

that the Foxton line was then working at a loss, and to give the Foxton Wharf to the Board would mean a loss of revenue of £600 a year to the Railway Department, therefore the wharf should not be parted with.

8. Now, on 1st March, 1878, was a certain letter written by the Marine Department to the Board?—Yes, it was written without the cognizance of the Railway Department, although it concerned purely railway property.

9. The letter to which you now propose to allude was not referred to the Railway Department at all?—No, not in any way. It only came under notice of the Railway Department by accident at a later date.

10. The letter was from—whom?—From Mr. Seed, Secretary of Customs, approved by the Hon. J. Ballance, and dated the 1st March, 1878. The letter is addressed to the Chairman, Foxton Harbour Board, and reads as follows: "With reference to the correspondence which has passed between yourself and the Government on the subject of handing over the Foxton Wharf to the Foxton Harbour Board, I have been directed by the Hon. the Commissioner of Customs to state that the Government being anxious that the management and control of harbours and wharves, &c., should as far as possible be undertaken by Harbour Boards, are desirous of knowing whether in the event of your application for the Foxton Wharf and the wharfage dues collected thereon being handed over to your Board, they would undertake to maintain it and to provide further wharfage accommodation as may be necessary to meet the growing requirements of the port, and at the same time provide for the cost of and assume the management of the harbour staff. The new signal-station with all necessary buildings and appliances will shortly be completed at a cost to the Government of upwards of £500, so that no other outlay except for the salaries of the pilot staff will be required for a considerable time to come. The salaries of the pilot and two boatmen amount to £455 10s. per annum, and this sum may probably be reduced by dispensing with the services of one of the boatmen as soon as the new signal-station is completed." The reply to that letter is dated the 7th March, 1878, and is signed by Mr. Gray, Chairman of the Board, who says, "In reply to your letter of the 1st March wishing to know whether in the event of our application for the Foxton Wharf and wharfage dues collected thereon being handed over to the Board they would undertake to maintain and to provide further wharfage accommodation as may be necessary to meet the growing requirements of the port, and further to provide for the management of the harbour staff, &c., I have to inform you that a resolution passed at a meeting of the Board, which I now affix, will, I think, be sufficient to show our reasons. That, as the proposition as laid before the Board in the letter from Mr. Seed dated the 1st March last still places the Board in a position so that the expenditure would be larger than the income suggested to be given by making the wharfage tolls a part of the income of the Board, they are reluctantly obliged to decline the proposal unless the Board could be assured of a similar endowment to what the Wanganui Harbour Board obtained last session."

11. *The Chairman.*] The Wanganui Harbour Board got a large piece of land?—Yes, that is so. The endowments are specified in the Wanganui Act. Foxton had endowments also, but the Board wanted more.

12. *Mr. Myers.*] Then, on the 24th February, 1879, what happened?—The second Board was elected, and wanted the Railway Wharf.

13. And did the Chairman, Mr. Gray, write again to the Government?—Yes, on the 24th February, 1879, as follows: "At the first meeting of the Harbour Board I was instructed to write and inquire whether the Government would hand over the Foxton Wharf to the Board as an endowment. It seems unnecessary, after our past correspondence, to again point out the peculiar position in which this Board stands without the receipt of any income whatever. Trusting you will favour me with an early reply so that I may lay the same before the Board."

14. Was that request considered by the Government?—Yes. It was referred to the Minister of Public Works by the Minister of Marine and Customs.

15. Was it referred to Cabinet?—Yes, it was referred to Cabinet by the Minister of Public Works, and declined by Cabinet definitely in March, 1879.

16. That application was declined after reference to Cabinet by the Minister of Public Works?—Yes. The letter to the Chairman of the Board reads: "In reply to your letter of the 24th February addressed to the Minister of Customs, I am directed by the Minister of Public Works to inform you that the Government are unable to comply with your request that the wharf at Foxton should be handed over to the Harbour Board as an endowment. The Government has no power to do so."

17. Then, after that the Government expended certain moneys in enlarging the wharf and buildings at Foxton?—Yes, there was wharf improvement, renewal, and lengthening included in station contract of £15,164 let to Mr. Saunders in 1880.

18. After that was done, what happened next?—On the 5th April, 1881, the solicitor to the Board, Mr. J. Herbert Hankins, wrote to the Government as follows: "I am instructed by the Foxton Harbour Board to inquire whether in the event of the Board undertaking to maintain the wharf and to provide the costs of and assume the management of the harbour staff the Government would be prepared to hand over the wharf and the wharfage dues to the Board." That letter was referred by the Secretary of Customs to the Minister on the 8th April, 1881, and the request was declined.

19. Will you look at the letter of the 1st June, 1881—I think you will find a letter from the Secretary of the Marine Department?—Yes, it is signed by Mr. McKellar, and reads, "I am directed by the Minister to inform you that he regrets that he cannot comply with your request. As the trade at the Port of Foxton is almost altogether confined to goods consigned to or from the railway, and the wharf traffic must be managed by the Railway Department, the Minister cannot see that any public advantage could be gained by transferring the wharf to the Board."