

It is stated that the increase of rateable value of county property between 1882 and 1887 amounted to £171,475, during which period there has been very little increase of settlement; that hardly any Crown lands have been taken up or placed in the market, and that the passing of "The Native Land Laws Amendment Act, 1883," has caused the dealings in Native lands to practically cease. Thus, during these years little progress has been made in the extension of settlement; consequently the calculation made by the Harbour Board, based upon the supposition that settlement and progress would yearly extend, has broken down. It is also stated that the Board applied to the Government for aid in paying the interest during construction before any money was expended, and that they have always relied upon obtaining such aid; and that, had the Government never intended to grant them such assistance, the work should not have been allowed to go on. The letter from the Marine Department to the Board, dated the 29th November, 1886, which I previously quoted, would negative this statement.

It has also been suggested that it would be acting in the public interest if Parliament were to take over the unexpended portion of the loan and carry out the works to completion, reserving the right to rate the district up to $\frac{1}{2}$ d. and 1d.; and it is maintained that were this done, if followed up by the construction of roads and tracks to open up land, and thereby help to settle the interior of the country, it would be a profitable transaction both directly and indirectly; that people who are inclined to settle in the district where good land can be obtained are not prepared to face the difficulties and disadvantages of want of access, a safe harbour, and, in the meantime, bear the imposition of a harbour rate upon property in addition to other rates and taxes. There is not the least doubt that to stop the works at present means that no benefit will arise from the expenditure of over £70,000, as the works are not yet far enough advanced to be of use to even the smallest class of vessel that frequent the port, or even render any protection to the bar and entrance of the river.

I am unable to report under this head further than that, in my opinion, the imposition of a heavier rate than that now levied—viz., 1d. and $\frac{1}{2}$ d.—would create a bar to the progress of the settlement. The settlers no doubt voted for the loan with their eyes open, but were misled by the over-sanguine estimates of the probable progress of the district, which have not been verified, owing, it is now said, to circumstances beyond their own control, as previously stated—viz., the passing of "The Native Land Laws Amendment Act, 1883."

I may point out that the Board when framing their estimate of the probable financial position during 1888, calculated upon obtaining 5 per cent. interest upon the unexpended portion of the loan, whereas now they are only receiving 4 per cent. They expected to obtain a revenue of £500 per annum from the Tauwhareparae Block, and £250 per annum from the rent of the foreshores, from neither of which do they obtain anything, but, on the contrary, pay £50 in rates.

The present harbour rate presses heavily upon many settlers along the seaboard who make no use of the Port of Gisborne, and probably never will, as they ship their wool direct into coasting vessels at various points.

In making this inquiry I have been afforded every assistance by the Chairman and members of the Board, as also by the whole of the residents in both town and country, who placed every means at my disposal to enable me to make as complete a report as possible. I have not entered into any description of the work now being constructed, as I was not specially instructed to do so, but I may add that I was thoroughly satisfied with its character and the manner in which Mr. Thomson is carrying it out. As I before mentioned, the plant is most complete and well arranged. The concrete blocks are well made, and the quality as good as could be expected from the description of sand at first used, which was too fine. The sand now made use of is dredged from the end of the work, and is much coarser and better suited for this class of concrete. The pier itself is thoroughly well built, and considerable care is taken to insure a good foundation.

In conclusion, I may state generally that I consider the work to be very creditably and faithfully carried out.

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