

36. The Act vests that wharf in the Harbour Board?—Yes. But the Act also provides that the Railway Department has not to pay any compensation in respect of certain reclaimed land along the front used by the railway, whether taken now or at any future date.

37. I understand you always get any land you require at the actual cost to the Board for reclamation?—We can get that from any Board, but the Wellington Harbour Board, in respect of lines we have laid down over their reclamation along Waterloo Quay, got nothing from the Department.

38. The Secretary of the Board tells me they paid nothing for the land?—It was vested in the Board, but in respect of that land the Railway Department has got the right, in connection with the reclaimed land, to enter on the land and take it.

39. But the Board reclaimed no land prior to that?—We have got a lot of land down the reclamation, and we pay nothing for it. It is a *quid pro quo* provided for in the Act.

40. The Patea wharves were handed over to the Harbour Board for nothing, were they not?—Yes. They were handed over, but I have not been able to trace how they got them.

41. And Waitara got their wharf for nothing, did they not?—No; they did not get theirs for nothing.

42. Here is a memo. from Mr. Maxwell, who was then one of the Railway Commissioners, to the Hon. the Minister of Public Works, dated the 16th June, 1881, dealing with the question of giving up the Foxton Wharf. In it he says, "The handing-over the wharves and wharfages then is this—handing over a certain amount of revenue which either has been or might be Railway revenue, and leaving the Railway to bear the interest on the cost of the wharves as at Waitara, Lyttelton, Wanganui," &c. So the view of the Department then was that they had given those wharves over for nothing?—No, the Department has not.

43. That is Mr. Maxwell's view?—No; that is not Mr. Maxwell's view. That is a distinctly unfair way of putting it. Mr. Maxwell's view was not what those people got. That file you have now, Mr. Weston, was handed to you to look at the letters I turned out dealing with the question we had before us yesterday. I did not hand you that file for the purpose of your making use of our private documents. You distinctly asked me to let you see the letters I had been reading to the Commission, and instead of tearing the file to pieces I handed you the whole file to enable you to peruse those particular letters only. If I had been handed a file in the same manner I would have treated it as a matter of honour and not have referred to private matters in the file.

44. In writing to you on the 12th April, 1877, he says this: "In reply to your letter of the 26th March I have the honour to inform you that I laid the same before the members of the Harbour Board on the 4th instant, when they arrived at the decision that the proposition made by you to hand over the care of the pilotage service and withholding the revenue of the wharf would render further sittings as a Board of little use, as it would be impossible after any date to make an income the outside value of which does not exceed £80 a year cover the expenditure annually required for the pilot service, an item of some £500." What was offered to the Board was the revenue from the pilot service and any other revenue outside wharfage, on condition that they gave up the pilot service. They pointed out to the Minister that they could not, with an income of £80 a year, find sufficient for an expenditure of £500. Then they were offered wharfages and pilotage fees, subject to their giving up the pilot service?—No, they were not. They were asked by the Minister of Customs, "In the event of so-and-so, are you prepared to do so-and-so?" The Minister of Public Works said, "No, this Railway Wharf is an integral part of the railway system, and Government cannot part with it."

45. The other letter you quoted from was one of the 1st March, 1878, from Mr. Seed, Secretary of Customs, to the Board. The first suggestion you turned down?—Their first suggestion was to take the revenue from the wharf, get all they could for nothing, and waive their right to the special charge in regard to pilotage, which they did not want to take over. The next suggestion was that if they could not get the wharf they were not prepared to go on. Then they resigned.

46. There is such a thing as too much zeal. Are you putting the thing perfectly fairly according to the correspondence?—Yes, I put things perfectly fairly.

47. They say they could not keep up the pilotage on a revenue of £80 a year. The letter says, "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"—?—Yes, it says "in the event."

48. "—of your application for the Foxton Wharf"—At that time it was only a small wharf?—No, it was not.

49. You had not completed your work under Saunders's contract?—No.

50. "—and the wharfage dues collected thereon being handed over to your Board they would undertake to maintain it, and to provide 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"—?—Yes; it tells them about the salaries and about the houses.

51. In the letter in reply they point out the condition of the buildings?—This is the letter.

52. Well, I will read it?—I am quite competent to read it myself.

53. This is the reply from the Harbour Board, which makes it clear that they did not want to take it over: "In reply to your letter of the 1st March wishing to know whether in the event