

convincing the Supreme Court (after a lengthy trial, and two counsel being retained and heard against me) that the sum had been improperly paid into the Sinking Fund No. 1 Account and had not been permanently devoted to sinking-fund purposes. The Court gave judgment for the Board against the Sinking Fund Commissioners. The matter was argued out before the Supreme Court, the Board having myself as counsel on their side, and the Commissioners with two counsel fought the thing right through in the interests of the debenture-holders whom they represented.

THOMAS KING examined.

56. *Mr. Samuel.*] You are Chairman of the New Plymouth Harbour Board, and have been specially appointed to attend this Committee for the purpose of giving evidence?—Yes.

57. I believe the Board has to pay the sum of £12,150 interest and charges on a loan raised?—It has. The payments become due on the 1st May and the 1st November each year.

58. The interest has been duly met until November last?—It has.

59. Will the Board be able to meet its next payments on the 1st May next?—I have every reason to believe it will; but it is a question whether the Trust Fund, from which the coupons should be paid, will be sufficient, and it may be necessary to take some out of the Harbour Fund Account. The Trust Fund Account consists of a quarter of the land revenue, and the rate. This can only be used for the particular purpose of paying interest and Sinking Fund, if there is any Sinking Fund.

60. Can you tell us what you expect will be the funds available for paying the next payment of interest?—There is a balance to the credit of the Trust Fund of £909 16s. 1d., and the amount to come in for rates, which will be about £2,100 probably.

61. Is there any Land Fund to come in before the 1st May?—I do not think I could estimate more than £2,000 from that source—perhaps £2,100.

62. That would make £5,000?—Yes.

63. You would want another £1,075?—Yes.

64. You have two assets, I believe—one a claim on the Government for railway-material, which ought not to go into this Trust Account?—Yes: for £1,027.

65. Has that claim been recognised by the Government?—They have taken a goods-shed and cattle-yards.

66. What do the rates under the Crown and Native Lands Rating Act amount to?—£1,300; but there is a deduction to be made from that, because in the return of the Property-tax Commissioners they put down many Crown lands and Government buildings, &c., which would have to be deducted. The amount which would go to the Trust Account might perhaps be put down as £1,000—i.e., for the year. It was due this month.

67. You have very little doubt that, with the purchase-money of this railway-building, &c., which have been taken, and the Crown and Native land rates, you would have sufficient to make up the deficiency of £1,075?—I think so.

68. When is the first half-yearly payment due?—On the 1st May.

69. But on the next half-yearly date—the 1st November—you will not have the £1,027 (the amount of your claim upon the Government), nor the £1,300 under the Crown and Native Lands Rating Act?—No; we shall only have £650 for the half-year.

70. Then, all you would have would be the 25 per cent. of the Land Fund?—There would be the rate for the year 1888, which is not due till June; but what the rate will be next year I do not know, because if a revaluation of property were to take place it would fall about 25 per cent. in value.

71. *The Chairman.*] The rate would be, then, half the amount as above calculated, less any depreciation in value?—Yes.

72. *Mr. Samuel.*] What do you estimate the rate to realise?—According to the rate-book it is set down as £5,295; but we have put down about £4,500, because in many cases the money is unable to be got in.

73. Would £250 be enough to put down for depreciation in value?—No; that would not be sufficient.

74. What do you expect it would be?—About £500.

75. That would only leave £1,750, which, with £650 Crown and Native land rating, would make £2,400. Then, what do you estimate the Land Fund to produce?—I have no means of calculating it. The Government estimated it to bring in during the present year £4,500 a year; but I do not think it will amount to £4,000, as far as I am capable of judging, because in 1886 it was estimated at £4,058, and it only produced £4,000, and in 1887, for the first three quarters, only £3,238 has been taken, and the last quarter of the year is generally the smallest. I do not think, therefore, that it will amount to £4,000.

76. Then, assuming it to be £2,000 for the half-year, that leaves a deficiency of £1,075?—Yes.

77. Then you have no doubt that the Board will be unable to meet the coupons falling due on the 1st November, 1888?—Quite so. I do not think anything can be calculated upon from the Harbour Fund, because if anything were to fall in from that source it would be absorbed by maintenance of the breakwater, repairs, &c.

78. Can you give us an estimate of the land revenue paid to the Board for the previous years, in round numbers?—In 1879, £4,123; 1880, £2,638; 1881, £32,986; 1882, £17,145; 1883, £20,138; 1884, £6,367; 1885, £4,927; 1886, £2,364; and 1887 (first three quarters), £3,238.

79. I believe none of this has ever been spent on construction?—No.

80. It has all been devoted to paying interest on loan and providing for Sinking Fund?—Yes, the land revenue and the interest accruing therefrom.

81. *Mr. Jones.*] Do I understand that the sums you have mentioned are the sums you have received?—Yes: a total of £93,926.