to £154,218 6s. 3d.: so that in future, from lands yet unsold, the colony would have to give to the Board, for land which it now possesses, £154,218 6s. 3d. The whole will be brought before you; and what I would urge is this: whether, seeing that there is to come from the Government so large a sum of money—so nearly amounting to the whole of the loan which is payable—and seeing also that this does not include the lands which must hereafter be acquired from the Natives for the purpose of carrying out the work of settlement, which, when acquired, will be subject to the Board's claim; and, seeing also that the present annual charge on the colony is £1,318 14s. 2d. for Crown and Native land rates, will it not be well for the Government to take into consideration whether some arrangement cannot be made to at the same time free the colony from this burden in the future, and relieve the settlers who are in so bad a condition and are unable to pay the rate to provide the interest on the loan? The deficiency between what will come to the Board from Crown lands with the sum to the credit of the sinking fund added (in all £171,036), making some allowance for necessary expenses, would not amount to more than £30,000, or, say, £35,000, and the district and settlers would be well able to meet this deficiency and to be rated for it; so that there would be no necessity to throw any loss on the colony at all if any arrangement of the sort could be effected. At the present time, even if the Board were able to pay their interest, the settlers would not be able to pay the rate without great difficulty.

19. *The Chairman.*] You have said that owing to the change of policy with regard to the administration of the waste lands the position of the Board has been less satisfactory than was originally contemplated?—Yes.

20. In connection with this, is it not a fact that originally, when this transaction was first entered into, when the 25 per cent. of land sales was secured to the Board, there did not exist that area of confiscated land which now exists?—To the best of my knowledge the confiscation took place previous to this.

21. I have heard it stated that a large area became the property of the Crown of which the Board would receive its 25 per cent. subsequent to this agreement, and therefore that it would appear that there was a considerable offset as against the disadvantage?—I have no doubt that this is an entirely erroneous statement. The whole of the confiscations were previous to the raising of the loan, and previous to the passing of the Loan Act of 1877.

22. Were there no confiscations since 1877?—None whatever, I feel sure.

23. You spoke of the rates as pressing with peculiar severity on persons having borough property?—That is so, with great severity.

24. Then, do you say that the rates in the borough are 4s. in the pound on the annual value?—I am informed so.

25. And that with the 1s. rate of the Board makes 5s.?—Yes; that is so.

26. I find that you have used the argument that the colony is responsible to the Board under the Crown and Native Land Rating Act for the sum of £1,318 14s. 2d. per annum: of course it is within your knowledge, as a member of the House, that it is proposed to repeal that Act?—That could not be retrospective because the debenture-holders, have stepped in, and the rate being pledged to them as security the colony cannot break faith with them.

27. Then, you contend that the Government would be obliged to pay rates on such land as is subject to this Act?—Yes.

28. You gave us figures which, worked out, amount to about £154,000, which would be derivable by the Board from their proportion of land sales?—Yes; from sales of land in the district owned by the Crown.

29. Do I understand you correctly to say that this £200,000 loan was raised at 6 per cent.?—Yes.

30. Did the Board obtain par for their debentures?—I am not able to say for certain, as I was not then a resident in the district; but I believe that they were sold considerably below par.

31. What was the interest per cent. on the money raised?—I do not know exactly how much the low price obtained for the loan increased the interest. Mr. King will be able to tell you. Probably but little over the actual rate of 6 per cent.

32. Seeing that the colony borrows money at 4 per cent., if it were to take over the liability of the Board there would not only be the remainder of the £35,000, but there would also be the fact that it would have to pay the, say, 6½ per cent. on £200,000, whereas the colony borrows money at 4 per cent.?—That is true.

33. Then, that is a factor in the case?—Yes.

34. We are to understand that, the maximum rate being 1s. in the pound, the Board, having levied up to this, has no other means of raising the revenue in this direction?—None at all.

35. *Mr. Larnach.*] What percentage do you say is to come to the Board of the land-fund?—25 per cent. of the proceeds of the lands both now owned by the Government and which may hereafter be purchased by them.

36. Can you state what that percentage has amounted to in detail?—Mr. King will be able to supply you with these figures.

37. And you value the amount of land yet available as something like half a million?—£616,673; of which the Board's share will be £154,218.

38. And the debt on account of the works is?—£200,000, less accrued sinking fund £16,818.

39. *The Chairman.*] Have you any territorial endowments?—As respects present value, virtually none.

40. *Mr. Larnach.*] But there is something?—There are a few town sections worth a few thousands; not more than would realise interest on £6,000 or £7,000.

41. You mentioned a large sum that was payable in connection with the Crown and Native lands; in what way is this payable?—The holders of these debentures have, as security for the loan, a rate of three farthings in the pound on the capital value of all lands in the district; and