned until To-morrow at 2:30 p.m.

THURSDAY, 8 SEPTEMBER, 1898.

MEMBERS PRESENT :—

The Honorable A. Kethel in the Chair.

The Hon. A. H. Jacob,
The Hon. W. J. Trickett,

The Hon. G. Day,
The Hon. J. Hughes,

The Hon. J. Macintosh.

Present :—W. H. Moseley, Esquire (*Solicitor for the Bill*).

Hugh McLachlan, Esquire, Secretary to the Commissioners for Railways, called in, sworn, and examined.

Witness handed in a proviso, in relation to the extension of branch railways, that the Commissioners desired to have inserted at the end of clause 2 of the Bill.

Witness withdrew.

James Robson, an officer of the Revenue Branch of the Treasury, called in, sworn, and examined.

Witness withdrew.

Walter Andrew Harpur, civil engineer, called in, sworn, and examined.

Witness withdrew.

Committee adjourned until Thursday next, at 2:30 p.m.

THURSDAY, 15 SEPTEMBER, 1898.

MEMBERS PRESENT :—

The Honorable A. Kethel in the Chair.

The Hon. S. H. Hyam,
The Hon. W. J. Trickett,
The Hon. J. Macintosh,

The Hon. A. H. Jacob,
The Hon. John Hughes,
The Hon. G. Day,

The Hon. A. Brown.

Present :—W. H. Moseley, Esquire (*Solicitor for the Bill*).

John Higginson, Esquire, called in, sworn, and examined.

Witness withdrew.

Ernest Ludwig Adolph Weinberg called in, sworn, and examined.

Witness withdrew.

Thomas Andrew de Wolf recalled and further examined.

Witness withdrew.

Committee adjourned until Thursday next at 2:30 p.m.

THURSDAY

THURSDAY, 22 SEPTEMBER, 1898.

MEMBERS PRESENT:—

The Hon. A. Kethel in the Chair.	
The Hon. A. H. Jacob,	The Hon. W. J. Trickett,
The Hon. S. H. Hyam,	The Hon. G. Day.

Present:—W. H. Moseley, Esquire (*Solicitor for the Bill*).

Robert Amos, Public Works Contractor, called in, sworn, and examined.

Witness produced a copy of his original contract with the Illawarra Harbour and Land Corporation.

Witness withdrew.

Stephen Henderson, Esquire, Civil Engineer, called in, sworn, and examined.

Witness produced, as an *exhibit* only, a plan of the proposed works.

Witness withdrew.

The Clerk handed in a letter from the Secretary to the Southern Coal Company (Limited) requesting permission to give evidence to assist the Committee.

Ordered,—That the Clerk write to the Secretary, desiring to know the names of the persons proposed to be submitted for examination, and also the direction in which their evidence will trend.

Committee adjourned until Wednesday next at 2:30 p.m.

WEDNESDAY, 28 SEPTEMBER, 1898.

MEMBERS PRESENT:—

The Hon. A. Kethel in the Chair.	
The Hon. S. H. Hyam,	The Hon. G. Day,
The Hon. W. J. Trickett.	

Robert Amos recalled and further examined.

Witness produced, as an *exhibit* only, a tender dated the 22nd April, 1897, for the carrying out of the harbour and other minor works, accepted verbally by Mr. Armstrong, the Managing Director of the Illawarra Harbour and Land Corporation.

Witness withdrew.

The Clerk handed in a letter he had received from the Secretary to the Southern Coal Company, containing the names of the persons whom the company desired to be examined by the Committee, and setting forth particularly the description of evidence they proposed to give.

The Chairman informed the Committee he had received a letter from the Secretary to the Illawarra Harbour and Land Corporation, protesting against the proposed evidence being received, as it will be all in favour of a scheme proposed to be carried out at the State expense, and stating that it is hardly fair that his company's Bill should be used as a vehicle for a further attempt to place their views before Parliament.

Room cleared.

Committee deliberated.

Andrew Armstrong (*Managing Director of the Illawarra Harbour and Land Corporation (Limited)*) called in, sworn, and examined.

Witness withdrew.

Committee deliberated.

Committee adjourned until To-morrow week at 2:30 p.m.

THURSDAY, 6 OCTOBER, 1898.

MEMBERS PRESENT:—

The Hon. A. Kethel, in the Chair.	
The Hon. A. H. Jacob,	The Hon. W. J. Trickett,
The Hon. S. H. Hyam,	The Hon. J. Hughes,
The Hon. G. Day,	The Hon. Dr. Cullen.

The Clerk, by direction of the Chairman, read the letters dated respectively the 21st and 23rd September, 1898, from the Secretary to the Southern Coal Company (Limited), asking that certain evidence therein tendered may be accepted. (Ordered to be printed; *vide* Appendix.)

Committee deliberated.

Mr. Trickett moved,—That the request contained in the letters from the Secretary to the Southern Coal Company (Limited), dated respectively the 21st and 23rd days of September, ultimo, that the gentlemen therein mentioned be permitted to give evidence before the Committee in relation to the matter under consideration, be agreed to.

Committee deliberated.

Question put.

Committee divided.

Ayes, 1.
Mr. Trickett.

Noes, 5.
Mr. Jacob,
Mr. Hyam,
Mr. Hughes,
Mr. Day,
Dr. Cullen.

And so it was resolved in the negative.

Committee deliberated.

Committee adjourned until 2 p.m. on Tuesday next.

TUESDAY,

TUESDAY, 11 OCTOBER, 1898.

MEMBERS PRESENT:—

The Hon. A. Kethel in the Chair.
 The Hon. W. J. Trickett, The Hon. S. H. Hyam,
 The Hon. J. Hughes, The Hon. G. Day,
 The Hon. Dr. Cullen.

Present:—W. H. Moseley, Esquire.
 Alexander Armstrong, Esquire, recalled and further examined.
 Witness produced a summary and list of shareholders dated 28th June, 1889, also an approximate list of shareholders in the Illawarra Harbour and Railway Corporation (Limited), 23, Leadenhall-street, London.

Witness withdrew.
 Thomas Andrew de Wolf recalled and further examined.
 Witness withdrew.
 Committee deliberated.
 Committee adjourned.

WEDNESDAY, 19 OCTOBER, 1898.

MEMBERS PRESENT:—

The Hon. A. Kethel in the Chair.
 The Hon. A. H. Jacob, The Hon. S. H. Hyam,
 The Hon. J. Dalton.

Printed copies of the Bill before the Committee.
 Preamble read.
 Question,—“That this preamble stand part of the Bill,”—*agreed to*.
 Parties called in and informed accordingly.
 Clause 1 read and *agreed to*.
 Clause 2 read, amended, and *agreed to*.
 Clause 3 read, amended, and *agreed to*.
 Clause 4 read and *disagreed to*.
 New clause, to stand clause 4 of the Bill, read, considered, and *agreed to*.
 Clause 5 read and *agreed to*.
 Chairman requested to report the Bill to the House with amendments.

SCHEDULE OF AMENDMENTS.

Page 3, clause 2. At the end of clause *add* the following proviso “Provided also that no extension of any branch line excepting within the lands owned by the Corporation at the commencement of this Act shall be proceeded with until after the approval of the Governor shall have been obtained.”

“ 3, “ 3, line 15. *Omit* “under this authority.”

“ 3, “ 3, “ 20. *Omit* “thereby” *insert* “hereby.”

“ 3, “ 4. *Omit* clause 4, insert the following new clause to stand clause 4 of the Bill:—

4. The conditions imposed under section one of the Principal Act shall be completed in accordance with the provisions specified therein, within the term of two years from the twentieth day of December, one thousand eight hundred and ninety-eight, subject, however, to the Governor having the right by proclamation at any time before the twentieth day of December, one thousand nine hundred, to direct that in the public interest the entrance and channel described in section one of the Principal Act shall be formed to a depth of twenty-three feet at low tide in lieu of the channel described in such section one. And the Corporation shall, within four years from the date of such proclamation, form the said entrance and channel to the said depth of twenty-three feet:

Provided always that the sum of ten thousand pounds deposited by the Corporation with the Colonial Treasurer on the twentieth day of December, one thousand eight hundred and ninety-seven, shall be retained by him as a security for the due completion of the work as in the Principal Act as amended or in the said proclamation appointed, notwithstanding anything in the proviso to section one of the Illawarra Harbour and Land Corporation Act Amendment Act of 1895, which proviso is hereby extended in conformity with this Act. Such deposit shall not be liable to forfeiture until the time herein or by the said proclamation appointed for the completion of the work. And should the entrance and channel be not formed as aforesaid, all harbour rights and privileges acquired by the said Corporation under the Principal Act, the Amending Act, and by this Act, may be declared null and void. And all reclaimed land shall revert to the Crown. And the said deposit of ten thousand pounds shall be liable to forfeiture: Provided that section one of the Principal Act shall be read and construed as if the term mentioned in such section had been ten years from the commencement of the said Principal Act instead of seven years as therein mentioned.

LIST OF WITNESSES.

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1898.
(SECOND SESSION.)

NEW SOUTH WALES.

Legislative Council.

MINUTES OF EVIDENCE

TAKEN BEFORE

THE SELECT COMMITTEE

ON THE

ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL.

WEDNESDAY, 7 SEPTEMBER, 1898.

Present:—

THE HON. A. KETHEL IN THE CHAIR.

HON. A. H. JACOB,
HON. G. DAY,

HON. W. J. TRICKETT,
HON. S. H. HYAM,

HON. T. DALTON.

W. H. Moseley, Esquire, solicitor, appeared on behalf of the promoters of the Bill.

Frank Jarvis called in, sworn, and examined:—

1. *Chairman.*] What is your position? I am secretary to the Illawarra Harbour and Land Corporation (Limited).
2. You produce a copy of the Illawarra Harbour and Land Corporation Act of 1890? Yes.
3. That is the Act referred to in the preamble of the Bill now before the Legislative Council? Yes.
4. You also produce the certificate of incorporation of the Illawarra Harbour and Land Corporation (Limited)? Yes; dated the 29th October, 1888.
5. *Mr. Moseley.*] What powers were given to the corporation by the Act of 1890? To form and maintain an entrance and passage between the South Pacific Ocean and the waters of Lake Illawarra and the other powers which are set forth in the preamble.
6. *Mr. Jacob.*] The Act of 1890 was amended by an Act passed in December, 1895? Yes; I produce a copy of the amending Act. That Act gave us an extension of one year from the 20th day of December, 1897, for the completion of the works under certain conditions, among which was the payment of £10,000 into the Treasury on or before the 20th December, 1897.
7. Were there any other conditions named in the amending Act? There were the same conditions as those which were incorporated in the Principal Act. In addition to those conditions certain clauses were put in in reference to the Governor having power to proclaim public roads or highways crossing our railway, and in reference to the company having to carry the road across the railway, or the railway across the road, as the case might be.
8. *Mr. Moseley.*] What condition was there with reference to the railway? Section 2 says—

That one of the railways mentioned in section thirty of the Principal Act shall be constructed and brought into use within the term of one year from the twentieth day of December, one thousand eight hundred and ninety-five; and section thirty of the Principal Act shall be read and construed as if the time mentioned in such section had been six years from the passing of the said Principal Act instead of five years as therein mentioned.

9. You had to construct and bring into use one of the railways mentioned before the 20th December, 1895? Yes.

10. As to the next point in the preamble: as a matter of fact, do you know that industries have been established

F. Jarvis.

7 Sept., 1898.

- F. Jarvis. established in the locality? Yes; for instance, there are the works of the Smelting Company of Australia (Limited).
 7 Sept., 1898.
11. What have that company done? They have erected large smelting works on the shores of Lake Illawarra.
 12. For what purposes? For general smelting purposes, and for the refining of ore,—copper, gold, silver—all kinds of ore.
 13. *Mr. Day.*] Have you any notion of the approximate cost of those works? Approximately, I think about £120,000 have been expended; but that is a point upon which the manager of the smelting company will be able to give you information.
 14. *Mr. Moseley.*] You only know that large and expensive works have been constructed? That is all I know.
 15. What connection have those works with the works of your company? They are connected with our railway system by a branch line.
 16. *Mr. Trickett.*] What do you mean by your works? I mean the part of our railways which we have already carried out—I refer to the line which has been constructed from Tallawarra Point to the coal lands on the other side of the Government railway.
 17. *Chairman.*] Do you touch the Government line at all? We are connected with the Government line close to the Dapto station.
 18. *Mr. Moseley.*] What amount of money has your corporation already spent upon the railway and other works? I find on reference to the books of the corporation that they have expended the sum of £41,043 14s. 3d. on the railways.
 19. How do you arrive at that total? The details are:—Construction, £31,967 12s. 6d.; engineers' fees, £1,529 14s. 8d.; survey and incidental expenses, £82 14s. 10d.; resumptions of land, £1,722 2s. 3d.; making a total of £36,040 14s. 3d. for the main line. The branch line cost £5,003; the two items making up the total of £41,043 14s. 3d.
 20. How did you arrive at the figures you have given as the cost of railway construction? From the engineers' certificates. Messrs. Harper, Harper, and Henderson furnished me with their monthly certificates showing the amount of work done under the contract.
 21. What sums of money have you expended otherwise? We have expended the sum of £3,503 15s. in harbour construction. Upon absolute construction we have expended £2,085 17s. 3d., and upon surveys—that is, boring right across the lake, plans, and incidental expenses—£1,417 17s. 9d., making a total of £3,503 15s. The harbour and the railway together have cost £41,547 9s. 3d.
 22. The railway is still in existence? It is still in existence.
 23. Is it being used? The branch line and a small part of the main line are being regularly used.
 24. What is that portion of the line being used for? For shunting purposes, and for the conveyance of ore, coal, and stores generally to the Smelting Company's works.
 25. The railway is actually in operation? It is in daily operation.
 26. You spoke of a branch line;—was that branch line part of your original railway proposals? No; it was not mentioned in the Schedule of the original Act; but it became necessary, owing to the erection of the Smelting Company's Works, to make the connection with them.
 27. Will you explain briefly the position of the company's works in relation to your railway? There is a branch line from the railway to the works of 2½ miles.
 28. What is the length of the whole main line? About 5 miles from the coal lands down to Tallawarra Point. The branch commences at a point a little over a mile from Tallawarra Point.
 29. The connection with the Government line enables the rolling stock in use upon the Government railways to run right into the works of the Smelting Company? Yes.
 30. There is no need to trans-ship from the trucks in use on the Government line? None whatever.
 31. *Mr. Trickett.*] The branch to which you have referred is the piece of line you desire to legalise by clause 1 of the Bill? Yes.
 32. *Mr. Moseley.*] Does the branch line run entirely over the land of the corporation? No; it crosses a parish road called the Kanahooka Road, by an overhead bridge.
 33. Have you any authority for the line crossing that road? We sought the sanction of the Borough of Central Illawarra, and obtained it on the 16th December, 1895, under the seal of the corporation.
 34. No other authority from any local body was necessary to empower you to cross that road? Not that I am aware of.
 35. Do you know whether it is likely that any further branch-line will be required? There may be further developments in the locality. We have a large blue-metal quarry there to which it might be necessary to construct a branch line.
 36. Has the quality of that metal been proved? Yes.
 37. Is there any quantity of it? Yes; it is virtually a mountain—a large hill.
 38. Which is all blue-metal? Yes.
 39. Is it the property of the corporation? Yes.
 40. Is it extremely probable that you will develop that quarry? Yes.
 41. In which event it would be necessary to have a line of railway constructed to it? Yes.
 42. Could you connect it with your present line? Yes, easily.
 43. You know the lay of the land there, and you are able to say whether it would be easy to make the connection? Yes; we could get a fairly easy grade.
 44. You could not carry on the blue-metal trade there without a branch? No.
 45. Is it in contemplation to start any other works in the locality? Not to my positive knowledge.
 46. *Mr. Jacob.*] It is considered advisable that provision should be made for adding further branch lines within the limits of the land held by your corporation? Yes; but I cannot speak of them of my own knowledge.
 47. *Mr. Moseley.*] Do you know of any reason why there should be an alteration of the transit charges? The Principal Act dealt only with the coal traffic from the mountain land. Since then the whole operations of the Company have undergone a change.
 48. What were the operations of the company originally intended to be? Simply the carrying of coal from the coal lands down to the harbour.
 49. And your scale of transit charges was fixed in view of that traffic? Yes.

50. Then how is it that the necessity for any alterations has come about? We are called upon to carry small quantities of goods for a shorter distance than that mentioned in the Principal Act. F. Jarvis.
7 Sept., 1898.
51. The scale of charges mentioned in the Principal Act prescribed a certain sum per ton per mile? Yes.
52. How would that charge operate in the carrying of small parcels a short distance? We might be called upon to carry a ton of stuff for 1 mile for which they might tender us the sum of 3d. We apply in our Bill for power to fix a minimum charge.
53. Section 32 of the Principal Act is the section dealing with the charges? Yes. Section 32 provides entirely for a coal traffic, not for a general traffic, such as we are developing at the present time.
54. Your present charge is 3d. per ton per mile? Yes.
55. That, of course, referred to heavy loads of goods over a distance? Yes.
56. You now find your traffic developing in such a way that you can be called upon to carry small quantities of goods at that rate upon a shorter distance? Yes.
57. The rate of 3d. per ton would not pay you? No.
58. Therefore you want power to fix a different scale of charges? We want power to fix a minimum.
59. So that you may not be called upon to make use of your rolling stock under a certain sum per ton? Quite so.
60. Can you define a little more clearly what are the alterations in the traffic? If we carried goods for 1½ mile we should get only 3d. a ton. We want our running charges on the line to be 6d. for 3 miles or under.
61. *Mr. Dalton.*] What new development has taken place in the traffic? At the present time it has been mostly ore and coal for the smelting works.
62. Is there much of it? There is a traffic of about 7,000 or 8,000 tons a month.
63. For the short distance? Yes.
64. *Mr. Moseley.*] You think there is a likelihood of your being called upon to carry smaller quantities than 1 ton? Yes. Under the scheme projected by the company a large township is sure to spring up on the shores of the lake, and the storekeepers will have their stores sent there. They will require us to bring in their goods from Dapto.
65. Of course the public can make you carry their goods? Yes.
66. *Chairman.*] What would be the distance from the Dapto junction to your terminus at Tallawarra Point? A little over 2 miles.
67. *Mr. Moseley.*] Can you swear to the Committee that the sum of £10,000 has been paid by your corporation into the Treasury? I was informed so by the Under Secretary.
68. You have a copy of the receipt? Yes.
69. Who paid the amount in? *Mr. Andrews.* The amount was remitted from London, and the original receipt was sent there. The Under Secretary for Finance and Trade saw me this morning, and said that, if necessary, he would send an officer up from the Treasury to testify to the receipt of the money.
70. Have you endeavoured to elicit from the different societies and bodies in the locality whether there is any objection to your Bill? Yes; we forwarded copies of the Bill to the Borough of Central Illawarra, for instance, and they wrote under date of the 12th August, under seal, informing us of their approval. We also received a communication from the Camden Exploration Company (Limited), signifying their approval. I may mention that they hold land at Dapto adjacent to our property. Then we have also heard from two local societies—the Dapto Progress Committee and the Dapto Agricultural and Horticultural Society—to the same effect.
71. *Mr. Trickett.*] How long have you held the position of secretary to the corporation? Since July, 1895.
72. Have you a list of the shareholders? No; I have not one with me.
73. How many shares are there in the company? 10,000.
74. How many of those are held in the Colony? Thirty shares.
75. Will you give us the names of the shareholders, and the number of shares held by each of them? Dr. Storer, 20; T. A. de Wolf, 1; A. Armstrong, 1; J. Armstrong, 1; J. H. Armstrong, 1; E. Barton, 1; A. G. Friend, 1; H. S. Chipman, 1; J. C. Neild, 1; A. B. Chippindall, 1; E. Noyes, 1. The remainder of the shares are held in London by the Illawarra Harbour and Railway Corporation (Limited) of London.
76. What are the shares? £100.
77. I believe they are taken as paid up to £60? According to the registered contract they are deemed to be paid up to £50, and there was a £10 call.
78. So that really only £10 has been paid on them? They took the shares in payment of the property, so that it is virtually cash.
79. Is the company incorporated in London? Yes.
80. Who are their representatives in Sydney? The Illawarra Harbour and Land Corporation.
81. Can you produce the authority? No. Mr. Andrew Armstrong has their power of attorney.
82. Who can give us particulars as to the company? Either Mr. Armstrong or Mr. de Wolf.
83. Who are the directors in Sydney of the local company? Mr. Andrew Armstrong, Lieut-Col. Neild, and Mr. A. B. Chippindall.
84. How long have Mr. Chippindall and Mr. Neild been directors? I think for about twelve months.
85. Was not Mr. Barton a director? Yes.
86. When did he cease to be a director? I forget the date.
87. Can you not tell us approximately; did not Mr. Neild take his place? Yes; to the best of my recollection, he did. If I referred to the minute-book, I could give you the exact date.
88. Mr. Neild and Mr. Chippindall, each having one share, and coming into the corporation twelve months ago, now form the directorate with Mr. Andrew Armstrong? Yes.
89. I suppose you have the transfers of the shares to these gentlemen in your office? Yes.
90. Did they pay for their shares? The matter did not come through my hands at all.
91. Who transferred to them? Without reference to my transfer book I could not tell you—I could not be quite sure.
92. Do you have regular meetings of directors? Yes.
93. How often? About once a month.
94. Are they held once a month as a matter of fact? About once a month. Unfortunately Mr. Chippindall

