

226. These amounts, then, were expended by the Harbour Board, and the works handed over to the railway?—Yes.

227. But were they expended out of public works loan-money or out of the Greymouth Harbour loan?—Out of the Greymouth loan.

228. Seeing that the harbour-works are essentially for the working of the railways, what in your opinion should be taken as the basis on which the traffic returns are computed, in comparing these particular traffic returns with those of other railways in the colony? How far should the harbour-works be included?—This is a little difficult to answer, but I think they should not be included, as in other parts of the colony harbour-works have been considered as special things. On the Greymouth Harbour Act being passed, all the past expenditure was practically given over to the locality. The Government had already constructed a railway out of public works loan-money; then by the passing of a special Act all the profits of that railway passed away from the Government to the local body.

229. The whole system was altered by that Act?—Yes.

230. *The Chairman.*] How much has been raised by special loan by the Board?—£150,000.

231. Then there remains the fact that, out of this £150,000 special loan, £20,000 was expended by the Harbour Board for rolling-stock, and £17,000 for cranes and accumulators, and now the railway has control of these two items?—Yes. Besides this £150,000 there has been also spent a sum out of the profits of the railway. The total amount spent out of railway and harbour revenue since the commencement of the Harbour Boards in 1885 is £49,700. Then there is about £6,000 advanced by the Government, which is still owing by the Board. That is the whole expenditure of the Board. The balance of the expenditure has been entirely by the Government.

232. Has it been voted by the House out of public works loan?—Yes, I suppose so. The balance is £329,000.

233. In your opinion, now, the capital value upon which traffic returns should be reckoned is £243,000?—That, in my opinion, is the capital value of the railway from Brunnerton to the port used by the collieries for their purposes; and that, besides this, there is a large expenditure on harbour-works upon which no direct revenue is derivable or being collected. I am not prepared to say whether this should be included in the capital value on which the traffic returns are calculated.

234. Are you aware whether any statutory provision has ever been made providing for payment of interest on that Harbour Board expenditure?—The only special provision is that in clause 12 of "The Greymouth Harbour Board Act, 1884," which provides for a special rate of 3d. per ton to be paid by the shippers as soon as £100,000 has been expended upon the works.

235. When was the amount of £100,000 expended?—At the date of the passing of the Act £113,000 had been expended.

236. Has this 3d. per ton been regularly collected?—It has never been collected.

237. *Mr. Brown.*] Do you think it may have been collected in the 2s. 6d. royalty and haulage charges?—No.

238. Have you ever called attention to this circumstance, or has there been any correspondence about it?—I have mentioned in reports that it might be collected or imposed.

239. To whom?—To the Engineer-in-Chief, I think.

240. Was there any reply made to it?—No; it is a matter for the Government to decide. I considered that I had done all that was necessary in mentioning the matter and calling attention to it.

241. There was no action taken by the Government?—Not that I am aware of. They could not impose the rate except through the local Board.

242. *The Chairman.*] Now, with reference to the revenues, how is the 2s. 6d. per ton on coal arrived at?—When the lease was granted, 2s. for freight and 6d. for royalty was fixed. The 2s. covers the railage, crannage, &c., and delivery to ships. Up to the 31st March, 1889, the railway received a revenue of £27,234, and expended £14,000.

243. What does that £27,234 include?—It includes the freight on coal under the rates specified in the coal leases, and charges for use of wharf.

244. Then, this revenue, so far as it arises from coal, is made up from the 2s. per ton freights?—Yes.

245. Does that 2s. include the statutory 3d. per ton special rate?—I am pretty sure it does not.

246. Can you give us any information about the Harbour Board revenue that has arisen?—I put in the balance-sheets of the Greymouth Harbour Board for the years 1885, 1886, 1887, 1888, and 1889? [Exhibit No. 3.]

247. Can you say anything of before 1885 about the revenue?—I will compile a statement from the Working Railways returns from the date of the opening of the railway.

248. You cannot say at all what charges were collected before the opening of the railway?—No. I do not think there were any at all before 1876.

249. Now, will you give us the figures showing the revenue of the Harbour Board?—During the year 1885 the revenue of the Harbour Board from the Greymouth Railway and Wharf was £10,156, and from the coal reserves it was £2,244. That is £12,400 gross receipts.

250. What do the Railway Commissioners get?—They get nothing—only enough to pay expenses. They deduct the expenses from the revenue.

251. All this railage comes into your hands ultimately?—Yes; all that is not expended. With reference to the Harbour Board revenue, the Board really receives the whole of the revenue arising from the railway and harbour-works, less the cost of working and the royalty, under clause 7 of "The Greymouth Harbour Board Act, 1884." The Commissioners hand over everything they make to the Harbour Board.

252. Will you give us the amounts received by the Harbour Board from all sources since 1885?—In 1885, £12,401; 1886, £12,501; 1887, £16,829; 1888, £10,261; 1889, £15,389.