

*Mr. Ormond* : I have pointed out that the plan has been altogether diverted from. The plan which is now being carried out is not the plan they voted for. I tried to show that the work now being carried out can be of no benefit to them whatever. The extension of the works is only sought for the purpose of allowing the small steamer "Australia" to go alongside [the wharf. This same steamer now calls at every port of the district which now protests against the loan. You can have no more absolute evidence that this district will not benefit by the work. The Act of 1884 describes the work to be constructed; I have already quoted it.

8. *Mr. Ross.*] Is the present work a diversion from the plans under which the loan was floated on the London market?—It is in a different place altogether.

*Mr. Ormond* : What I do ask the Committee to realise is this : These settlers have the same steamers which go to Gisborne, the "Suva" and the "Australia," trading to their centres at the present time. The steamers go to these places, land the goods at their doors, and take away any produce the settlers may have direct to Auckland, Napier, or Wellington.

9. *The Chairman.*] How do these steamers discharge and load their cargoes?—By means of lighters.

10. Is the work already finished any good at all?—Very little.

11. These steamers do not go behind the breakwater?—No. My opinion is, after the experience of Napier, that if carried to completion the work will be just as useless as it is now.

12. As to the other site?—It was in deep water and made provision for wool-vessels. It was higher up, further away from Gisborne, on the same side though as the present works.

13. You give the Committee to understand this, as a ratepayer and settler of the district : It will be better that the work should remain as it is, even if it involves the loss of the money already expended?—I believe so ; and I believe the people, if it were put to them, would say so themselves.

14. *Mr. Graham.*] You stated that the principal objection was that the original plan had been departed from. Are you aware that by Sir John Coode's plan the groundwork would have been on very nearly the identical spot as this?—No.

15. Within a trifle of it?—A very great trifle. Captains of steamers that trade there, such as the "Manapouri," have expressed the opinion that in the event of this work being carried out, if it ever got a depth of water which it was supposed it might have, they would not think it safe in anything like rough water to take advantage of it. Sir John Coode's plan, on the other hand, made provision for what is called a harbour of refuge for that part of the country.

16. *Mr. Whyte.*] Do you recollect the cost of Sir John Coode's plan?—£260,000, I believe.

17. What advantage do you consider it would have been, supposing Sir John Coode's plan had been started?—I maintain, however far it would have been carried out, it would have been of service for vessels of that class.

*Mr. Graham* : The district could not possibly have borne the expenditure.

*Mr. Ormond* : I can understand a district making a sacrifice for a work that would be useful to it, and I can understand a district protesting against being burdened for a work which would be absolutely valueless to it. For instance, at Napier, I myself, when I found that the work first carried out there did not effect the object desired, withdrew my support, and have been an advocate for the bigger work ever since. The next point I want the Committee to consider is, Will the rating for this work stop the settlement of the district? Now, I speak as a person who knows something of the settlement of land, and the motives which influence people in this transaction, and I say deliberately that if the expenditure goes on settlement will stop there. I do not care what the other inducements are, people will not go into that district when the incurring of such enormous obligations on their property threatens them. Mr. Higginson gives exactly the same opinion in his report. I ask the Committee to consider what would be the position, supposing they should decide to allow this expenditure up to £101,000 to go on. In such an event, I ask the Committee to consider the case of the settlers who will not be interested in the smallest degree in that work, whether they ought not to get some relief. I would point out that there would still remain in hand a balance unexpended of £59,000, which will not be wanted for the work, and which, if taken and properly invested, would go some way towards relieving these parts of the district. If it is decided to expend the £101,000 I think it a fair claim on the part of these settlers that the remaining £59,000 should be taken by the Government and invested in such a way as to reduce the rates falling on that part of the district—that is, the north part of Cook County. If the work is to be stopped where it is I would strongly advise that the whole of the money should be taken possession of by the Government, and invested in such a way as to secure the principal and reduce the rates which are now pressing so heavily on the settlers in the district. I would ask the Committee to look into the securities which have been taken for the £25,000 sinking fund. I have seen a list of these investments, and I am quite sure no loan company in the colony would have advanced such sums on such securities. I do not believe you would find a loan company which would do so. If the Committee look at them they will find I am correct in this statement.

18. *Mr. Ross.*] What revenue do you think the endowment of 40,000 acres would be likely to yield?—The best idea I can give you is this : Not long ago some small runs, of somewhat similar quality, were put up for lease in that district, and I believe only one of them was let. They were put up under the small-run regulations, at a valuation of 5s. per acre, and lessees had only to pay 5 per cent. on that, and they were not taken up. I see Mr. Higginson puts a rental value of £500 upon the Tauwhareparae Block. I do not think any such rental can be obtained for it ; certainly not if the district is to become liable for a loan such as this.

19. *Mr. Allen.*] You said a moment ago you would recommend the Government to take charge of the unexpended loan. Would that be with the view of carrying out the work at a future date?—No ; with the view of securing the public creditor and relieving the district.