- F. Jarvis.** Chippendall has been laid up with a broken leg, and has not been able to attend for the last six weeks or two months.
- 7 Sept., 1898.** 95. Before these two new gentlemen were appointed to the Board, had you regular meetings? There were no special dates. When there was business to be transacted the Board was called.
96. How many meetings did Mr. Barton attend? I could not say without reference to the minute-book.
97. Did he ever attend any? Yes; I have seen him present.
98. Will you supply particulars as to the meetings? Yes; I can supply it from the minute-book.
99. How long is it since you had a meeting of the shareholders of this company under the Companies Act? Twelve months ago; I forget the exact date—it was either late in September or early in October, 1897.
100. Had you regular meetings of shareholders before then? Not from the inception of the corporation.
101. Did not a number of years elapse without any meeting? About two years went by without a meeting of shareholders.
102. How do you account for that? I cannot say. I myself was not secretary—it was before my time.
103. This is the year 1898;—you had a meeting in September of last year; when was the last general meeting of shareholders held before that date? Twelve months before. The meetings have been held since I have been secretary to the company.
104. But before you were secretary no regular meetings of shareholders were held? For some time previous to that, I believe they were not.
105. And you will furnish us with particulars of the meetings from your minute-book? Yes.
106. The company got an extending Act on the 12th December, 1895. Upon looking at the evidence tendered in support of that Act, the chief object apparently to be gained was, I find, the construction of the harbour;—will you tell the Committee what has been done since then in connection with the harbour works? We have spent about £300.
107. In what way? Upon the tie-bank connecting Windang Island with the main land.
108. Who carried out that work? Mr. Robert Amos.
109. What is the amount that you yourselves said the work would cost when the Principal Act was passed in 1890? About £200,000.
110. Up to the present time you said that you have spent a little over £3,000? Yes; I have given the figures just now—I think they were £3,500.
111. Where did the £10,000 deposit come from? It was remitted to us from London.
112. Is it made up by a call from the company? I am not in a position to say—I do not absolutely know.
113. You are secretary of this company which you say have lately had regular meetings;—is there nothing in your books indicating anything about this £10,000? It came from the Camden Exploration Company, and the Smelting Company of Australia.
114. Is there any resolution upon your books authorising that money to be borrowed or raised from the companies you have mentioned, for deposit in the Treasury? A resolution was passed empowering Mr. de Wolf, under a power of attorney, to make all financial arrangements in London. He was in London at the time, and made them.
115. When was that resolution passed? In 1894.
116. But that was before you were required to deposit £10,000? Yes. Mr. de Wolf has been in London all the time; he has only just returned.
117. *Mr. Moseley.* What was the occasion of that power being given to Mr. de Wolf? Mr. de Wolf was to go home and finance the company,—to obtain the necessary amount for the construction of the harbour and railway by the issue of debentures or otherwise.
118. As a matter of fact, financial matters were transferred from here to London? Yes.
119. *Mr. Trickett.* How much money has your company in hand now? The balance varies.
120. What is the balance at the present time? Between £100 and £150.
121. Does the railway of which you have spoken go to the harbour at all? It runs right down to the lake.
122. How far would the terminus be from the entrance? I do not know the exact distance across the lake, but it is reckoned to be about 2 or 3 miles in a straight line. It is proposed to dredge the channel right across the lake to the railway.
123. You have referred to two companies—the Camden Exploration Company and the Smelting Company—as having advanced moneys to the local company? Yes.
124. Are those two companies distinct from the Illawarra Harbour and Land Corporation? Quite distinct.
125. Do you not know, as a matter of fact, that the land upon which these companies carry on their operations formed part of the land which originally belonged to the Illawarra Harbour and Land Corporation? That is correct.
126. Are you also aware that in the Illawarra Harbour and Land Corporation's Act of 1890 there is an express or implied provision against the alienation of any of the land? I am not aware of any such provision.
127. Will you look at sections 27 and 29? Yes. Section 27 reads:—

It shall be lawful for the Governor at any time after the expiration of twenty years from the passing of this Act to resume all harbour works carried out in pursuance of this Act, including any land reclaimed by such works, except on the foreshores of the property of which the company now stands possessed, together with the full control of the said harbour, wharves, piers, jetties, or other harbour works, subject to all liabilities attaching thereto under the provisions of the "Lands for Public Purposes Acquisition Act."

Section 29 reads:—

It shall not be lawful for the company, at any time before the expiration of seven years from the passing of this Act, to assign or sell any of the property, matters, or things mentioned in section twenty-seven hereof, or the benefit of any right acquired thereby or thereunder, and any such sale, and any agreement or undertaking to sell, made within such period of seven years to take effect at or after the expiration thereof, shall be, and is hereby declared to be, wholly void. Provided that nothing in this section, or otherwise in this Act contained, shall operate to prevent the company from raising money for the purposes of the said works or other the purposes of the company, by way of security upon the aforesaid property, matters, or things, or other the property of the company, whether such security be given by way of mortgage, debenture, or otherwise.

128. Do you think that the proviso of section 29 does not apply to other properties than those referred to in section 27? No. Freehold land is not meant by the Act; it simply refers to the harbour and railway. The Act gave the corporation power to construct a harbour and railway. We could not sell either the harbour or railway to any one for seven years, but we can do what we like with our own land. F. Jarvis.
7 Sept., 1898.
129. I suppose the land sold to the two companies to which you have referred resulted in some profit to the Illawarra Harbour and Land Corporation? I presume so.
130. Can you tell us why that money was not expended in the carrying out of harbour works? It principally went to pay off mortgages on the estate.
131. Are you aware of the whole of the dealings with this property up to the present time? No.
132. Is there any resolution upon the books of the local company to the effect that the £10,000 should be paid into the Treasury? Yes.
133. When was it passed? On the 20th December, 1897.
134. That is the date upon which the money was paid in? Yes.
135. You took all that time in which to pay in the money, although the extending Act was passed on the 12th December, 1895; and since that extending Act was passed, you have spent about £800 upon the harbour works? Yes; since the amending Act of 1895 was passed.
136. You have taken nearly three years in which to pay in the £10,000 deposit, and since the Act of 1895 was passed you have spent about £800 upon the harbour works? Yes.
137. And that in face of the evidence given when the Principal Act was obtained that the harbour works would be the first works gone on with? I am not aware that that was so.
138. *Mr. Hyam.*] What is the proposed capital of the corporation? The nominal capital is £1,600,000.
139. How much of that is subscribed? £1,000,000.
140. How much is paid? £600,000.
141. Is it actually paid? It is deemed to be paid. It stands as paid-up capital.
142. How was the matter financed? The shares were issued as being deemed to be paid up to £50 a share, and there has been a call of £10.
143. That would give you a capital of £100,000 actually paid up? Yes, as far as I know.
144. *Mr. Dalton.*] There may have been some defaulters? The book shows no defaulters.
145. *Mr. Day.*] Regarding the deposit of £10,000, was there any necessity for the company to pay in before they did? None whatever.
146. Not until the end of last year? We had to pay it in on or before the 20th December, 1897, and it was paid in before noon on that date.

Thomas Andrew de Wolf called in, sworn, and examined:—

147. *Mr. Moseley.*] What connection have you with the Illawarra Harbour and Land Corporation (Limited)? I am a very large shareholder, and I am a director of the Illawarra Harbour and Railway Corporation of London, and also a director of the Smelting Company of Australia. T. A. de Wolf.
7 Sept., 1898.
148. Have you been connected with the corporation from its original starting point? Yes.
149. Have you been in London lately in connection with the business of the corporation? Yes; for nearly the last four years.
150. Do you know anything at all about the establishment of important industries in the locality affected by the Principal Act? Yes; we have started in connection with this company the smelting works, and in connection with them we have a very large refining works, and sulphuric acid plant. We have also been the means of establishing the coke industry down there. We are using a very large supply of coke.
151. Have you any idea of what the cost of the Smelting Company's works has been? There has been an expenditure in and about the works of about £220,000.
152. Has that all been in connection with the establishment of the smelting works? Yes, and the other industries, such as the sulphuric acid industry.
153. At all events, it is all in connection with the Smelting Company's operations? Yes; in addition to that there is a large working capital.
154. Are the Smelting Company's works directly connected with the Illawarra Harbour and Land Corporation? Yes; they have a considerable interest in the company now.
155. Has the company any interest in the harbour being made? That is a very important matter. I am sent out here by the London Board to represent them here, and especially in connection with an endeavour to obtain an extension of the Harbour Act. It is a matter of very great importance; but I prefer that the managing director, who is more in touch with it, should give you full evidence upon the point. I refer to Mr. Weinberg.
156. Has the money to which you have referred been spent as a direct consequence of the company's connection with the Illawarra Harbour and Land Corporation? Yes.
157. Do you know that a railway has been constructed making a connection between the corporation's line and the smelting works? Yes. In addition to that we have started a number of old sulphide mines, out of which we are drawing supplies for the Smelting Company of Australia. For instance, I am a director of the White Rock Company. We have expended a large amount there—over £50,000. The place is in the New England district, near Drake. The object is to supply the smelting works with a certain quantity of ore.
158. Have you also proposed to start an industry introducing ores from Broken Hill? I am chairman also of the Broken Hill Junction London Board. We are taking the whole of the output of the mine at Illawarra now. Our contract with them this year for the supply of ore is about £170,000. The contracts I have made myself with the Western Australian mines amount to £150,000. We have been bringing this ore round past the South Australian works to the works at Illawarra. We are shipping now under contract with the Junction Company 300 tons a week of high-grade concentrates. The contract is 15,600 tons a year.
159. *Chairman.*] How do you get that ore to Illawarra? It is brought at present to Port Pirie, then round to Sydney, and from Sydney by rail to the works.
160. You do not make any use of the Wollongong harbour? No, that is quite useless to us; it is too small, and the ore comes round in large parcels at a time. It would cost us nearly as much to land it at Wollongong as to bring it round through Sydney.

- T. A. de Wolf. 161. If you had a harbour at Illawarra I suppose the ore would be brought there direct? Yes; that is essential. Competition is very keen in lead ores, and the extra charge involved in our going round to Sydney is a severe handicap. In addition to that, we have to ship our lead also *via* Sydney. It has to be carted when it gets to Sydney. It costs us nearly 10s. a ton to get a load from our works on board a steamer. That is a heavy handicap on a low article like lead.
162. If the charges were lower, I suppose you could treat lower-grade ores profitably? There is no occasion for that. We can get any quantity of Broken Hill ores if we pay a price for them; but we have to bring them past the Port Pirie works to this Colony for treatment. No doubt if we could get the ores brought directly into the harbour at Lake Illawarra, and also have a direct shipment of our lead from that point, New South Wales would have the command of the lead-trade of the east. It is really a very important matter. We are in negotiations now, and have already shipped certain quantities of lead from Sydney to China. The trade there is increasing very much. If the lead could be shipped from here direct, the steamship owners would be willing to send their vessels down to the works. If we shipped direct to China from the harbour at Illawarra we should also save the 10s. we now pay in sending the lead round to Sydney.
163. What is the cost per ton of getting the ores from the ships' slings in Sydney to your works, including wharfage, cartage, and trainage? It would be about 4s. 6d. per ton.
164. Are you able to land the ore right into the trucks? It is landed on to the wharf first, and then loaded into trucks.
165. You have to pay wharfage rates for the landing? Yes.
166. In addition to that, there is the loading into the trucks, and then trainage into the works at Illawarra? Yes.
167. *Mr. Dalton.*] The ore is landed at Darling Harbour? Yes; we pay 9d. a ton wharfage. The ore is put on to the wharf.
168. *Mr. Moseley.*] As a matter of fact, you may say that your company has been the means of introducing this large industry into the Illawarra district? Certainly.
169. Has your company brought this large increase of traffic into the Colony? Yes; we are getting ores from all parts of the Colony. I am told that the rates at the Dapto station have increased from £700 a year to £27,000.
170. Can you give the Committee an idea of the tonnage you have actually brought into the district, and of the quantity you are likely to be able to bring in? I could give you only an approximate idea. I prefer that the managing director should give you that information. We are now putting up extra smelters. The trade is increasing very rapidly.
171. *Mr. Day.*] Do you get any quantity of ores from the other colonies? Yes; we are getting ore from Queensland and from all over the colonies.

THURSDAY, 8 SEPTEMBER, 1898.

Present:—

THE HON. A. KETHEL IN THE CHAIR.

HON. GEORGE DAY,
HON. A. H. JACOB.
HON. J. W. TRICKETT,

HON. J. HUGHES,
HON. J. MACINTOSH.

W. H. Moseley, Esquire, appeared on behalf of the promoters of the Bill.

Hugh McLachlan was called in, sworn, and examined:—

- H. McLachlan. 172. *Mr. Moseley.*] You are secretary to Railway Commissioners? Yes.
173. You are acquainted with the traffic over the railway lines referred to in the Bill? Yes.
174. Are you in a position to give the Committee an idea concerning the traffic which has been brought about by reason of the industries started by the operations of the Illawarra Harbour and Land Corporation? We know from our reports that there has been a large increase of traffic at Dapto, and principally through the operations of the Smelting Company. I can give the Committee a few particulars indicating the growth of traffic. The quantity of minerals other than coal coming to the works there for the year ending June, 1897, was 1,736 tons, and for the year ending June, 1898, 35,000 tons. The traffic in coal had also largely increased. A large quantity is taken to the coke works. There was an increase practically in one year from 1,166 tons to 12,019 tons. I think those two sets of figures will give the Committee a better idea of increase than they would derive if I were to go into detail. They will show the Committee the operations of the Company so far as our business is concerned.
175. The figures you have given do not represent the whole of the trade into Dapto? I have given you the traffic in minerals other than coal, and in coal itself. Naturally with an increased population there will be more general goods traffic.
176. *Chairman.*] Has there been any increase in passenger traffic to and from Dapto? I think the returns if anything would show a small decrease. That is due to the fact that in previous years when the company were building, there was a number of artisans there. But they were only a floating population. However, the fixed population gives a fairly good passenger traffic. It would not be a fair comparison to take the passengers for one year as against the passengers in the next year, under the circumstances to which I have referred.
177. *Mr. Hughes.*] Was there any mineral traffic in 1896? There was 3,000 tons each of coal and mineral.
178. *Chairman.*] Up to that time the traffic from Dapto consisted almost entirely of farming and dairy produce? Yes; since the establishment of the smelting works there has been a big mineral traffic growing up. Of course, that means a corresponding improvement in other directions—I mean, as far as general goods are concerned, owing to the increased settlement.
179. *Mr. Moseley.*] What becomes of the goods after they leave the Government line? They are conveyed over the company's line, as a rule, to the smelting works.

180. *Mr. Day.*] The goods come not only from the Illawarra line, but from all parts of New South Wales and from the other colonies;—when I say goods, I mean, of course, ore chiefly? Yes; a great deal goes through Darling Harbour from the sea-board; but the company has consignments from a great number of stations.

H.
McLachlan.
8 Sept., 1898.

181. *Chairman.*] Is the gauge of the company's lines the same as is the gauge of the Government lines? Yes. Our trucks and engines run on their lines to the Smelting Company's Works.

182. You are satisfied with the condition of the lines? Fairly so. Of course, we should not run over them unless we were satisfied with them.

183. *Chairman.*] Were the lines passed by one of your officers? Yes; they must be so passed before we could run over them.

184. *Mr. Moseley.*] Have you any data you can lay before the Committee showing the different parts of the Colony from which ore has been received at the works to which you refer? I could give the particulars, but it would be bearing down the evidence, I think, unnecessarily.

185. *Mr. Day.*] I suppose a large portion of the ore comes from the most distant parts of New South Wales? I think that all the different mining fields send larger or smaller consignments. There is also a considerable traffic from the trucking of fluxing material. For instance, there is considerable traffic from Marulan.

186. *Mr. Hughes.*] A great part of the traffic comes from the general railway system of the Colony and centres at this depot? Yes.

187. *Mr. Moseley.*] In section 2 of the Principal Act the corporation took power to charge a toll not exceeding 3d. per ton per mile in respect of every ton of goods. In that section no power is given to the company to charge a minimum rate, so that they might be obliged to carry goods for a short distance for 1d. a ton;—is that usual? The usual thing is to have a minimum charge. If you make your charge 1d. per ton per mile it might be fair if you were carrying goods a hundred miles; but we would not undertake to carry at the rate of 1d. per ton for 1 mile.

188. *Chairman.*] Does that apply to the Newcastle traffic? Yes.

189. What is the minimum there? Sixpence. We regard that almost as a shunting charge. In Newcastle, however, the circumstances are slightly different because nearly all the coal is carried in the owners' trucks. If the coal is carried in the owners' trucks for a distance not exceeding 1 mile, we charge 6d. a ton. It is regarded as a shunting charge, and would apply to the coal from the Hetton Colliery and from Bullock Island. The rate over 1 mile and not exceeding 4 miles is 9d. a ton. That is our minimum. It is the rule upon every railway to make a minimum charge.

190. *Mr. Moseley.*] You, as an expert in railway matters, consider it absolutely necessary to have a provision in your Act empowering you to charge a minimum? It depends upon circumstances, but it is the usual thing. We provide for one in the case of our own railways.

191. What I mean is that it is a proper thing to ask? Yes; it is generally known as a terminal charge.

192. *Mr. Hughes.*] The Bill proposes a minimum charge of 6d.;—you think that is reasonable? Personally, I should think 6d. a fair minimum. Comparing it with our charge I should say it was reasonable.

193. *Chairman.*] What do you charge from the Government railways at Newcastle, if you use Government trucks? One shilling and three pence for 10 miles or under; that is our lowest rate on what you may call the standard basis of rates.

194. You have a lower rate than 1d. for long distance? It would be all subject to the minimum charge. We run ore at a 3d. a ton a mile. But if a man said, "I want you to carry some ore for me for a distance of 1 mile," we should certainly charge him more than a 3d. a ton.

195. You have no opportunity of judging whether the traffic is likely to increase in this locality? That is more a matter for the promoters.

196. *Mr. Hughes.*] How will the completion of the harbour affect the railways? That is a doubtful question. The Commissioners raise no objection to the extension of time asked.

197. Do you mean that there will be an increase of traffic, as far as the Government lines are concerned, whether the harbour is there or not? I think so. I think that indirectly we must benefit. The harbour would be constructed with the view to bring ore in large quantities from other colonies—such as Western Australia or South Australia; and the work of smelting would be increased, necessitating a large population, which would give passenger traffic, and the supplies for which would be conveyed largely by rail. The Commissioners are not opposed to the harbour.

198. But I suppose the Commissioners would lose a certain amount of traffic if the harbour were constructed to permit of ships coming in direct to the works? I do not think so. There is no traffic which we are getting to-day which we should lose—at all events, not to any considerable extent. At the same time we should have the benefit of the increased production of the district, of the increased population, and so forth.

199. *Mr. Moseley.*] Would you not have to convey a largely-increased supply of fuel for smelting purposes? I dare say that would be the case, although I see the company propose to use their own coal. Still there would be the conveying of the fluxing material and the different ores. That would mean a certain amount of business to us.

200. *Mr. Day.*] You think there would be a certain amount of traffic in limestone and ironstone passing over the Government railways to the works? Yes.

