

of our application for the Foxton Wharf and wharfage dues collected thereon being handed over to your 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., and in reply I have to inform you that a resolution passed at a meeting of the Board, which I now affix, which I think will be sufficient to show our reasons. That as the proposition as laid before the Board in the letter from Mr. Seed, dated 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. In refusing this the Board is desirous of placing upon record the pressing necessity of increased wharfage accommodation, and that it would be suicidal to accept any proposition by which the Board would be cutting off outside assistance whilst being unable to effect any improvements themselves." That means Government assistance—in that district they had to do so?—What they wanted there was to get better endowments. They started out by asking for the Department's wharf. Then they found the Wanganui people had got endowments, and they thought they had not asked for enough.

54. But does it not show the income they were getting, even including the wharfages and pilotage charges, was not sufficient to do more than pay the costs of the permanent official of the wharf?—No. You said yesterday that you wanted to show from Mr. Maxwell's minute that there was a profit of £600 a year. Clearly, if that is correct, the other statement could not be right.

55. We have not been able to see eye to eye up to now. Can we see eye to eye on this point: you were at Foxton, and saw the condition of the goods-shed?—Yes.

56. Do you think the Foxton people are right in saying that that shed at the present time is insufficient and requires to be enlarged?—If the shed at Foxton and the appurtenances to the railway are considered by the people of Foxton to be inadequate for their requirements, then they can get additions by bringing the matter under the notice of the Department in the usual way; but it is not a fair thing to hang a demand for the railway wharf on a statement—or fact, if you like to call it so—that they regard the goods-shed, which is really an appurtenance to the railway, as being a trifle small.

57. You are handling a certain amount of goods there—whether coming from the wharf or from the outside district does not matter—but do you consider that the shed is sufficient to deal with the goods you are asked to carry? Yes, or No?—I am not going to give Yes or No. I am entitled to give my answer in my own way. If the quantity of goods that come in to be handled at Foxton regularly was anything approaching what was in the shed when I was there then I am quite prepared to admit that an addition to the shed is necessary, and I have no doubt will be provided. But I do not admit that what I saw at Foxton is the kind of thing that exists every day in the year.

58. Mr. Kellow tells us that it is practically the same always?—I have already said that if that were the case always provision would be made.

59. Mr. Kellow says that if you were to make that alteration you would save in working-expenses at least £100 a year?—Mr. Kellow is not in a position to express an opinion of that kind any more than I am in a position to tell him how to manage his own business.

60. That is not fair. Mr. Kellow watches very closely the casual labour you are employing to handle the stuff brought by his company's ships?—If Mr. Kellow is engaged in watching railway business he cannot be employed in watching his own company's business.

61. Have you got details of how you arrive at the expenditure that you deduct from your profits? For instance, last year you say it cost you to work that wharf £1,989 9s. 1d.?—Yes.

62. Can you give me the details of that?—I have already told you—and I will repeat it—that the Department will be very pleased to give you any details as to how that is made up that you may desire or require; but we cannot bring to this building the whole of our documents from which those statements are compiled. I have already told you that if you send somebody to the Chief Accountant's office we will be pleased to place the documents before you.

63. We do not want to go behind vouchers. What I wanted, and what I understand you to suggest that you would do, is this: you should show me how much of that sum of £1,989 9s. 1d. consists of casual labour, and how much consists of apportionment of permanent charges appertaining to the railway?—I will tell you what proportion the permanent charges are. They are £150 a year. The shipping business requires at least one clerk.

64. Does the rest of it represent casual labour?—Yes, except the maintenance-men for any repairs they do on the wharf.

65. And all the rest represents casual labour?—Yes. The main item is casual labour.

*Cross-examination re Sandon Tramway and Railway Deviation.*

66. Mr. Skerrett.] I want to ask you a few general questions relating to the suggested permanent deviation from Levin to Marton. I apprehend that it is common ground that the necessity for that permanent deviation will arise when there has been an adequate increase in the general traffic on the Main Trunk line?—By the "permanent deviation" do you mean the new line?

67. I mean the new line. My question, therefore, as to what is the necessity for making that deviation will depend on the factor whether there is an adequate increase in the general traffic on the Main Trunk line?—Yes; and you mean, when that time arrives.