

approved by Parliament, at any rate as regards those works the moneys for which were to be found entirely by way of loan.

It might be as well here to show what the cost to the colony of these proposals would have been. As the colony would have been lending £200,000 for district works at £3 per cent., for which the colony itself pays £5 per cent., this would have meant an annual charge of £4,000; besides there would have been the full interest on the £150,000 paid out of loan for main roads as above shown, which is about £7,500; in all, £11,500. But, considering the large extent of country this expenditure would have enabled the local bodies to open up, thus promoting settlement and adding to the general wealth of the colony, it must be admitted that no money could be better spent.

Had it been considered advisable to spend more money every additional £100,000 found by Parliament for the purposes of the Bill would have cost the colony £2,000 per annum.

It should be noted, also, that the funds granted to the Board would every year have been increased by the receipt from the local bodies of the half yearly instalments made in repayment of loans, which would have been available for again advancing for similar works.

As to the maintenance, after construction, of the works above referred to, there cannot be much doubt that in all ordinary cases the cost must be defrayed out of rates—in other words, by the owners of property benefited by the same.

It is because of the recognition by the Government of this principle that they introduced the Crown and Native Lands Rating Bill, which brought the Crown and the Natives within the operation of such principle.

The following is an outline of the provisions of that Bill:—

- (a.) There were first some general exemptions of Crown property:
- (b.) All Crown lands in boroughs would have been rated like private lands to the Colonial Treasurer, and the rates paid out of the Consolidated Fund;
- (c.) All Crown lands anywhere (subject to above-referred-to exemptions) on which there are buildings used by Government would have been dealt with in the same way:
- (d.) All Native lands in boroughs would have been rated to the owner or occupier just as in case of land belonging to Europeans:
- (e.) The Governor in Council might have defined districts at any time, in which all Native lands should be treated in the same way:
- (f.) Then, as to all other Crown and Native lands not yet dealt with, certain fixed values for rating purposes were given by the Bill; and also the quantity in each district to start with was fixed by the Schedule, and would have been diminished every year as any lands ceased to be Crown or Native lands.

It was thought that the thus fixing these two points of value and quantity, though the amounts of either were, of course, open for modification, would have saved much trouble and dispute.

In the case of such lands the rates were proposed to be paid out of the Consolidated Fund, but any so paid on Native land would have been collected as a stamp duty when the land was sold or leased to Europeans.

I trust that this explanation will aid you in comprehending the scheme of these Bills; and I shall be glad to receive any suggestions from you generally on the matter dealt with by this circular, as well as your answers to the specific questions set forth in the Schedule.

I have the honor to be,

Sir,

Your obedient servant,

H. A. ATKINSON.