201. *Mr. Jacob.*] Have you looked into the amending Bill to ascertain whether, and to what extent, it affects the interests of the Commissioners? The Commissioners have looked through the Bill to see whether there was anything in it to which they should object, and they do not see anything. There is only one point they would like to be made perfectly clear. Clause 2 of the Bills says: "It shall be lawful for the corporation to construct, maintain, and use any further branch lines upon lands at any time owned by the corporation." The Commissioners would like to have that made more definite, because they think that, as the provision stands, it would practically give the company power at any time to purchase other land upon which they might construct a railway running in opposition to our line. For instance, they might construct a line running parallel to our line. The Commissioners suggest a proviso to the clause in these terms:—"And provided also that no extension of any branch line, under the powers conferred by this section, shall be proceeded with until after the approval of the Governor, with the advice of the Executive Council, shall have been obtained." As the clause now stands, the company would have power to purchase land right up to the town of Wollongong, and, if the local corporation agreed, they would be able to make a branch line to Wollongong. We want to have it made clear that they are to make no extensions unless with the approval of the Governor.

James Robson sworn and examined:—

- J. Robson. 202. *Chairman.*] What is your official position? I am officer in the Revenue Branch of the Treasury.
 8 Sept., 1898. 203. *Mr. Moseley.*] Can you state to the Committee anything concerning the payment into the Treasury of a deposit by the Illawarra Harbour and Land Corporation? Yes; £10,000 was paid into the Treasury by the Illawarra Harbour and Land Corporation on the 20th December, 1897. It was paid in as a deposit under section 1 of the Illawarra Harbour and Land Corporation Act Amendment Act of 1895.

Walter Andrew Harper called in, sworn, and examined:—

- W. A. Harper. 204. *Mr. Moseley.*] You are a civil engineer? Yes.
 8 Sept., 1898. 205. You are acquainted with the Illawarra Harbour and Land Corporation property at Dapto? Yes.
 206. Do you know the position of the railways there? Yes; they were constructed under our supervision.
 207. The main line at present goes in what direction? The main line runs from the company's colliery some distance to the south parallel with the main range for about 2 miles, and it goes from that point to Tallawarra Point, the site of the proposed docks on Lake Illawarra, crossing the Government line near Dapto.
 208. Is the line connected with the Government system of railways by sidings? Yes.
 209. Are Government engines and trucks run over the line? Yes. In addition to the main line there is a branch line to the Smelting Company's works.
 210. Are the company likely to require further lines of railway upon their property? Yes; I think that is certain.
 211. For what reason;—are you aware of any other industries in the locality apart from those existing in connection with the Illawarra Harbour and Land Corporation's property? I know of several industries which are likely to be established there when the harbour is completed, and some of them before.
 212. Do you know of any stone on the company's property? I know of the company's own quarry.
 213. Is that upon either of the lines of railway you have mentioned? No; it is about half a mile away from the line.
 214. Is there any quantity of stone there? I have not seen the quarry, but I believe that there is.
 215. You know the situation of it? Yes.
 216. Suppose the company had to work the quarry, how would they be able to get the stuff away? By carts at present. You can see the quarry from the railway quite well.
 217. Has the stone been tested? Yes. It is basalt—very fine stone, I believe.
 218. Do you think it would be advisable to construct a railway line to the quarry? I think it is about the best stone near Sydney, and if it were brought within railway communication I think large quantities of it would be used.
 219. *Chairman.*] In what direction is it from the main line? If you take a point about halfway between Dapto and Tallawarra Point it would be due south. It is due south from the 1-mile peg.
 220. Is it country over which a railway could easily be constructed from the present line? Yes; there would be no trouble about that. It is the company's own land.
 221. What I mean is that there are no engineering difficulties? No.
 222. *Mr. Moseley.*] If the quarry were worked would a line of railway be a necessity? Yes; you could not work the traffic without it.
 223. Do you know of any other industries likely to spring up in connection with the property in the way of brickmaking and that sort of thing? Yes; large quantities of bricks will be required for the smelting works. There is a deposit of brickclay about a mile to the south of the smelting works.
 224. That would be available for the making of bricks for building purposes? Yes.
 225. Would a line of railway to connect with the main line be necessary in that case for the convenience of carriage? Yes; the only object of the company in having these lines included in the Bill is to provide for their working. It would be necessary for them to be brought under the general terms of the company's Act.
 226. Is it necessary that the company should have power to make the lines under that Act to enable them to fix dues and to bring them under their general scheme? Quite so.
 227. At present has the company power to make branch lines? No. There is another industry likely to be established in the district at once, and that is a chemical industry.
 228. Is the company at present making large quantities of sulphuric acid? Yes.
 229. Where large quantities of sulphuric acid are turned out do other subsidiary industries spring up? Yes. The company have a sulphuric acid plant which cost them about £28,000. The locality would naturally become the centre of other chemical industries. The difficulty of the company has been the getting of the necessary kinds of ores.
 230. Is sulphuric acid extracted from the ores in the process of refining? Yes. The company treat scarcely any but sulphide ores. The sulphuric acid is made from the fumes obtained in roasting pyritic ores.
 231. *Mr. Day.*] Who owns the coke works? They are owned by separate companies.
 232. *Mr. Trickett.*] Where are the works? At Unanderra.
 233. *Mr. Day.*] That is not very far from your company's works? About 3 miles.
 234. Do the smelting works get coke from there? Yes; it is conveyed along the Government line and the company's line to the works.
 235. Do they have to use large quantities of coal there? Yes; they are using a large quantity of coal at the company's works, and at the Smelting Company's also. The Smelting Company are not making any coke for themselves at present.
 236. *Chairman.*] How far does the company's property extend north from the junction at Dapto parallel with the main railway line? About 2 miles.
 237. Did you survey any of that property with a view to the construction of branch lines except in connection with the projected works? No lines have been laid out.
 238. Not to your knowledge? No.
 239. *Mr. Moseley.*] Would you, as engineer of the company, have known of the fact had it been so? Yes.
 240. As far as you know at present, there is nothing of the sort contemplated? No. 241.

241. Is what is contemplated now the power to run out branch lines as required in connection with other works? Yes. W. A. Harper.
242. You know something about the Smelting Company's operations? Yes. 8 Sept., 1898.
243. Do you know that it is contemplated to further extend them? Yes; they have just decided to extend them very largely.
244. *Mr. Day.*] If the harbour were extended up to the smelting works, it would be of great benefit to them, and would give them more trade? Yes. I think the company will not be able to treat certain ores at all unless the harbour is constructed. They must have harbour communication in order to compete.
245. What was the intention when the works were erected;—was it not to have a harbour in the lake? Yes. The works would never have been put there unless it had been distinctly understood that the harbour was to be made immediately.
246. What effect would an opposition harbour have upon the Smelting Company's works, and upon the works of the Illawarra Harbour and Land Corporation—suppose, for instance, a harbour were made at Port Kembla? I do not know. I do not think it would be any good for the smelting works.
247. It would interfere with the industries at Dapto? It would have no effect on them, as far as I can see.
248. *Mr. Moseley.*] Considering the low-grade ores with which the Smelting Company deals, it is desirable that there should be as little handling as possible? Yes; unless they can ship directly from the other colonies to the smelting works they will not be able to take their low-grade ores. For the acid plant they are going to bring pyritic ores from the north of Queensland. That has to be landed in Sydney, put in trucks, and taken round to the works. If there were a harbour at Lake Illawarra it would be taken there and landed directly at the works.
249. The advantage would be that the ore for the smelting works, for instance, would be discharged direct from the ship into the works? Yes.
250. *Mr. Day.*] How many men are there employed upon the works? I cannot say; I have been acting for the London Board. I have been there several years, although I was out here last year for a short time. I should say there were from 200 to 300 men employed, but I am only speaking approximately. I have been acting as consulting engineer for the company in London, but that was only in relation to the plant they were buying there.
251. You know that the company have an extension of the works under consideration? It is proposed to extend them considerably. They have started to do so now. They commenced to lay out the additional works last week.
252. *Chairman.*] Have you had anything to do with the projected harbour? Yes; my firm here are the engineers. It is in the capacity of engineer that I am here now.
253. *Mr. Moseley.*] Are you acquainted with the borings, and can you give the Committee any information on that subject? Yes.
254. *Chairman.*] Can you explain the delay which has taken place in commencing the harbour works. According to the evidence when the amending Act was obtained the works were to be proceeded with forthwith. Up to the present time has anything been done towards dredging out the lake or commencing the construction of the retaining-walls? The tie-bank at the entrance is the only work which has been done for some time.
255. *Mr. Moseley.*] You are not in a position to give the reason for the delay? I know the reasons, of course; but it is out of my province to deal with this point.
256. *Mr. Jacob.*] What would be the effect upon the works which the corporation have in contemplation if this Bill were not passed? I know of one trade which is definitely arranged to be carried out there which will not be carried out at all unless the harbour be made. I think you will have evidence laid before you to bear out that statement. The trade to which I refer will be a very large one.
257. Would the corporation be very injuriously affected if Parliament did not give them the extension of time asked for in the Bill? Certainly. I think they are only asking for the same thing that every colliery has down the coast; only instead of building a railway to a jetty, they are asking for the right to cut a channel to the sea, for the sending out of their own goods.
258. *Chairman.*] Have you gone into the question of the time it would take to construct the harbour, and to erect the necessary works connected with it? Yes; there is a contract with Mr. Amos for the completion of the work within a stated time.
259. Is that contract not cancelled? It is still in force. The matter is in *status quo*. The company have to give the contractor notice to start. The contract has been in operation to this extent: That under it the railway has been built, and when notice to start the harbour works is given to him, he will have to start then.
260. Has he to find the plant? Some of it; but the main plant—a large dredge—the company have secured, almost in the locality. There happens to be one of the largest pumping plants down there, and the company have it under offer.
261. *Mr. Moseley.*] So that you could soon start operations if you could get the Bill passed? Just as soon as the dredge could be made available.
262. *Mr. Day.*] Have you any notion of the time which it would take to complete the works from Tallawarra Point to the sea? It depends upon the depth to which the dredging would be completed. The channel could be made in accordance with the Act easily within the two years. But I myself think it ought to be made to a greater depth.
263. *Chairman.*] The depth in the Principal Act is set down at 15 feet? Yes. In my opinion there should be a depth of 20 or 21 feet.
264. *Mr. Moseley.*] It would be to the company's advantage, you think, to deepen the channel? Yes; if it were deepened to 20 or 21 feet I think it would do for the trade. There will be plenty of depth at the entrance, and inside, the water will be dead calm.
265. Do you know the nature of the bottom of the lake? Yes; it has been bored by us as engineers, and also by the contractor. It is a sandy mud. It is all sand-pump work.
266. *Mr. Macintosh.*] How do you propose to dispose of the silt you take out? The surplus, after reclamations, will be deposited in the lake some distance from the channel. It will be poured into the lake and be left to assume its own position.
267. Do you propose to work in from the sea or out from the lake? We hope to work both ways. There will be no difficulty in putting on three dredges if we can get them.

- W. A. Harper. 268. Could you work a sand-pump outside with the heave of the sea? That will not be necessary. The embankments will be made and the sand-pump will be worked between them in still water.
- 8 Sept., 1898. 269. Is the stone at Windang Island solid enough for training-wall purposes? I consider that it is excellent.
270. *Mr. Moseley.*] Is it stone that stands well in the water; it does not melt? Yes; the tie-bank which we have made, and which is not a permanent work, is only made of 1-cwt. and 2-cwt. blocks. The stone is not nearly as good as the stone we should use for the moles, which would be large blocks from a different part of the island. Besides that, the company have an excellent basalt quarry if they require other stone for the facing of the breakwater.
271. Is the stone in the quarry columnar basalt? Yes; it is in large columns of from 20 to 30 feet.
272. *Mr. Day.*] I believe the estimated cost of the harbour works is about £100,000? The present contract is £160,000. The total contract was £200,000, but the contractor has done about £40,000 worth of railway, leaving about £160,000 of works to construct.
273. *Chairman.*] Is Mr. Amos still prepared to go on with the harbour works? He is most anxious to do so.
274. *Mr. Jacob.*] If the Bill were not passed would the works have to cease? Certainly. The company could not proceed with them without the Act.
275. It is essential that you should have the Act to enable the corporation to go on with what they contemplate? Yes.
276. *Mr. Moseley.*] Is it your opinion, as a professional man, that the work could be carried through? I do not think there is any doubt whatever about that. Theoretically, it could be done in half the time. The whole dredging for the complete channel, as provided by the Act, can be done in theory with one dredge in twelve months; but then you must double that period, because there are always accidents and things of that sort to be provided for.
277. *Chairman.*] The chief point of doubt in connection with the harbour works, I take it, is as to the time necessary to construct the two training-walls at the entrance—that is to say, the breakwaters? The whole of the breakwaters at the entrance are to cost only between £50,000 and £60,000. They will start both at once from separate quarries.
278. How will you get the stone across from the southern to the northern side; I suppose you will have to punt it? No; they have a quarry at the north end, about a mile from the entrance works.
279. I suppose they will construct a light tramway to send the blocks down? Yes.
280. *Mr. Moseley.*] Will they be prepared to go on with both walls simultaneously, without reference to the number of men employed? Yes.
281. *Chairman.*] What is the depth down to the bedrock upon which the breakwaters are to be constructed? About 26 feet below low water.
282. It would take some years for the breakwaters to sink through the supervening sand, I suppose, in order to reach that level? No; the contractor has to sink them to the specified level. He has to cut away the sand and to make the blocks sink to their proper level. Both sides of the channel must be laid with stone to give the low-water depth provided for in the contract.
283. Both outside and inside? As far as they go.
284. *Mr. Moseley.*] Do you propose to build the wall outside the breakwater? It is all rough mole work outside and inside. The contractor is responsible for the sides of the channel being lined with stone on a definite slope.
285. Will the stone start from the rock? Not necessarily from the rock, but from the bottom of the channel.
286. *Chairman.*] Below the shifting sand? Yes.
287. *Mr. Macintosh.*] What was the original depth to which you intended to excavate the channel? The Act provided for its excavation to 15 feet, but the contract provided a depth of 23 feet at low water, or 25 ft. 6 in. at mean tide.
288. Would you have any objection to that depth being specified in the amending Bill? I should like you to ask the company that question. I could scarcely answer it myself, but I think they would agree with extended time to any reasonable depth.
289. In view of the proposal to proceed with the works at Port Kembla, are the company still prepared to proceed with their works? If they get authority.
290. No matter whether the Port Kembla Harbour is constructed or not? I do not see that it will affect us at all, and I think that that is the proper view of the whole business. The Government has a right to make harbours at intervals of 10 miles right down the coast if it likes. This harbour is being built by people who have their own trade. The position of matters is entirely different now from what it has ever been before.
291. The surface of the lake at the present time is open to the public for recreation or for fishing? Yes.
292. What encroachment will your reclamations make upon the surface of the lake so used? Almost the only reclamation will be in the neck at the entrance. It will be necessary there to fill up the areas behind the training-walls in order to confine the channel, but that is not the portion of the lake where any fishing is done.
293. Do you not encroach upon any other portion of the lake? Yes; from the point where it is proposed to have the docks there will be a training-bank. Fifty acres of mud flat will be reclaimed there.
294. But is there not a depth there of 10 or 12 feet of water? No.
295. You propose to excavate the channel from the Pacific to the wharf? Yes.
296. What is the width of the channel? 100 feet at the bottom.
297. The depth of water now there is about 10 feet? Yes.
298. And you intend to go down to at least 20 feet? Yes.
299. Where do you propose to put the material you excavate? The surplus, after completion of the reclamations, will be put into the lake.
300. *Mr. Day.*] Will not that have the effect of making a reclamation? It will not come to the surface, although it may have the effect of making the lake a little shallower in parts. The silt will not be thrown over within 200 or 300 yards of the channel; otherwise some of it would come back.
301. *Mr. Macintosh.*] But will not that process have the effect of destroying the lake for fishing purposes? No; the quantity of material taken from the channel is nothing whatever relatively to the size of

of the lake. Perhaps for 2 miles along its course the excavation of the channel may have the effect of W.A. Harper.
8 Sept., 1898. reducing the depth 3 or 4 feet. The material will be spread over 4 miles—2 miles on each side of the channel, and the lake is 6 miles long. We are quite willing to agree that we shall not make the main part of the lake shallower than 4 or 5 feet at any point.

302. Then there would be nothing, in fact, to prevent your making islands in the lake? We could not do that because the barge which will take the stuff out to deposit has a draft of 5 or 6 feet, and you will see at once that we cannot make the lake shallower than that. We shall probably use sand-pumps and barges.

303. *Chairman.*] You do not think, then, that the lake will be destroyed as a fishing-ground? No; our operations will make no difference whatever to that.

304. *Mr. Macintosh.*] Why are you using barges instead of pipes to take the sand out of the channel? The contractors can use either, but experience has proved, as a matter of fact, that it is cheaper to use barges than pipes for long leads. I think I may safely state that no part of the main lake will be made of a less depth than 4 feet.

305. You will not lessen the surface of the water now available for fishing or recreation purposes? No.

306. *Mr. Trickett.*] When you were under examination before a Select Committee on the 30th April, 1888, you stated, in reply to Mr. Crossman at Questions 103 and 104, that the mud and silt which it was proposed to remove from the bottom would go to fill up one of the bays on the property of the company? Yes. I have already explained to Mr. Macintosh that there is no alteration from that intention.

307. You stated also in giving your evidence in 1889 that the harbour itself without the railway was estimated to cost £250,000? Yes.

308. Now you put the cost down at £200,000? We let the contract for £50,000 less than my estimate, because we found that we could use sand dredges altogether—we thought that we should have to use hoppers in places.

309. What kind of contract is there; can it be taken up or dropped at any time;—when was it made? I will produce the contract. You will be able to see what the exact terms are.

310. You said just now that you were going to operate within the lake by means of a dredge;—how will you get the dredge inside? We shall build it in the lake. The main part of the pumping plant is within 50 miles of the lake now.

311. Can you give us any explanation of the cablegram which appeared in the Sydney newspapers at the beginning of the year, to the effect that you were getting dredges built in London to send out to Australia? No; I saw it, and that is all I can say of it. I think that it is probable that the cablegram arose from the fact that a number of engineers were asked to Glasgow to see a new dredge which had been made, and the people who tendered for the dredge in London thought that the trial would be so satisfactory that they would get the order. This trial had nothing to do with the Illawarra Harbour and Land Corporation.

312. Then, if it has been sworn by a witness that the dredges were actually being made in London, and that a letter had been written out to that effect, it is not true? I cannot say that. I am afraid you are asking me questions which it is quite outside of my province to answer. I certainly did not tell any contractors that we would accept their contract.

313. Let me refer you to Question 4942 and the following questions, which were put to Mr. Jarvis in the course of an inquiry by the Public Works Committee into the proposed deep-water harbour at Port Kembla:—I suppose you were in constant communication with Mr. de Wolf, in London, with reference to the affairs of this company? Yes.

314. I presume that if he had entered into a contract, in the course of one of his letters he would have said something to you, seeing that you were the engineer, about the matter? I think that if anything of that kind had been done he would have mentioned it. All that I had to do with the calling of tenders for dredges in London was the preparation of the specifications. We received a tender for the dredges from a firm there.

315. You have said that the Illawarra Harbour and Land Corporation had no objection to the Port Kembla Harbour scheme? I do not think there is any objection now. I do not see that the two things clash. If the proposed harbour at Lake Illawarra is made and is a good harbour, I presume the people will use it.

316. You speak of this harbour scheme as being such a very simple matter, as being so easy to be carried out; you speak as though there were no difficulties in the way; although a Bill was obtained on the 20th December, 1890, for the carrying out of the work, and although Mr. de Wolf, the principal man in the whole concern, swore that the harbour works would be the first works undertaken, we are now at the end of the year 1898 and only a little over £3,000 has been expended upon these works;—can you explain that? That is not so. The railway has been built, and the railway is just as much a part of the scheme as is the harbour proposal.

317. I admit that something has been spent upon the railway, but I am speaking of the harbour works; you have spoken of the harbour works, not of the railway, as works which could be carried out very easily; that is, without any engineering difficulties; you have said that they could be carried out, at the outside, within two years;—can you, as engineer of the company, having been in touch with all its operations, explain why these works, which you estimated to cost a quarter of a million of money in December, 1890, and which you now say can be so easily carried out, have been so long delayed;—can you explain why it is that hardly anything has been done towards the construction of the works up to the present time? I certainly could explain it, but I think you will see that, in giving the explanation, I should be answering a question which I ought not to be asked.

