

RAILWAY-SIDINGS.

55. The Harbour Board have at different times constructed private sidings for sawmillers on or in connection with its Cape Foulwind Railway. One case prominently before us was that of a siding recently made for a firm of sawmillers, Bowater and Bryan (Limited), for which a debt appears in the Harbour Board letter copy-book for £111 18s. 3d. This remains unpaid, and the liability to pay it is disputed.

An application was made to the Railway Department for a siding into this mill, which is situated at the junction of the Government and Cape Foulwind lines, and was approved, but not carried into effect because other arrangements were made by the applicants with the Harbour Board to construct a siding from the Board's line. This was authorized by the Board on the following terms: "That the siding be put in on the same terms as others of the kind have been." We were unable to obtain any evidence as to what these terms were. The Government Railway Department do not put in private railway sidings for nothing, and the cost of construction is in all cases paid by the grantee of the siding. In the case of industrial sidings—*i.e.*, coal and timber, &c.—no rent is charged.

WORKSHOP AND STORES.

56. The workshop owned by the Harbour Board is adjacent to the Government Railway Workshops, and is indifferently equipped; nor is the plant sufficient to enable all the repairs required to be done in the Board's own shop. Much of the work has to be done for the Board by the Railway Department and outside engineering shops. The Railway Workshops could cope with all the work required both in its own Department and for the Harbour Board, including the special repair-work for the dredge plant.

The store and storemen employed by the Board are not necessary, and more economical arrangements could be made. Even if a small stock of the material that is most commonly required has to be kept, a special storeman is not required. It is in evidence that the first storeman appointed by the Board was a brother of the then Chairman, and that his duties were light.

TRADING ACCOUNTS.

57. The Board has some trading accounts which are in part, if not altogether, outside the duties and functions of a Harbour Board. These accounts are not kept in a satisfactory way. The debits have never been incorporated in the books of accounts of the Board, and consequently they do not appear amongst the credits on the Board's balance-sheets. These amounts have not always been paid, but when paid they have not always been credited to the accounts to which they should properly belong.

The sale of old material, such as rails and sleepers, which have been removed from the permanent-way is a proper transaction by the Board, but no satisfactory method has been followed in the disposal of this material, and no record of such material has been kept. No proper system of valuation has been carried out in respect of this material in order to fix the price at which it should be sold. In consequence of this lack of system, large numbers of sleepers have been given away for fencing and firewood to relatives of employees and others, and, in one case brought before us, to a member of the Board. It is in evidence that old sleepers were stolen, and that the Board suffered loss in consequence of not having at its disposal such old material when required on the works.

In addition to the sale of old material, the Board has on occasions sold new material, such as railway-rails and ironbark timber, at its cost price, or at such a small advance on the contract price as would be insufficient to cover the cost to the Board. The Board has also allowed some of these accounts to remain unpaid for an unreasonably long time.

When the dredge "Rubi Seddon" arrived she brought as part of her equipment some steel water-pipes to be used in conveying ashore the material dredged from the river. As these pipes were not in use for the time being they were stacked on spare lands. It was recently discovered that some of these pipes were missing, and inquiry was made from the Engineer, as the result of which he recollected that, some years before, the missing pipes had been removed with his consent and had