

SIR,—

Premier's Office, Wellington, 23rd January, 1889.

I have the honour to inform you that the Government has had under its consideration your letter of the 4th December last relative to the position of the Thames Harbour Board. After consultation with the Law Officers of the Crown, the Government learns that at present it is powerless to do anything to place the Board in such a position as is desired, and that legislation is absolutely necessary to extricate the Board from its difficulties. In the meantime, however, the Government will indemnify the members of the Board for the payment of any coupons they make, and will introduce a Bill at the next session of Parliament having for its object the settlement of the whole question.

I have, &c.,

H. A. ATKINSON.

The Secretary, Harbour Board, Thames.

That is the Bill you have before you. The Board addressed the following letter to the Premier :—

SIR,—

Office, Thames Harbour Board, 4th December, 1888.

I have the honour, by direction of the Thames Harbour Board, to again bring its position before you, and Mr. Hesketh's opinion on that position. Copy of Mr. Hesketh's opinion I also again enclose. The opinion of Mr. Hesketh is that the action of the Government deprives the Board of the power to collect dues, and also makes it illegal of the Board to pay coupons on the loans, or even to repay the loans themselves. Messrs. Bagnall Bros., Blair and Gillespie, the Kauri Timber Company, the Waihi Gold-mining Company, and all or nearly all who have large amounts to pay the Board, refuse to pay dues at all. The various solicitors whom these firms have consulted have told them the same as Mr. Hesketh has told the Board, viz., that the Board cannot recover dues, because, although a Board, the Port of Thames possesses no boundaries, the Proclamations, with the exception of that of Mr. Larnach, being incorrectly worded. For the same reason, Mr. Hesketh says the Board had no power to borrow, and no power to pay back the money borrowed or the interest (coupons) due on such loans. I am directed to remind you that the Board pointed out to you its position, and sent Mr. Hesketh's opinion to you, early in October last; and, with the exception of receiving a telegram from the Marine Department that the Government was considering the position of the port's boundaries, nothing has been done. Of course the members of the Board want to pay the Board's debts, and to be put in a position to recover dues due to the Board, and this is all Government is asked to do, viz., to validate the payment of the coupons and loans as they become due. Mr. Hesketh has told the members of the Board that if they pay these coupons they can be called upon to repay the money out of their private estates. The other matter is, that the boundaries be so gazetted that the Board can enforce payment of dues. As it is the Government's Proclamation and not any wrongdoing of the Board that prevents the Board recovering dues, and as these dues unrecovered and refused to be paid amount to over £200, will Government either pay this amount to the Board or will it authorise a case to be tried in the Supreme Court? (Bagnalls owe now about £120.) In concluding this letter, I am directed to say that, if you will be good enough to give the Board an indemnity, or in some other way provide a means whereby it can pay the coupons with legal safety, it will endeavour to do so early in January; but, unless also the Board is placed by the Government in a position to recover the dues owing by Messrs. Bagnall, Blair and Gillespie, Waihi Gold-mining Company, and others, it cannot pay these coupons even in January. I trust you will pardon this long letter, but the position of the Board is quite desperate. The coupons will be due 1st January next.

I have, &c.,

F. C. DEAN, Honorary Secretary to Board.

The Hon. the Premier, Wellington.

This shows, shortly, the position in which this Board has been placed, and is ever being placed, owing to the action of the Government in depriving the Board of its jurisdiction. When Mr. Larnach's Proclamation was issued the Board expended a considerable sum of money in repairing the wharves up the rivers. The control was taken away under a subsequent Proclamation. The money, of course, has never been refunded.

6. *Colonel Fraser*.] The Proclamation of 1874 and Mr. Fisher's Proclamation—are they identically worded?—No.

7. *Mr. Rhodes*.] I think you had better put the financial position of the Board. What I should like to know something about is, what power you have of collecting revenue from the whole of this [indicating on plan]—whether there is any limit to your charges up the river.

*Mr. Brodie*: We cannot collect any revenue at all.

*Mr. Rhodes*: Practically, you say you ought to have power. I should like to know whether you hold that your right to charge should be unlimited or limited.

*Mr. Bagnall*: There is no limit by the Act.

*Mr. Carpenter*: A by-law was passed in December, 1883, called By-law No. 5. This, I may say, was agreed to by Mr. Bagnall, who was, I think, then Chairman of the Board—were you not?

*Mr. Bagnall*: No.

*Mr. Carpenter*: Colonel Fraser was then Chairman. At a meeting of the Board held on the 10th December, 1883, there were present Colonel Fraser, Mr. Bagnall, Mr. J. Reid (who represented the timber industry also), and at that meeting By-law No. 5 was passed, which provided for the collection of certain timber wharfages up to the point I have described as coming within the supposed boundaries of 1874—that is, taking in the Turua and Blair and Gillespie's mills. In 1887 or 1888, after Mr. Larnach's Proclamation was gazetted, a new by-law was passed, called By-law No. 10, in which it is provided that wharfage dues on timber shall be 1s. 6d. The intention of the Board at that time, I may say, was not to collect 1s. 6d., except in this form: one shilling of that was to be refunded to be used in repairs to the wharves. This was deemed to be too high a charge, and was considered to be a very cumbrous and roundabout way of effecting its end. At a special meeting of the Board held the following year—1888—the by-law was amended in this form—and I wish to put particular stress upon this amended by-law, No. 11, knowing what statements have been made in reference to this matter. It says: "On and after the coming in force of this by-law the following words shall be added to section 2, By-law 10—For every 1,000ft. of sawn kahikatea timber, 4d.; for every 1,000ft. of sawn kauri timber landed or shipped south of Opani Point, 8d.; for every 1,000ft. of sawn kauri timber landed or shipped north of Opani Point, 1s."—this money being all returned to the Kauri Timber Company under an arrangement for repairs to the wharf (i.e., wharfage paid by company on timber cut and shipped south of Opani Point). Perhaps I ought to put in a copy of the new by-law that has been prepared. I think that ought to come in this inquiry. This new by-law is now lying at the Harbour Board's Office to be examined. It really means bringing down kahikatea timber to 3d. per 1,000ft. [New by-law put in.] That is the position in regard to our right to levy dues. We are satisfied with this Bill as introduced by the Government.

8. *Mr. Rhodes*.] Was there any port before that original Proclamation in 1874?—There was what was called the Port of Shortland.