318. You would rather not answer it? I have not objection whatever to answer it, but I am the engineer of the company, whereas the man who has had charge of the financial operations will be before you, and will be in a much better position to give you information. I think it is out of my province to answer questions of that kind. I may tell you one thing, which is quite within my knowledge, and that is that some of the very wealthiest men in England are largely interested in this harbour company, so that the delay cannot have been due to any question of financing. If necessary, I could show the Committee the names of the men to whom I refer.

319. *Mr. Moseley.*] Were they connected with the project eight years ago? No; they have been connected with it within the last two years.

- W. A. Harper. 320. *Mr. Trickett.*] How does that answer of yours agree with the answer given by Mr. A. Armstrong to Question 3762 in the course of the inquiry by the Public Works Committee into the proposal to construct a deep-water harbour at Port Kembla;—he was asked, “I understood you in answer to questions to state that the reasons you applied for your extended Act in December, 1895, was because of certain financial difficulties arising owing to some Melbourne company having failed”;—to that question he answered “Yes”? That does not affect the question you now ask me. The gentlemen to whom I refer have become associated with the project since that date. Perhaps I can make myself a little more clear. What I wished to say was that certain financial people, shareholders of the Illawarra Harbour and Land Corporation in London, if everything had been smooth at this end, would not have made any difficulty whatever about the money. I do not know that there has been any real difficulty except that certain things happened out here, which led some of them to think perhaps that they had not proper security.
321. Are you a shareholder in the Illawarra Harbour and Land Corporation? No.
322. You are a shareholder in the London Company? Yes.

THURSDAY, 15 SEPTEMBER, 1898.

Present:—

THE HON. A. KETHEL IN THE CHAIR.

HON. A. BROWN,	HON. A. H. JACOB,
HON. J. HUGHES,	HON. G. DAY,
HON. J. MACINTOSH,	HON. S. H. HYAM,
HON. W. J. TRICKETT.	

W. H. Moseley, Esq., solicitor, appeared on behalf of the promoters of the Bill.

John Higginson called in, sworn, and examined:—

- J. Higginson. 323. *Mr. Moseley.*] I believe you are interested in mining properties in New Caledonia? Very greatly. Very few people in the world are more interested in them than I am.
- 15 Sept., 1898. 324. Would you give the Committee some of the names and particulars of the companies with which you are associated in New Caledonia which are dealing with ores? I may say that I am a landed proprietor and a mine-owner, and that I am interested in many mines. At the present time I am associated with four different companies.
325. What companies are they? The International Nickel Corporation, the International Copper Corporation, the Fern Hill-mining Company, and the International Corporation.
326. I believe those are companies principally connected with New Caledonia? Yes.
327. Have you, up to the present time, been in the habit of shipping ores from New Caledonia? I, at one time, shipped to Newcastle from 40,000 to 50,000 tons of ore, which would average about 17 per cent. of copper.
328. Was that ore shipped in a crude state? It was pyrites. I have also shipped to Europe several thousand tons of ore, but I could not tell you the exact quantity.
329. What part of Europe did that ore go to? I think it went to Swansea. My agents in London are Robert Brookes & Co. I know that the copper we smelted in Newcastle went to Robert Brookes & Co., but the ore we sent to Europe may have been sent through a Sydney firm. The Nickel Company with which I am connected has shipped hundreds of thousands of tons of nickel ore to Europe. During the last five years we have had vessels going direct to Europe, taking no less than 50,000 or 60,000 tons a year. During the last twelve months we have shipped a great quantity, and upwards of 100,000 tons of ore will have been shipped when the year is ended. I had 7,000 £20 shares at one time in the Nickel Company, and in the position of managing director I have said that the only way to deal with nickel ore is to smelt in Australia and in New Caledonia.
330. Would you send your ore from New Caledonia to New South Wales if you could make suitable arrangements? Yes, it is absolutely the natural course—in fact there is no other course open to us, practically, but to smelt here and in New Caledonia. We are never certain of cheap freights to Europe, and if we smelted here we should have a line of vessels running. At from 4s. to 5s. a ton we could ship whatever ores we had to ship; and the vessels, instead of bringing back ballast, could bring back coal, which we could convert into coke or use for smelting purposes.
331. Have you been to Lake Illawarra? Yes.
332. Do you think it could be converted into a harbour to suit your shipping requirements? I went down there last year chiefly from motives of curiosity, because in 1891 or 1892 the whole scheme was laid before me at Home. They wanted me to get money in France. They wanted me to get several hundred thousand pounds.
333. Do you think from what you saw on the occasion of your visit to Lake Illawarra that the Lake could be converted into a harbour to suit your shipping requirements? Yes, I do. I may mention that, I had all the papers connected with the scheme before me in 1891, and if a gentleman belonging to the company had then gone Home, I think that, although I myself at the time was in want of money, I should have had no difficulty in obtaining in France what they required.
334. You know that the company's Bill provides for a channel at Lake Illawarra giving a depth of 15 feet? That, I think, would not be deep enough. I think the channel should be at least 20 feet in depth; that would admit vessels of 3,000 or 4,000 tons.
335. What description of ores would you ship to New South Wales from New Caledonia? Different kinds. We have copper and silver ores—the same as that from the Broken Hill mines. We have lodes there 20 or 30 feet wide. We could ship a great quantity of nickel ore. The island of New Caledonia is one of those places which is really very little known even in France. It is full of minerals.
336. About how many thousands of tons of ore do you think you would be prepared to ship to this Colony every year? The nickel ore is unlimited in quantity. It would be a question of requirements. In Europe there is use for about 8,000 tons of metal, and if you reckon the ore at 6 per cent., you will find out what quantity of ore would required to be shipped. I think you could safely count upon 100,000 tons of nickel ore a year.
337. You would ship also copper ore? Any quantity of it.
- 338.

338. *Chairman.*] An unlimited quantity? I would not say unlimited.
339. But according to the demand? At the present time we could ship 6,000 or 7,000 tons of copper a month.
340. *Mr. Day.*] Would it pay you better to ship that ore to smelting works in this Colony than to send it to Europe? Yes.
341. What difference would it represent to the company? When we get ships to come to New Caledonia to load 16 or 17 per cent. ore, we pay 30s. a ton freight and the vessel comes in ballast, which, of course, adds to the charges. If we shipped the ore to this Colony the vessel would come over with coal instead of ballast, and that would make a great deal of difference.
342. What then do you think would be the difference in freight between New Caledonia and the smelting works here and the freight to Europe? It would average about 25s. a ton.
343. *Mr. Hughes.*] What you mean is, that you would save that amount upon the entire cost? Yes.
344. *Mr. Day.*] Can you say whether, from your experience, the smelting works here could treat your ore as satisfactorily as it is treated in Europe? Yes; but however fine the smelting works may be at Lake Illawarra, if a port were not made there I would not touch them.
345. *Mr. Moseley.*] Apart from lower freights the coal would be cheaper? Yes; and it is better coke-making coal.
346. You require coke for smelting purposes? Yes; it is a question of economy. We should have to determine whether we would ship coke or coal.
347. I suppose your mines in New Caledonia are opened up? Yes.
348. Have you any reason to suppose that the anticipated output would be regularly maintained? I have not the slightest doubt about it.
349. Have you had any negotiations with the Board of the Smelting Company or with the London Board of the Illawarra Harbour and Land Corporation? No; but I have met three or four of the most important people connected with the company. For instance, I have met Mr. Shaw, of Shaw, Savill, and Company, Mr. Keswick, of Matheson & Co., and Mr. Flemming, of Robinson, Flemming, & Co. I suggested that Mr. de Wolf should be sent out to see what arrangements could be made. I said that I could not promise anything, as I should have to consider the matter—that we should have to wait to see whether a port would be made at Lake Illawarra.
350. You require a still harbour to unship? Yes. It is all very well when you are loading coal; you can take it in anywhere. If the weather is bad the ship can sheer off; but if you have cargo to discharge, and cargo to take in, it is a very different matter.
351. Do you propose to ship by steamer or by sailing vessel? It depends upon which we can get cheapest; but I am inclined to think that we shall have to run a line of our own.
352. Should you want vessels of large capacity? About 3,000 or 4,000 tons, I think.
353. If you shipped ores inwards, you would expect to obtain from New South Wales outward freight? Otherwise there would be no economy in shipping here. We might just as well ship to Europe.
354. Then outward freights are an important element in your calculations? Yes.
355. You would have return freights to New Caledonia? Yes; coal.
356. Would it be a considerable quantity? Yes; smelting involves the use of a great deal of coke and coal.
357. *Chairman.*] Would you use coke or coal most? That is a question we would have to consider when we commenced operations. It is a question whether it would pay us better to get the coal and make the coke, or to get the coke direct from a coke company.
358. *Mr. Moseley.*] Have you looked at any other place in Australia with the view to the shipment of your ores? Yes; I have been to Newcastle. Some of our ores have been smelted there.
359. I suppose you would prefer Lake Illawarra to any other port you have seen for the shipment of ores for smelting purposes? If it could be made a port, most decidedly. As I have already said, unless it is made a port, and unless our vessels could get in there, we would not touch the smelting works there.
360. If you could not get the necessary accommodation there, where would you send to? We would go to Newcastle, so far as Australia is concerned.
361. But if there were a suitable harbour at Lake Illawarra, you would send your ore there? Yes.
362. Why? Well, in the first place the port would not be so encumbered as Newcastle is, and then, for our purposes, there would be greater facilities there than at Newcastle; in fact, it would become a New Caledonian port.
363. You would be able to ship direct into the smelting works? Yes.
364. You are satisfied that the coal and coke are suitable for your purposes? Yes.
365. Are the products from your ores pretty bulky? Not usually.
366. But they are heavy? Yes; the ore is, as a rule, very heavy.
367. Are you about to proceed to New Caledonia to make arrangements there for the shipment of your ore? Yes; but our arrangements there can only follow upon completion of the arrangements here.
368. Are any directors of the Smelting Company proposing to accompany you? Yes. Mr. de Wolf and the managing director of the works, Mr. Weinberg.
369. Have you returned recently from London? I arrived yesterday, coming overland from Adelaide.
370. Have you been engaged in some pretty large speculations in London? No; I simply went over to meet certain parties to ascertain whether they would fall in with my views.
371. You have uncontrolled power in regard to the arrangements for shipping? Yes; uncontrolled power for anything. I would not have accepted the position unless I could do what I liked in such matters.
372. *Chairman.*] Referring to the existing smelting works at Lake Illawarra, I understood you to say that you would not have anything to do with them? Unless a port were made.
373. You have no intention of reflecting in any way upon the works themselves? Not the slightest. I have not looked into them. I took the works for granted. If business followed, of course I should go down and have a look at them. In any case we could not send any ore to the works for smelting unless the port were opened.
374. *Mr. Moseley.*] You refer to the convenience of shipment? Yes.
375. Is the southern coal cheaper than the northern coal? I do not know what it is at the present time; but when I was last here it was cheaper, so I was informed, although I did not buy any.
376. The cheapness of the coal would make a difference to you, I suppose? Most decidedly.

J. Higginson,
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- J. Higginson. 377. Supposing the extension of time asked for the construction of the harbour were granted, do you think the company would be able to secure the necessary capital? I think so. When I was at Home last time, I said I thought it was a strange thing that they had not got the capital. I said to one of the directors of the smelting works, "How is it that they have not the capital?" and he said, "I believe they are thinking of having another port there—Port Kembla." He also expressed the opinion that the proposed depth of 15 feet in the channel was not sufficient. If the port is made it will be the future port for the shipment of ores from New Caledonia, and that is not a small item, because the island is full of minerals.
- 15 Sept., 1898. 378. *Mr. Trickett.*] I believe you said that if in 1891 or 1892 you had been authorised to get the money to carry out this scheme you could have done so? At that time the papers were sent to me and I expressed the opinion that if at that time some representative of the company had been sent Home I might have piloted the thing through.
379. You think that if you had been authorised at that time to get the necessary money it could have been obtained? If any representative of the company had come Home at that time I could have introduced him. It would have been much better than sending me a parcel of papers to look over.
380. You think, then, that the money could have been raised in those days? Yes, absolutely. If any responsible agent had been sent Home—anyone in regard to whom I could have said, "You can listen to everything he says"—I think the money could have been obtained.
381. Are there not smelting works at Newcastle at the present time? Yes.
382. Does New Caledonia send much ore there to be treated? During the last two years we have been doing nothing but opening up. When I was in Europe I would not allow my directors to sell their ores; I told them that if they did so I should break off with them altogether. I said, "We must have smelting works"—we must smelt on both sides.
383. Is not Lake Illawarra a hundred miles further from New Caledonia than Newcastle? I do not know the exact difference in the distances.
384. Supposing that Lake Illawarra is over a hundred miles further away from New Caledonia than Newcastle, and that Newcastle possesses smelting works which are already in full operation, and a harbour which can be entered at the present time, do you not think that before pledging yourselves to Lake Illawarra, which is not yet a harbour, you should make some inquiries at Newcastle? I have made inquiries; I have papers in my pocket now. You may be sure that I will not do business on the hop; we have committed ourselves to nothing yet.
385. If the terms you could get at Newcastle for dealing with your ore were more to the advantage of your company than the terms you could obtain at Lake Illawarra, you would naturally go to Newcastle? Yes.
386. When were you down at Lake Illawarra? I was down there last November.
387. You did not see any sign of a harbour there then? No.
388. Did you go to the entrance of the Lake? No; I merely wanted to have a look at the place.
389. Your evidence is this: That if Lake Illawarra is formed into a port, and you see that it is to your advantage to send your stuff there to be treated, you will send it? I am perfectly convinced that if Lake Illawarra is made a port, having regard to the local facilities, our ore will go there.
390. You think you will have better facilities there than at Newcastle, although Newcastle is much nearer to New Caledonia? I fancy so.
391. You are not sure of it? I believe it will be so.
392. *Mr. Moseley.*] As a matter of fact, the sea-freight for 100 miles is a mere bagatelle? Yes. Another consideration is, that there is limestone down south, and that is required for smelting purposes.
393. *Mr. Hughes.*] I understood you to say that there would be a difference of about 25s. a ton in your shipment to Lake Illawarra and your shipment to Europe, on the average? Yes.
394. You think you will make the saving by getting the ships which bring your ore to Lake Illawarra to bring you back coal? Yes.
395. And I understood you to say that you proposed to use that coal for smelting purposes? Yes.
396. Then you are going to smelt in New Caledonia? Yes, absolutely.
397. But if you smelt in New Caledonia will you be smelting at this end also? Yes.
398. Will not your smelting works at New Caledonia have the effect of reducing the quantity of ore you would send to Lake Illawarra? No; because we have enough to keep the two places going. By getting coal back from this end we should reduce the freight by one-half.
399. *Mr. Hyam.*] Have you any cobalt ore at New Caledonia? Yes.
400. It is very low-grade ore, is it not? Yes.
401. *Mr. Brown.*] What draught would you require at Lake Illawarra? About 20 feet.
402. So that the 15 feet provided for in the Bill would be hardly sufficient? No.

Ernest Ludwig Adolph Weinberg called in, sworn, and examined:—

- E. L. A. Weinberg. 403. *Mr. Moseley.*] What is your profession? I am a mining engineer and metallurgist.
- 15 Sept., 1898. 404. You represent the Smelting Company of Australia? Yes.
405. In what capacity? As their manager.
406. You are managing director here? We have no managing director here; I am manager of the company.
407. General manager? Yes.
408. Do you hold a power of attorney from the company? Yes.
409. You have full power? Yes.
410. Have you a local Board of directors in Sydney? Yes.
411. Will you tell the Committee who are the members of the local Board? Mr. T. F. Knox, of Dalgety & Co.; the Hon. Edmund Barton; and Mr. Noakes, of Fowler & Co.
412. Do you appear at this inquiry with the consent of your local Board? Yes.
413. Do you know whether your local Board had been requested by the London Board to co-operate with the Illawarra Harbour and Land Corporation in furthering the construction of a harbour at Lake Illawarra? I do.
414. Is it important to the interests of your company that a harbour should be made there? Yes; I consider it would be greatly to their interest.
415. Why? It would give us cheaper trading facilities.

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416. You think a harbour would facilitate the trade in connection with your works? That is my opinion.
417. You would be able to load direct into the works? Yes.
418. Do you know what depth of water in the channel of the proposed harbour is provided for in the Act? Fifteen feet.
419. Would that be enough for your requirements? No.
420. What depth would you require? At least 20 feet.
421. What is the total horse-power of the engines employed at your works? About 500.
422. What number of men do you employ at your works? From 180 to 200 at present.
423. Is it your intention to extend your works? We are making an extension at the present time.
424. A considerable extension? Yes; we are building twelve new roasting furnaces.
425. Do you keep large quantities of ore on the premises? Yes.
426. For what purpose? For smelting purposes.
427. For mixing? No; in order to have a stock. Large smelting works cannot be carried on unless there is a considerable stock.
428. What do you call a considerable stock? We have about £80,000 worth of ore in hand.
429. What would be the weight of the ore? It varies. As a rule, we have about 10,000 tons of ore in hand.
430. Is it your intention to have chemicals or other works in connection with your sulphuric acid plant? Yes.
431. Are you making sulphuric acid at present? We have not yet commenced.
432. But you have the plant? Yes.
433. Your making of sulphuric acid will induce other chemical industries round about you? I am strongly of opinion that it will.
434. Where do you get your ore from now? Our principal supply comes from Broken Hill.
435. Do you get any from Western Australia? Yes. We also draw a certain quantity locally and from Queensland and Tasmania.
436. Are you drawing any from Queensland? Yes.
437. What is the nature of the ore? Lead ore, copper ore, gold ore, refractory ore generally.
438. Are you exposed to any competition in the purchase of these ores? Yes.
439. Where do you get your ores landed now? In Sydney.
440. Will you tell the Committee what is the cost per ton of landing the ore in Sydney, and transporting it to your works? Ores landed at Darling Harbour cost us 11d. a ton for wharfage, discharging, and checking, and 3s. 4d. for railage into the works from Darling Harbour. Ores landed by intercolonial steamer have to be carted across to Darling Harbour, and on those ores we have to stand a cartage charge of 2s. a ton in addition to the charges I mentioned just now.
441. Those charges would be saved if you had direct shipment? To a great extent.
442. Would that enable you to deal with a poorer class of ores than those with which you are dealing now? It certainly would.
443. And would it put you in a better position to compete with other companies in the purchase of New Caledonia ores? There is no doubt about that.
444. Has the establishment of your smelting works been of any use to the mining industry of the Colony? It must have been.
445. Do you receive consignments of ores from private parties? Yes.
446. As well as from large companies? Yes; we receive consignments from large companies and small parties of miners.
447. How do you pay for the ores delivered? They are sampled and assayed, and we pay on the assay value. We pay full contents with our smelting deduction.
448. Do you pay cash? Yes.
449. You pay for the mineral contents? Yes.
450. Do you buy all classes of ores? Yes; with the exception of ores which hitherto have not been treated in Australia—nickel and chrome iron ores. All other ores mined in Australia we buy—copper, lead, and gold refractory ores.
451. Any company of ordinary labouring men can send their ores up to your works and get the full value for whatever they contain, whether much or little? Yes.
452. Do you know whether the Smelting Company of Australia has any interest in the Illawarra Harbour and Land Corporation? Yes; they have.
453. Do you think it is to the interest of your company that a harbour should be made? Certainly I do.
454. At once? Yes; with as little delay as possible.
455. You are not in a position to say professionally whether you think the harbour could be made? As an engineer, I have looked into the matter as it concerns us very closely, and from a perusal of the various reports I have had before me, I certainly look upon the scheme as a very feasible one from an engineering point of view.
456. Will you tell the Committee the names of the members of your Board in London—I suppose you are acquainted with them? Not personally, but I know them by name. Mr. Keswick is the chairman. He is a member of the firm of Mathieson & Co. Then there are Mr. Savill, of Shaw, Savill, & Co.; Mr. Arthur Wilson; Mr. Fowler, of J. Fowler & Co.; Mr. Inglis, Mr. Manby, Mr. T. A. de Wolf, and Mr. Flemming.
457. *Chairman.*] Have you, as an engineer, seen the sections and plans of the proposed breakwater? I have seen the plans, but not the sections.
458. In your opinion, could the work contained in the breakwater be done in two years? I think so.
459. Have you taken the trouble to take out the quantities? No; I have been very busy since I took charge of the company's affairs. I have not been able to go into any engineering details in connection with these works.
460. *Mr. Trickett.*] What is the capital of the Smelting Company of Australia? £500,000.
461. How much is paid up? About £450,000.
462. On what area of land are the works erected? On 300 acres.
463. From whom did you acquire that land? I think from the Camden Syndicate. My connection with the Smelting Company only dates back for about three months, so that I do not know what the initial operations of the company were. I only took charge of the Smelting Company's affairs on the 1st June.

