

46. You think the Board should have the power to stop the placing of sawdust, &c., in the river, to prevent the silting-up of the harbour?—Yes, undoubtedly I do.

47. *Mr. Bagnall*.] What could the settlers do in the matter of drains to prevent what you speak of?—I am not prepared to say, because I do not know that the matter could be obviated much.

48. You do not think the Harbour Board could do anything?

49. *Mr. Brodie*: Could they prevent ignorant men from putting drains in the wrong place, and compel them to put the drains in such places that the stuff would not be washed into the river?—I think so.

50. *Mr. Bagnall*: Unless the Harbour Board limits were extended beyond where they are now they would not have the power?—The Marine Department would.

51. These logs coming down the river, what could the Board do to prevent them coming down?—It would have the power to compel those who sent them down to the river to remove them.

52. *Mr. Rhodes*: The people living in this district [indicated on plan] have no representative on the Board?

*Mr. Brodie*: If they pay rates they have. The Thames County has three members on the Board.

*Mr. Wood* (a member of the Harbour Board): I have been a member of the Board for some five or six years, and consequently I am aware of all the transactions which have taken place since the first extension of the boundary by Mr. Larnach, and also when the boundaries were curtailed by Mr. Fisher. Prior to Mr. Larnach extending the boundaries I and other members of the Board went up the river with him. What Mr. Larnach saw at that time convinced him that the river had been spoiled by the trees and sawdust which had been thrown into it by the millowners. He was convinced that some body should have power to prevent these things. Previous to that Mr. Bagnall had been approached, and he never would cease throwing his sawdust into the river. A body like the Thames Harbour Board was too small a body for Mr. Bagnall to take any notice of. Parliament was approached, and Mr. Larnach extended the boundaries. Then the question of finance came in. The then secretary pointed out that we could not meet our liabilities. The Board raised the tariff from 1s. to 1s. 6d., and it included timber all round. How the charge came to be raised to 1s. 6d. was this: Mr. Stone, the owner of the Shortland sawmill, said, "If the other mills are willing to pay 1s. 6d. per thousand, I am willing to pay 1s. 6d. also." Mr. Stone at that time paid 1s., whereas Bagnall and Blair only paid 3d. The charge was then raised to 1s. 6d. A deputation of the millowners waited on the Board and said that the increase was too much. We were willing to reduce it to 6d.—that is, allow a rebate of 1s. It was only then that Mr. Bagnall contended that the Board had no right to charge at all. This Board has a liability, and Mr. Bagnall was Chairman of the Board when the liability of £6,000 was incurred. That has to be paid, and I do not think it is fair that he should now throw obstacles in the way of the Board collecting the money. What can the Board do, if it loses a portion of its revenue? It would be an injustice to the people who lent the money. As far as I am aware, we could not meet our liabilities and coupons and effect repairs to the wharves, &c. The Board is curtailing expenses as much as possible, but we cannot meet our engagements if a portion of our revenue is taken away. The up-river people have really no grievance. Mr. Bagnall tried to make Turua a little district for himself, with a harbour for himself, and I suppose they are going to set up a little government for themselves. How Mr. Bagnall can say Turua is not a portion of the Thames Harbour is a mystery. They have to pass through our harbour. I do not think the Commission should do anything which would hamper the Board keeping faith with our creditors, who advanced the money on the boundaries then in existence.

*Mr. McGowan*: The whole of those who are now objecting to paying dues paid for a certain time.

*Mr. Rhodes*: What is the output from these mills?

*Mr. Bagnall*: About 40,000ft. a week.

*Mr. Bayldon*: When this extension was first granted my instructions were to proceed up the river and see what was necessary in the way of repairing wharves, &c. I made a report on the subject to the Board.

*Mr. Bagnall*: The first notice we got about sawdust in the river was from the Marine Department, and since that steps have been taken in the matter. I am surprised that any one who knows the position so well as Mr. Wood does should have made the statement he did in regard to the Board and its liabilities. The Board could not meet the demands made by the late secretary: that was the trouble. It was the demands made by the late secretary which caused the increase of rates. As a matter of fact, since the late secretary has gone out the Board has been in a position to meet its liabilities, and it has got a credit balance at the present time. The Board is in a position to meet its liabilities and coupons. The real trouble was the frauds which were perpetrated by the late secretary.

*Mr. Brodie*: I say the Board are not in a position to meet their engagements. There are £10,000 of debentures to be met, and there is not a sinking fund to meet those engagements.

*Mr. Bagnall*: They are just in as good a position to meet them as the colony is. It has been said that I was Chairman when the liability of £6,000 was incurred. At that time there was an overdraft of £4,000 at the bank and a promissory note for £1,000. I was not one of the members who signed that note. The £6,000 raised was for the purpose of paying off an overdraft for which six members of the Board were personally liable. When I left the Board there was a considerable sum in the bank to the credit of the Board.

*Colonel Fraser*: The contention of Mr. Bagnall is that they have no right to go up the river. If they have no right to go up the river they have no right to go up as far as they have.

*Mr. McAndrew* (Chairman of the Harbour Board): It has apparently been found out, after many years, that the description in the Proclamation of 1874 was not properly defined. To rectify