

four cargoes by large steamers per year, and that would be by the return tea and rice ships that come down.

3691. Are you aware that constructing-powers for the railway have been granted to the Coal Creek Company, and that it has been gazetted, with the rates of haulage, demurrage, &c.?—The Working Railways Department has nothing to do with construction; that belongs to the Public Works Department. But so far as the railway rates are concerned, the Railway Commissioners in October, 1889, in response to the Hon. the Minister for Public Works, furnished a schedule of maximum rates to be allowed to be levied on the Point Elizabeth Railway by the company. In July, 1890, the Public Works Department forwarded for the consideration of the Railway Commissioners a copy of the schedule of the maximum rates which the Cobden Railway and Coal Company proposed to levy on their railway. In reply it was pointed out that, as the Point Elizabeth and the Cobden Railways were practically the same line under different names, the Commissioners had nothing to add to the schedule of rates and charges recommended in the first instance in October, 1889. The schedule notified in the *New Zealand Gazette*, No. 44, 14th August, 1890, is, with one or two minor alterations, identical with that recommended by the Commissioners, and differs from that of the schedule proposed by or on behalf of the Cobden Railway and Coal Company in having fewer charges and a lower maximum in some classes.

3692. The particular point to which exception was taken was the charge for demurrage. The scale of demurrage charges seemed to be unsatisfactory, and in some way it would probably be unnecessarily unsatisfactory to the Coal Creek Company if they undertook the haulage of coal over their line for the Point Elizabeth Company, which is beyond their property?—I may remark to the Commission that demurrage is a very necessary provision, for this reason: that there is a great tendency on the part of coal-mine proprietors to use the wagons as storage.

3693. Can you give any explanation to the Commissioners of the anomalous position of the Wallsend leases, as it appears since the railway was opened the royalty has there ceased to be collected, or has been collected by the Railway Commissioners instead of by the Crown Lands Department?—It has not been collected by the Railway Commissioners, and, as I read the lease, it was not intended to be collected by any one. If you turn to Parliamentary Paper C.—3, Session II., 1884, Lease of Wallsend Coal-mine, you will find that on page 2 it is stated that 6d. per ton royalty is to be charged until the railway is completed. After completion a royalty of 2s. 6d. per ton for every ton which could be and is not carried by the railway is to be levied.

3694. You are not aware why the 6d. royalty was conceded? Do you consider the Wallsend Mine at the present time does not pay royalty?—It never has.

3695. Has any application been made by the Midland Railway about the proposal to take over the management or administration of the Greymouth-Brunner Railway?—Yes.

3696. *Mr. Moody.*] Your section of the railway from Brunnerton to Greymouth?—Not to the Railway Commissioners; but I understand some proposition has been made to the Government to that effect, and it was forwarded to the Commissioners for an expression of opinion, and we gave a very decided adverse decision upon it.

3697. *The Chairman.*] Do you remember what the terms were?—They were not divulged to us. It was simply put to us whether we thought it would be wise as a matter of policy, and we distinctly stated we thought it would not, on various grounds, such as, that it would carry with it the control of one of the principal harbours of the colony, that it would give a private company an undue preference in the matter of other coal companies that would develop the coal measures in the valley, and altogether we very strongly and very decidedly advised the Government not to entertain any such proposition.

3698. Will you supply us with a copy of your report in the matter?—Yes.

3699. Has any communication been made to the Railway Commissioners as to the course of action they will take when the Blackball coal-mining area comes to be developed?—No. We are aware that a lease has been issued, and I understand the mine is of a promising character; but we have no official communication from any one on the subject.

3700. It belongs to the Midland Railway Company?—There are terms arranged between the Midland Railway Company and the Commissioners as to running along the line generally, including everything.

3701. What are those terms?—They are set forth in Supplement to the *New Zealand Gazette* No. 40, 26th June, 1889, and are practically the regulations in force on the Government railways, with such modifications as are necessary for interchange of traffic. [Copy of *Gazette* herewith].

3702. The storage question has been a matter brought before the Commissioners a good deal. It has been proposed to store in several ways. One plan is by staiths such as are at Westport, but made not only delivery staiths, but larger-sized continuous staiths to hold coal; another, to provide more trucks and extra sidings that the trucks can stand on full; a third proposal is to make bins on the wharf, into which the coal can be discharged when there are no vessels in, and from which the coal could be discharged back again into the trucks, which could then be run in below the bins to be loaded in the ordinary way; while a fourth plan suggested is, instead of providing more trucks, to put on more hoppers, thereby reducing the cost, and to have a stage on which these full hoppers could remain, so as to keep a supply of coal in store waiting the arrival of vessels. All this would involve more or less additional work to the Railway Department; and that has been computed at about 4d. on the ton for the different handlings. How would you think it probable that the Railway Commissioners would deal with that? Would they undertake to do that without making any extra charge?—I think not.

3703. On whom do you think that charge should fall?—Certainly on those to whom the service was rendered.

3704. Then the charge would be made to those who had the coal stored?—Yes.

3705. Would it be a charge taking the form of demurrage?—It would be demurrage if the