the "Australia" to come in. I do not think he puts the advantages quite fairly in that way, nor do I think Mr. Higginson puts the increased accommodation quite fairly in one portion of his report. He presumes that the "Australia," which only draws 11ft., would require 15ft. of water alongside the pier. From what I can gather, even from Mr. Higginson's own report, vessels drawing considerably more than the "Australia" could, for an additional expenditure of £40,000, come in and lie alongside this breakwater—vessels even drawing 16ft. to 17ft.—by waiting for high water.

83. *Mr. R. Thompson.*] Is it not a rock bottom?—It is a sand bottom just now, and below the sand it is flat papa rock. The present depth is 6½ft. on the bar at high water and 2ft. at low water; so that there is a very great difference between 2ft. at low water and 15ft. at low water, as this extension would give us, provided the sand disappears, as all the Engineers have said it will.

*Mr. Ross :* For the expenditure of £101,000 it is 13¼ft. on the sand and 17ft. on the rock.

*Mr. Graham :* The advantages would be very much more than allowing the "Australia" to come in now and again, as Mr. Ormond would presume. Practically, with that depth of 14ft. or 15ft. at low water, we could get all our cargo landed alongside the breakwater and save lighterage.

84. *Mr. Tanner.*] Supposing this work were carried out, would the Union Company's steamers trading to that coast be able to use that wharf?—Which ones?

85. The "Rotomahana," for instance?—No; they draw more water than that. It would enable some of them, but not the larger class—the "Australia," "Suva," "Hawea," and "Taupo," for instance. These are the class of vessels which do the bulk of the trade with Napier now. The principal part of the cargo is carried by these boats. I may say that it is confidently anticipated the sand will all disappear, and thus give a depth of 17ft. to the rock at low water. The advantage would be this: that all the cargo for the place could be landed direct on the wharf, and the exports similarly shipped direct, and a lighterage would thus be saved of from 5s. to 6s. per ton, which is the present rate. Stock we cannot ship at all just now, except at the prohibitive freights of 3s. per head for sheep and £2 10s. for cattle; and then you have to bear the risk of lighterage—shipping the stock firstly into the lighter and then from the lighter on board the vessel lying in an open roadstead. The trade in stock is one of the principal trades we look forward to, and, at present, with the high freights and risk of lighterage, the development of the trade is seriously crippled, and, in fact, absolutely prevented. The depth mentioned would allow stock steamers to come inside and load. Then, as to the frozen-meat trade, greater facilities would be afforded. At present the district is practically shut out from the trade in frozen meat, for which it is specially adapted, on account of the difficulties of lighterage. An extension of the work as proposed would overcome this, and give the same facilities for transhipping into the Home vessels as they now have in Napier, or even to have the meat sent to Napier for transhipment at a small cost.

86. *Mr. R. Thompson.*] I wonder you did not put this question to Mr. Ormond. He said that would be of no use at all?—Mr. Ormond was not very well up in a lot of his figures. This report of Mr. Higginson's, I may say, requires to be read very carefully over. Some extracts taken from it will no doubt appear very damaging, but I ask the Committee to read it over and consider the matter as a whole. There is another point, as to the sum of £14,961, Mr. Ormond referred to. One portion of that is an overdraft authorised by the Act of last session. That amount is to be repaid in annual instalments; it is a loan from the special account to the general account.

87. *Mr. Ross.*] How was that incurred?—There was an overdraft of the previous Board before the loan was floated. It was incurred in making wharfs and other such works, and some of it was for interest advanced, so as to save rating the district.

88. It was never legalised till last session then?—No. With respect to the Crown and Native lands, it was, as I understood, distinctly promised by the Government last session, that, in repealing the Crown and Native Lands Rating Bill, it would not affect bodies in receipt of these rates who had in any way pledged these rates. They would, as I understand, have to be paid in a case of this sort, as these rates form part of the security under the loan.

89. *The Chairman.*] You do not desire to convey to the Committee this impression: that the rates derivable by your district from the Crown and Native lands formed part and parcel of the security given for the money raised by loan in the London market?—In this way: that the security was the Board's power to rate over a certain area, including these lands.

90. It might have been stated in the prospectus as security for the payment of interest?—I cannot say; I do not think there was any special mention made of Crown and Native lands in the prospectus, but they were included in the Board's calculations of revenue, submitted with the prospectus.

Section 16 of the Act of 1884, referring to this security of debentures, was read.

*The Chairman :* I do not think we need discuss this further, because it is so ridiculous.

*Mr. Graham :* Except for this, Mr. Chairman, that the people of the district, when they voted for the loan, looked upon this as a source of revenue, and a source of revenue they had reasonable grounds for supposing would be always available.

91. *The Chairman.*] This only brings forward the question whether the House would be bound to provide an amount equal to the rates. As a matter of fact, have the rates under the Crown and Native Lands Rating Act formed part of the revenue of the Board?—Yes, they have. I believe I am correct in stating so. I have always understood that it was so. Mr. Ormond stated, he believed, it was his opinion that if the matter were put to the district just now a majority of the ratepayers, even in the central part of the district, leaving those along the coast out of the question, would be in favour of stopping the works. I am perfectly certain Mr. Ormond is mistaken. I believe, in the whole district, three-fourths of the ratepayers would be in favour of going on with the work, because they believe it would be of importance to the place if carried out to completion. With reference to the discussions on the Board, and the newspaper reports of meetings, I may