

causes I have before stated—the decrease in exports and the increase in country stores, as well as to the Board's action.

223. Was the Harbour Board's shed in work that year?—I believe it was.

224. *Mr. Rhodes.*] Has there not been an enormous increase in grain?—There was a large increase in grain last year; but the storage-accommodation up country has so very largely increased that we do not get any particular increase in Lyttelton. There has been more grain this year than for several years.

225. And those few years when the storage fell off there was a large decrease in the actual quantity of grain grown in the country?—So I understood.

226. *Hon. Sir J. Hall.*] With regard to the Gladstone Sheds, you commenced by stating that the Harbour Board had been endowed with £30,000 a year wharfages?—About £28,000 a year, to speak more correctly.

227. Were these wharfages received additional to the wharfages from wharves erected by the Board itself?—I think you must take the whole of the wharfages together.

228. Do you know what wharves were in existence and yielding wharfages when the Board started? I want the Committee to know whether this is a fair view of the case?—Perhaps I did not mean to put it that these endowments were undue endowments. The Board was endowed with £28,000 a year to build and maintain the wharves and do all that was necessary to the harbour, and the railway had the working of the traffic and goods and the sheds.

229. Is it not a fact that the Board created the £28,000 by erection of the wharves?—No.

230. You are correct, then, in stating that the Board were endowed with £28,000 a year when they started?—It must be very close to that amount. I could give you the exact figures, year by year, I think.

231. As a matter of fact, the greater part of the wharves in Lyttelton have been erected by the Board?—I should think so. Of course, that was what they had these endowments for.

232. *Mr. Wilson.*] Was it only dues, or were there any other endowments?—I think the Board had some other endowments. Mr. Williams, perhaps, can tell you better about that than I could. They had to finish the Gladstone Breakwater for one thing—that was done by the Board—and they also dredged the harbour.

233. *Hon. Sir J. Hall.*] I understood you to say that the law gave the Government the power of taking any land which it might require without paying to the Board the cost of reclamation?—There is one case, Peacock's Wharf. I think the Act provides that if the Government take that land it would have to repay something to the Board.

234. Irrespective of that, in other cases, Government could step into the Board's work and take the benefit of that work without repaying the cost of reclamation?—That is what I understand to be the case by the Lyttelton Harbour Board Land Act. The Governor has the right to lay rails and erect sheds without paying compensation to the Harbour Board, except as to that portion known as Peacock's Wharf.

235. With regard to the circumstances under which this Gladstone Shed was altered and cut up, you have said, in your opinion, the alteration has not facilitated the railway work at all?—No; I do not think it has. I think the entire transaction was somewhat of a blunder. I think that the railway officers then allowed themselves to be led by the opinion of the Board, and did not study their own business sufficiently. Prior to the alteration of these sheds, the sorting of import goods had been done in Christchurch, and it has been a source of continual complaint, as I have experienced for the last nine years, that the sorting is not still done in Christchurch. If the £4,500 spent in altering the sheds had been spent in providing additional accommodation at Christchurch, and the goods had been still carried up there and sorted, it would have been very much better. The merchants, who are dissatisfied with the charges now, would have been satisfied. Only recently we had representations in this direction made to us by the Chamber of Commerce, to ascertain whether we could not work the sheds at Christchurch. I have always held that this sorting in Lyttelton was wrongly assented to by the Railway Department. It is very well in theory that ships should go alongside the wharf and sling goods into the sheds; but, as a matter of fact, ships cannot sling their goods into the railway-sheds and a large proportion of the steamers never did come to the Gladstone Sheds, and never will. The goods all have to be sorted in the trucks.

236. I am not asking with regard to present opinion on the matter: what was the case in 1878?—The same remarks applied then as now.

237. You say it had been done at the instigation of the Board?—So I understand. I read a letter from Mr. Conyers in 1879 to the effect that, from what he learned from the Hon. Mr. Richardson, the Harbour Board wished to make Lyttelton a small Liverpool, and were going to construct several sheds, and he, Mr. Conyers, advised the Minister this should be done.

238. Mr. Conyers was Railway Manager at the time?—Yes.

239. And he admitted it would be a convenience to the public that the shed should be altered so that ships could discharge into the sheds directly?—He did; he concurred in it.

240. You do not think the idea originated with Mr. Conyers?—I do not think so.

241. What information have you on the subject?—Merely the letter from Mr. Conyers.

242. Do not the official papers throw any light on the subject?—They do not throw any light on the matter. I may say that Mr. Conyers agreed with the proposal, and recommended the Minister to hand the shed over to the Board for re-erection, and the Minister assented to that being done.

243. The Board spent £3,000 on the sheds?—So the Board informs us.

244. The question is as to whom the sheds should belong: taking the sheds as Government sheds, and that the Government use them as transit sheds, is there any reason why the Harbour Board should not be paid the money spent on them?—I can hardly answer that. I consider the money was not well spent, and that the Board is responsible for this as well as the Railway, and we should not, therefore, pay them.