MINUTES OF EVIDENCE.

WEDNESDAY, 7TH DECEMBER, 1887. (Major STEWARD, Chairman.)

Mr. SAMUEL, M.H.R., examined.

1. *The Chairman.*] Will you inform the Committee as to your views on this question, and as to the scope of the inquiry?—I have been the cause of this Committee being formed, because it had come to my notice that it appeared certain that within a short time the Harbour Board of New Plymouth would be unable to meet the interest on their loan; and, recognising that this was a matter of the greatest importance, both to the colony at large as well as to the locality I represent, I felt it my duty to bring the circumstances fully before the House and before Parliament. The position of the Harbour Board is shortly as follows: In 1877 it was authorised to borrow a sum not exceeding £200,000 upon debentures, and as security for this loan it was authorised to levy a rate not exceeding 1s. in the pound on the annual value of property within the rating district defined in the Act of 1877. This limit of rating-power has since been converted by "The Rating Act, 1882," into a limit of ¾d. in the pound on the capital value. The Harbour Board was also endowed with 25 per cent. of the gross land-revenue derived from the disposal of lands in the Provincial District of Taranaki. Under these circumstances, and with the prospect of a very large land-revenue in the future, the Harbour Board raised its £200,000 loan at 6 per cent., thus involving the necessity of paying £6,000 every half-year for interest and other charges, amounting to £75 8s. 3d., so that the half-yearly charge for the loan is £6,075 8s. 3d., and the yearly charge £12,150 16s. 6d. Until lately the Board was able to meet the interest on the loan, and indeed also to pay away certain money into a sinking fund, but it was lately found necessary to levy a rate, which was accordingly levied over the lands in the district. With the aid of this rate the interest has been paid up till the 1st November last, and there is no more due until the 1st May next. On the 1st May, £6,075 8s. 3d. will be payable, and to meet this, so far as I have been able to ascertain, the Board has £900 standing to Trust Account (being the unexpended portion of the half-year's rate collected), £2,000 for arears of the same rate, which have yet to come in, and there will probably be also about £2,100 land-revenue yet to be received before the 1st May, making £5,000 in all, and leaving deficiency for the next half-year of £1,075 8s. 3d., as the next half-year's rate will not be payable until the 1st June, 1888.

2. Are there no harbour dues?—I am coming to that in a moment. In addition to this, the Harbour Board have a claim for £1,027 against the Government for railway-buildings, which were taken over in connection with the Moturoa–New Plymouth line, and which were the property of the Board; and also a claim for £1,318 14s. 2d. on the Government for special rates for the year 1887–88, payable under the Crown and Native Lands Rating Act.

3. *Mr. Whyte.*] Are both of these sums available for revenue purposes?—Neither of them has been yet received. The latter could not be used for ordinary-revenue purposes, as it is part of the special rate for paying interest on the loan, and is earmarked accordingly. This item, however, is disputed, and the Government have not yet conceded that they are liable to pay this rate in respect to Native lands; but I can see no ground whatever for disputing liability for, at any rate, the bulk of the claim. However, there can be little doubt that out of these funds, that is to say, the proceeds of the claim against the Government, and of the rates payable under the Crown and Native Lands Rating Act, there will be sufficient to meet the deficiency for the half-year's interest payable on the 1st May next, so that we need not expect that there will then be any failure on the part of the Board to pay the interest on the loan, although it is possible that it may be so; but the reason of my getting a Committee appointed to investigate the matter is that after that date there will, in all probability, be a serious deficiency on the 1st November, 1888. The net revenue for the last ten months of this year of the Board for shipping and other dues amounted to £1,640 10s. 2d.; the expenditure in connection with the shipping, &c., was £889 16s. 4d.; leaving a net balance of £750 10s. 10d. To this add for the other two months of the year one-fifth of £750 10s. 10d., namely, £150 2s. 2d., and that brings the total for the twelve months to £900 11s.; from this has to be taken, however, general charges, amounting to £344 3s. 10d. for the ten months' period.

4. *The Chairman.*] I do not quite understand that. In the first figures you gave us you gave £1,640, less £889 expenses. Were those ordinary expenses?—They were the ordinary port expenses; but to these have to be added the regular expenses of the Board, including collection of rates and office expenses not hitherto charged against the shipping receipts, but which will have to be so charged in the future.

5. *Mr. Jones.*] Have you not got the figures per annum?—Yes. I was going to proceed to say that to the last figures I gave you, viz., £344 3s. 10d., for Board expenses for the ten months, was to be added one-fifth for the remaining two months of the year, making the annual charges £413 0s. 6d. I have given you £900 11s. as the balance of revenue for the year, from which if you take £413 0s. 6d. it leaves £487 10s. 6d. as the only net surplus that the Board can count upon, and this should, I think, be left either for the purpose of repairs, or for necessary work in connection with providing facilities for shipping. It would not be safe to leave the Board without as much as £400 per annum to come and go upon.

6. *The Chairman.*] If this course is followed, there remains only, as against interest on loan, the amount derivable from the rates. Yes; that and the land-revenue.