

"4. That the Company allow sidings to be attached at any portion of the line on the Board's property when and where the Board wishes to place them.

"5. That the rights of the Crown shall not be prejudiced.

"I may further add that the Company intend, if the City Corporation desires it, and the latter gets the necessary permission from your Board, to put a siding from the line to the gasworks, and to carry the coal there on such terms as may be authorized by the Government.

"Waiting the favour of a reply,—I have, &c.,

"G. L. ASHER,
"Interim Secretary.

"The Chairman, Otago Harbour Board."

On the 26th April I was instructed to request the Company to furnish the Board with a copy of the plan, and on the 2nd of May, His Honor the Superintendent (Mr. Macandrew) being in the chair, the following resolution was agreed to: "That, in terms of the letter of the 22nd April, a tracing of the portion of the line passing through the Board's endowment should be furnished; and that, should the line be altered at any time, the Company will have to bear the expense."

On the 3rd May the Secretary to the Company intimated the acceptance of the terms imposed by the Board, and on the 10th May I was instructed by the Chairman to forward to the Company a certified copy of the plan of line of railway, and on the 11th May I forwarded, through the Chairman of the Board (His Honor the Superintendent, Mr. Macandrew), the tracing required.

On the 6th July, 1876, a letter was received from the Town Clerk of the South Dunedin Corporation, requesting permission of the Board to construct a sewer, or storm-water channel, through the lands referred to.

In reply, a plan of the proposed works was requested to be furnished to the Board's Engineer for his report thereon; and on his report the Board resolved, "That the consent of the Board be given, in terms of the Engineer's recommendations; sewers to be approved by Engineer, and to be covered in when required by the Board, and maintained at the Corporation expense."

Members present at that meeting were: Messrs. Turnbull, Davie, McKinnon, McNeil, and Tewsley.

The following is a copy of the letter transmitting the Board's consent:—

"24th July, 1876.

"GENTLEMEN,—I have now the honor and pleasure of forwarding you the Harbour Board's consent to the construction of sewers to carry off storm-water through their property, on the following conditions:—

"1. Extension, when necessary to keep up with the work of reclamation, to be undertaken by and at the expense of the South Dunedin Corporation.

"2. No sewage or solid matter of any kind to be discharged into the harbour.

"3. Detailed plans of sewers, with in-let and out-let levels, to be furnished to the Board, and the works to be carried out to the satisfaction of the Board's Engineer.

"4. The maintenance and further repairs, as well as extensions through the Board's property to the sea, to be carried out when required at the Corporation's expense.—I have, &c.,

"His Worship the Mayor and Councillors,
South Dunedin Corporation."

"JOHN L. GILLIES,
"Secretary.

Abolition having been carried and the last days of Provincialism drawing near negotiations were suggested by executive members of the Government to members of the Board, with a view to the completion of the Board's titles. The following extract from a letter dated 7th July, 1876, sent to the Board by direction of the Executive by the Under Secretary, Mr. Willis, shows that the Board had a distinct promise that the Executive would render every assistance to the Board in its endeavour to obtain titles to its endowments, the Executive then having "The Otago Harbour Board Empowering Act, 1875," before it:—

"Provincial Secretary's Office, Dunedin, 7th July, 1876.

"SIR,—I am directed to acknowledge the receipt of your letter of the 1st instant, forwarding copy report of a committee of your Board, recommending that the Board should pay over to the Government the sum of £9,769 16s., as the amount expended by the Government in reclaiming the block between Rattray and Jetty Streets, on condition that the Superintendent and Executive will give every facility for the transfer, and that they will undertake to refund such portion of the amount so paid as is applicable to what is taken for railway purposes should the Board be unable to get it back from the General Government; and in reply I am to inform you that it has been ascertained that the estimate of the cost of the reclamation referred to has not been correctly stated in consequence of an error in the measurement, which, in place of being 95,700 yards, as supposed, is nearer 123,000.

"I am further directed to state that, previous to the passing of 'The Otago Harbour Board Empowering Act, 1875,' the Provincial Government had been in negotiation with the Dunedin School Committee and the Corporation with the view of getting sufficient playground for the Albany Street and Normal Schools, and that the Corporation had been offered for these an area of equivalent value of the land adjoining the railway, near Castle Street, on which the Government had spent a large sum filling up.

"It is understood that the Corporation is now willing to accept the exchange as offered, and the Provincial Government expects that the Harbour Board will not throw any obstacles in the way of enabling the Government to conclude an arrangement which it feels bound to respect, and which is of such importance to the schools of the city. The Government will, of course, see that the land given in exchange adjoining the railway will be of such a shape as will not injure the remainder.

"I am therefore directed to propose, as a settlement of the matter,—

"1. That re-measurement of the reclamation between Rattray and Jetty Streets be made by the Provincial Engineer and the Engineer to the Board, with the view of ascertaining the exact cost to a given date; and that the amount be paid to the Provincial Government, it giving the undertaking