

The Hon. the PREMIER to Messrs. LOMAS and NEWTON.

GENTLEMEN,—

Premier's Office, Wellington, 18th August, 1890.

With reference to your letter of last Saturday evening, and to your query as to how a Royal Commission can help the miners out of this difficulty, I have the honour to state that from the nature of the difficulty which has arisen the Government are unable directly to render assistance. All they can do is, by a full inquiry into the whole subject, to ascertain whether the amount levied for royalty and freight by them is excessive, which can only be done in the manner already indicated to you.

The Government propose to appoint a Royal Commission in consequence of your request that the State should remit 6d. per ton of the 2s. 6d. now paid to the Government in royalty, and for freight by railway from the mines to the harbour.

This, as I have informed you, the Government can only do with the sanction of Parliament, and that sanction cannot be asked without at the same time affording Parliament the fullest information as to the position of matters at the mines, and the causes which have led to the present deplorable difficulty.

As I understand the question from representations made by you and the statements of the company, the position is this:—

In March of this year the miners, being dissatisfied with their position, determined to alter the mode and rate of payment for getting coal. After some negotiations the company accepted the miners' terms as a trial. The new rate continued from March till June, when the company declined to continue the work on the new terms, alleging that they were losing at the rate of about £250 per week, and offering to permit the examination of their books by an expert appointed by the miners to ascertain the truth or otherwise of their statement. This examination took place, and I understand it is now admitted by you that the work cannot continue at the present rates without serious loss to the company. It is therefore proposed by the miners to reduce their price for getting the coal by 2d. per ton, and to ask the Government to remit 6d. in royalty on railway freight, making 8d. in all, at which rate it is thought the company will be willing to resume work on certain conditions. This proposal, as you will see, opens up two very large questions all over the colony—namely, railway freight and royalties.

It is impossible for the Government to touch either question without the fullest knowledge of all the circumstances of the case, and the Government know of no way of obtaining such information except by a full inquiry on the spot by a Royal Commission.

The Commission will therefore, if appointed, certainly, amongst other things, have to inquire into the amount of wages earned by the miners, as well as the profits made by the company, and the rates of freight paid by land and sea, &c.

The Government have no intention in any way to interfere between the company and the miners, and they have only proposed to inquire into the matter when, as trustees of public property, they have been asked by yourselves, as representing the miners, to forego certain revenue belonging to the public. This, as I have said, it is impossible for them to do without strong reasons being shown to Parliament which would justify such action.

I have, &c.,

Messrs. Lomas and Newton, Wellington.

H. A. ATKINSON.

The MANAGING DIRECTOR, Grey Valley Coal Company, to the Hon. the PREMIER.

Wellington, 30th August, 1890.

SIR,—

*Royalty, Brunner Coal Lease.*

I have the honour to bring under your notice that, under the provisions of this lease, the royalty for the first twenty-one years is fixed at 6d. per ton, and for a further forty-two years at 1s. per ton: the first period expires on the 31st December, 1894, and I respectfully submit that there is no prospect of the company being able to pay the increased royalty when the time arrives. I bring this under your notice now for the following reasons:—

1. As there is a probability of some legislation taking place on the question of royalty and railage affecting the Greymouth mines, it appears to me the most fitting time to ask that the whole subject may be reviewed.

2. The prospect of the company being able to work the mines advantageously, even at the reduced railage or royalty as suggested, is not assured. This has been brought about by the labour difficulty, and the numerous faults and inferior character of the coal met with over a large area of the field already opened up.

3. Since the formation of this company, two years ago, the collieries being then fairly well equipped with machinery and plant, we have spent upwards of £11,000 in proving faults and supplementing the machinery and plant, and it is no exaggeration to assume a similar proportion of expenditure must be continued if these mines are to be kept open and comply with the output conditions of the leases; and with the knowledge of the 6d. increase within four years there is no prospect or encouragement to the company to continue so large an outlay: for instance, to work the best portion of the Brunner lease, say 500 acres remaining untouched, it becomes necessary to provide pumping-power, either electricity or compressed air, as the circumstances, by reason of the numerous faults met with, render steam impracticable for the purpose. We have now the electric power in Wellington. The first instalment only is a trial. This has cost £2,000, and probably another £1,000 before completed; and we are standing at another fault in the mine—the cost to “prove” is estimated at £6,000. I therefore submit it is the interest of all concerned to offer the company encouragement to continue their efforts to keep these mines in an efficient working condition, otherwise there will be no alternative but liquidating, even at the loss of the present plant on the collieries, or so much of it as cannot be removed and sold.