

under the law now in force the Government have to pay the Crown and Native land-rates, and therefore the debenture-holders lent upon this security, and now can rely on it.

42. Has Government to pay rates still?—Yes.

43. Then, the Government could not abolish the Crown and Native Lands Rating Act?—Not as regards the New Plymouth Harbour Board loan; it is a vested interest.

44. What did you say the amount was, again?—£1,318 14s. 2d. per year is the amount claimed. In 1886 we passed the Harbours Act Amendment Act, and provided for the Crown and Native land-rates not being payable to provide interest on any loan, but that could not affect the past. The words used were such as to prevent the Act being retrospective, and it was because Government was liable to this rate in the past that this clause was inserted in the Amendment Act.

45. Is there any other object in the business before the Committee beyond what is shown in the reference?—I believe there is no other object. The witnesses, I believe, or, at any rate, some of them, will point out that this rate presses more heavily on one portion of the district than on the other. Of course, there are the usual local jealousies and differences of opinion, but I do not imagine that the Committee will attach much weight to the complaints in connection with the difference between different portions of the district. The only object I have in taking this matter up is to bring before Parliament the certainty that a local body will, before long, be unable to meet its engagements, which might entail consequences on the colony as a whole, as well as upon the locality itself, so serious that I thought it of sufficient importance to bring the matter before the House.

46. Do I understand that the rates are unequally divided throughout the district?—No; there is no differential rating, but it is asserted that the rate presses with greater severity on the parts which are farther distant from the harbour; for instance, Waimate Plains, and also at Waitara, which has a port of its own. They say that they are not well served by the New Plymouth Harbour. Although Waitara has a harbour of its own, yet the settlers there are liable to rates for the New Plymouth Board.

47. Can you suggest any way by which the pressure might be more equally distributed?—No, I cannot. To have differential rates, now that we have had the loan and spent it, would be to open up such a field of discussion that it could not be contemplated to raise such a question now.

48. Would you suggest the prudence of the State stepping in to take the responsibility?—The Legislature have already done so with respect to the district railways. In that case the settlers were crushed by taxation, and the colony, being able to borrow money at a less rate of interest, went into the question and relieved them to a very considerable extent.

49. But you are aware that the district railways were on rather a different footing to Harbour Boards; they were promoted and built up by private capital?—That is so; but the object of the State's interference was the same—for relieving the settlers and promoting settlement, not to reward individuals for spending money to improve their own land.

50. My object is to gather what your intentions are, because it is a large question?—I take it that in the case of the district railways the relief was given not in recognition of any claims of the settlers for relief, but as a matter of expediency to relieve impoverished settlers and to promote settlement. If that was so, the same reasons would apply equally in this case.

51. *Mr. Jones.*] Can you give particulars of the endowments of the Board?—I would rather that you should obtain this information from the Chairman, Mr. King. I am not a member of the Board, and I wish, therefore, to leave such information to be elicited from official sources.

52. Can you tell us for how long a period the finances of the Board have been affected by the change in the land-policy?—The Chairman will give you a list of the amounts paid during the past, and the information you ask will be easily got from that.

53. Can you say what the benefit would have been to the ratepayers if there had been no change in the land-policy: would it have relieved them?—Judging from the anticipations of Major Atkinson, as attributed to him, there would have been no rate for many years to come. I understand that he said as much when addressing his constituents, and that he said he had made calculations which satisfied him of this. I should like to add a few words with respect to the petition which has been read. It sets forth grounds why special consideration should be given to settlers on the Waimate Plains; but what applies to the one part applies to the whole district. They say that they bought their land subsequently to the raising of the loan, and that they knew, or might have learned that there was a rate empowered to be levied over the district; but they thought it was merely a security, and would never be levied. But the same thing applies to all in the whole district; no one thought there was going to be any rate levied.

54. Do you think that the knowledge that the land was subject to a rate affected the selling price?—Personally, I do not think so at all. My experience of human nature in connection with business in the past speculative times is that people did not look at what might happen in years to come. They have not done so in the past, although they may, and probably will, be more careful in the future. In buying land people did not formerly let the consideration that it might thereafter be subject to a rate in the far future affect their offer.

55. There is another point with regard to the releasing of £20,000 out of the sinking fund, as mentioned in the petition. I brought in a Bill to raise further money for the Board with which to build a new wharf. I was unsuccessful; the Bill, although a large majority were in favour of it, was stonewalled and talked out for three days. After that I went into the affairs of the Board; and I found that from the beginning they had been under a mistake in thinking it was necessary to set aside 1 per cent. for sinking fund. I found also that they had accumulated what they called a "Sinking Fund No. 1 Account," and that the funds therein were not properly appropriated as sinking fund, and I was successful in getting this fund back for them and obtaining the money to build the new wharf with, and also to provide the appliances necessary. This was considered to be desirable, and the Board used the money accordingly; and they have now in course of completion very convenient wharves, which make the breakwater really of some practical use. I succeeded in