

FRIDAY, 23RD AUGUST, 1889.

J. P. MAXWELL, Commissioner of Railways, examination continued.

210. *The Chairman.*] Have you any more evidence to give, Mr. Maxwell, as to this matter?—I was asked, sir, to explain why the assignment of the lease of a certain shed, which had been purchased from the Grain Agency Company by the Harbour Board, had not been assented to by the Governor. I wish to explain that the Harbour Board was unable to fulfil the conditions of the lease, and the reason it could not is given by the Crown Solicitor as follows: "These provisions presuppose the capacity of the lessees and their assigns for carrying on the business of warehousemen, and, in connection with it, of clearing and assigning goods carried or to be carried by the railway, and also, as you express it, of acting as agents on behalf of persons sending their goods for shipment, and, incidentally thereto, of paying railway rates and charges." That was the reason the Crown Solicitor said the Minister could not recommend the Governor to assent to this assignment.

211. *Hon. Sir J. Hall.*] Have you got the query to which that was an answer?—This is the memorandum to the Crown Solicitor: "Herewith please find original leases of above properties (store sites Nos. 1, 2, and part of 3, Norwich Quay) and the copy of assignment Cunningham to Grain Agency, also draft assignment forwarded by Messrs. Harper and Co. The Lyttelton Harbour Board proposes to take over the leases, and the Board's solicitor has prepared the deed of assignment enclosed. Will you please peruse this deed, and ascertain if all the rights and interests of the Crown are properly conserved, and if the Harbour Board can take over all the obligations in the original lease? If the assignment requires alteration in any way please communicate with Messrs. Harper and Co., and get the matter attended to, and forward the deed here for execution after first getting it executed by the other parties thereto." It was in reply to that. Then the position was this: the Harbour Board had bought this lease privately from Mr. Cunningham, and they found afterwards they could not get an assignment because the Governor could not assent to it. Then, I believe, there was some talk of getting a Bill prepared to enable the Harbour Board to do this. I do not know of my own knowledge, but I fancy that that proposal broke down, because it was not considered the right thing to pass an Act making Harbour Boards perform the duties of agents, and carry out duties that private firms should perform.

212. Did you not say some arrangement had been made by which the difficulty was to a great extent got over?—We, to some extent, helped the Board out of the difficulty in this way: In the cases of certain persons to whom goods are consigned, and who have ledger accounts with the Railway Department, these people give orders to the Board's manager to receive goods on their account, and hold themselves responsible for the payment of all freights to the railway. But goods not prepaid sent by the public we could not deliver to the Board; we should retain them in the shed until the freights were paid.

213. Why?—It is the rule with carriers that they do not give up the goods until the freight is secured.

214. Have you any reason to suppose you would not get it from the Board?—They cannot pay it; that is the difficulty. We are so advised by the Crown Law Officers. They cannot pay the railway-freights. If they could it would be all right.

215. They were paying freights for some years?—I do not think so.

216. *The Chairman.*] You have seen the letter of the 22nd July, 1887, from the Chairman of the Board to the Minister for Public Works?—Yes.

217. What is your answer to the contention contained in that letter?—I cannot answer immediately. I can only tell you what is the advice we have got from the Crown Solicitor and the Crown Law Officers. These are questions of law, and I should not like to answer them without again perusing the letter.

218. Is that which you have read the opinion of the Crown Solicitor at Christchurch?—Yes.

219. Not the opinion of the Solicitor-General?—No; but the Solicitor-General concurred in it.

220. The Auditor-General did not consider it any difficulty?—It is hard to say what he considered. The Auditor-General thought that some provision ought to be made to enable the Harbour Boards to do these things. That seems to be the rock on which things have split. I can only say I do not know anything about this matter after July, 1887. The last thing I did before leaving New Zealand was to make arrangements with regard to the ledger accounts before referred to, and since then I have not seen any papers in connection with the matter until a week or two ago.

*Hon. Mr. Richardson:* May I be permitted to make a remark?

*The Chairman:* Certainly.

*Hon. Mr. Richardson:* When I suggested to Mr. FitzGerald that a Bill should be prepared he said, "Oh, nonsense. Cancel the old lease, and get a new one, with these conditions altered so as to suit the two parties." That was his reply to me. With regard to these particular conditions, I do not know whether the Railway Commissioners or the Government would now have any objection to have them struck out altogether, and let the Board go on. If they do object there is nothing for it but an Act.

221. *Dr. Newman.*] I would like to ask Mr. Maxwell whether the shed originally brought in to the Government anything like £2,000 a year—I mean the big grain-shed, No. 5 shed?—I doubt if it ever did. From the date it was completed the storage receipts began to decline. We had ourselves been storing before, stacking in the open at our own risk, sufficient quantities of grain to have filled such a shed.

222. Since the Harbour Board put up a shed and lowered the storage-charges, has it been possible to get the shed properly filled with grain?—In 1885 there was no grain at all in it for a whole year. I do not say that was entirely due to the Harbour Board's action; it was due to the several