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464. Do you know what the Smelting Company paid for the 300 acres? No; I am not aware.
465. Could you ascertain? I think I could. I think I can say for certain that no money has passed between the Smelting Company and the Camden Syndicate. I believe the payment was made in shares.
466. Is not the Camden Syndicate the Board of the Illawarra Harbour and Land Corporation;—did they not buy from the Illawarra Harbour and Land Corporation? I could not say. I am not sufficiently versed in the affairs of the two concerns.
467. But you say that the Illawarra Harbour and Land Corporation and the Smelting Company of Australia are connected? They are not connected, but their interests are identical.
468. They do not work together? There is no connection between them. They are perfectly distinct companies.
469. Where does the material which you treat come from? From all over the Australian colonies, but our principal supply is drawn from Broken Hill and from Western Australia; it is shipped from Fremantle and from Port Pirie.
470. *Chairman.*] I think you said just now that you had not treated nickel ore? We have not.
471. You have treated all other descriptions of ore mined here except nickel ore? Yes.
472. If you were asked to treat a considerable quantity of nickel-ore, would your present apparatus and appliances be enough for that purpose, or would you have to erect new plant? We should have to erect new plant for the nickel ore.
473. Would that entail a large expenditure? It would depend entirely upon the quantity of nickel ore we had to treat.
474. Suppose you were asked to treat 100,000 tons per annum? Then we should require a very extensive plant indeed.
475. In the event of harbour works being carried out as proposed, and the Nickel Company of New Caledonia being willing to consign you large quantities of ore, would your company be prepared to erect the necessary works to treat that ore? Yes; provided we could come to terms with the Nickel Company.
476. Have you any knowledge of the relative values of the Coal Measures adjoining your smelting-works and those adjoining the Northern Smelting Works for smelting purposes? Yes. The coal we are using now is drawn from the coal-mines at Mount Kembla and Bulli, and from the Southern Coal Company's property. We use that coal in our boilers and our roasting furnaces, and it answers our purposes very well. The other fuel we consume is in the form of coke, which we draw from the neighbouring coke companies. The coke is an excellent coke, and it answers our smelting requirements well.
477. *Mr. Trickett.*] You are not using the coal from the Illawarra Harbour and Land Corporation's Estate? No.
478. There are no mines open on that estate? Not to my knowledge.
479. *Mr. Day.*] Are there not coal-mines beyond Dapto where the corporation's railway runs? There is coal there, but it has not been opened up. My own impression is that a little to the north of Dapto there has been a disturbance which has interfered with the seam, but I have no doubt that coal might be found to the south of that point. We have basaltic rock on our estate, and no doubt that rock has had some action upon the coal-seam.
480. Have not the corporation constructed a railway from the harbour to a coal-mine? Quite so.
481. Did they not ascertain before they made the railway that coal was there? I cannot say; it was before my time.
482. But do you not know that, as a matter of fact, there is coal at the terminus of the railway which runs past your works? I know that there is a seam which was worked about two years ago, and which gave indifferent results.
483. The coal was not as good as the Bulli coal? No; but as I have already said, my impression is that a certain disturbance set in there which disturbed the seam. I have no doubt, in my own mind, that coal will be found to the south of the point to which you refer, if you go far enough away from it.
484. You mean towards Shoalhaven? Yes.
485. *Mr. Trickett.*] You know that Professor David reported against the coal found there? Yes; but when he was there the mine was in such a condition that it was impossible for anyone to go in and make an examination.
486. But, as a matter of fact, he did report against the coal? I think he must have come to the same conclusion that I did—that a certain disturbance had set in there, which has made the mine less valuable.
487. You are not using that coal for smelting purposes? No; the seam has not been sufficiently opened up.
488. *Mr. Day.*] But you think there is abundance of coal further to the south? I could not say definitely, but I am under the impression that coal would be found as soon as you got away from the basaltic country. I know that there is a movement on foot to induce the Government to put a bore down further south to prove the seam there. A little further to the south a man is working on a seam now, and is producing excellent coal, which is used for blacksmithing and household purposes. He is a farmer, and does not know very much about mining. I am under the impression that good coal exists beyond the disturbance to which I have referred.
489. *Mr. Hyam.*] Which seam were they working;—the Bulli seam? Yes.
490. Have they not a deeper seam there? No; the work carried on there has been a mere scratching.
491. I thought it had already been proved that there was a seam under the Bulli seam? I am not aware of it.
492. The Bulli seam is worked from the side of the hill? Yes; I believe there is a tunnel. I have never been to the colliery.
493. It is the same seam that is being worked by the Metropolitan Coal Company? Yes.
494. *Mr. Macintosh.*] You chose the site of your smelting works in the expectation that the Lake would be opened up? Yes.
495. Have you received any benefit from any works which have been constructed in connection with the Lake? Not yet.
496. What sized vessels generally carry your ore? Vessels of from 2,000 to 3,000 tons.
497. Suppose there were a channel of 15 feet in the Lake, would it be of any benefit to you? No; I have already stated that it would not be.
498. Then if the Lake were opened up as provided for in the Bill, it would not be of any use to your company? No. We should prefer a greater depth—a depth of at least 20 feet.

499. Would the vessels which usually carry your ore be able to get up to your works with a channel having a depth of only 15 feet? No; but I understand the corporation are willing to dredge the channel deeper.

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500. No sailing vessels would come under any circumstances? They would have to be towed up.

501. Steamers would be generally used? Yes.

502. The bottom of the Lake is soft? Yes; but it is good standing ground after dredging. As far as I know, there is no silting agent in the Lake. There are no rivers or streams running into the Lake which would silt it up again. The only creek is Mullet Creek, which is an insignificant stream of water. The silting action would be therefore almost nil. Once the channel was dredged there would be no difficulty in keeping it open.

503. There is no sand coming down from the hills? No.

Thomas Andrew de Wolf recalled and further examined:—

504. *Mr. Moseley.*] Has your company had any negotiations with Mr. Higginson as regards the shipment of ores from New Caledonia to the Smelting Company's works? We had some negotiations in London previous to my departure. In fact, I have come out here in order to go to New Caledonia with Mr. Higginson to inspect the properties and to arrange terms. T.A. de Wolf.
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505. Have you full power to make arrangements with him? On behalf of the Smelting Company, preliminary arrangements only. The matter would have to be submitted to the various Boards in London before any important negotiations were concluded.

506. You represent the Illawarra Harbour and Land Corporation? Yes.

507. A question was asked of two witnesses as to the depth of water in the proposed channel? They were asked if they thought 15 feet of water would be sufficient, and they replied that at least 20 feet would be required.

508. Would the Illawarra Harbour and Land Corporation be willing to dredge the channel to that depth if called upon? Yes; but they could not complete it to that depth in the two years' extension now asked for. It would not be safe for us to undertake to do it in that time. We might do it; but we should want more time to make the matter absolutely safe.

509. You would dredge the channel to a greater depth in order to attract trade? We always had the intention of deepening the harbour afterwards. It would be necessary, in order to get a large trade to have a deeper harbour than was originally proposed.

510. *Chairman.*] Who was the civil engineer who designed the harbour works? The plans were first drawn by Messrs. Harper, Harper, and Henderson, but they were altered by Mr. Darley.

511. Is Mr. Henderson still your consulting engineer? Yes.

512. *Mr. Jacob.*] If the company found it necessary to their interests to deepen the harbour beyond 15 feet they would naturally do so? Certainly.

513. Without being compelled to do so by Act of Parliament? Of course. It is the intention of the company to make the harbour of a greater depth than we are at present required to do.

514. *Mr. Hyam.*] It would be absolutely to the interest of the company to do so? Yes; our contract provides for a greater depth than 15 feet. A much larger trade has grown up than was thought of when the harbour was first contemplated.

515. I suppose that when you provided for 15 feet you thought that a smaller type of vessels would answer all purposes? Yes. We thought the harbour would be used principally by small coasters.

516. *Mr. Trickett.*] On the 20th December, 1890, you obtained your original Act to carry out the Illawarra Harbour project, and on the 12th December, 1895, you obtained an extension of that Act? Yes.

517. I want you to tell this Committee how it is that now in September, 1898, according to your own secretary's evidence, you have only spent something over £3,000 in respect of the proposed harbour works? It is quite useless to expend any large amount of money on harbour works, unless they are to be carried out completely. If we could not carry them out completely it was of no use to start too much work there.

518. But why could you not carry them out completely; you obtained your original Act in December, 1890, and the extension of that Act in December, 1895, and I want to know how it is that in December, 1898, you have expended only something over £3,000 upon your harbour works? We had not arranged our finance to make the harbour.

519. You have not been able to arrange them? We have not done so.

520. Why not? Do you mean from the commencement of the Act passed in 1890?

521. I want to know the reason of the delay—how it is that in eight years you have spent only £3,000? Shortly after we obtained our original Act there were few financial institutions in this country which were not compelled to suspend payment. It was not a favourable time to raise a large sum of money, or to go into any great enterprise. There was no money then available for works in Australia. At that time people would not look at anything in connection with Australia. They could not even get their own money out.

522. The reason of the delay, you say, is that you have not been able to get the money? Up to the time of the extension of the Act we had not been able to get the whole of the money to carry out the whole of the works.

523. At the time, then, of the extension of the Act in 1895 you were able to get the money? I have a copy of the report which was issued by the London company, and if you like I could read it. That would explain the delay.

524. What I want to know is whether you were able to get the money in December, 1895;—had you then or were you able to get the money to carry out these works? We had not made any arrangements—there was nothing definite. We were negotiating with people.

525. Then what did you mean when you said that up to December, 1895, you were not able to carry out the works? I say that we were not able to arrange our finances, and I gave the reason why. For some time, after we obtained the Bill it was impossible to raise any money for such a large enterprise as ours.

526. You say you have the money now with which to carry out the works? No.

527. Not at the present time? No.

- T. A. de Wolf. 528. Then if this Bill is granted you have not now the money with which to carry the works out? We have not got the money in hand, certainly.
- 15 Sept., 1898. 529. *Mr. Hyam.*] Do you expect to get it? Certainly; otherwise we should not have paid the £10,000 deposit.
530. Let me direct your attention to the evidence you gave when applying for your original Act. On the 9th May, 1889, you were asked by the Chairman of the Committee whether, if the Bill were passed by Parliament, you would be in a position to commence operations immediately, and you said in reply, "We could commence operations immediately." Then, further on, when giving your evidence on the same date, you were asked this question, "The money would go, first of all, towards making a useful harbour, and providing labour for a large number of men," and you answered, "Yes; it must provide employment for a large number of men for a considerable time";—was not that your evidence? Yes.
531. I want you to reconcile that evidence with your present position, eight years afterwards? I have endeavoured to explain it by saying that owing to the bad state of financial business in Australia it was impossible to get the money at that time. We had some very large shareholders in the company who had practically arranged to find the money. One of the largest shareholders having a great interest in this company was the Mercantile Finance Company of Melbourne.
532. *Mr. Day.*] They went insolvent? Very badly insolvent, but at the time the Bill was passed they were considered to be a very wealthy corporation.
533. *Mr. Trickett.*] I understand then that this harbour business is such a speculative matter that for eight years it has dangled along, and you have not been able to do anything material with it? I do not admit that it is a speculative matter at all.
534. But you have not been able to carry out your undertaking? We have not done so.
535. According to the evidence given by your secretary thirty shares in the Illawarra Harbour and Land Corporation are held in New South Wales, and 9,970 are held in London by another company called the Illawarra Harbour and Railway Company? Yes.
536. What is the capital of that company? £600,000.
537. Have you a copy of the share register? No, I have not.
538. Are you on the directorate? Yes.
539. Could you supply us at our next meeting with a copy of the share register of that company—a list of the shareholders? No; I could not give you a copy of the share register, but I could give you the names of a number of the shareholders. I have them in a memorandum.
540. Will you give us the names of the shareholders and the number of the shares held by each? I could only give you a few of the names. I have a memorandum of them.
541. *Mr. Armstrong,* for instance, has one share in the Illawarra Harbour and Land Corporation;—how many shares has he in the London company? I think he has 10,000.
542. Another Sydney director, *Mr. Chipendall,* has one share in the Sydney company;—how many shares has he in the London company? Some nominal amount.
543. Could you tell us whether it is one or two? It may be five or twenty. It is something small.
544. Lieutenant-Colonel Neild, another local director, has one share in the Sydney company;—how many has he in the London company? I could not say, but I think I can get you the number.
545. Surely, as a director, you would know? I think I can get the number for you, but I cannot remember it. I should like to be permitted to explain, with regard to the London company, that it is registered there in order to give it a local habitation. The English people will not lend money on debentures to a company entirely controlled in Sydney, and shareholders that were in the original company here hold their shares in the London company. It is simply a transfer. Instead of being held here they are held in London. The companies are identical.
546. *Mr. Hyam.*] Although the company here has a different name, it is virtually the same company? Yes. The London company will find the money for the local company. In addition to that, they have issued some £40,000 of preference shares. These have been taken up by people in London.
547. *Mr. Trickett.*] Then I understand that the two companies are also identical? Yes.
548. Then in the company in Sydney you must have a copy of the shareholders of the London company? I inquired of the secretary yesterday whether he had a copy, and I understood him to say that he had not, but if he has one I will have it sent to you.
549. Do you mean to convey to the Committee that this Sydney company, conducted in Sydney, is identical with the London company, and that, being the same as the London company, it does not know how many shares the individual members in Sydney hold in London? I am not certain whether they do. I do not think it is material to this company to know. All they know is that the London company hold their shares. It is not the business of the London company to furnish them with a list of the shareholders.
550. Although the two companies are identical? Of course, if they asked for it, they could have it.
551. In giving your evidence on the 9th May, 1889, in reference to the original inception of the company, you were asked, at Question 849: "Is there provision made for the giving of any paid-up shares in the company to anybody—to the vendors, or any people of that sort; are there any paid-up shares provided for by the prospectus of the company"; to that question you answered, "No";—I want to know now if any shares of the company, at any time, have been given away or allotted to any persons other than those who absolutely paid cash for their shares in this Illawarra Company? Do you mean by the company?
552. I do not care who it is by? I do not know what others do with their shares. Of course there are transfers. Some persons may have given shares away, and some persons may have sold them. I do not think any have been sold.
553. Have you yourself been a party to the giving away of any shares;—do you know of any having been given away? Yes; I have given away a good many. When I say that I have given them away I mean that I have given them to relatives and friends. I have also given shares for services rendered.
554. *Mr. Day.*] I suppose that nearly all the shareholders reside in England? No; they nearly all reside in Australia, with the exception of the preference shareholders. There are some shareholders on the London register. All the preference shareholders reside in London. The original shareholders reside for the most part in Australia. They simply hold their shares in the London company instead of in the Sydney company.
555. *Mr. Trickett.*] Then the list of shareholders your secretary gave us does not convey to us in any way what the real holding of the shares in the company is, because they were all set down with the exception of

of Dr. Storer as holding one share ;—you yourself are put down in Sydney as holding one share ;—how many shares do you hold in London? I have one share in Sydney, but I have a very large number on the London register. T. A. de Wolf.
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556. How many do you hold in London? I can find out and let you know.

557. You do not know how many? I am a large shareholder, and I hold a great many shares. I have done so since the commencement of the company. I could ascertain the exact number and let you know.

558. When you obtained these powers in 1890, you then possessed, according to your solicitor's evidence, 2,920 acres of land ;—does the company hold that area at the present time? No; it is less by 500 acres.

559. What have you done with the 500 acres? It has been sold.

560. What was the purchase money? £20,000.

561. Where did that money go to? It went to the company's account.

562. But seeing that you had an Act to deal with 2,920 acres of land, how is it that you have now only 2,420 acres? We have no Act to deal with any land at all. We have an Act empowering us to make a harbour.

563. A memorandum attached to Mr. Crossman's evidence, which, I presume, is accurate, states that you are purchasing 2,920 acres? That we had purchased them.

564. Was not that land absolutely conveyed to two trustees for the benefit of the Illawarra Harbour and Land Corporation? No; for a syndicate, prior to the formation of the company. The Osbornes owned the land previously.

565. Did you not convey away the whole of this land, and did it not subsequently become re-vested in the Osbornes? No.

566. *Mr. Jacob.*] Is there anything in the Act to prevent you selling your land? No. The only reason we had for making the harbour is that we had this land. We had held on to it for a number of years, and our original idea in buying the land, for which we paid £90,000 (a very considerable sum of money), was that we might make it valuable by making a harbour. If the Government or anyone else will make the harbour, the Illawarra Harbour and Land Corporation will drop out of it at once. We do not want to make the harbour. We shall be quite content if it can be made by the Government. If the Government will say that they will make the harbour, we shall be quite content to drop it, and to go no further with it.

567. *Mr. Moseley.*] But you do not say you have no intention of making a harbour? Not at all. But the Government have always said that they would not make it; and we have had the idea of constructing it in order to make our land valuable. We have also been instrumental in putting up smelting works at a great cost to give ourselves trade. We are now independent of the coal trade, or any other trade. We have established a trade for ourselves.

568. *Mr. Day.*] The works you have constructed are likely to lead to the formation of a large township? Yes. Our trade is increasing all the time, and will raise the value of our estate out of which we intend to make our profit.

569. *Mr. Jacob.*] You think that if you get two additional years you will be able to do all you undertook to do by your Act? It will give us time to make the 15 feet, but we shall go on with the work to a much greater depth.

570. *Mr. Hyam.*] In connection with the deposit of silt, is there any danger, do you think, of your being interfered with by the Harbour and Rivers Department? I think not. I think we are bound under the original Act not to interfere with the navigation of the Lake by the deposition of silt.

571. You do not think you are likely to come into collision with the Harbours and Rivers Department, or that they are likely to turn round and say, "You must stop these works"? I do not think there is any danger of that.

572. *Mr. Trickett.*] Did you ever order any dredges to be constructed in England for the purpose of dredging this harbour? No; they were not absolutely ordered. We had specifications prepared by Gwynn & Co. We were arranging at that time for an amount of money on account. I believe it was £50,000 with which we intended to make a start. But we did not get any further. We got our plans and specifications, but our arrangements fell through.

573. *Chairman.*] Is it your duty, or the duty of the contractor, to provide a dredge? It is the duty of the contractor.

574. *Mr. Trickett.*] The reason I ask the question is this—about two years ago a cablegram appeared in the Sydney newspapers to the effect that Mr. de Wolf had ordered dredges in London to carry out the harbour works ;—is that true or not? No order was given.

575. Then, if such a cablegram appeared in the Sydney newspapers, it was a mistake? It must have been a mistake. Mr. Amos has to find his own plant.

THURSDAY, 22 SEPTEMBER, 1898.

Present:—

THE HON. A. KETHEL IN THE CHAIR.

HON. A. H. JACOB,
HON. W. J. TRICKETT,

HON. S. H. HYAM,
HON. G. DAY.

W. H. Moseley, Esq., appeared on behalf of the promoters of the Bill.

Robert Amos called in, sworn, and examined:—

576. *Mr. Moseley.*] What is your occupation? I am a public works contractor.

577. Have you at present a contract with the Illawarra Harbour and Land Corporation? Yes.

578. Are you still prepared to carry out that contract? Yes; on conditions.

579. *Chairman.*] You have already done a lot of work for the company? To the extent of £35,000. I have advanced them £5,500 to pay off all liabilities. The line connecting with the Smelting Company's works costs about £5,000. That money was paid by the Smelting Company, but the line is part and parcel of the system of the Illawarra Company.

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580.

