not been made by people of the eminence of Sir John Coode, and I do not place the slightest reliance on them. I would strongly advise the Committee to obtain Sir John Coode's harbour-refuge proposals, because I do not think they will bear the statement out at all.

330. *Mr. Allen.*] How long did Sir John Coode stay at Gisborne?—Sir John Coode has such familiarity with harbour works that when he has once ascertained the trend of the sand and shingle you can rely upon what he says.

The Chairman: It has been proved beyond a doubt that the information supplied to Sir John Coode as to the drift of the sand was incorrect.

331. *Mr. Whyte.*] At any rate, you will admit this: that to get a harbour refuge under Coode's plan, it would cost more or as much as the proposed scheme?—It is new to me to hear that.

332. At any rate, if Coode's plan had been carried out in its entirety, you consider the district that voted for it ought to be liable?—Oh, yes!

333. Your knowledge of the district is sufficiently great, I think, to enable you to state as to how the people do with their stock there. If the people could load their stock without lightering, would there not be a considerable export trade in sheep and cattle?—The number of sheep in that district is very small. I do not think they number over 200,000. We have exactly the same difficulties up the coast in the way of shipping our stock, and yet we manage to export our sheep. Mr. Ormond recently sent three loads of sheep from Tologa Bay.

335. *Mr. Ross.*] If the works are completed, and a road made from the coast district to Gisborne, would you be able to export your goods and stock at a less price than you pay now?—It might have been possible to do it at less price at the time we polled for the work, but since then we have made excellent arrangements with the Union Company, and though we should have preferred to send our wool down that way, it would probably be some time before we did so. I might draw your attention to the report of the Committee of the Legislative Council with regard to the Sinking Fund investments. It was stated that the Board had scooped the pools, as it is vulgarly called—that the money had all been lent to members of the Board. We had an exhaustive inquiry into this matter, and while we do not think there have been any loans at all in bad faith, we have strongly recommended that no more of this kind of thing should go on, and that all the money should be invested in debentures of the colony of New Zealand or other colonies. As to the value of these securities, I may say, I cannot venture an opinion, because my opinion is so entirely opposed to the opinions given here by men with such local experience as Mr. Graham, for instance, that these opinions destroy all ideas of value you have formed.

336. *Mr. Whyte.*] With regard to the investment of the balance of the loan in Government debentures, if you invested this money at 4 per cent. and pay the higher rate of 5 per cent. to the money-lenders at Home, there would be a huge deficiency, would there not? There would not be a huge deficiency. It would only be 1 per cent., and we are willing to pay that. There would be the advantage of absolute safety in the investment proposed.

337. *The Chairman.*] You know the block of land set apart as an endowment for the Board; what would be the probable rental value of that block?—If roads were made to it I think it would be a cheap run on a long lease, say, thirty years, at a rental of £1,000 per year. Without roads it is absolutely worth nothing; nobody would have anything to do with it.

338. How much would have to be expended to open it up?—I do not think the cost would be above £5,000. I may say that very serious things have been shown before the Committee of the Legislative Council regarding the Board's finance, in view of the probability of the repeal of the Crown and Native Lands Rating Act, and of a less valuation for property-tax; moreover, there has been great difficulty in getting in the rates. As regards the investments of the Sinking Fund, the report upon the subject says, "Without taking exception to any of the investments that have already been made, your Committee would recommend that in future the Sinking Funds should be invested in the debentures of the Colony of New Zealand or other colonies.

Mr. John Sperrey, Property-tax Commissioner, examined.

339. *The Chairman.*] The Committee desire, Mr. Sperrey, to get information from you as to the property-tax valuations of certain properties upon which the Gisborne Harbour Board have lent certain moneys. First, we have "£8,000, at 6 per cent., on 1,470 acres of land in the Whataupako Block, valued at £14,000." [*Mr. Sperrey:* My valuation is £13,965.] Then there is "£900 on 208 acres and 32 perches of land, 13 acres of which are in Whataupako Block, and the balance in Kaita, valued at £1,227"?—My valuation is £792. There is one section valued at £140 in the Board's list of valuations which has been transferred from the Natives since the property-tax valuations, and of which I have therefore no valuation. That brings the valuation up to £932. I may say that there are one or two sections which have been so transferred since the property-tax valuations, and of these I have no account.

340. *Mr. Allen.*] When were the property-tax valuations made?—Some three years ago.

341. The land would not be worth more now?—No, but there may have been improvements on it since.

342. *The Chairman.*] The next is "£350 on Town Section 112, with buildings thereon, valued at £500"?—I have got the valuation of Town Sections 111 and 112 together. The two are valued at £600. The one section, No. 111, is valued in the Board's list, I see, at £500. It may be that there are no buildings or improvements on Section 112.

343. Then comes "£3,700 on Town Section 51, with buildings thereon, valued at £5,000." That is the hotel property?—My valuation is £5,500.

344. Next, "£300 on security of Town Section 30, containing 1 rood, with buildings thereon, valued at £500"?—There must be some mistake about this section, as that is the one on which the Union Bank stands, and is valued at £1,213 by me. This cannot be the section.