

have no difficulty in coming to a decision in the matter. The present time is a most inopportune one to attempt to lease the shed to private firms, and, on the other hand, the Government are in the best possible position to use it to the greatest advantage, more especially if they largely reduced the present almost prohibitive storage-rates, so as to insure the shed being used to a greater extent for storage purposes than it has been in the past.

Chairman's Remarks at Board Meeting on 31st July, re Grain-export Shed.

The Chairman said that, had the Board been dealing with a private firm in regard to the letting of the grain-export shed, it would have protected itself by a lease. This had not been done with the Government, as it was represented that the Government was dependent on annual appropriations for its funds. He considered, however, that the attempt to avoid paying the rent was practically a breach of faith, and that the Board should adhere to its original determination. There was no reason, he held, to lower the rent because there was a temporary diminution in the trade. He had no doubt that ere long the shed would be as busy as ever.

Mr. Turner pointed out that the Board could have got very large rentals from merchants for the frontage occupied by the building, and that they had been strongly urged to let the shed to the Government in order to deliver the Government from a very difficult position. Under the circumstances, he thought it was extremely ungenerous of the Government to seek to withdraw from their engagement now.

The Chairman said that in considering the matter it would be as well to remember that the Government paid no rent whatever for the sheds on the Gladstone Pier, which had been erected by the Provincial Government, but had been removed by the Board to a site constructed by them at great expense. If the Government would not pay the rent for the grain-export shed it might be worth considering whether they should not be made to pay for the use of the other sheds.

Mr. C. W. Turner suggested that the matter should be referred to a committee. It might be advisable to consider whether the Board should not take over the whole of their own property and work it themselves. The Board should not submit to the treatment they had received from the General Manager of Railways.

The correspondence on the matter was then referred to the Finance Committee to report.—*Lyttelton Times.*

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No. 14.

SIR,—

Lyttelton Harbour Board Office, Christchurch, 4th August, 1885.

I have the honour to acknowledge the receipt of the 11th ultimo, in reference to the grain-export shed at Lyttelton, which is at present let to the Government at a rental of £2,000 a year.

Having in mind the numerous important considerations which were involved when the question was previously settled, the Board think it desirable that they should refrain from giving a decisive answer, and would prefer to await an opportunity of discussing the question with yourself and Mr. Maxwell, the General Manager of Railways.

It is doubtless still in your recollection, as you were Chairman of this Board at the time this shed was let to the Government, that it was entirely out of consideration to the views of the Government that the Harbour Board altered their determination for leasing this shed-site to private firms, the Government having, through Mr. Maxwell, indicated "That the 'rapid loading' of ships and economical working of the station would not best be served by placing the proposed sheds in private hands, and the Government cannot but dissent with any proposal to deal thus with them."

I have, &c.,

EDWARD G. WRIGHT,
Chairman, Lyttelton Harbour Board.

The Hon. the Minister for Public Works, Wellington.

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No. 15.—OPINION *re* GRAIN-EXPORT SHED LEASED TO THE GOVERNMENT. (NOTICE TO BE GIVEN.)

From the accompanying papers, which I have perused, it appears that on the 1st April, 1881, the Board wrote offering to erect the shed and to lease it to the Government for the sum of £2,000 per annum, and on the 16th May the Secretary for Railways wrote, by direction of the Hon. the Minister for Public Works, stating that the Government was prepared to accept the offer of the shed at the proposed rental of £2,000 per annum; and on the 3rd March, 1882, the Board gave the Government notice that the shed will be completed on the 8th instant, when they would be prepared to hand it over in accordance with the terms and conditions of the Board's letter of the 1st April. The Government reply by telegram on the 17th March that they "will take over the shed on certificate of the Railway Engineer that it is complete, excepting concrete floor," and that such inspection would be held at once. I understand that such inspection was made and the shed taken possession of by the Government on the 5th April, 1882, and, in accordance with a subsequent request of the Government, an account for rent was, for their convenience, rendered quarterly. That the Government have continued in possession to the present time, and they now want to relinquish possession. There being no lease and no term stated in the above letters, the tenancy created was, in my opinion, a yearly tenancy, which can only be determined by a half-year's notice before the end of the current year in which such notice is given—that is to say, that such notice in this case must be given at least half a year prior to the 5th April in any year, on which date only the tenancy can be determined; and, if the Government wish to determine the tenancy on the 5th April, 1886, they must give a proper notice of half a year (183 days) at least before the date.

8th August, 1885.

HENRY N. NALDER.