

496. So that your operations are practically confined to smooth waters?—Our operations are governed by the weather entirely

497. Would there be any more difficulty attending the lowering of masses of 50 tons in bags by means of hopper-barges than there would be in lowering masses of 14 tons by means of cranes?—Yes, we should require to have very smooth water, and it is likely that the work done by barges would be much slower.

MONDAY, 1st AUGUST, 1881.

Mr. T. KELLY, M.H.R., examined.

498. *The Chairman.*] You are member of the House of Representatives for New Plymouth?—Yes.

499. And also a member of the New Plymouth Harbour Board?—Yes.

500. Are you aware of the contents of clause 17 of "The New Plymouth Harbour Board Ordinance 1875 Amendment Act, 1877," by which the Governor in Council was precluded from assenting to any plans the amount of which exceeded the amount of the loan authorized?—Yes.

501. Are you aware that this was repealed by "The Harbours Act, 1878"?—I think it was. That Act, I think, repealed all the sections of the Act of 1877, except sections 15, 19, and the schedule; and it repealed also the New Plymouth Harbour Board Ordinance, except section 17

502. Can you state on what ground clause 17 of the Act of 1877 was repealed?—I do not know. It was done by a Consolidation Bill brought in by the Government, and they repealed such sections as they thought fit.

503. You personally are not aware of any reason for repealing it?—I was not consulted, and I do not know what the intentions of the Government were. All I know is that they brought in a Consolidation Act, and I presume they repealed all they thought was not required for actual operation.

504. What is the annual charge imposed on the district to meet interest and sinking fund on the loan?—One shilling in the pound on the annual value.

505. But what is the amount required to meet interest and sinking fund?—£14,000.

506. What amount will the authorized rate of 1s. in the pound produce, taking the present assessed value?—I should say about £4,000.

507. In what way would the Board propose to make up the difference between the £4,000 and the £14,000?—To meet that there would be the Land Fund and the harbour dues.

508. The receipts from the Land Fund will, I presume, be an uncertain amount?—For some years it will be considerable, in my opinion.

509. And what sum does the Board expect to raise by the harbour dues?—I think about £3,000 a year of net revenue.

510. You are of course aware that Sir John Coode's estimate for a complete breakwater is very much in excess of the loan that was authorized?—Yes.

511. Is it considered that the loan already authorized will suffice to carry this breakwater to such a point that it will be a real benefit to the district?—Yes; we are advised so by Messrs. Carruthers and Blackett, and Sir John Coode. In a letter which I wrote to the last-named gentleman, in my capacity as Chairman of the Board, in 1879, his attention was specially drawn to that point; and in his reply he states that the work can be done for £200,000, so as to be beneficial.

512. How far does he propose to carry out the breakwater for £200,000?—The Board anticipate being able to carry out the breakwater to the point marked *Y Y*, which will give a depth of about 20 feet at low-water spring tides, or, in ordinary tides, 25 feet.

513. You say that the Board anticipate being able to carry the breakwater out to *Y Y* for the £200,000, taking Sir John Coode's estimate as a basis?—Yes. According to his first plan, rubble could be used, but that plan was abandoned, and his next estimate for carrying out the work to *Y Y* was £285,800; but we are advised that his estimate of the cost of concrete was too high, and that the work could be done for £200,000.

514. By whom are you so advised?—By Mr. Rees, who was the Board's engineer at that time.

515. Has the Board confidence in Mr. Rees and his estimates?—The Board, as it is now constituted, has lost confidence in him, and has dispensed with his services. The former Board, however, had every confidence in him.

516. Therefore the advice tendered is that of a gentleman in whom the Board has lost confidence?

We lost confidence in him because it appeared to the Board, as lately constituted, that the expenditure on preliminary work was excessive, and it was discovered that there was a discrepancy between the estimates given of the cost of the plant and preliminary works and the actual cost. In short, the Board considered that money had been expended which ought not to have been spent.

517. Had the Board also lost confidence in Mr. Rees' estimates?—Yes, we did lose confidence in him in connection with some of them.

518. Are you aware that Sir John Coode's estimate of £285,800 for the construction of the breakwater to *Y Y* does not include all the items?—Yes.

519. And that there would be a considerable additional charge?—Yes.

520. Can you say how much?—No; it is a long time since I saw Sir John Coode's estimate.

521. And you are aware that his estimate of £285,800 is exclusive of the amount which had been expended at New Plymouth up to the date of the report?—There was little or no expenditure then. The larger expenditure began when the engineer went to England. About £10,000 would have covered the whole expenditure of the Board, including the cost of the works.

522. Can you state what amount of cash the Board has available, towards the payment of this £285,800 and additional charges?—The amount of cash and material, such as cement, &c., would be about £120,000, but that is exclusive of plant and material.

523. What would be the value of the material which you have on hand?—About £2,000 or £3,000 worth of cement and fuel, besides small tools and stores.

524. If there is any reliance to be placed on Sir John Coode's estimate, you are a long way short