R. Amos.

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- R. Amos. 580. What is the nature of the works? There is a railway connecting the colliery on the hills with Tallawera Point line, on the shores of Lake, and then [there is the company's loop-line connecting with the Government line at Dapto station, and the line branch to the smelting works.
- 22 Sept., 1898. 581. Have you completed that portion of the contract? Yes.
582. *Mr. Moseley.*] Who paid you? The Illawarra Harbour and Land Corporation.
583. *Mr. Hyam.*] You referred just now to your being willing to complete the contract on conditions;—to what conditions do you refer? I referred to the company being in a sufficiently good financial position to make the necessary payments to me.
584. *Mr. Moseley.*] Do you consider that you can carry out the contract? Yes.
585. *Chairman.*] I understand that you offered to do the dredging for a lump sum, and the training-walls and breakwaters at schedule rates? Yes.
586. *Mr. Jacob.*] Does your contract limit you to any time for the completion of the contract? I will produce a copy of the contract presently. It expires in December of this year.
587. But you cannot complete by then? No; I shall not be able to begin by then.
588. *Chairman.*] Have you ever checked the quantities and material contained in the breakwaters and training-wall? Most decidedly.
589. Are you aware that Mr. Darley, in giving his evidence before a former Committee, stated that the quantities had been very much under-estimated, and that it would require a larger quantity of material to construct the works than had been calculated by the engineer of the company? I heard Mr. Darley say so.
590. Have you compared the quantities of Mr. Henderson with those of Mr. Darley? I have seen the quantities made out by Mr. Henderson, and I heard Mr. Darley give his evidence. I have checked the quantities myself.
591. In checking the quantities, did you reckon by the cubic yard? I calculated a ton and a half to the cubic yard.
592. *Mr. Jacob.*] I presume you are acquainted with the Bill with which the Committee is dealing just now? I have seen it.
593. What is its main object? An extension of time—I believe for two years.
594. Do you think you could complete your contract within the time asked for in the Bill? It depends upon what contract you refer to. There is a contract between the corporation and the Government, I understand, for the dredging of the channel to a depth of 15 feet—that is to say, the channel must be able to accommodate vessels of 15 feet draught. That can easily be carried out within two years.
595. But have you not contracted to make the channel deeper than that? Yes.
596. That additional work cannot be carried out within the two years? It could be carried out in the two years if the corporation had money sufficient to institute an electric instalment, so that the work might be carried out night and day.
597. You are satisfied that as long as the money is forthcoming the contract can be carried out? I shall be perfectly willing to carry out the contract within the two years.
598. What is the contract of the corporation with the Government to which you have referred? The dredging of the channel to a depth of 15 feet.
599. You are referring to the depth specified in the Act? Yes; my contract with the corporation is for a depth of 25½ feet at mean tide.
600. Then if you are prepared to carry that out the contract with the Government must be carried out? Of course, the greater contains the less.
601. *Chairman.*] Suppose this Bill is passed;—have you any assurance from the company as to when they will give you notice to proceed with the work? I am assured that their financial arrangements are so far advanced that there is very little doubt of failure. They think that at the end of the year, or in the early part of next year, certainly not later than February, they will be able to give me instructions to proceed with the contract.
602. With what portion would you proceed first? I should carry out the whole simultaneously.
603. Have you secured your dredging plant? I had all the necessary arrangements made three years ago to get the whole of the dredging plant from San Francisco, but since then an alteration has been made in the original contract. The original contract dates five years back, but the other one would date about a year and a half back. Under the new contract the corporation undertakes to supply me with a dredge.
604. Your time, then, would not commence until the corporation had supplied you with that plant? I might explain to you that they have obtained from Dr. Hay a large sand-pump with 2 feet diameter discharge pipe. It is the largest of the kind in the Colonies.
605. Where is that plant? It is lying at Coolangatta.
606. Would you be able to get that plant transported by sea into Lake Illawarra? No; I should not attempt to transport it by sea. If I undertook the erection of the plant, I should have it brought down to the Lake by railway.
607. With regard to the training-walls,—where would you get your stone? I have calculated for stone at Windang Island, and in my calculations I have allowed for the reserve which the Government have made for military purposes. I think there would be still stone enough.
608. Would you get the stone for both breakwaters from the Island? Providing the stone turns out satisfactorily.
609. Would you not have some difficulty in getting it over to the northern breakwater across the channel? No; I should put a bridge across with an opening in it to admit of cutters or small craft getting through.
610. You are quite clear upon this point: That if the extension which is asked for, namely, two years, is granted, you would be able to proceed with the works, and finish them within the specified time? They will be finished to comply with the terms of the Act—that is to say, there will be a channel of 15 feet.
611. But as to the deepening of the channel beyond that? Though considerable progress might have been made, that work would not be completed in the two years.
612. *Mr. Trickett.*] When was your first contract entered into? The first negotiations were entered into in June, 1893. The contract was entered into in 1895.
613. Is that contract still in force? No; it has been over-ridden by a new one.
614. What is the date of the new one? April, 1897, I think.

B. Amos.

22 Sept., 1898

615. Did you do any work under the 1895 contract? I carried out the railway work.
616. Did you carry out any harbour works? Only £850 worth.
617. What was that? The tie-bank to Windang Island. Messrs. Brand & Co. had done work to the value of some £1,200 or £1,300, and at the request of the company I did work to the value of some £850.
618. What is the object of the tie-bank? It is a protection to the training-wall, and it will also act as a tramway communicating between the quarry and the training-wall.
619. Why did you discontinue your work? No money was forthcoming. I got £500, which the company had agreed to pay. No further money being available when the work amounted in value to £850, I suspended operations, but the balance of £350 was subsequently added to the other work I had done, and I obtained security over the whole property, represented by a mortgage of £34,000.
620. What was the amount of your contract for the railway originally? I think the railway came out at about £28,500 at schedule rates. I advanced the corporation £5,500 to clear off all other liabilities—for payment of the land resumed, and other existing liabilities—in order to get a clear mortgage.
621. For all the work you have done for this company, then, you have received only £500? Yes; and I have a mortgage for £34,000.
622. *Mr. Hyam.*] You hold that mortgage over the property? Yes. The whole of the land and the railway belongs to me with the exception of the section going to the Smelting Company's works, which the company paid for, and took a mortgage over.
623. Although you obtained money from the Illawarra Land and Harbour Corporation for that branch line, it was the work of the Smelting Company? I know that the Smelting Company advanced the money.
624. *Mr. Moseley.*] How do you know that? Both the Illawarra Harbour and Land Corporation and the Smelting Company told me so. The Smelting Company required the line, therefore they advanced the money to pay for it.
625. Are you a shareholder in the Illawarra Harbour and Land Corporation? I am not.
626. Are you a shareholder in the London company? I am not a shareholder in either of them, nor in the Smelting Company. I am simply a contractor and mortgagee.
627. Supposing the channel were carried out to a depth of 23 feet, with the necessary increased width to give it a proper batter, how long would it take you to carry out the work? We should require at least a year more; but I would suggest that the company ask for an additional two years. I do not think they would require the four years to do the whole of the work, but if they are going to get an amending Act they might just as well make the period for the completed work four years.
628. *Mr. Jacob.*] You are assuming that it is requisite to go to the additional depth? Yes.
629. You do not say you would require the four years in order to comply with the requirements of the Act? No; but there is something more than an Act of Parliament to be considered. It is a question of making a useful and profitable harbour. That consideration would compel the corporation to dredge to the additional depth.
630. *Mr. Trickett.*] Would the 15-foot channel, as a matter of fact, be of any use? It would be some use, but it would not be equal to a channel 23 feet in depth. There is a tendency now to employ big ships or steamers carrying from 3,000 to 4,000 tons.
631. Suppose the dredge, which has been referred to, were put at your disposal, how long would it take you to transport it from the place where it now is to inside Lake Illawarra? There is no dredge connected with the plant at present—the hull would be required to be built and launched. The plant has been lying unused for the last two years. I should think it would take six months to put it into serviceable condition.
632. You think it would take that period to make the plant available for dredging purposes at Lake Illawarra? It might be done in less time; but I should say that it would take six months.
633. You were examined with reference to the proposed harbour of refuge at Port Kembla in reference to this matter, and at Question 1485 you were asked: "How long is it since you were prepared to go on with dredging operations"? and you answered, "I suppose I have had plans and particulars from San Francisco for twelve months; I am not prepared to go on with the work now. It would take at least four months to get the machinery here";—you still adhere to that statement? Yes.
634. So that if you had to get the plant from America it would take eight months, and if you had to get Dr. Hayes' plant it would take you six months before you could make a start with dredging operations? Yes; in any case the dredge would require to be built on the shores of the lake.
635. *Mr. Moseley.*] How long would it take to put a dredge together if one were brought out from England in sections? I should think it could be done in four months.
636. You now produce a copy of your contract? Yes; a copy of the contract, dated 23rd September, 1895.
637. *Mr. Trickett.*] Has there been another contract since then? Yes; but the terms and conditions are identical. All the engineering specifications are precisely the same. The terms of settlement are somewhat different. The corporation have to pay 90 per cent. monthly on the work done. Those are the terms of the last contract, which has excluded the railway. The last contract referred only to the harbour works, but there was a clause to the effect that all the conditions of the contract I now produce should apply to it.
638. *Chairman.*] According to the terms of the new contract the corporation make monthly payments, retaining 10 per cent., until the work is finished? Under the original contract I was to take half in debentures and half in cash. Under contract No. 2 I am paid in cash monthly at the rate of 90 per cent. on the value of the work done at scheduled prices.
639. To sum up the whole matter, you have no doubt as to your ability to complete the works to a depth of 15 feet, and the breakwaters and training-walls, according to the original plans and specifications within two years from December next, if that extension of time be granted? None at all.
640. You are quite competent to do the work;—you have no doubt as to that? No doubt whatever. As Mr. Darley has said, the work is simple and easy; it is only a question of plant and money.
641. *Mr. Trickett.*] Do I understand that the contract of 13th September, 1895, is the one now in existence for this work? It is not.
642. *Mr. Moseley.*] But with the exception of the date of completion and the terms of settlement and prices, the contract dated September, 1895, stands good? Yes; all the other conditions remain in force.

- R. Amos. 643. *Mr. Trickett.*] In the contract, a copy of which you have produced, it is provided that "if the said company shall not on or before the 13th March, 1896, instruct the said contractor to proceed with the works other than the said railway works, the said contractor shall not be bound to carry out such works in the event of the said company at any future time instructing him to do so";—is there a similar condition in your present contract? There may be.
644. Under what conditions can you throw up the whole thing? There is no time limit.
645. You are sure of that? I think there is not.
646. *Chairman.*] Is the fresh agreement between yourself and the corporation in writing, or is it a verbal agreement? It is in writing.
647. *Mr. Trickett.*] Will you, or will you not, produce the contract at present in existence between you and the Illawarra Harbour and Land Corporation for these harbour works? I can produce my offer to them, dated, I think, April, 1897.
648. Was that offer accepted? Yes.
649. What were the terms of the acceptance? I cannot tell you the terms of acceptance, but I can tell you the terms of my offer, which were acceded to.
650. I see that according to the contract, a copy of which you have produced, you are to be paid partly in cash and partly in debentures? That is where the variation comes in. I accepted a reduced rate, provided I was paid in cash.
651. Is there any clause in the contract under which the company can terminate their agreement at any moment? I do not think so; but I will forward you a copy of my offer, and you will then see exactly how the matter stands.

Stephen Henderson called in, sworn, and examined:—

- S. Henderson. 652. *Mr. Mosley.*] What is your profession? I am a civil engineer.
653. Have you any connection with the Illawarra Harbour and Land Corporation? Yes. I am a member of the firm of Harper, Harper, and Henderson, who are engineers to the Illawarra Harbour and Land Corporation.
654. Will you produce a plan and explain the proposed works to the Committee? Yes. It is proposed to form a harbour at Lake Illawarra by cutting an entrance channel through the sand-ridge which separates the Lake from the ocean, protecting the entrance channel by the construction of parallel training-banks and breakwaters slightly curved on plan; by dredging a channel 100 feet wide at the bottom from the entrance across the Lake to Tallawera Point; by dredging a shipping basin at Tallawera Point, 1,050 feet long by 850 feet wide; by constructing two jetties, each 450 feet long, in the shipping basin; and by reclaiming a portion of the foreshore of Tallawera Point near the entrance by the deposit of dredgings behind reclamation-banks. The depth to which it is proposed to dredge the shipping basin and the channel is 25 feet 6 inches below mean tide-level.
655. *Chairman.*] What is the nature of the bottom of the Lake? It is mud principally in the Lake. As you come near the entrance there is sand. The mud is very soft on the surface, but as you go down a few feet it stiffens. The whole of the material we have found can be easily removed by sand-pump dredges.
656. Have you carefully calculated the quantities of material in the breakwaters and training-walls? Yes.
657. Are you aware that Mr. Darley has stated that you have under-estimated the quantities considerably, and that the quantities required to make a suitable job would be considerably increased, if not double your estimate? I have taken out the estimate again, and have checked my own quantities.
658. Have you a diagram or section of the breakwater? There is a diagram of the breakwater on the plan.
659. Have you estimated the time it would take the contractor, supposing the extension is granted, to complete the work;—do you, as professional adviser to the company, say that the work can be executed in the two years asked for, dredging the channel to a depth of 15 feet and erecting the training-walls and breakwaters? Yes, it can be done. Of course, if you complete the channel to a depth of 15 feet instead of 23 feet, the end portions of the breakwaters are not required.
660. Have you tested the stone on Windang Island? Yes; it seems to be very good.
661. Is it strong enough to withstand the wash on the outer face? Yes; there is a mass of rock on the island which shows very little weathering indeed. The edges are sharp, although they have been battered by storms for a long time.
662. The presumption is that storms would wash away the softer part of the strata and leave the harder part in sharp angles? Yes.
663. Can you tell the Committee the quantity of material that you would require to deposit per day upon these training-walls in order to do the work in eighteen months from the time of starting? Mr. Amos, in his contract made a year or so before the Port Kembla inquiry, contracted to finish the breakwaters in eighteen months. I went into the amount of stone which would be required to be deposited, and I found that it was about 10,000 tons a month over one tip.
664. Would that be enough? No; we shall work four.
665. Then there would be 40,000 a month? Yes.
666. Or about 1,500 tons to the ordinary working-day? Yes. If that record were kept up it would take one year and four and a half months, but, of course, you must allow a margin over and above that. The contractor has to get his plant ready.
667. He would have to erect several large cranes to lift that quantity of material? Yes.
668. Would you use common tip trucks to tip the stone off, and leave it to find the angle of repose? A gutter will be dredged to a certain extent to receive the stone, but not the whole depthway.
669. What extent of plant would be required at the quarry to get the necessary stone quarried and removed? I have not gone into the question of the number of cranes you would require. You would want several. That is more a question for the contractor. The estimate I make does not involve an excessive rate of work.
670. Is it your opinion that, with ordinary plant, the quantity of material you have stated can be quarried, moved, and deposited in its place within the time stated? In eighteen months from the time the contractor starts diligently with the work.
671. Have you any knowledge or experience of Mr. Amos' reputation as a contractor? He carried out the railway for us down there, and I was very well satisfied with it. I have heard from other sources that

that he is a capable and experienced contractor, although I have not been personally acquainted with him ^{8. Henderson.} in any other contract.

672. Have you ever had your quantities in relation to this work submitted to the Government staff in ^{22 Sept., 1898.} the Harbours and Rivers Department? No.

673. You do not know whether or not they would endorse their correctness? No; I cannot say, as far as the quantities are concerned.

674. Will the work be carried out under the supervision of your firm? Yes.

675. *Mr. Day.*] Have you an estimate of the cost of the entire work from Tallawera Point right down to the sea, at a depth of 15 feet? I have not taken out the amount required to make a channel 15 feet deep. We entered into a contract with Mr. Amos for a channel 25 feet 6 inches below mean tide-level. I have not any estimate as to the old depth.

676. *Mr. Jacob.*] But if you get the additional time asked for, you will be only required to carry out the 15 feet? Yes. Roughly speaking, I should say we would require £100,000 to carry out the work to the 15-foot level.

677. *Mr. Day.*] Is there any portion of the sandbank you are cutting through above the level of the water? Yes; there is a sandridge close to the beach, and it is above the water, separating the Lake from the ocean. There is a channel there which sometimes closes up. In flood-time it opens up again. What that is at present, I do not know.

678. What would be the distance from the middle of that sandbank to a depth of 25 feet in the sea-water? About 1,700 or 1,800 feet.

679. That would give you a depth of 25 feet at low-water? Yes.

680. Would the training-walls be extended as far as that? Yes.

681. Is there any danger of the breakwater beyond the sandbank being washed away? It will be exposed to the sea, but it will be protected by Windang Island from the heaviest weather.

682. The position is not like that at Port Kembla, where there is no protection? No; there is a much more sheltered place than Port Kembla; and there is also this difference, as far as the work is concerned: That the moles run straight out to the sea at Lake Illawarra, and therefore would not suffer so much as though they were broadside on.

683. *Mr. Jacob.*] You are aware that under the Act the corporation, if it does not fulfil the conditions, is liable to certain pains and penalties;—they lose certain property, and they lose their deposit? They lose their rights and their deposit.

684. Do you know the deposit which has been made under the Act? £10,000.

685. Then they would lose that amount if they did not fulfil the conditions of the Act? Yes.

686. *Chairman.*] Where did you get the data on which to calculate the cost of dredging the channel;—is it taken from the Government dredging returns? We have not studied them so much. We got a lot of data from Home in connection with the dredging plant. They have done the work as cheaply as 1½d. per ton. That would be by sand-pump. The cost per yard of dredging depends upon the circumstances of the place. To compare one place with another is useless; you might find yourself very far wrong. I think the dredging in this place will be done as cheaply as it has ever been done, because of the material and of the facilities. I think it would be quite safe to take any contract at about 3d. a ton. I believe Mr. Amos' contract comes out roughly at 4d. a cubic yard.

687. *Mr. Jacob.*] You are thoroughly acquainted with the conditions of the Bill you are dealing with? Yes.

688. You are aware that the 4th clause contains this provision:—

That the conditions imposed under clause one of the Principal Act shall be completed in accordance with the provisions specified therein, within the term of two years from the twentieth day of December, one thousand eight hundred and ninety-eight, failing which all harbour rights and privileges acquired under the Principal Act shall be null and void, and all reclaimed land shall revert to the Crown.

? Yes.

689. *Mr. Trickett.*] Have you ever had any experience in harbour works? Yes; I have been upon harbour works pretty well all my life. I served my apprenticeship to Mr. Dyco Cay, harbour engineer, at Aberdeen, and then I went into Mr. Jas. Abernethy's office. I was also at the Tilbury Docks when they were being constructed, from start to finish.

690. I understand that you have carried out similar works to this? Every harbour has features of its own. In Aberdeen Harbour there are breakwaters, but they are made of concrete; and as far as dredging is concerned, it is similar everywhere—also jetty work.

691. What quantity of stone do you estimate will be required for the purpose of these breakwaters? My estimate is 139,000 tons for the northern breakwater, 153,000 tons for the southern breakwater, 35,000 tons for the northern training-bank, and 73,000 tons for the southern training-bank.

692. In round numbers, 400,000 tons? Yes.

693. How many tons a day do you say can be taken out of the quarry and put in position? About 1,600, I should think.

694. You think that quantity could be put in position every day? Yes.

695. How many tips would that necessitate? Four.

696. It would be very fast work, would it not? It is fairly fast work for this Colony.

697. Have you ever known more than 400 tons a day to be taken out to any work of the kind in the Colony? No; I do not know that I have. In the case of Government works they do not proceed at a very great rate.

698. *Mr. Day.*] Have you heard of that quantity being taken out anywhere else? It is not an excessive quantity by any means.

699. A great deal more could be taken out, you think? Yes.

700. *Chairman.*] Working one tip, you estimate, then, that the long breakwater could be constructed in fifteen months? Yes.

701. *Mr. Trickett.*] In case of heavy weather the work might be retarded at any time? Yes.

702. *Mr. Hyam.*] Would heavy weather affect the tie-bank? It would scarcely affect that, because it is well protected by Windang Island.

703. Is there much depth of water between the island and the mainland at the present time? When I was last down there it was dry.

