

*Hon. Sir J. Hall*: In what letter is that contained?

187. *Dr. Newman*.] In letter No. 16. It says: "I have the honour to intimate to you that the Government consider they ought not to be called upon to pay a higher rental than £1,000 per annum, say, from 1st July last, and I shall be glad to learn that your Board can see its way to adopt this view of the case." You were then Minister for Public Works. I think it would be interesting to know why you thought the rent should be reduced one-half, and considered that was enough?—Well, as far as I remember now, this was done under the advice of the permanent officers of the department, who stated, from one cause and another—the large additional shed which had been put up by the Board, and sheds erected by private individuals, and alterations that had been made in the rates of storage—the matter had been brought down to making it a question whether the railway would make more than £1,000 a year out of this shed.

188. Then, your opinion is still to-day, seeing the storage-charges and other things have altered, that £1,000 a year is ample?—No. I do not think the question comes in at all. You must understand I was in a very peculiar position at the time, and, as will be seen if the printed papers are looked through, I did not myself, personally, deal with this matter at the time I was in office.

189. It was your letter?—I am quite aware it was my letter. No other Minister could communicate, except the Premier.

190. It is signed "Your obedient servant, Edward Richardson"?—That is my name; yes.

191. At that time you thought £1,000 a year sufficient?—I did not think so, personally. I was expressing the views of the Government, as advised by the permanent officers of the department.

192. This is a revelation to me. I thought Ministers put their names to their own opinions?—I think, if I may be allowed to say so, that when *Dr. Newman* has been in office for a while he will not find this always the case.

193. *Hon. Mr. Larnach*.] Then, I take it, this question was submitted to Cabinet?—This question was submitted to Cabinet by me; and, so far as I was concerned, I asked Cabinet to relieve me from dealing with this question in dispute, seeing I had so much connection with it; and one member of the Cabinet, the *Hon. Mr. Reynolds*, undertook and did spend a great deal of time in considering the matter. He undertook to go through the papers and report on the whole thing.

194. Really, then, it was a majority of the Cabinet that was the cause of this letter having been written?—Yes; I imagine so.

195. You did not take any part, so far as this matter was concerned, in the consideration of it by the Cabinet?—No. I would like to add this; that all the way through, from the initiation of this Board, I had—and I was backed up by the Board—treated the Board as practically a department of the Government, and it was to the interest of the Board to work in harmony in every possible way with the Railway Department; and what led to my applying personally to *Mr. Oliver* and trying to get a meeting to settle this thing was, that it appeared the question was getting into such a state that, unless something of that sort was done, the two bodies would get at loggerheads, and great difficulties would arise.

*The Chairman*: Before *Mr. Maxwell* gives his evidence, I would like to read clause 144 of "The Harbours Act, 1878," which has been referred to. It is as follows: "The Board shall be entitled to receive compensation for any land so taken, but not in any case exceeding the amount which the Board shall have actually laid out upon the said land, either for cost of reclamation or otherwise in permanently improving the same; and the amount of such outlay shall, in case of dispute, be ascertained and settled under the provisions of 'The Public Works Act, 1876.'" It must not exceed the cost, but it may be less.

J. P. MAXWELL, Commissioner of Railways, examined.

*Mr. Maxwell*: I should like, if you will allow me, to begin with the Gladstone Sheds, because that is the commencement of the subject, although this matter appears in the petition in the middle. The Lyttelton Harbour Board came into existence in January, 1877, and, I think, was endowed with wharfage to about £28,000 a year. The condition on which the Board started was that the Board should get the wharfages and maintain the wharves, and the Government should retain the lines of railway and the stores, and do all the work of receiving and delivering the goods to and from the railways and ships. The Board has nothing whatever to do with receiving or delivering the goods; the Railway Department manages the whole of that. The Board applied in 1877, through the Chairman (*Mr. Richardson*), to know what its limits and jurisdiction were among other questions, and this is what they were told generally regarding the railway by the Under-Secretary for Public Works: "The Government are desirous of seeing such limits fixed as will vest the various wharves and jetties in the Board, but the efficient working of the railway absolutely necessitates that these limits shall not interfere with the railway and the railway-sheds, nor with that provision for extended railway-accommodation which may be looked forward to as certainly to be required." That was in February, 1877. Almost the first act of the Harbour Board, after its constitution, appears to have been to claim the Gladstone Shed. The Board was under the impression that the Gladstone Pier and the jetty and sheds were vested in it, but that turned out not to be the case; and the Board, in March, 1877, resolved thus: "That, pending the settlement of any terms for the leasing of the shed and Gladstone Wharf to the Government, this Board would be willing, if the shed is urgently required for storage purposes, that it should be used temporarily by the railway authorities for those purposes, leaving the amount and the rent to be paid to be settled hereafter." That is the resolution of the Board. Well, Government was very much surprised at this, because they had just built this shed themselves, and when they came to inquire into the matter a little further they found that no shed on the Gladstone pier or jetty was vested in the Board; so that Government did not see their way to pay this rental which it was suggested they should pay. The *Hon. Mr. Ormond*, the then Minister for Public Works, wrote to the Board and expressed his surprise at their demands, and assured them that "the Solicitor-General now advises that the Gladstone Breakwater, with all buildings upon it, vests in the Crown." In general terms