

95. *Mr. Turnbull.*] That is what you pay on the average per annum?—Yes.

96. What is the capacity of one of the Board's two sheds Nos. 1 and 2, and the quantity of grain passed through them?—The two sheds will carry about 83,000 sacks—that is, 8,000 tons.

97. Would they be filled more than three months?—Yes; we estimate they would be filled for six months.

98. *Mr. Valentine.*] You said that Government did not make the shed pay as well as you think it could be made to pay, owing to the high rates they charged?—Because the rates of other sheds in Lyttelton were lower, and they had therefore the first call on storage.

99. Government?—No; private stores.

100. You think if they lowered the rates they could make the thing pay much better?—Yes. That matter was brought before the House by Mr. Allwright in 1885. On the 9th September, 1885, replying to Mr. Allwright, if the Minister for Public Works' attention had been called to the prohibitory rates charged for storage at the railway-sheds, Lyttelton, and, if so, will he take into consideration the advisability of reducing the same, the Hon. E. Richardson said steps were being taken in the direction referred to.

101. Were they ever altered?—No; I believe not.

102. *Hon. Mr. Larnach.*] What was the total amount of the Board's claim against the Government for these different leases?—£3,300 for the Gladstone Sheds, £2,000 a year rent on No. 5 shed, which represented 7 per cent. on £28,600.

103. And when was the £3,300 supposed to be due?—Well, when Government raised the question of title in connection with the Gladstone Sheds.

104. It was due some time past?—Yes.

105. And the interest on that?—The interest on it would date really from the time the sheds were erected.

106. The total amount in dispute is something over £30,000?—Over £31,000.

107. If that claim had been recognised, when was that due?—When the Government were in a position to pay it.

108. To bear interest meanwhile?—In one case it was; in the other case it was not.

109. From the Board's view of the matter?—Undoubtedly it should bear interest from the date the Gladstone Sheds were erected.

110. *Hon. Mr. Ballance.*] When did you first raise the claim for the Gladstone Sheds?—In 1885, I think. It is shown in the correspondence. On looking at the correspondence I see it was in December, 1886.

111. What caused you to raise the claim at that particular time?—The Hon. Mr. Peacock was Chairman of the Board, and he raised the question in Wellington.

112. Do you know the reason why he raised it then?—The question of the Board's title was not satisfactory to the Board.

113. You knew that before?—Not till then. Government had undertaken to vest these sites in the Board, and, that not being done, the Board made this claim in respect of the sheds.

114. In order to force the Government to grant the title, you requested them to pay for the sheds: the object was to get the title?—Yes.

115. *Mr. Perceval.*] In the event of the sheds falling into your hands, would you be able to work them at a profit?—Yes, undoubtedly.

116. With proper railway facilities, assuming the railway gave you the ordinary facilities?—With ordinary facilities, yes.

117. What rate of interest on £28,000 do you think you could make?—It is impossible really to say.

118. Do you think you could make £2,000 a year?—No, I do not.

119. Do you think you could make £1,500?—Possibly.

120. And if Government gave you a title to the Gladstone Shed would you then be prepared to abandon your claim of £3,000—if they vested that shed in the Harbour Board?—I take it the Harbour Board would have no alternative.

121. *Hon. Sir J. Hall.*] With regard to the third claim in the Harbour Board's petition, which has not been mentioned yet, as to the transfer of the grain-agencies, has the Harbour Board paid for this transfer from the Grain Agency Company?—Yes; they paid them in 1886.

122. Have they made distinct application to the Government to sanction the assignment?—Yes.

123. *Hon. Sir H. A. Atkinson.*] When?—On the 22nd July, 1887.

124. *Hon. Sir J. Hall.*] And Government refused?—Government made no reply.

125. Is there any objection raised?—Prior to the 22nd July, 1887, the Law Officers of the Crown objected, for certain reasons, to advise the Minister to sign the assignment.

126. What were the reasons?—Might I read a letter on the subject from the Chairman of the Harbour Board, Mr. P. Cunningham, to the Minister for Public Works? It is dated the 22nd July, 1887, and is as follows: "I have the honour to acknowledge the receipt of your letter of the 9th instant, in which you state that, in consequence of the advice tendered you by the Crown Solicitor and the Crown Law Officer, you have been moved to withhold your assent to the assignment made by the liquidator of the New Zealand Grain Agency Company to the Lyttelton Harbour Board of the store-site on Norwich Quay, Lyttelton, and you state that the grounds for such advice are that your Law Officers cannot find anything in 'The Harbours Act, 1878,' which authorises the Board to pay either railway- or shipping-charges, or which in any way presupposes or implies their capacity to do so; but, on the contrary, the clauses which deal with the application of the Board's funds negative the presumption that the Board is to apply any of its funds to such purposes: and for these reasons the Law Officers advise you not to sanction the purchase of store-sites by the Harbour Board, as this would, by implication, sanction the carrying-on of a business by the Board which appears to involve the application of its funds to purposes which they think