8. Henderson. 704. *Chairman.*] To what height above high water-mark do you intend to make the crown of your largest training-wall? At the sea end it will be 17 feet above low water, or about 12 feet above high water.
- 22 Sept., 1898. 705. Is it reasonable to expect that if Parliament gives the extension of time asked for—two years—the whole of the work will be done? If we get authority to proceed, we shall have the work done to a depth of 15 feet within the two years.
706. Considering bad weather and everything? I would say this: Mr. Amos ought to have the training-banks and moles completed within eighteen months from the time notice is given him, but in his contract he had two years and four months, roughly, to complete the dredging—of course that would be dredging to a depth of 25 ft. 6 in.; therefore it is quite obvious that he will be able to dredge to 15 feet within two years. Allowance should be made in all sea works for bad weather.
707. You think that the whole work, dredging to the extra depth, could be done in two years at a little extra cost for additional plant? Of course, the dredging all depends upon the plant you have upon the work. Dredges are very costly, and more than one would be useless afterwards.
708. If the necessary capital is at command, you think that the work can be done in two years? Yes; it can be done to a depth of 15 feet.
709. *Mr. Jacob.*] I suppose, from the fear of not being able to carry out the 23 feet of dredging in the time, only the 15 feet were specified; but that would not interfere with Mr. Amos carrying out the contract to a depth of 23 feet? No. The company could not go to the public in London and get money now for carrying out a 23-foot channel in two years, because the time is too short.
710. *Mr. Trickett.*] Do you look upon 15 feet as a serviceable channel in the present day? Not for large steamers.
711. Therefore we may expect that in two years' time there will be a further extending Bill required? I should not think so.
712. But you do not say that you can complete your 25 ft. 6 in. in two years? It may be possible to do it with great extra expence; but it is absolutely certain that we can complete the 15 feet in two years.
713. Is 15 feet in the present day regarded as a sufficient depth for ordinary sea-going coal vessels? No; I should not think it was. It has never been intended, since I have been in Sydney, to dredge the channel to a depth of only 15 feet. It will be necessary to make the channel considerably deeper.
714. The whole thing depends, as far as you can see, upon the question of ways and means? Yes; and Parliamentary sanction, of course.
715. *Mr. Day.*] I suppose the nature of the work is such that you can put on as many men and dredges as you like? Yes; it would be a question of paying for the extra plant and labour, but within reasonable limits.
716. It could be done easily if the money were available at once, and were not forthcoming in dribs and drabs? Yes.
717. With the whole of the capital available, you would have no difficulty in putting on a number of dredges and men sufficient to carry out the complete work very shortly after the expiration of two years—that is, giving the extra depth in the channel? Quite so.
718. *Mr. Trickett.*] I suppose you can give us no information as to the ways and means? No.
719. Who could give us information about that? Mr. de Wolf.

WEDNESDAY, 28 SEPTEMBER, 1898.

Present:—

THE HON. A. KETHEL IN THE CHAIR.

HON. G. DAY,

HON. W. J. TRICKETT,

HON. S. H. HYAM.

Robert Amos recalled and further examined:—

- R. Amos. 720. *Chairman.*] You produce your second tender, and the conditions attached to it? Yes, bearing date 22nd April, 1897.
- 28 Sept., 1898. 721. This is the tender alluded to by you in your previous evidence? Yes.
722. Under the terms and conditions of that tender, you are prepared to proceed with the works? On receipt of reasonable notice.
723. And to complete it in the time specified? I am very desirous of obtaining a distinct understanding as to what the two years refer to. Certain work has to be done to comply with the provisions of the Principal Act. I am prepared to carry out the works therein set forth in two years from the date of my being instructed to proceed with the works.
724. *Mr. Trickett.*] The document you have produced is a tender, dated 22nd April, 1897? Yes.
725. Was it accepted? It has been verbally accepted.
726. Only verbally? Yes. There was no use in going to the expense of drawing up an elaborate contract, as was done before, until we knew that the matter would be proceeded with.
727. *Mr. Day.*] In your previous evidence, you said that the only reason for your not going on with the work was the want of money? Exactly. I am quite prepared to adhere to the terms and conditions mentioned in the documents which have been handed in.
728. *Mr. Trickett.*] You say that within two years of your getting notice to proceed, you will have the work done according to the terms of the Principal Act? Yes, to a depth of 15 feet.
729. Who made the verbal promise to you to accept the tender? Mr. Armstrong, the managing director, and also the secretary of the corporation.

Andrew Armstrong called in, sworn, and examined:—

- A. Armstrong. 730. *Mr. Trickett.*] Do you remember being examined at considerable length in connection with the inquiry into the Port Kembla Harbour scheme as proposed by the Government? I do.
- 28 Sept., 1898. 731. Your evidence was in opposition to that scheme? It was.
732. Do you wish to in any way alter the evidence you gave on that occasion? No; I have no recollection of anything that needs alteration.

733. You are the managing director in Sydney of the Illawarra Harbour and Land Corporation? I am, *A. Armstrong.*
734. The other members of your Board are, I think, Lieutenant-Colonel Neild and Mr. Chippendall? *Yes.* *28 Sept., 1898.*
735. *Mr. Hyam.]* Mr. Barton is not upon the Board now? No, he retired after he took a seat on the Board of the Smelting Company.
736. *Mr. Trickett.]* You also hold a power of attorney from the Illawarra Harbour and Railway Corporation in England? That is correct.
737. Who are the directors in England of that corporation at the present time? Mr. George Bush, Mr. T. H. Haynes, Mr. W. A. Harper, and Mr. T. A. de Wolf. Mr. Keswick and Sir John Fowler are on Boards connected with Illawarra Lake development. The names I have given you are those of the directors at the last half-yearly meeting.
738. Who is Mr. Bush? I really cannot tell you anything about him, but Mr. de Wolf can, no doubt, give you all the information you require on that point.
739. *Mr. Hyam.]* Is Mr. Haynes an Australian? No.
740. Was he in the Colony at any time? As far as I know, he never was.
741. *Mr. Trickett.]* Although you are managing director of the Illawarra Harbour and Land Corporation of New South Wales, and hold a power of attorney, you cannot tell me who Mr. Bush and Mr. Haynes are? I am aware from correspondence that they are wealthy men—men of substance. I have had other transactions with Mr. Haynes in matters entirely outside Illawarra connections.
742. You do not know the occupations of these gentlemen? No.
743. You are put down as the holder of one share in the Illawarra Harbour and Land Corporation of New South Wales—what interest do you hold in the London Company? Shares to the value of £100,000 are placed in trust for my wife and family.
744. How much has been paid up on those shares? I think that evidence has already been clearly given, but to repeat it again it means that when the original syndicate was formed I invested about £18,000 in the purchase of the property, representing afterwards in the general settlement between the syndicate about a one-sixth interest.
745. Do you know how many shares Mr. de Wolf has—he, himself, could not tell us the other day? No. I know he has more than I have. His interest in the company would probably amount to £140,000 or £150,000.
746. How many shares has Mr. Chippendall in the English Company? I think he has shares to the nominal value of £500.
747. How were the shares acquired? I do not know that I could tell you.
748. You do not know how? I know that he had a very small interest in the formation of the first syndicate, and in the allotment or settlement of shares afterwards in the colonial company all was transferred to Mr. de Wolf for the purpose of enabling him to finance in London. The allotment afterwards, with Mr. Chippendall's approval, was fixed in his case at £500, representing some small interest in the company.
749. Your other director, Lieutenant-Colonel Neild, also has some shares in the London Company? Speaking also from memory in his case, I think he has a value of £1,000.
750. How were those shares acquired? In the same way.
751. Has he been interested in the company here? From the very start.
752. Although his name did not appear as a shareholder in any list you published? It did not; but he had a portion of one of my syndicate interests a long time ago.
753. You remember that before Mr. Jarvis became the secretary of the company you did not have annual meetings of its shareholders as required by the Companies Act? For a time they certainly lapsed. A large portion of the syndicate and company at that time had been acquired by Melbourne and Adelaide interests. This led the largest shareholders having the preponderating power, to a certain extent, to neglect strict conformity with the articles of association as regards half-yearly balance-sheets and general meetings; but I take it that it did not affect any interest at all outside the then existing shareholders. They were not a company trading on capital or anything which would make the public in any way inconvenienced by the fact that the company did not hold regular meetings.
754. Did not Mr. de Wolf, the prime mover in this company, actually file, or cause to be filed, a petition to wind up the whole company? He never did.
755. He never did? Never.
756. You swear that? Most emphatically.
757. He never took proceedings to have the company wound up in any way? Most certainly not. The question must arise out of some very great error on your part.
758. You say it was not the case? I reply in the most direct manner that it was not so.
759. Was not a petition absolutely filed to wind up the company? Mr. Moseley is here, and would be better able than I am to explain certain difficulties that did arise, principally from downright, sheer, black-mailing claims. One or two petitions were filed against us. The company have not the slightest objection to Mr. Moseley laying the details before the Committee.
760. Then some petitions were lodged? Yes; but certainly not by Mr. de Wolf. Certain black-mailing attempts were made to embarrass the company for reasons entirely connected with other matters. It is not at all necessary to refer to them now, although I do not shirk their being gone into.
761. Mr. de Wolf had nothing to do with the petition? Nothing whatever.
762. Did the Smelting Company of Australia ever have any interest in the Illawarra Harbour and Land Corporation? Yes, it has a very large interest in it; it owns at least 10,000 shares in the Illawarra Harbour and Railway Corporation.
763. *Mr. Hyam.]* At how much a share? They are shares fully paid up. They have a preferent right in our company.
764. *Mr. Trickett.]* They are paid-up shares, with no liability? Yes.
765. Did they not actually pay the money to get out of the concern? They were never in the concern before that.
766. What did they pay the £10,000 for? Because, in connection with their works, a still-water harbour is an absolute necessity. To forward the views of the company an amalgamation of our rights and interests took place. They joined us in our attempt to strengthen and make our company financially stronger by investing £10,000 in it.

- A. Armstrong. 767. You say that before that they had no interest of any kind in the Illawarra Harbour and Land Corporation? Good, bad, or indifferent, they had no interest whatever.
- 28 Sept., 1899. 768. They bought land from you, did they not? They bought the site on which they erected their works.
769. What did they pay for it? I should explain that we have sold land, not only to the Smelting Company of Australia, but to other people. A township is gradually springing up down there, and we are selling land at the rate of from £200 to £300 an acre.
770. Did not Mr. de Wolf, on the 29th July, 1892, convey the whole of the Lakelands Estate to Mr. Fink for 10s.;—did he not make a conveyance of the equity of redemption in that estate? I presume he did. I do not remember the connecting links in the matter. He was then a preponderating shareholder, and it was necessary for him to use his power to finance. Being a preponderating shareholder, he used certain powers, but the property all came back to us when Mr. Fink assigned at a later date; through the financial crisis he failed to carry out his obligations.
771. Did not the property, after Mr. de Wolf had signed that document, fall into the hands of the Joint Stock Bank? Mr. Fink mortgaged to the Bank. It was an amount of £8,000, I believe, and we paid off the claim. The present interested parties had to purchase the bill and release it from the Joint Stock Bank.
772. Did not the Joint Stock Bank sell the equity of redemption in the Lakelands property back to Mr. Osborne for £300? I think they did. It was, to a certain extent, a friendly arrangement, so that the property might be brought under Torrens' Act and settle disputes as to title.
773. The property got back to the Osbornes, but instead of their conveying back to the Illawarra Harbour and Land Corporation 2,900 acres, did they not convey only 2,400 acres? That is the fact.
774. What became of the remaining 500 acres? We sold it to the Camden Exploration Company of London, who sold 300 acres to the Smelting Company of Australia. The Camden Exploration Company still hold 200 acres.
775. What is the Camden Exploration Company? Mr. de Wolf can give you evidence as to its size and importance better than I can. It has purchased mining properties, and the Smelting Company derives from it its principal supply of smelting material; in other words, the three companies, although separate, are working together in a friendly way.
776. In fact, they are all the same company;—Mr. de Wolf, for instance, is in the Camden Exploration Company, and you also are in that company? Yes; and I am also interested in the success of the Australian Smelting Company, and in the Illawarra Harbour and Land Corporation and the Illawarra Harbour and Railway Corporation.
777. When you were before the Public Works Committee in connection with the Port Kembla inquiry you promised to furnish some returns as to shareholders in your company, but you did not do so—could you do so now? Yes; I have no objection to the secretary laying a completed tabulated list of names before you.
778. Have you, as managing director, any objection to your secretary laying before this Committee an appendix to his evidence giving the names of the various companies that have sprung out of the Illawarra Harbour and Land Corporation Bill, their various capitals, the names of their shareholders and directors, and the shares held by each person? I do not know what evidence Mr. de Wolf has given, but I should say that he would be the best person from whom to obtain that information.
779. Would not you or the secretary of the Illawarra Harbour and Land Corporation be able to give us that evidence? I have not a complete list of the shareholders in the Illawarra Harbour and Railway Corporation, although I have their power of attorney.
780. Have you information as to the capital subscribed and uncalled of these various companies which you could let us have? I do not know whether I could get any information with regard to the Smelting Company of Australia, but I could probably do so. I see no objection to the secretary giving that information if he is summoned to give it in the ordinary way.
781. You have no means to carry out this project at the present moment—that is to say, you have no cash in hand? We have not enough cash in hand for it, but our income is now rapidly increasing. It has risen from a mere grazing return on a pastoral estate to its present proportions. A year ago we had an income of about £1,000 a year, now it is worth between £3,500 and £4,000.
782. That is from the Lakelands Estate and from your railway rights? The income is made up of railway returns and grazing returns.
783. Do the Illawarra Harbour and Land Corporation own the railway? Yes. The Illawarra Harbour and Railway Corporation in London own the principal shares in the Illawarra Harbour and Land Corporation in order that financial operations may be carried out in London. They have only a directory power in the Colony.
784. Mr. Amos said the other day that he had a mortgage over the whole thing for a large sum of money? So he has.
785. Beyond his interests you receive this large income from your property? Yes. Mr. Amos' interest is about £2,000 a year, and this year our returns will be over £4,000.
786. You are referring now to the Illawarra Harbour and Land Corporation? Yes.
787. That income is chiefly from the railway? And from grazing. It is a very large estate. It carries a great deal of stock.
788. Has there not been a life estate granted out of this property to some one? To no one; excepting about 10 acres to William Hewett at fair rental.
789. So that you have the grazing rights also? We get everything.
790. To sum up your evidence, at the present time your company think you can carry out this project if you can raise the money to do so? Undoubtedly.
791. Unless you can raise the money, you cannot carry it out? We cannot carry it out. But we also think that the trade already established will make the finding of the necessary capital a very simple matter. Mr. Weinberg has no doubt given you figures showing you the importance of the smelting operations, and also the necessity of making further connecting lines to cheapen the cost and bring in a greater variety of fluxing matter and ores.

TUESDAY, 11 OCTOBER, 1898.

Present:—

THE HON. A. KETHEL IN THE CHAIR.

HON. G. DAY,

HON. S. H. HYAM,

HON. W. J. TRICKETT.

HON. J. HUGHES.

HON. DR. CULLEN,

W. H. Mosely, Esq., Solicitor, appeared on behalf of the promoters of the Bill.

Andrew Armstrong recalled and further examined:—

792. *Mr. Trickett.*] You have a return to hand in? I have prepared a return of all the shareholders in the Illawarra Harbour and Land Corporation from its inception in 1888, and for each year up to 1894, when Mr. De Wolf went to London. The number is brought down, because the shares were then transferred to him for financial purposes, leaving the number here at twelve. Mr. De Wolf will give you evidence as to how his financial operations have led, practically, to a return of his power of attorney or trust to all the other different shareholders. He will produce, partly from memory and partly from his absolute knowledge on the day he left London, an account of the ownership of the shares in London up to the present day. I have a list of shareholders from 1889 up to 1895, inclusive. In 1889 the number of shareholders in the Colony in the Illawarra Harbour and Land Corporation was 38; in 1890, 42; in 1891, 42; in 1892, 43; in 1893, 39; in 1894, 17; and in 1895, after transfers to Mr. De Wolf, 12. I should explain that in 1895 most of the shareholders decided to send Mr. De Wolf home, and in addition to giving him power of attorney he took an absolute transfer of the shares. His own evidence will connect the formation of the London company with what he did with the Colonial shares. I should like to point out at this stage that I hardly think it wise to hand in this document as an addendum to my evidence, and to have all these names published. It would scarcely be right to publish the names of shareholders, and it will add enormously to the volume of Parliamentary papers. There are many reasons why this incomplete list of the names should not be published if it can be avoided. As I have explained, the whole of the shares were transferred to Mr. De Wolf for financial operations in London. There have never been less than twelve shareholders here, and I understand that it would be illegal for twelve shareholders to act unless in the form of a company. These twelve shareholders really represented forty-three interests. I believe that, under the Limited Liability Companies Act, no more than seven persons can trade together without being formed into a limited liability company.
793. You say that on 20th June, 1888, there were how many shareholders? Thirty-eight.
794. The whole of the names appear in the document you now produce? Yes.
795. Did all these shareholders come in on an equal footing? That I absolutely cannot tell you. A large number of these shareholders, speaking from memory, obtained their rights entirely through Melbourne shareholders, or through the Mercantile Finance Company, and Mr. Fink, who then held a very large interest in the company. I cannot answer the question as to how the whole of those persons acquired their shares.
796. Did they all pay a deposit on their shares; and, if so, what amount? That I cannot tell you.
797. Were any shareholders given their shares? It is quite possible; I cannot tell.
798. Could you tell us the names of the persons who had shares given them? Not beyond members of my own family. At that stage I gave several of my children, and also several relatives, shares.
799. Did the whole of the other persons whose names appear in this list pay for their shares? As far as I know.
800. You were one of the original promoters of this concern;—could you not say? I was one of the original promoters, who dealt with their shares as they thought fit and wise.
801. Are not some of these persons really nominees of yourself and Mr. De Wolf—that is, persons to whom shares have been given? I have no nominees. Mr. De Wolf can speak for himself.
802. You stated, at the last meeting of the Committee, in your evidence, that Mr. J. C. Neild had been interested in the company from the very start? That is quite correct.
803. He was interested in the company on 28th June, 1888? Yes; he had an interest in it with me before that date.
804. How did he acquire that interest? I really cannot tell you; but I may say at once that, even if I could remember, I should decline to answer the question. Mr. Neild and I had many private and friendly transactions. We were in adjoining offices years and years ago. As a matter of fact, I do not remember the exact particulars; but even if I did I would not go into them.
805. You stated that he had shares to the value of £1,000 independently of the one share which is now registered in the company; when did he become interested to that extent;—is it the same interest he has held all through? It is the same interest. An allotment or a settlement was arranged with Mr. De Wolf when he went to London, and the share or interest held by Mr. Neild led to his being fixed in the London company, not in the Australian company, to the extent of £1,000. The interest was settled by Mr. Neild receiving for his old interest £1,000 worth of fully paid up shares in the London company; that was since Mr. De Wolf went to London.
806. Was that arrangement whereby Mr. Neild took an interest to the extent of £1,000 by virtue of the arrangement made between you and him in 1888? Yes; by virtue of interest or rights in the company, springing out of his transaction with me in 1888.
807. He has held that interest right through from then till now? Yes.
808. Judging from the list of shareholders you have handed in, showing the names of shareholders from 1888 until October, 1897, Mr. Neild does not appear as a shareholder until we come to the list applying to 1897;—is not that so? That is so.
809. Was this arrangement between you and Mr. Neild, giving him his interest in the concern, in writing? I do not think it was. It was a settlement of many mutual transactions. I agreed to put him into it, and I did put him into it in about the year of our starting the concern.
810. You are certain that you gave him an interest in the concern in 1888—an interest which you reckon to-day is worth £1,000? Yes.

- A. 811. And he also has one share in the Sydney company, which he has registered? The share in the Sydney company means that he had a share in the company which was settled by the allotment in the London company. One of the shares he still holds here.
- 11 Oct., 1898. 812. Has he held it long? Ever since the date of the allotment to him under the old arrangement in 1888 to which I have referred.
813. Is it a *bonâ fide* claim which he has in this company? It is a *bonâ fide* claim against me, settled by my putting him into the earlier syndicate.
814. *Mr. Trickett.*] In the list of shareholders you have handed in, the name of Mr. Armstrong appears; he is described as an agent in Sydney;—who is he? Myself.
815. He is set down as holding 587 shares in the company; what is their nominal value? At the present time nothing at all—unless the harbour rights are kept alive.

