

158. That in a footnote attached thereto it appears that the above sum on which this interest was calculated did not include £127,234 expended on harbour-works by the Government out of Public Works Fund, nor any expenditure by the Greymouth Harbour Board.

159. That the omission of large sums which should have been included in the cost of the railway gives a misleading result in the rate of return assumed to be derived from the traffic, and that the above net revenue, if calculated on a cost of £243,000, as already shown, would give the reduced percentage of £5 8s. 6d.

160. That it is, however, certain that the railway traffic, largely dependent as it is on the coal industry, would not have attained its present magnitude without the construction, at great cost, of harbour-works to give facilities for a large export trade, and so connect the line with ocean traffic.

161. That, in view of the fact, to be afterwards explained, that the colonial funds and credit have to a large extent been utilised to provide funds both for rail and harbour, and that none of the revenues derivable from either are available as colonial revenue, it would, in our opinion, give a better estimate of the position to calculate the revenues from both as the return from the cost of the railway

....	....	....	....	....	....	....	£243,000
Plus the cost of harbour-works	....	....	....	....	....	....	279,000

£522,000

162. That from a return compiled by Mr. C. Y. O'Connor, Marine Engineer, and which appears in the appendix, the Commissioners learn that the net revenues of the Greymouth Harbour Board, which include the earnings of the railway, were to 31st March—

1886-87 ....	....	£12,867, yielding on £522,000	£2 9s. 3½d. per cent.
1887-88 ....	....	£14,606	" £2 16s. 0d. "
1888-89 ....	....	£9,470	" £1 16s. 2½d. "

163. That, having regard to the fact that the Greymouth Harbour Board has borrowed £150,000, at an annual cost of £7,900 for interest and sinking fund payable out of the revenues of the Board as a first charge, the above annual figures may be regarded as reduced by that sum in estimating the yearly return on the original cost, and the capital amount of £522,000 as reduced to £372,000. Thus,—

1886-87....	....	£12,867 — £7,900 = £4,967, yielding per cent.	£1 6s. 8½d.
1887-88....	....	£14,606 — £7,900 = £6,706,	" £1 16s. 0½d.
1888-89....	....	£9,470 — £7,900 = £1,570,	" £0 8s. 5½d.

164. That, whilst these figures are sufficiently interesting as a computation of returns, it will be afterwards explained that none of these returns are included in the colonial revenues as a return from colonial expenditure.

165. That the only revenues from the Port of Greymouth which benefit the colonial funds are those derivable from the Customs duties and those levied as general taxation.

166. That the Commissioners are of opinion that the assumed profits derived from the Brunner Railway have been regarded by some as showing that the rates levied under its tariff are too high, and that if the royalties could not be reduced a considerable concession could at least be made on the railway charges.

167. That the above aspect of the railway revenue may be disputed on the ground that it is not usual to combine the cost of a railway to any port with the cost of the harbour-works at that port, nor to mix up the respective revenues from each; and this may be conceded: but an examination of the financial position of the Harbour Board leads us to adopt the view as inevitable under the exceptional nature of the Board's endowments.

168. That, before closing our report under the heading of costs, we may allude to the interests that are involved in the main industry of the port, and utilising the facilities afforded by it. These may thus be summarised:—

169. That the Coal-pit Heath Mine, originally held and worked by Mr. Taylor, was purchased from him by the Westport Coal Company.