for the three months ending 31st December, 1880 (that was only received this year), £7,963 4s. 5d.; for the three months ending the 31st March, 1881, £15,618 14s. 5d.: making a total of £37,338 0s. 10d. since June 30th, 1877

285. Then this land revenue has been derived from the sale of lands on the Waimate Plains?—From the whole of the provincial district.

286. My question was, how much has been derived from the Plains?—I have no idea. All the details can be got from the Government, who have them; so I cannot answer the question at all.

287 From your knowledge of the land sales in the district, can you say how much approximately?—No, I cannot; because there are some lands in the Inglewood District, and others on deferred payments. You would have to get the return from the Goverment. Of course a large proportion of that to the 31st March came from the Waimate Plains, but I could not say how much: there have been large sales alongside the railway

288. Can you say what amount you expect to receive annually from the lands that have been sold on the Waimate Plains?—I can form no idea whatever. It entirely depends on how the Government sells the land, and whether by deferred payment or otherwise. I should say the greater part of the revenue has come in.

289. By rating the land on the Waimate Plains, what do you estimate the return would be?—I hope we shall not require to rate those lands for very many years to come. No rate has been imposed, and there is no probability of one for some years at all events. I estimate according to the best of my judgment that no rate will be necessary for the next five years, and I hope not for a longer period. The Sinking Fund Commissioners have now £28,500 on interest at 5 per cent., and £3,500 will accrue from the Harbour Fund as interest: this amount does not include any return to the 31st June last. I have no means of estimating what is still to be derived from the sale of Waimate Plains. There are 9,000 acres at Parihaka to be sold in August; a fourth of the proceeds of that will accrue to the Board. I can form no estimate for the future except in very general terms indeed. I cannot say how the sales will be conducted, or the prices the Government will put on it. Nothing has yet been received from a rate on land. There has been no rate at all. That sum I previously gave is the estimate exclusive of the Waimate Plains.

290. Well, if it is so much outside of the Waimate Plains, how much would it be if the Waimate Plains were included in the rating?—I cannot estimate that; because it is not merely the land on the Plains, but at Parihaka and elsewhere, that would be under the rating power of the Harbour Board.

291. Would all that district be more advantageously served by Waitara as a harbour?—I think not. I apprehend, when the harbour is constructed at New Plymouth, Waitara will cease to be of use, just like the case of Kaiapoi and Lyttelton. Kaiapoi was very useful until the Lyttelton tunnel was constructed; but after that it could hardly compete with Lyttelton.

292. *Mr. Weston.*] What is the mode, or contemplated method, of dealing with the funds of the Board?—I have here the total of receipts and expenditure, and the accounts of the Sinking Fund Commissioners—what is called the No. 1 Account. I will put that in.

293. Is this sum of £28,409 13s. 1d., which you stated to be the balance in the Bank of New Zealand, is that carried to the Sinking Fund Commissioners?—To the Sinking Fund Commissioners' No. 1 Account. There are two Sinking Fund Commissioners' Accounts; No. 1 is for the convenience of receiving interest, managing deposits and paying the coupons as they become due. The Commissioners were appointed for this financial business for greater convenience, because cheques can only be signed by the Board. I think it was on the 30th September last, a sum of £2,000 out of No. 1 Account was placed to the credit of the Sinking Fund Commissioners' Account No. 2. That is the real Sinking Fund Account.

294. Is that the whole of your procedure in regard to the management of the accounts?—I may say the Bank of New Zealand, with whom we bank, gives no interest on the current account for the proceeds of the loan; therefore I suggested some time ago that, as the Sinking Fund Commissioners would require bonds from time to time, it would be desirable to invest part of the Harbour Board funds for their purchase, and £8,000 worth should be purchased by the No. 1 Commissioners, which could be purchased from them from time to time by the Sinking Fund Commissioners.

295. And that has been done?—That has been done. £7,500 worth of bonds were purchased by Sir F D. Bell. They were purchased at 106 and 105½. Previous ones were purchased at 97¼; but there was a general rise in these and all other New Zealand securities.

296. In that way you think the Harbour Board Estate will be made the most of?—Unquestionably

297 *The Chairman.*] I should like to understand clearly the positions of what you call the Commissioners No. 1, and Commissioners No. 2.—Commissioners No 1 are wholly the agents of the Board, and they pay £2,000 per annum to Commissioners No. 2, who are the real Sinking Fund Commissioners. It is simply an arrangement to save interest, and to give cheques without their being signed by the Board.

298. Who appoints the No. 1 body?—They are appointed by the Board.

299. And are removable by the Board?—I presume so.

300. Who appoints the No. 2 Commissioners?—The Board appoints them, under the Act.

301. *Mr. Weston.*] How long do you estimate it will take to complete the works to *Y Y*?—I have no idea at all.

302. *The Chairman.*] By the report of the Select Committee of the Harbour Board, made in March last, it appears the Board were of opinion they have sufficient funds to complete this breakwater to *Y Y* Is that so?—That was the opinion of the Board at that time. It was based on the estimates of Mr. Rees.

303. And is the Board of opinion they have sufficient funds to complete the work to *Y Y*?—They were at the date of the report, March 31st last.

304. They were relying upon Mr. Rees's estimate in that respect?—They were.

305. And not on Sir John Coode's estimate?—They were not. I may say that report of the Committee was never adopted by the Board. It was only laid on the table.