

PHILIP JOSEPH HENNESSY examined. (No. 2.)

*Witness* I am here, as Chairman of the Foxton Harbour Board, in support of this petition I am prepared to stand any cross-examination that is necessary. I wish it to be understood that my object is not "to get one on" to the Railway Department. As a citizen interested in the progress of the Dominion as a whole, I am as much interested in the railways as in the Harbour Board, and I should like to be severely cross-examined as to any statements I make in my evidence. I will start with the past history of the port. The former Board was constituted by the Foxton Harbour Board Act, 1876, which, under section 14, gave the Board the following revenue: (1) Wharfage rates, (2) harbour-improvement rate, (3) rents and profits of land vested in the Board, (4) proceeds and profits of land set aside as endowments, (5) all other moneys which may be received by or become the property of the Board. Under section 15 these funds were to be expended in payment of expenses incurred by the Board, and in the construction, maintenance, and repair of harbour-works, or for payment of interest or sinking fund on loans borrowed for such works. In 1878 this Act was repealed by the Harbours Act, 1878, and the Board reconstituted under that Act. The Harbour Board funds were to remain as before (section 109). By an amendment of the Harbours Act in 1886, the Foxton Harbour Board, along with others, was dissolved, and its powers and duties vested in the Governor in Council. I might say that by this Act the Governor in Council was to perform all the functions of the local body, as if the Harbour Board was in existence. That has been completely ignored as far as the present holders of the revenues of the Board are concerned. Accordingly the old Foxton Harbour Board was entitled by law to receive the wharfage dues, but after careful inquiry I find that they never did so, and the dues were collected all the time by the Railway Department, and never expended on the harbour, but applied always for railway purposes right up to the present time. It appears from what I can learn of the past history that when the Board was granted these wharfages the Railway Department ignored the rights conferred upon them by the Act. These wharfage dues have always been by far the largest source of revenue from the port. I believe also that it was just because the Railway Department prevented the Board from collecting any wharfage dues that the Board was unable to carry on for want of revenue, and had to be dissolved. Ever since the dissolution of the old Board the shipping trade has been growing, in spite of the extent to which it is hampered by the fact of no improvement being effected to the river, and at the present time the amount of shipping would be very large if something could be done to keep the channel open. The wharf was originally built by contractors for the Government for the construction of railways—that is, leading from Palmerston to Halcombe. Messrs. Brogden and Co. were the contractors, and these contractors made it for the purpose of landing material for the railways. Subsequently, in 1880, the Public Works Department took by Proclamation about 20 chains of the foreshore, and built the present wharf. I think it was some year or two before the same thing occurred in Wanganui. At the time I speak of the Wanganui body got its revenue from private wharves which it leased from firms there. The Railway Department by Proclamation took the foreshore there. The Wanganui Board objected, and as a result the Government agreed to collect all the wharfages, and return to the Wanganui Harbour Board the net returns, after deducting the costs of handling the goods and 2½ per cent. for collecting. The same thing was done about the same time in Wanganui, Patea, and Waitara. In the case of Waitara the conditions are somewhat different, because the Railway Department built the wharves at Waitara, and at the coming into existence of the Harbour Board they not only gave them the wharves, but gave them a free hand altogether. They are in even a better position than Wanganui or Patea. I do not know whether, lately, Wanganui has got full control, but I believe they are itching for it. The Railway Department looks after the upkeep of the wharf there, and debits the Harbour Board with the cost. In the cases of Wanganui, Patea, and Waitara (and not in the case of Foxton) they were allowed, by way of compensation for the taking of the foreshore, to receive the wharfage dues. The Government constructed the wharves in the cases of Wanganui, Patea, and Waitara, just as in the case of Foxton. The only endowments held by the Foxton Board are the foreshore (the most important part of which has since been taken by the Railway Department without any compensation), a reserve at the Manawatu Heads, and a reserve known as the Pilot Station Reserve. The revenue accruing from these reserves is about £150 a year. The Board is now deprived of the wharfage rates which formerly belonged to it by statute. As against this, in Wanganui, although the foreshore was taken from the Board about 1878 by the Public Works Department, it received by way of recompense the wharfage rates, less cost of handling and 2½ per cent. for collecting. The same was done at Patea and Waitara. All these three wharves are railway wharves, in exactly the same position as the Foxton wharf, yet they all get the revenue which is denied to Foxton. In each of these cases—Wanganui, Patea, and Waitara—nothing was paid by the Boards for the wharves. The Public Works Department constructed the wharves, and passed them over to the Boards. Wanganui also has very large landed endowments. The favourable position of the Patea revenue and endowments is shown by the fact that its balance-sheet for 1909 shows wharfages amounting to £1,899 4s. 2d., after deducting all charges and outlay, also other dues in addition, and rents amounting to £604 5s. 4d. The condition of the river at the present time is very bad. Boats are constantly becoming grounded on the shoals. Sometimes they remain fast for two days, and have to unload in the river. The consequence is that the freights are being increased to make up for the shippers' losses. I might mention that they have raised the freight on benzine, and lowered the measurement of kerosene from twenty-eight cases to the ton to twenty-four cases. All this could be very easily remedied by dredging, and not only the present boats enabled to come up the river with ease, but much larger boats could be admitted. All that is required is systematic dredging wherever shoals are formed. It is quite impossible to estimate the cost of this, but even a small amount of dredging at comparatively small cost would be of use. The Board's method,