

If the Board were credited at once with the accrued capital of £53,183, bearing interest at 5 per cent., and if the whole of the unsold land was disposed of in equal amounts during ten years at the price estimated by the Government, with 50 per cent. added, as in the case of the lands already disposed of under special conditions, were credited to the Board year by year the result would be as follows; if less than one-tenth of the land was sold per annum the result would be less; if more, the result would be more. All amounts credited by the Government to the Board, whether proceeding from cash sales of land or capitalisation of land sold under conditions, should bear interest at 5 per cent., being the rate received by the Government from its tenants and capitalised deferred-payment holders; and all coupons paid under conversion should be debited as paid, and interest charged thereon at the same rate. The account would commence by a credit to the Board of one-fourth of the amount of the capitalised deferred-payment land and the capitalised value of the rental due from perpetual-lease holders, which, as before shown, with 50 per cent. added, would amount to £53,183. This would be added to from year to year by the proceeds of land disposed of, and debited with the coupons. At the termination of the loan in 1909 a surplus of somewhat more than £50,000 would remain at the credit of the Board, and, as the sinking fund held by the Board would be another £50,000, one-half of the capital of the loan would be extinguished. But in this estimate no allowance has been made for the Board's claims for land granted to Natives to the extent of 197,270 acres, lands granted for educational, municipal, and other purposes, nor for concessions made to occupants of land not sold for cash on the revaluation of their holdings. It will be shown, moreover, that the valuation of the unsold land still in the hands of the Government is grossly undervalued, even if 50 per cent. is added to that valuation, for the lands called second- and third-class rural would, under a system of free sale, meet with a ready market in comparatively large holdings."

The remarks which Mr. King makes, and the examples which he gives of the sale of private lands, show that the values which are stated in the calculations I have produced are really very much underestimated, when taken in connection with what ought to be the right of the Harbour Board as the trustees for the bondholders and for the ratepayers of the district. From the calculations I have produced I have excluded altogether any question of the greater value of these lands if they had been dealt with otherwise than for settlement purposes—if they had been dealt with for commercial purposes—and, if the additional value were taken, at least 50 per cent. would have to be added to the amount which would be receivable by the Harbour Board and to the amount which ought to be paid to the Harbour Board by way of compensation for the confiscated lands which have been given away. It has been always admitted that the Harbour Board was entitled to the proceeds of the confiscated land. That being so, the Board is entitled to compensation for those lands which have been so given away. The question of the confiscated lands being subject to the claim of the Harbour Board was raised on more than one occasion by the Hon. Mr. Waterhouse, as will be found by reference to *Hansard*. I am sure a reference to *Hansard* will show that it was brought before Parliament over and over again. It was always admitted by successive Governments that the lands were subject to the Harbour Board's claims, and that moneys have been continually paid out of the colonial Treasury from the proceeds of the confiscated lands sold. I think the *Hansard* of sessions 1882 and 1883 will be found to contain long debates on the subject, and to show the strong position the Hon. Mr. Waterhouse took up in opposition to the right of the New Plymouth Harbour Board to receive 25 per cent. of the proceeds of the confiscated lands disposed of. I wish, if I may be permitted to do so, to lay still more stress upon one phrase I have over and over again used—namely, that the New Plymouth Harbour Board are the trustees for the bondholders and for the settlers of the district. The Harbour Board have naturally no personal interest in the matter, but they are the trustees. The ratepayers of the district, for the most part, are those who have purchased land since the raising of the loan. They have never been consulted in the slightest degree as to whether it should be raised or not. These settlers have paid some £15,400 in rates which they should never have paid had the Government not given back the confiscated lands, or had conducted the sale of land on the same system as was in vogue at the time of the raising of the loan. I would respectfully submit that this payment of £15,400 in rates by the settlers of Taranaki, although it cannot be given back again, still forms a strong ground why relief should not be longer delayed. Supposing that this could not be done, and that the liability of the district for the loan could not be wiped out by taking back the endowments, I would submit, then, that the Board unquestionably should have credit given to them in the first place to one-fourth the value of the confiscated lands which were given back, amounting to £90,400. This, of itself, would pay for many years the deficiency in the interest which has accrued from year to year, and prevent any further default.

*Mr. Wright*: There would be no more default.

*Mr. Samuel*: No. I also think that the Board should have credit given to them in account for the £41,000, the value of the land revenue endowment, which is money of the Board now held by the Government, and on which Government is receiving 5 per cent.

*The Chairman*: Not held by the colony; invested in the colony's name.

*Mr. Samuel*: It is invested at the present time in the name of the colony, and on it the Government are now receiving 5 per cent. This is in respect of land held on deferred payment, perpetual lease, and open for sale, and much of which no doubt is sold by this time. That £41,000 in itself would prevent any further default for years to come, and go a great way towards extinguishing the liability on account of loan. I have worked this matter out, but I do not propose to trouble the Committee with the particulars. The colony should give the Board credit for the £41,000—moneys of the Board now invested by the colony—and for the interest on this amount, which the colony is receiving at the rate of 5 per cent. per annum; and the Board should be debited with the deficiency from time to time payable in order to discharge the coupons as they became due. For many years to come any default would be thus postponed. And if, in addition, compensation for the confiscated