

a considerable period, and then it was transferred to the Grey Valley Coal Company. The expenditure standing in their books is, I think, £120,000 on the Wallsend Mine. They have spent £70,000 or £80,000 in sinking a new shaft and supplying plant and machinery and other improvements, &c.

118. You now have an interest in it as a holder in the Grey Valley Company?—All these three interests were joined in 1888, under the style of the Grey Valley Coal Company, of which I was appointed managing director.

119. Is all the land held by the company leasehold?—Yes, with the exception of a small portion of the 147 acres of the Westport Coal Company's freehold, and upon which our shaft and plant stands.

120. When was this purchased?—I could not say, but it was since the Westport Company acquired the property. The fee-simple remains with the Westport Company, with the right by the Grey Valley Company to mine the coal, and it is occupied by the shaft and plant.

121. Do you know anything at all about the circumstances of the sale of that piece? Who was it sold by?—The Government, but I do not know by what department.

122. Do you know the condition of Rents and Royalties Account up to, say, last quarter?—In point of practice we pay all the reserve rents in advance, payment being made from the Dunedin office. I really made one payment yearly; that was generally on the 31st March.

123. *Mr. Moody.*] This is done in the Dunedin office now?—Yes.

124. *The Chairman.*] How did you manage about the royalties?—They were paid in the same way.

125. They must be paid on the coal?—Yes; on the 31st March at the end of each year. We ascertained what the royalties were, and from that royalty we deducted the dead-rent previously paid. I then sent a cheque for the remaining royalty and a separate cheque for advance rent for the succeeding year. Suppose we had no output, the rent was still payable; we had to pay all the same.

126. Are there any arrears due by the company?—No; there is nothing that would not be paid on demand.

127. In the case of transfers there were no arrears overlooked, or condoned, or anything of the sort?—No. The Brunner lease is the only one which has changed from one name to another.

128. How do you settle the railway and harbour charges?—They are paid weekly. The rate of 2s. per ton covers everything. The royalty is paid to a separate department, and the rail-age is paid weekly, as ascertained.

129. In paying this, whose weighing did you accept?—We took the railway weights, and we charged our clients on the weights so ascertained.

130. *Mr. Moody.*] Do you weigh as it goes out of the mine?—Yes; we weigh as between the miners and ourselves.

131. *The Chairman.*] Have you any method of keeping note of the output and amount of coal shipped, so that it would be possible to check the amount of coal actually lost?—Yes; that is all available. I can get that.

132. Do you know what goes for firebricks and coke?—We have it approximately. Account is taken and checked now and then, but we do not weigh it.

133. The balance goes to those places, except what is thrown into the river?—Yes.

134. *Mr. Moody.*] How much goes into the river?—Just at the period of the change in the mode of paying from net to gross weight there was more than usual. It happened to be winter time, and we had little or no demand here for slack.

135. Did you supply the coal merchants?—Yes.

136. Did they pay you a certain price for it?—We generally have to sell it at nominal prices.

137. And they get for it what they can?—Yes, I suppose so.

138. *Mr. Brown.*] Will you kindly look at that return marked C.—3, page 202. I refer to the amounts giving total output of the Brunner, Wallsend, and Coal-pit Heath. Are these figures, in your opinion, correct? You have in the Brunner 18,000 tons as a total and 5,000 tons slack, leaving 13,000 tons round coal?—I cannot say; I should have to compare them with the company's books.

139. What means have the Government of making up a statistical statement of that sort?—We are expected to keep a record of the whole of the coal put out of the mine, and we pay a royalty to the Government on the amount of coal sold. The figures are obtained this way.

140. Do you pay royalty on slack?—Only on the slack that is sold, not on slack put into the river.

TUESDAY, 14TH OCTOBER, 1890.

Mr. MARTIN KENNEDY'S evidence continued.

Mr. Kennedy put in copy of the special rules for the Grey Valley Company's mines (Exhibit No. 2).

141. *The Chairman.*] Can you give us a schedule of the freights charged by the Union Steamship Company to the various ports?—From Greymouth to Wellington, 7s. per ton; Greymouth to Lyttelton, 8s. per ton; Bluff, Timaru, and Oamaru, 9s. per ton; Picton and Manukau, 9s. 6d. per ton; Dunedin, 8s. 6d. per ton; Napier and Wanganui, 10s. per ton; Auckland, 12s. per ton; Gisborne, 13s. per ton.

142. Now as to the prices obtained at the different ports?—These fluctuate very much, but on an average the price for screened coal only in Wellington is £1; Lyttelton, Timaru, Oamaru, Dunedin, and Bluff, £1 1s.; also Wanganui, £1 1s.; unscreened coal, 2s. per ton less; and small coal 4s. less than unscreened. We have no trade at Manukau. I am only speaking now of where the coal is sold. At Wanganui it is used only for gas and railways.