

172. Then you said that about £28,000 would be the 25 per cent. to which the Board would be entitled if the tenure had not been changed?—Yes.

173. Would that amount have been paid off the capital or into the sinking fund?—It would have been paid to meet the interest in the meantime for the next five or six years.

174. Then, in point of fact, it would just have put off the evil day for a few years?—Yes.

175. Then, you would utilise it in this way, in the hope that property would rise in value at the end of that time?—Yes; and it would also induce settlement.

176. Were all these reserves you have referred to made after the loan was authorised?—No; they were not.

177. This 669,000 acres which you value at 15s., and which is in the hands of the Crown, is that open or bush land?—It would be both open and bush.

178. Why do you make the difference between the value of this land still in the hands of the Government for disposal, and also the land for perpetual lease and that sold on deferred payment? Deferred-payment land is generally of a better class than the perpetual-lease land, and the unsold land is further removed from the coast and port, but in point of quality a considerable portion of the one is as good as the other.

179. You did not quite understand my question in reference to the reserve lands: what I meant was, did you include in those reserves land which the Government puts by as reserved from sale and not specialised?—No; all these reserves have been made for specific purposes. They are not lands temporarily withheld from sale.

180. *The Chairman.*] In connection with this suggestion of yours as to the colony, under certain arrangements, taking over the liability of the loan, I presume that the £154,000 which you have calculated as derivable from the 25 per cent. of the land fund, if it is all available, would accrue for a considerable number of years?—Yes.

181. Under the Crown and Native Lands Rating Act the colony has to pay you for the next twenty-one years £1,300 a year or thereabouts?—Yes.

182. The £200,000 loan was borrowed at 6 per cent., as I understand, and the debentures sold 95, or 5 under par, and, as a matter of fact, the loan is costing more than 6 per cent.?—Yes.

183. But supposing we take it at 6 per cent., there is actually to be paid in respect of the loan about £12,000 a year?—Yes.

184. Towards this interest the colony has to contribute, under the present arrangements, £1,300 a year?—Yes.

185. If the colony had borrowed the money at 4 per cent. it would have cost £8,000; there therefore remains a difference of £4,000 between the two rates at which it was borrowed?—Yes.

186. The cost is £4,000, the colony is paying £1,300, and the plan would include the possibility of taking over a liability of £2,700 per annum?—Yes.

187. Assuming this, when the amount of £154,000 becomes valuable, as against the £200,000 of liability there would remain £50,000 which the colony would have to contribute to extinguish the loan?—Yes.

188. It does not appear to be a very good bargain for the colony?—No, it does not at first sight; but, on the other hand, if the colony does this, its own estate in this district will rise immediately very considerably.

[*Mr. Samuel* was here allowed to interpolate that there was a large quantity of Native lands in the Taranaki District; and that, for the progress of settlement, it would be absolutely necessary for the colony to acquire them; and that, when they are so acquired, the claim of the Harbour Board for 25 per cent. of that purchase-money will immediately arise.]

189. *The Chairman.*] Then, as regards the capital sum, if it is shown that the value of the Crown estate would be increased owing to the amount of settlement induced by the removal of the rate, which evidently presses heavily on the settlers, it may perhaps be urged that this would be an offset as against the difference between the £155,000 and the £200,000 liability. But there is another point: the difference between the cost of the money under ordinary circumstances and the cost of the money as borrowed by the Board being £4,000 a year, against which there is only the offset of £1,300, there remains a difference of £2,700 per annum for twenty years; and, if the rate were removed altogether, there would then be a period of twenty years to carry £2,700 a year in addition to the capital liability. How are you going to proceed to make up to the colony for the actual annual loss?—There is the amount of money that the Sinking Fund Commissioners have in hand and the net revenue of £400 a year from the harbour works.

FRIDAY, 9TH DECEMBER, 1887.

WILSON MILNE examined.

190. *Mr. Samuel.*] You are a settler on the Waimate Plains, and you are a delegate from the settlers there for the purpose of attending to give evidence before this Committee?—Yes.

191. You are one of the purchasers of land from the Crown?—Yes; and from private individuals.

192. When did you settle there?—My son settled there directly after the first sale of land; I did not myself settle there till four years ago. We have resisted this rate on every opportunity that occurred. Very few of the settlers on the Waimate Plains were aware, when purchasing the land, that it was liable to the rate. The people who were living on the lands before knew of it, but those coming from a distance knew nothing about it at all. I was one of those who came from a distance and purchased land; and after I had purchased land I asked my son if he was aware that the land was liable to a rate for the New Plymouth Harbour Board and he said that he was not aware of it at first, and did not know of it till after he had bought his land; but even when we did know of it we did not expect to have to pay anything for twenty-six years. We thought that