48. That a royalty of 6d. per ton is a common rate over the whole of the West Coast, as well as elsewhere, and the opening-up of other coal-areas in the same district is being proceeded with by other lessees, who would have as much ground for a concession as the present lessees have, and who would no doubt also press for similar and perhaps greater concessions.

49. That it has been represented in evidence by Mr. Wilson, engineer and manager of the Midland Railway Company, that, in negotiating with the Government, the revenues derivable from coal areas and leases lying within the area of lands reserved for that company were taken into account in determining the conditions on which the company entered upon the contract to construct the line, and that it would be somewhat in the nature of a breach of faith if the Government reduced the royalties to the Crown lessees, and so gave to them an advantage over lessees mining in the Midland Railway Company's lands, which would tend to practically diminish the revenues which that company was led by Government to anticipate, and that on this ground Mr. Wilson protests against the concession of royalty or railage to the Grey Valley Coal Company referred to in this report as unfair to the Midland Railway Company.

50. That the railage of 2s. per ton is also, in our opinion, a reasonable one, and, indeed, moderate, when it is considered that it includes haulage by horses from the mines across the Brunner Bridge, wagon by wagon; haulage for over seven miles from Brunner to Greymouth; storage in the trucks till delivered; and finally delivery on board ship by hydraulic cranes, which lift the railway-wagons into the hold to be there emptied.

51. That the railway work undertaken is therefore much greater than in other parts of the colony, where the duties of the Railway Commissioners as carriers cease as soon as the trucks are brought to their destination, and, although paying as much railage, the consignees have the onus and expense of discharging them.

52. That the plant necessary to complete this extra work is necessarily costly, involving for storage, for which no demurrage rate is levied, 257 trucks of a capacity of 6 tons each, with their maintenance, and that of wharves, cranes, &c.

53. That the railway net revenues, which are principally derived from haulage of coal, are by "The Greymouth Harbour Act, 1884," constituted part of the revenues of the Greymouth Harbour Board, and a special security, on which the Board has exercised, to the full extent of £150,000, the borrowing-powers conferred upon it.

54. That other coal areas in the same district are about to be opened up on the output of which the same royalties are provided for, and the railage involved will be in proportion to those at present charged, the relative distance being considered.

55. That, as those other mines are opened up, increased accommodation and appliances will be required to overtake the traffic, the funds to provide which must be found by the Harbour Board out of the above revenue.

56. That the Commissioners, for the foregoing reasons, cannot recommend that any concession should be made either in respect of the royalties or haulage-charges at present levied.

Interruptions.

The Commissioners have the honour also to report—

57. That they have not learned from the evidence of any general stoppage of the mines worked by the Grey Valley Coal Company since its formation, except what has arisen from the disputes between the company and the miners already referred to, and from which arose a lock-out, which took place on the 19th July and terminated on the 30th August of this year, and the subsequent strike, which lasted from the 20th September till the 3rd November, the salient points of which have been given above.

58. That there have, however, been periods when partial interruptions have taken place, or when the output has been more or less intermittent, and these have arisen from causes otherwise herein referred to.