

find that, at the cost of £5 1s. per ton, the difference in the cost will be £10,347 I was asked to explain (Questions 131 to 134) how it was that a reduction of 1s. per diem on wages would make the sum of £25,000. At the time, I was unable to call to mind how the statement was based, or where I made it; but I afterwards found it was made before a Committee of the Legislative Council last year, and the statement was to show that 1s. per diem—that is, 6s. instead of 7s.—would reduce Sir John Coode's estimate of £285,800 by £25,000—namely, cement, £57,000; plant and material, £48,000: total, £105,000. That leaves £180,000 to be expended on labour, one-seventh of which would give £25,700, and I called it £25,800. This did not refer to an estimate of mine.

324. I would ask you to show how you make up this £5 1s.?—The contract price for cement, delivered in Wellington and insured to New Plymouth, is 13s. 10d. per cask for all the English cement required for the works, or £4 3s. per ton; freight, 2s. per cask, or 12s. per ton; landing, 1s. per cask, or 6s. per ton: that represents £5 1s. per ton.

325. Where do you land it?—At the works. That is the price at which it is placed in the store on the works.

326. On what basis was it that you formerly said that the cement would cost five guineas?—At the time I was under the impression that those were the figures. I spoke from memory.

327. Then, taking your revised estimate, the price of cement will be £5 1s. per ton?—Yes.

328. You have read Sir John Coode's specification, I presume?—Yes.

329. According to that specification, Sir John Coode states that 4 cubic feet are required for each yard of made concrete?—Yes; but I think he contradicts that statement.

330. Then you have advised the Committee of the New Plymouth Harbour Board that you could carry out the work at the breakwater at a cost of about 22s. per yard?—Unquestionably. There is not the slightest doubt about it.

331. You have stated that the total quantity of concrete in the breakwater to *Y Y* is 95,000 yards?—It is rather less than that.

332. How much of that is to be put into bags?—I could not tell you that from memory.

333. Look at this schedule, and see [Sir John Coode's schedule of quantities handed to witness]. Sir John Coode says 12,764 yards below low water.

334. How much is to be put in the apron?—3,421 yards.

335. The cement in the blocks is to be used in the proportion of 4 cubic feet of cement to each yard of concrete?—Yes, according to Sir John Coode.

336. And the cement required for the concrete in bags will require one-third more?—Yes, according to Sir John Coode.

337. Or 5½ feet per cubic yard?—Yes.

Mr. J. E. FITZGERALD examined.

338. *The Chairman.*] You are Auditor-General?—Yes, Controller and Auditor-General.

339. The New Plymouth Harbour Board Committee wish you to explain to them why 25 per cent. of the gross proceeds of the land revenue of the Provincial District of Taranaki is paid over to the Harbour Board?—It was paid over originally under "The New Plymouth Harbour Board Endowment Act, 1874," which authorized as much to be paid over, as the Provincial Council of New Plymouth should determine, up to 25 per cent. Then the New Plymouth Harbour Board Ordinance of the Provincial Council fixed the amount at 25 per cent. That was the Ordinance of 1875.

340. In repealing the New Plymouth Ordinance of 1875, a particular clause affecting the apportionment of the land revenue was preserved?—I do not remember that that Act was repealed.

341. Perhaps you would prefer making a statement to the Committee on the subject?—I am doubtful as to the exact point on which the Committee wish for information.

342. The Committee would like you to consider the bearing of clause 10 of "The Financial Arrangements Act, 1876," the latter part of which declares that nothing in this section shall be deemed to authorize the issue of Treasury bills for the purpose of making good any deficiency in the percentage of Land Fund payable to the District of Taranaki under "The New Plymouth Harbour Board Endowment Act, 1874." That appears, standing by itself, to be very clear, because if this Land Fund is deemed to be a first charge no deficiency can possibly arise; let the revenue be as small as it may, there can be no deficiency?—There was a difference of opinion between myself and the Solicitor-General on that point. The Committee will perceive that the provisions of "The Financial Arrangements Act, 1876," were such as inevitably to raise a difficulty not easy of explanation, because, by the first five subsections of section 4, certain charges were placed upon the Land Fund which were of a fixed nature. Then came in the old provision that the 25 per cent. should be paid over to the Harbour Board, which was protected by subsection (6) of that same section, which says, "In the case of Taranaki the Land Fund should be charged with the percentage payable under 'The New Plymouth Harbour Board Endowment Act, 1874.'" That constitutes this a charge upon the Land Fund of Taranaki. But the Committee will perceive that, the other charges being of the nature of fixed charges, and this being a percentage, the question must arise as to which was to be the prior charge. Was it to be upon the gross proceeds of the Land Fund, or upon the net proceeds after the charges contained in the first five subsections were paid? Then the question is again seriously complicated by section 10, which authorized the raising of Treasury bills, but contained a proviso that "Nothing in this section shall be deemed to authorize the issue of Treasury bills for the purpose of making good any deficiency in the percentage of Land Fund payable to the District of Taranaki under 'The New Plymouth Harbour Board Endowment Act, 1874.'" Of course in the one case, if the fixed charges were paid first, there might be no deficiency; but, if the 25 per cent. was paid first, there might be one; it would therefore seem as if the House intended that the 25 per cent. should not be a primary charge. Then section 12 says, "Nothing in this Act contained with respect to the appropriation or division of the Land Fund shall be deemed to alter or affect the liability of the colony to the public creditor, or to affect any permanent appropriation of or charges upon such revenue under any law in force in the colony." Upon that the Solicitor-General relied, that the 25 per cent. was 25 per cent. upon the gross Land Fund. There was a memorandum of the