

only bring the coal down direct to the ships' berths at the wharves, but would secure a highly remunerative return freight in goods and passengers to the up-river gold fields. They have been similarly deterred from opening the coal reserve on the South side. Firstly, because of the lease to the Canterbury Company and its impossible conditions, and, secondly, because of the unfair competition of the Nelson Government. Latterly, and now that the reserve on the south side is open to disposal anew, and in the belief and hopes that the Government will assist and encourage public enterprise, they are making the attempt to develop the Grey Coal Field on a large and important scale, and with ample capital.

The objects they have in view are to obtain a lease of the Brunner mine from the Nelson Government, and a lease of the whole or a portion of the reserve on the south side; to construct an iron locomotive railway from Greymouth to the coal field, with probable extension up the river to the gold fields, and south to Hokitika to connect the two coal mines by a wire tramway or bridge across the river.

I may state that several meetings of the most influential residents have been held, and I am assured, that if proper facilities are afforded by the respective Governments, the necessary capital will be forthcoming. The nucleus of a company has been formed, and it is proposed to raise a capital of £60,000 with power to increase.

But the successful construction of the company depends entirely upon the encouragement which may be offered by the Governments at Nelson and Wellington. I may mention some of the considerations that would interfere with the obtaining of capital.

First, if the Government constructed a railway from the Brunner mine to Cobden, it would prevent private or public enterprise in the construction of a railway on the south side, as two lines could not possibly pay.

Second, if the Nelson Government should refuse to lease the Brunner mine except upon condition of making a railway to Cobden.

It is also exceedingly desirable that the Government should authorise the promoters of the company to prospect the coal reserve on the south side for a certain period, to enable them to put in trial shafts to ascertain the nature and direction of the seam. It is believed that the coal on this side can be worked much more easily than the trials hitherto made would show, and that, probably, the coal being deeper, would be more compact and valuable. A thorough examination would, however, entail a heavy expense which might be entirely lost. The promoters would, therefore, require authority to occupy the reserve for this purpose for a certain period, and some assurance of their being allowed a priority of the right of leasing should their examination justify them in undertaking to work the mine.

I have been requested, as the representative of the district, to bring the subject under the notice of the Government, and shall feel greatly obliged if the Government would state whether it is disposed to facilitate the object I have mentioned by using its influence to obtain an amalgamation of the two coal mines, as far as regards their administration, and by giving authority to the promoters of the company to test and prospect the Grey coal reserve, Westland.

I may mention that a proposition to this latter effect was submitted to and approved by the County Council of Westland; but that the administration of the reserve having been placed under the Governor, the County Chairman has stated his inability to move in the matter.

I am also desired to inform the Government that in the event of the Government being disposed to encourage the undertaking I have referred to, a deputation of the promoters will wait upon the Government at Wellington, and lay the matter more fully and completely before them.

In conclusion, I ought to state that the chief promoters of the Company are Messrs. Kilgour, and Perotti, of Greymouth, the proprietors of the Greymouth and Saltwater Tramway, and it was their application to test the coal reserve which the County Council recommended.

I have, &c.,

The Hon. Colonial Secretary, Wellington.

W. H. HARRISON, M.G.A.

No. 25.

Mr. BLACKETT to Mr. KNOWLES.

(Telegram).

Hokitika, 5th June, 1871.

I HAVE seen Mr. Harrison, and have informed him that we have recommended that the consideration of his letter of application affecting reserve should be postponed until our report is sent in.

John Knowles, Esq.,

JOHN BLACKETT.

Public Works Office, Wellington.

No. 26.

Messrs. KILGOUR and PEROTTI to the Hon. W. GISBORNE.

SIR,—

Greymouth, 5th June, 1871.

The favorable view expressed by the Government in your telegram, in answer to Mr. Harrison's letter on behalf of a committee embodying overtures for a proposition to form a company for efficiently working the coal mines at Brunner, on the Grey River, and constructing a railway thereto, from the Port of Greymouth, induces us, the undersigned, as members of such committee, and individually, as principal promoters of the scheme, to submit to the Government a proposal in a more definite form.

You will have perceived that the scheme of the proposed company, is to work the coal mines systematically, and on a large scale, in conjunction with a railway to be constructed, and we may here add that, in order to insure success to the undertaking, we are compelled to associate the two branches