Thomas Andrew De Wolf recalled and further examined:—

- T.A.De Wolf. 816. *Mr. Trickett.*] Mr. Armstrong has handed in a summary or list of shareholders in the Illawarra Harbour and Land Corporation, extending from June, 1889, to October, 1897; will you look at that summary or list; you will see that on June 28th, 1889 it comprises thirty-eight names? Yes.
- 11 Oct., 1898. 817. Were the whole of the shares set down opposite the names of the persons in that list taken up *bonâ fide* by them on an equal footing? It was the outcome of the first syndicate.
818. Did each of these persons put in an application for their shares and pay the same amount of deposit when they received allotment? They were allotted, as far as I remember, ten years ago under an agreement. A syndicate was formed in the first instance, and these shares were allotted under that syndicate.
819. Who allotted them? They were allotted by the syndicate.
820. Of which you were one? Yes.
821. Were you the chairman? There was no chairman.
822. You were the principal? I was connected with it. I bought the properties in the first instance, and then Mr. Fink, of Melbourne, Mr. Armstrong, Mr. Friend, and several others came in, and we formed a syndicate.
823. What were the shares? £100 shares, paid up to £50.
824. Considered as paid-up to £50? Yes.
825. The amount was not actually paid? There was a certain amount of money found by the syndicate, and in consideration of that they had an allotment of shares. There was £50 considered paid-up and £50 of liability. It is a very usual way of forming a company.
826. Take one or two of these names—Mr. F. Orr, for instance, who held 140 shares;—did he pay the same deposit as was paid by the other owners? I do not think he paid anything. He was holding the shares for someone else.
827. In this list there is the name of a gentleman who is not familiar to me—Mr. Boehma, salesman, of Sydney; he is set down as holding 100 shares;—did he pay anything for them? His shares were allotted, I think, by direction of Mr. Fink, who held a very large interest in the syndicate.
828. Then a number of these names are mere nominees; that is what it amounts to? I do not know why the shares were put down in these different names. I cannot say whether the names you see there are the names of persons who were really interested or not.
829. They are not actually *bonâ fide* subscribing shareholders? Mr. Fink was entitled to a large amount, as he held the largest interest in the syndicate. He instructed us to issue shares in the names of the various persons, and they were issued accordingly.
830. Mr. Barton, I see, had thirty shares, and he has only one share now;—how is that? The shares were transferred to the London register. I explained that in my former evidence.
831. Are all the persons in this list *bonâ fide* shareholders, or are there not a number of nominees of yourself, Mr. Fink, or some other persons? I think the great number of them were nominees of Mr. Fink. He was entitled to a large number of shares in the syndicate, and he gave us instructions to allot them to those persons. Whether they paid for them or not, I do not know.
832. *Mr. Hughes.*] Are any of the persons whose names appear on the list nominees of your own? Mr. Orr was my nomination, and there is a trifling number of shares—twenty, I think—in another case.
833. A good number of these shareholders were nominees of yourself and of Mr. Fink as the largest shareholders? Yes; the syndicate was practically formed by Mr. Fink, Mr. Armstrong, and myself. Two or three other persons came in with us. We were a syndicate of about nine or ten in the first instance. We found money to purchase the properties, and took shares in the property. That is all we ever had. We never got anything but shares.
834. *Mr. Trickett.*] When you gave evidence before the Select Committee in 1889 you were asked questions with reference to the *bonâ-fides* of the company. For instance, you were asked: "As to the *bonâ-fides* of the company, have you the slightest reason to doubt that the directors have the intention of carrying on these works themselves?" and you answered "Not the slightest." You were also asked: "They are not trying to get a Bill to sell?" and you answered "No";—do you think you adhered strictly to the terms of that evidence? Certainly. We never tried to sell anything. All that we tried to do was to raise the money to make the harbour. I think you are under a mistaken impression. We have no power to sell. We are restricted by the Act of Parliament from selling either our Bill or our concessions.
835. *Mr. Hughes.*] You can sell land? Yes, we paid for that, but we cannot sell concessions. Anything we ask Parliament to give us, we have no power to sell.
836. *Mr. Day.*] You cannot sell the rights under your Act to anyone else? No.
837. *Mr. Trickett.*] How are you going to make the harbour pay? We must take the risk of that. We are satisfied that we can make it pay. We have sufficient trade of our own. We hope, before the completion of the harbour, to create a larger trade; so that we are perfectly independent of the South coal trade. We want this harbour for our own works. When we started the idea, it was to make a harbour for the South Coast coal trade. We expect to get some of it, and if we do not we have enough trade of our own.
838. When you asked for the Bill originally, you said you did not expect to make any profit out of the harbour? I do not see how we are likely to make much.

839. Then, what is going to make the thing pay ;—are people going to put money into the concern, and T.A. De Wolf. get nothing out of it? What we propose to do is this: We have already spent a good deal of money in purchase of land, and we will put it all up as a guarantee. If the harbour does not pay, we lose the land and everything else. The debentures would be secured on the whole of the assets of the company. 11 Oct., 1898.

840. *Mr. Hughes.*] What is the security of the debenture holders? They have all the concessions—our harbour, railways, and our land.

841. How can they have the concessions if you cannot sell them? The Act expressly provides that we may give security on the concessions for the construction of the works.

842. That is the Principal Act? Yes.

843. *Chairman.*] There is one very important matter bearing upon this question: provided the Legislature sees fit to grant the concession asked for by your committee, what guarantee have we that the money raised by your company will be applied to the construction of the harbour? The debenture money will be lodged in the hands of trustees. It will be raised for a certain purpose—to be applied to the making of harbour and railway works. The directors of the company will not be able to apply the money in any way without the consent of the trustees.

844. You think that that constitutes a sufficient guarantee that the money will be so expended as proposed if raised, because it can only be raised if we grant you the extension you are asking for ;—you think, under the circumstances, we have sufficient justification in giving you the opportunity to raise the money? We give everything we have got, including the whole of our land. There is a floating charge over everything we have for the redemption of the debentures.

845. Who appointed the trustees? The debenture-holders.

846. And the money, when raised, will be placed at their disposal and control? Under their entire control.

847. To be expended upon the construction of harbour works? Yes.

848. Will no portion be liable to be applied to meet any liabilities which the company may have contracted before? They will pay off the cost of the railway, because that forms part of the works. They will have security over the railways. The debentures provide the funds which will pay for the harbour and railway work.

849. In what position do you stand in regard to the original vendors of the property ;—have you paid them fully, or do they hold any claim or mortgage upon the land? They have no claim whatever. They have been paid in full.

850. *Mr. Hughes.*] I understand that Mr. Amos has a general mortgage upon his contract, and that a company have advanced a certain amount of money and have a second mortgage for their protection? Yes; but the mortgage of Mr. Amos does not represent anything like the cost of the railway. For instance, I found the rails in London. I think they cost about £6,000. The cost of the railway was much more than the amount due to Mr. Amos.

851. What was the cost of Mr. Amos's mortgage? £33,000 or £34,000.

852. Are those the only liabilities the company has? Yes. A certain amount of money was found by Mr. Amos or the Union Bank, pending the flotation of our debentures.

853. *Chairman.*] So that if the money is raised in London a first charge will be the clearing of the existing mortgages on the property? Yes, they must be all cleared off; but the £10,000 deposit will still remain in the Treasury.

854. *Mr. Trickett.*] When you obtained your Bill in 1889, you attached to your evidence the memorandum and articles of association of the company, in which you set out that the objects of the company were the purchase of 2,920 acres of Lakelands, 265 acres of coal land, and two blocks of 640 acres each to be obtained from Mr. Vaughan ;—have the Illawarra Company now the whole of those properties? We have sold some 500 acres, and we have sold some few odd allotments.

855. Did the company sell them? Yes.

856. The company received the benefit of any sale? Yes.

857. You are sure of that? Quite certain of it.

858. There is one other thing I want to know from you, since we cannot get it from Mr. Armstrong without a great deal of explanation: will you detail to us the original state of this thing, bringing it up to the number of companies coming out of it at the present time; in the first instance there was a syndicate to buy the Lakelands Estate for £35,000, subject to a mortgage of £30,000? Yes; that was £65,000

859. It was then decided to form a syndicate for £240,000? Yes, for that and the coal lands. The price paid for the coal lands was £25,000, of which a portion was paid in syndicate shares.

860. *Mr. Hyam.*] Were there not two sections of leasehold? Yes; two sections were leasehold, and 265 acres were freehold.

861. *Mr. Trickett.*] You have the whole of this land, less 500 acres? Yes, excepting a few odd allotments which have been sold.

862. You were afterwards formed into the Illawarra Harbour and Land Corporation, with a capital of £600,000? Yes.

863. Out of the Illawarra Harbour and Land Corporation you formed another company called the Camden syndicate? No; it was not formed by that company.

864. Was not that Camden syndicate formed for the purpose of purchasing the 500 acres which originally belonged to the Illawarra Corporation? That was one object.

865. Did not the Camden syndicate sell part of that 500 acres to the Smelting Company of Australia? Yes.

866. What is the capital of the Smelting Company of Australia? £500,000.

867. Would you mind saying how much is actually paid up? I think about £450,000 is paid up. They have in addition to that other funds; but I do not like to say too much in regard to the business of that company. It is very well known, and they have very big works.

868. If all these companies and all this money has come out of the original Illawarra Harbour and Land Corporation, how is it that you are not able to carry on the works ;—what has become of the money? They are different companies which have bought a certain amount of land. I was instrumental in forming the companies, and one of my reasons for forming them was to establish the smelting works. They are all going companies of very good reputation, and very strong. They have formed in addition other companies which are working.

- T. A. De Wolf. 869. Your parting with the 500 acres must have brought in a large amount of money;—where has the whole of that gone to? It went to pay off what we owed; it paid off Osborn's mortgage.
- 11 Oct., 1898. 870. *Mr. Hughes.*] I thought that mortgage still existed? No; the property is absolutely free, except for what we owe for part of the construction of the railway. The railway now is commencing to pay us well. It is paying interest on the cost, so that practically we have the land entirely free.
871. *Mr. Trickett.*] You are a shareholder in all these companies? Yes.
872. What are you going to do with the 200 acres left with the Camden syndicate? When there is a demand for it it will be sold.
873. Is the Camden Company a registered company? Yes.
874. What is its capital? £200,000. I should explain that this is the Camden Exploration Company. The company which purchased the land is the Camden syndicate. That had £100,000 of capital.
875. What is the capital of the Illawarra Harbour and Railway Corporation? It has the same nominal capital—£600,000.
876. That corporation is registered in London? Yes.
877. Have you a list of the shareholders? I have it as nearly as possible. It is approximately correct. I may state that £20,000 has been found by those shareholders on the purchase of their shares. The amount has been paid in cash, and has gone to the credit of the company.
878. Are there any shares in this list except allotted shares? Yes.
879. They are persons who have bought into the company? Yes; to the extent of £20,000. I will produce a letter which has been sent to the Premier by the Smelting Co. of Australia, showing that they deemed it to be a necessity to have harbour works at Lake Illawarra. It is a certified copy. I have a similar letter from the Camden Exploration Co.
880. *Mr. Hughes.*] Do you expect the harbour to pay in itself? Yes, certainly.
881. Supposing it does not pay, what would be the value of the securities paid to the debenture-holders? All our land; they will have all we have got.
882. Then if the harbour does not pay the debenture-holders would have to look to the land? Yes; we, in fact, give more security than other harbour companies usually do. As a rule, they get money on the harbour debentures alone. We give the whole of our assets as security.
883. *Mr. Trickett.*] When you first applied to Parliament, you said that you did not expect the harbour works to pay? I do not think I said it would not pay the debenture-holders. That I cannot remember; it is a long time since I have seen the evidence.
884. In reply to Question 859, when you were asked, "Is it the intention of the company to make profit out of this harbour—is that their main object?"—you said, "No; that is not the main object of the company; I can speak for the other directors as well as for myself and most of the shareholders"? It is a long time ago, and the answer might well apply to the question whether we were going to sell the works at a profit, and not whether we were going to work them at a profit. The statement was made very likely in consequence of some statements that we were about to sell the concession or the harbour.
885. *Mr. Hughes.*] If the harbour is not constructed the works will not be interfered with? Yes; we shall certainly not extend the smelting works.
886. What I mean is, that it will not interfere with the present business at the works? Of course, the business is being done now at some disadvantage by having rail communication only. There are many other industries that may be established. I was down there last week going into the question of establishing superphosphate works and alum works, but we cannot do that without water communication.
887. *Mr. Trickett.*] When you were previously examined you will see that this matter was pressed on you;—you were asked, "Then I understand all the company is aiming at is to pay the interest on the cost of the construction of the harbour?" and you answered, "Yes"? I do not suppose we shall do more than that.
888. Then it will be a perpetual investment for these people—they need not expect to get their money back? Probably a reserve fund will be established from sales of land. Our object in taking up the harbour was this: we had purchased 3,000 acres of land, and we wanted to make this land valuable, which is a fair and proper speculation. We have stuck to it for ten years.
889. *Chairman.*] What interest do you intend to offer on your debentures? Five per cent.

APPENDIX.

Letters from the Secretary of the Southern Coal Company (Limited).

Sir,
As my company is largely interested in the result of the Parliamentary consideration of the various proposals for the formation of a Southern harbour, and is desirous of assisting the inquiry now being held in connection with the Lake Illawarra Harbour Scheme, I beg to ask permission to produce evidence bearing on the matter, and shall be happy, on hearing from you, to name the gentlemen willing to give such evidence.

I have, &c.,
F. H. BRACKENBURY,
Secretary.

The Secretary, Upper House Committee of Enquiry
into the Lake Illawarra Harbour Scheme.

Sir,
I have to thank you for your letter of 22nd inst. with regard to evidence which we desire to afford your Committee in connection with the present enquiry into the Lake Illawarra Harbour Scheme.

The gentlemen who wish to give evidence are—(1) Dr. J. R. M. Robertson, and Messrs. W. C. Willis and H. O. McCabe, who, as representing the colliery owners, would give their opinion as to the suitability or otherwise of Lake Illawarra for the purposes of coal loading; (2) Captains W. Mills and T. Downie, who have probably the best local knowledge of Lake Illawarra and the neighbourhood, in connection with the harbourage of steamers; and (3) Messrs. G. Henderson and D. Ritchie, officials of the Miners' Association, who would give the views of the men generally as regards the direction in which a harbour is most needed.

I have, &c.,
F. H. BRACKENBURY,
Secretary.

W. L. Edwards, Esq., Secretary, The Upper House Select
Committee of Enquiry into the Lake Illawarra Harbour Scheme.

This PRIVATE BILL originated in the LEGISLATIVE COUNCIL, and, having this day passed, is now ready for presentation to the LEGISLATIVE ASSEMBLY for its concurrence.

*Legislative Council Chamber,
Sydney, November, 1898. }*

*John J. Calverh
Clerk of the Parliaments.*

New South Wales.



ANNO SEXAGESIMO SECUNDO

VICTORIÆ REGINÆ.

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An Act to amend and extend the Illawarra Harbour and Land Corporation Act of 1890, and the Illawarra Harbour and Land Corporation Act Amendment Act of 1895.

WHEREAS the Illawarra Harbour and Land Corporation (Limited) Preamble.
(being a joint stock company duly incorporated and registered under the Companies Acts of 1874 and 1888, and hereinafter called the corporation), obtained on December twentieth, one thousand five hundred and ninety, legislative authority to form and maintain an entrance and passage between the South Pacific Ocean and the waters of Lake Illawarra, in the county of Camden: And to construct, use, maintain, and in certain respects control and regulate a harbour within the waters of the said lake and of Windang Bay, in the said county of Camden: And to make, establish, maintain, and control wharfage and shipping accommodation in connection therewith, and to construct, work, use, and maintain line or lines of railway to connect with the said harbour all or any coal-bearing lands situate between the South Coast Colliery on the north and the Macquarie River on the south:

Illawarra Harbour and Land Corporation Act Further Amendment.

south : And to reclaim, purchase, take, occupy, and otherwise acquire land in certain cases, and on certain terms as to acquisition, compensation, payment, rent, investiture, and otherwise : And to levy, receive, and recover rates, tolls, and dues for the use of the said entrance, 5 harbour, and accommodation, and for towage, and fares, freights, and other charges for the use of the said railways, and to confer and impose upon the said corporation certain powers, rights, duties, and liabilities : And to extend the rights of owners of the foreshores of the said lake : And for other purposes : And whereas the Act authorising such work 10 was by an Act amended on December twelfth, one thousand eight hundred and ninety-five : And whereas in connection with the rights, powers, and privileges granted important industries have been established : And whereas the corporation have expended large sums, totalling forty-four thousand pounds, under the provisions granted : 15 And whereas undertakings which have arisen out of the operations of the corporation have necessitated the construction of a branch line of railway not specifically included within the Principal Act : And whereas the construction of such branch line over a parish road received the full authority of the Central Illawarra Municipal Council, 20 and it is advisable that such branch line and sanction should receive legislative approval : And whereas it is advisable that provision should be made for adding further branch lines within the lands owned by the corporation : And whereas the rights of transit-charges and other matters should be more clearly defined by enactment : And whereas 25 under the provisions of the Illawarra Harbour and Land Corporation Act Amendment Act of 1895 the corporation have lodged with the Colonial Treasurer the sum of ten thousand pounds : And whereas the corporation requires still further time to carry out the remainder of its objects : Be it therefore enacted by the Queen's Most Excellent 30 Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

1. It shall be lawful for the corporation to continue the running upon and maintenance of traffic upon its branch line already con- 35 structed and leading from its main trunk line through the Lakelands Estate, the property of the corporation, and across Kanahooka-road, in the Borough of Central Illawarra. And the action of the municipal council in sanctioning the construction of such line over Kanahooka-road be, and is hereby, confirmed.

Legalisation of
branch line across
Kanahooka-road.

40 2. It shall be lawful for the corporation to construct, maintain, and use any further branch lines upon lands at any time owned by the corporation, and to provide for a continuation of such rights of construction, maintenance, and user upon any lands so owned when subdivided, and over, along, and across any road, street, lane, and 45 reserve in any and every such subdivision, subject to the terms and conditions

Authority to
construct further
branch lines.

Illawarra Harbour and Land Corporation Act Further Amendment.

conditions as to freight-charges imposed in the Principal Act and in this Act: Provided always that in any and all cases where any such extension or branch line shall cross any road, street, or lane, the authority of the Municipal Council of Central Illawarra, or any borough hereafter embracing the same or separating itself therefrom having any authority over such road, street, or lane, shall first be had and obtained: Provided also that no extension of any branch line, excepting within the lands owned by the corporation at the commencement of this Act, shall be proceeded with until after the approval of the Governor shall have been obtained.

Proviso.

No branch lines outside lands of the corporation to be made without approval of Governor.

3. It shall be lawful, notwithstanding the regulation of tolls and charges prescribed in section thirty-two of the Principal Act, to fix a minimum charge of sixpence per ton as a freight-charge upon all goods conveyed in owners' trucks, drawn by owners' locomotive, steam or other power, or ninepence when drawn by the corporation, using its own locomotive, steam or other power, and for the corporation to fix the intervals and sites of stopping places upon all lines constructed:

Minimum charge.

Provided that, with the exception of establishing such minimum charge, the general tenor and meaning of section thirty-two of the Principal Act shall remain in full force and effect, and no agreement entered into by the corporation prior to the passing hereof shall be affected hereby.

4. The conditions imposed under section one of the Principal Act shall be completed in accordance with the provisions specified therein within the term of two years from the twentieth day of December, one thousand eight hundred and ninety-eight, subject, however, to the Governor having the right by proclamation at any time before the twentieth day of December, one thousand nine hundred, to direct that in the public interest the entrance and channel described in section one of the Principal Act shall be formed to a depth of twenty feet at low tide in lieu of the channel described in such section one. And the corporation shall, within four years from the date of such proclamation, form the said entrance and channel to the said depth of twenty feet:

Increase of depth of channel to twenty feet.

5. Provided always that the sum of ten thousand pounds deposited by the corporation with the Colonial Treasurer on the twentieth day of December, one thousand eight hundred and ninety-seven, shall be retained by him as a security for the due completion of the work as in the Principal Act as amended or in the said proclamation appointed, notwithstanding anything in the proviso to section one of the Illawarra Harbour and Land Corporation Act Amendment Act of 1895, which proviso is hereby extended in conformity with this Act. Such deposit shall not be liable to forfeiture until the time herein or by the said proclamation appointed for the completion of the work. And should the entrance and channel be not formed as aforesaid, all harbour rights and

Proviso as regards deposit in Treasury.

Illawarra Harbour and Land Corporation Act Further Amendment.

and privileges acquired by the said corporation under the Principal Act, the Amending Act, and by this Act, may be declared null and void. And all reclaimed land shall revert to the Crown. And the said deposit of ten thousand pounds shall be liable to forfeiture: Provided
5 that section one of the Principal Act shall be read and construed as if the term mentioned in such section had been ten years from the commencement of the said Principal Act instead of seven years as therein mentioned.

5. This Act may for all purposes be cited as the "Illawarra Short title.
10 Harbour and Land Corporation Act Further Amendment Act of 1898," and shall be deemed to be incorporated with and construed as part of the said Illawarra Harbour and Land Corporation Act of 1890, which Act is hereinbefore called the Principal Act, and of the said Illawarra Harbour and Land Corporation Act Amendment Act of 1895.

