I enclose one of your lithographed plans showing boundary of the railway reserve, the land reclaimed by the General Government, and the permanent arrangement of lines and siding south of Rattray Street.

Trusting your Board will give the matter its best consideration at the earliest convenience,

I have, &c., W. N. BLAIR,

John L. Gillies, Esq., Secretary, Otago Harbour Board.

District Engineer.

Enclosure 2 in No. 27.

REPORT.

Upon consideration of Mr. Blair's letter of 10th August, containing a clause to alter the plan for dealing with the Board's reserve between Rattray Street and Jetty Street, which has already been sanctioned by the Government and by the Harbour Board, the Committee recommend that the Board decline now to alter the plan, and that the Secretary be instructed to communicate to the Hon. Commissioner of Customs a résumé of the negotiations in this matter, so that the claim put forward by Mr. Blair may be withdrawn. JAMES RATTRAY,

Chairman.

No. 28.

The CHAIRMAN, Otago Harbour Board, to the Hon. the Commissioner of Customs.

Otago Harbour Board Office, Dunedin, 17th August, 1877. I have the honor, in accordance with the instructions of the Board, to forward a résumé of SIR.the negotiations of the Board with the Government in the matter of the reclaimed land lying between Rattray Street and Jetty Street. I also attach a copy of letter received from Mr. Blair, District Engineer, containing certain proposals at variance with your telegram of 22nd June conveying the Government's decision, and on what the Board has proceeded to take the action it has done. If the Board is deprived of its frontage to Rattray Street the remainder of the land will be seriously deteriorated in value, and the heavy traffic to Rattray Street Wharf greatly interfered with. The Board has reason to believe that other arrangements as efficient for the railway service could be made, and

has reason to believe that other arrangements as emicient for the railway service could be made, and so as not to interfere so much with this portion of the Board's property.

The Board trust that the Government will, on review of the whole circumstances, refrain from hindering the leasing of this the first portion of the Board's endowment that it has been able to get into the market, and for which it paid some £13,000 to the late Provincial Government, on the good faith of being able profitably to do so. The Board confidently relies upon having your support in seeing justice being done to it in this matter. I forward copies of plans, and of Board's resolution on I have, &c., the subject.

The Hon. the Commissioner of Customs, Wellington.

JOHN L. GILLIES.

Enclosure 1 in No. 28.

The DISTRICT ENGINEER, Dunedin, to the SECRETARY, Otago Harbour Board.

Public Works Office, Dunedin, 10th August, 1877. SIR,-I have the honor, by direction of the Hon. the Minister for Public Works, to direct your attention to the plan of the land between Rattray and Jetty Streets now to be leased by the Harbour Board. According to that plan, it is proposed to lease a large triangular piece at the corner of Rattray and Crawford Streets, now occupied by the railway works, and which will be required for railway purposes while the station remains where it is. The land referred to is within the boundary of the railway reserve as originally determined between the Government and the Harbour Board, and most of it was reclaimed by this department.

The Minister for Public Works authorizes me to state that no arrangement can be entered into which will interfere with the railway station. I enclose one of your lithographed plans, showing boundary of the railway reserve, the land reclaimed by the General Government, and the permanent arrangement of lines and sidings south of Rattray Street.

Trusting your Board will give this matter its best consideration at the earliest convenience,

I have, &c., W. N. Blair,

John L. Gillies, Esq., Secretary, Otago Harbour Board.

District Engineer.

Enclosure 2 in No. 28.

RESUME OF NEGOTIATIONS.

EXTRACTS from Minutes of Reserves Committee:

17th August, 1876.—" Upon consideration of Mr. Blair's letter of the 10th August, containing a claim to alter the plan for dealing with the Board's reserve between Rattray Street and Jetty Street. which has already been sanctioned by the Government and by the Harbour Board, this Committee recommend that the Board decline now to alter the plan, and that the Secretary be instructed to communicate to the Hon. the Commissioner of Customs a résumé of negotiations on this matter, so that the claim put forward by Mr. Blair may be withdrawn." On the motion of Mr. Rattray, the report was adopted, Mr. Fish alone dissenting.