

245. Supposing the Railway Manager made a blunder, is not the Railway Department responsible for it?—You may judge that. I am looking at the thing from a party point of view.

246. Try to be impartial for a moment, and say whether you do not think the Board is entitled to be recouped that expenditure?—Perhaps it is reasonable.

247. Supposing the Board were not paid the £3,000, should it have a share of whatever benefit may be derived from that?—I do not think so. We do not like these sheds as they are.

248. Will you hand them over to the Board, then?—I mean we do not like them in the form they are. We would rather have them in one shed. We could not, however, give up the sheds.

249. With regard to No. 5 shed, now, as to the present season and the amount of grain: is it not a fact that during the present season notice has been given that all the sheds in Lyttelton are full and could not take any more grain?—I am not aware.

250. You do not know that it is not so?—I will not say it is not so. I do not know that we ever refused to store grain, even when the sheds were full. We have stored hundreds of tons by laying down sleepers, and using tarpaulins to cover.

251. Are you not aware that a notice has been issued that all the sheds are full, and no more grain could be taken?—I am not aware of that. If it was issued it might have been because we ordered the grain in the big shed to be cleared out in time to vacate it.

252. I am not saying it was your notice, but there was a notice?—I do not know.

253. I think you stated in your evidence that you were in favour of paying £6,000 for the shed and £4,000 for the site: how do you arrive at the estimate of £4,000?—I have said I could not recollect how I arrived at it. I could go into the matter again, though. I understand the shell of the shed cost £5,000, and I mentioned that £5,000 was what I had at one time estimated the site to be worth, but I would require to look into the matter again to give my reasons for arriving at this estimate.

254. The greater part of the Board's claim is for reclamation: you put that down at £4,000: how do you arrive at that?—I would have to make some inquiries before answering that. I do not know now how I arrived at that estimate.

255. With regard to the third shed—the Grain Agency shed—you say there are legal difficulties which prevent the Board from entering into possession of the shed?—There are legal difficulties which prevent the Board from becoming practically an agent and consignee. Supposing this lease was signed they could not fulfil the conditions of the lease; but we need not consider that point at all. The difficulty still remains that we could not deliver to the Board goods on which the freight is not paid without an order from the owner.

256. Unless the Board became responsible?—Unless the Board became responsible.

257. Irrespective of any legal difficulties, is there any impropriety in the arrangement? Would it or would it not be to the convenience of the public?—I do not see why the public would suffer in any way without it. The Board would simply become an agent like any other agent if it were done.

258. Do you know how things are managed in Wellington? Are there any sheds there?—Yes.

259. In whose charge are they?—The Harbour Board's, I understand.

260. Do they receive goods from the railway?—No. On the Railway Wharf the goods are delivered direct to the ships.

261. The Board receive goods into their sheds from the ships?—Yes. On the Queen's Wharf here there are no rails, and the railway have nothing to do with it.

262. But they receive them from the ships?—The goods are unloaded on to the wharf, and those not taken away by the consignees may be passed into the shed for examination, I presume.

263. Do they not stand in the same position with regard to the ships that they would stand to the railway company?—I do not think so. I do not think the Harbour Board ever becomes responsible in any way for freights, in any shape or of any description.

264. Do they not stand in the same position in reference to the shipowners as they would stand to the railway company for goods received from the railway?—I do not think so.

*Hon. Mr. Richardson:* The point is this: the Board are responsible for all their own charges, but the question is as to the responsibility in cases where there are forward charges—charges on goods before they come into the hands of the Board.

265. *Hon. Sir J. Hall:* Quite so. Are the Board not responsible to the shipowners for the freight on goods until they part with them?—I suppose they will not give them up until they get an order from the ship to deliver them; but I do not know for certain.

266. *Mr. Rhodes:* Could you not make the Board your agents, to hold the goods until you received the money?—I will look into that, and consider it.

267. That seems to be a way out of the difficulty. Let the Board simply store them as agents for you, and not become responsible for the freight at all?—There is this to be said: we have taken a different view of the matter. We think all this storage business should have been done by the Railway Department, especially as that was originally the programme which was laid down by the Government when the Harbour Board was started. We hold that this competition should not be set up by the Board against the Government.

268. *Hon. Sir J. Hall:* That introduces another element altogether?—I should not hesitate to say that this department at the outset informed the Board that all the storage business should be done by the Railway; and it was only in 1884 or 1885—I forget exactly the date—that the Board started competition with the Railway Department, and then, later, it attempted to get the lease of the Grain Agency shed, and continued that competition when the Railway Department had sheds absolutely standing empty in which they could take grain.

269. *Mr. Valentine:* Would not that have some effect upon the actions of the Railway Department in causing them to resist this claim of the Board to some extent?—It would, as the Board's action was aggressive; but I may point out that the question that arises as to the assignment of this lease has arisen from a legal difficulty. There would have been no difficulty as to the