

REPORT OF THE COMMISSIONERS.

To His Excellency the Right Honourable WILLIAM HILLIER, Earl of Onslow, of Onslow in the County of Salop; Viscount Cranley, of Cranley in the County of Surrey; Baron Onslow, of Onslow in the County of Salop, and of West Clandon in the County of Surrey; Baron Cranley, of Imbercourt; Baronet; Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George; Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, and Vice-Admiral of the same.

MAY IT PLEASE YOUR EXCELLENCY,—

On the receipt of your Excellency's Commission, on Monday, the 6th October, the Commissioners at once proceeded to Greymouth, arriving there on Wednesday evening, the 8th October, and on the following day commenced the performance of their duties. By public notification in the local papers all persons interested in the inquiry were invited to give notice to the Secretary if they desired to prefer evidence.

2. The Commissioners decided, after due consideration, that the inquiry should be conducted in private, each witness being examined alone. The preliminary examination of the coal-mines and of documents and plans, and the adoption of a scheme of procedure, occupied the Commissioners for three days; and on Monday, the 13th, the first sitting was held for the taking of evidence, in the office of the Harbour Board at Greymouth.

3. The Commissioners append hereto the minutes of their proceedings and a list of the witnesses, whose evidence was taken in full, and is also appended to this report.

The Commissioners also examined and perused the plans, documents, and accounts which are referred to by the witnesses, and which are enumerated in the appendix hereto.

INTERRUPTIONS AND CONCESSIONS ON ROYALTIES AND HAULAGE.

4. With regard to the main question submitted to us by your Excellency—namely, the correctness or otherwise of the representations which had been made that certain coal-mines cannot be worked with profit in view of the high charges to the lessees in respect of rents and royalties and for haulage of the coal to the Port of Greymouth—we have the honour to report as follows:—

5. That, after periods during which they were worked with more or less success as competitors, the mines at present open and those recently closed passed away, by successive transfers previous to August, 1888, from the original lessees, and were represented at that date by only two separate interests—namely, the Westport Coal Company and Messrs. Kennedy Brothers.

6. That at the date mentioned a limited liability company was formed, under the name of the Grey Valley Coal Company, by which these several interests were amalgamated in certain agreed proportions. The Union Steamship Company also at that time acquired an interest as shareholders in the newly-formed company, and an agreement was entered into under which, as stated by Mr. Kennedy, the Grey Valley Coal Company agreed to retain all its New Zealand freights for the Union Steamship Company, and the latter agreed to provide tonnage for the freight requirements of the former within the colony. Shipments to any port beyond New Zealand were, however, exempt from this agreement, as also was the coal required by the steamers of the Anchor Line. Since then the Grey Valley Coal Company has been the sole proprietor of working mines in the Grey Valley, and the sole shipper of coal from the Port of Greymouth.