

392. *Hon. Mr. Ballance.*] If the Harbour Board took over No. 5 shed, Mr. Maxwell, would the Railway Department have any objection to affording access to it?—I imagine we should be bound to afford access to it, but I cannot say we have considered the question upon what terms. If we are to earn interest on the capital invested in the railways, as we are supposed to do, we must take steps to derive revenue from some source or another.

393. That is to say, you would not be prepared to hand over No. 5 shed without compensation, or the right to make charges?—We have the right to make charges. I am speaking without premeditation. I cannot speak definitely without discussing the matter with my colleagues. At present I should not like to give a strong opinion on the matter.

394. You are not prepared to say you would afford free access to the shed?—We are bound to afford access, but upon what terms I cannot say.

395. With regard to the cost of compensation, you have offered £3,300 for the Gladstone Sheds in connection with the £500 a year rental for No. 5 shed. Do you admit any claim on the Commissioners to pay compensation for the Gladstone Sheds?—I have practically admitted it in answer to a question put by Mr. Williams—that if the Railway Department initiated the scheme of moving the shed I think we were bound to pay it. I was previously under the impression the Harbour Board originated the scheme.

396. Do you recognise £3,300 as a fair amount of compensation?—I recognise as fair compensation whatever amount the Harbour Board produces vouchers for.

397. You have made an offer of £3,300 on condition that the rent of No. 5 shed is reduced to £500 a year?—I think we should have to pay the claim of the Board in respect of the Gladstone Sheds on the production of vouchers.

398. With regard to No. 5 shed, you say the best plan would be to take the shed by Proclamation and pay £10,000?—Yes.

399. Do you think £10,000 a fair amount?—I think it is the full amount the Board is entitled to.

400. You have heard Mr. Williams say the cost of reclamation and so forth was £20,400. How do you compute, then, that the shed is only worth £10,000?—The Board built the wharf and breastwork, which has rails laid down on it, and goods may be carried from any part of the yard to that place; therefore I consider the wharf part of it does not concern the Railway Department. I think we should only pay compensation for strengthening the breastwork, necessary to enable portion of the shed to be built upon it, and pay them what the shed really cost, and for what it stands upon—its foundations, in fact—and I estimated the cost of that roughly at £10,000.

401. Do you admit the right to pay compensation for land necessary for the shed?—The Lyttelton Harbour Land Act says you shall not pay compensation for the land. However, it does not say that you shall not pay compensation for the buildings; and in taking an estimate as to the compensation for the buildings, I do not see how you can exclude valuing what the buildings stand upon—i.e., the foundations in this case.

402. Then what would be your limit? Would you only take in in your estimate what the shed actually stands upon, or would you include any of the land around it?—Only what the shed actually stands upon.

404. Would it not be worthless without the surrounding reclamation?—Government have spent a large sum of money on the surrounding reclamation and rails leading to the shed—some £8,000.

405. Would you be prepared to submit to arbitration the cost of the shed and the liability in connection therewith?—I think we ought to be able to agree with the Board as to what the cost of the shed would be.

406. Supposing you were not able to agree, would you be prepared to submit the question to arbitration?—For one, I think I should. I cannot speak for my colleagues.

407. You think it would be advisable, from a railway point of view, for the Commissioners to retain possession of the shed?—Yes, I do.

408. Strongly so?—Yes.

409. You are not prepared to afford access without the right to make charges?—I think not. There is a simple way of settling the case—that is to take the shed by Proclamation, and go into the Compensation Court in a friendly way to decide the valuation, and then you would get the thing fairly treated. I believe that is the conclusion the Hon Mr. Reynolds arrived at. The conclusion he came to was that the shed should be taken by Proclamation, and that we should go into the Compensation Court to have the valuation settled there.

410. You said the Board was endowed with a revenue of £28,000?—I explained that I did not think the Board had that amount when it was first started in 1877. I believe that was their revenue in the financial year of 1880–81. That is what the railway collected for the Board.

411. That was in the nature of wharfage dues and rents?—Wharfages, not rents.

412. With regard to 1877?—I have no information about that. It is not so much, I believe, now, because the Board has reduced the wharfages very largely.

*Hon. Mr. Peacock:* I would like to make a remark with reference to the statement made by Mr. Maxwell as to there being no land outside the store except what the Government rails stood upon. My contention is that when we made that bargain with Government, they were absolutely to have that shed ultimately, and pay us for it. I wanted to ask the Committee whether they think the Board would have built that shed on that land without access unless they had the positive assurance from Government that they would take over the shed. The shed would have been of no use to us without access to it. Mr. Ballance was asking about referring the matter to arbitration. If the Committee is going to decide that the matter be left to arbitration, they will have to state some basis of arbitration. The shed cannot be valued if there be no access to it. We would be put in a false position. If the store were left in our hands without access to it, it would be valueless. It is a question of taking the thing off our hands altogether. I hope the Committee would not allow anything to be done that would be prejudicial to our interests.