

135. What are these set down at in the valuation?—£6,000 with Mount Eliot; but the valuation is a merely nominal one.

136. When was this valuation made?—Some years ago; but there was really no notice taken of it. The income from the endowments is covered by district and other rates, which sweep them up. There is about sixty acres, for instance, of sand-hills, which are rated by the Road Board, and from which there is no return at present, whatever there may be in the future.

137. If you collected all your rates for this year, and assuming that the land-revenue for next year—November, 1888, to November, 1889—was the same as that of last year, what would be the deficiency?—About £4,400.

138. *Mr. Larnach.*] What do you estimate the value of the Board's interest in the Land Fund to come to?—It is impossible for me to form any judgment at all. Mr. George will be able to tell you.

139. Can you say what is the gross amount derivable from your portion of the purchase of unsold Crown estate?—I cannot say.

140. Would the people of New Plymouth be satisfied to part with all their endowments to get rid of the responsibility in connection with the Board?—Yes, quite willing.

141. *The Chairman.*] Would the New Plymouth people be satisfied if they were simply asked to make up the difference, by way of rate, between the amount which would be payable supposing the money were borrowed by the colony, and the rate at which the money was borrowed by the Board?—They would be glad to get any relief they can.

142. Have you funds enough to pay for all contracts in hand?—Yes.

143. The work will be completed when the new wharves are finished?—Yes, as far as it is intended to carry it at present.

144. Has it been damaged by storms?—Yes; but it is being made good, and there is every material for doing so.

THURSDAY, 8TH DECEMBER. (Major STEWARD, Chairman.)

JAMES CARTWRIGHT GEORGE examined.

145. *Mr. Samuel.*] I believe you were the Secretary of a Committee which was appointed by a meeting held for the purpose of inquiring into the affairs of the New Plymouth Harbour Board, more especially in connection with the reasons which rendered them unable to pay the interest on the loan without levying a rate?—Yes, I was.

146. You have collected certain figures for that Committee which are now available for the Committee?—Yes, I have done so. The figures I have compiled for the Committee to which you refer were based on the Crown land returns of 1886; but, since I first compiled them, I have amended them and made them up to the last available returns for the year ending the 31st March, 1887.

147. Will you give us the figures in support of the ground which, I understand, the Committee thought a good ground for thinking that there were circumstances existent at the time the loan was raised which have since changed so as to render necessary the levying of a rate?—I presume it is in the knowledge of the Chairman of the Committee that, since the loan was authorised, the system which then obtained for the disposal of the land had been changed; and this change has caused very great loss to the Harbour Board and a serious deficiency in the revenue.

148. That is, since 1881?—Yes; since that time the Government have been selling part of the lands on deferred payments, and a considerable portion has been disposed of under the perpetual-lease system, so that the Board has been unable to get the 25 per cent. of the capital value which the Government had set apart for them, and which formed part of the security on which the £200,000 loan was raised.

149. Can you give us any figures to show the effect of this on the Board?—Since the time I have referred to, deferred-payment lands have been sold to the extent of 78,863 acres.

150. *The Chairman.*] What sum of money would that represent as the capital sum which the land would have realised if sold for cash?—I will give you those figures later on. The area disposed of under perpetual lease is 16,372 acres since 1877. The perpetual-leasing system was introduced since the loan was authorised. Seeing, then, that the Board is quite unable, with the present revenue, to meet the interest on the loan, I have a scheme of my own to help them out of the difficulty.

151. *Mr. Samuel.*] Let us have the figures and facts first, and any proposals you may have to make afterwards?—The value of this land I am placing at a low figure, so as not to make the thing look better than it really is—in fact, I have been working out my figures rather under than over the mark. Setting down the deferred-payment land at £1 5s. per acre, it would have yielded £98,578 15s. if sold for cash. The land disposed of under perpetual lease would not be of quite so much value. This I value at £1, which is the upset price at which agricultural land is sold by the Government. This, then, would have realised £16,372, and the two amounts together would have made £114,950 15s., 25 per cent. of which would have been apportioned to the Board, and would have yielded £28,737.

152. And that would have prevented the rate from having to be levied at all for some years, would it not?—Yes, for about five years.

153. Are there any other reasons which you know of which have operated in bringing about the present position of affairs?—Yes; the district has suffered considerably from the fact that a considerable proportion of Crown lands has been reserved for colonial purposes—in fact, a greater proportion than in any other provincial district in the colony; whereas in some districts, as Hawke's Bay and Nelson, the proportion reserved out of the whole area disposed of is only 0.1; the proportion reserved in Taranaki is 0.7 to that disposed of. I have compiled a list which gives the figures for the various provincial districts. In Auckland there has been sold 1,674,055 acres, and