

Taranaki District at the present date. I mention this because Mr. Jennings, I think, said yesterday that the Board would lose the revenue of about £3,000. Well, the utmost revenue the Board could lose, supposing the contention that the Bill would not secure to the Harbour Board its percentage of these rentals, would be about £1,000 a year.

79. *Mr. Jennings.*] That, though, is since a revaluation has been made?—I beg your pardon. I have taken these lands at extreme values—at about 14s. an acre. I say the utmost amount the Board could lose would be about £1,000 a year.

80. *Mr. W. Fraser.*] How about the rating?—That is another question altogether. We have nothing to do with that.

81. *A Member.*] It is not an endowment?—I would like to explain that point, as you have raised the question. It is not a Harbour Board endowment given in the same terms as endowments to various other Harbour Boards. They obtain an endowment of land, which is vested in them by certificate of title, and they lease it themselves. By the 1874 Act, applying to this case, it was provided that from all Crown lands left in the Taranaki District, until they were exhausted, the Harbour Board should get this 25 per cent. Of course, so long as the lands are leased that 25-per-cent. provision will go on, until (as one member said) the question will arise for the lawyers to decide whether it shall go on after that or not.

82. *Mr. Flatman.*] I should like to know how Mr. Kensington reconciles his argument with subsection (4). He says that the money would be paid into the National Endowment Account. Well, subsection (4) says that moneys paid into that account shall be applied for the purposes of education, hospitals and charitable aid, and old-age pensions?—When the money is paid into the Endowment Account it will be applied as indicated in the clause; but my contention is that we shall pay into that fund the rentals derived from all the land, less that portion of them which is secured by a special Act to the New Plymouth Harbour Board.

83. *Mr. Laurensen.*] That Act, not having been repealed, is still operative?—Yes.

84. *Mr. Malcolm.*] That is the Financial Arrangements Act of 1876?—Yes; and, of course, we must remember that this Bill has to be read with the Land Act of 1892—it says so distinctly—and under the Land Act of 1892 this arrangement was still continued for the benefit of the Harbour Board.

85. Could that possibly mean that the Bill was to be read in conjunction with the Act of 1892 only?—Of course, it distinctly states that it does not apply to revenue under the Land for Settlements Act.

86. The point I want to bring out is whether the Financial Arrangements Act necessarily overrides the clauses of this Bill. Must this Bill be read with that Act?—I would go still further. I would say that the 1874 Act, giving special moneys to the Harbour Board as security for the debenture-holders, stands. It overrides everything, in my opinion.

87. Until it is directly repealed?—Yes.

88. I suppose you cannot inform us offhand what areas of Crown land in the Taranaki District are producing no revenue?—Those are the areas I have just given to you. I can give you more particulars if you like.

89. I do not quite follow that last remark. The areas you mentioned are producing a revenue of £1,000 a year?—All the Crown lands at present leased are producing revenue, and a quarter of that revenue is paid over to the Board. There now remained in the Taranaki Land District undisposed-of Crown lands of the area which I read out—that is, 113,194 acres—that is producing no rental at present.

90. You are only giving us what might be the rental?—Yes.

91. I take it, then, that these lands are producing no revenue simply because?—Half of them are in process of survey for leasing now.

92. Also, I suppose, they are not opened up in any sense of the word?—A good deal of that land, of course, is very broken and will not be taken up for many years yet.

93. But part of it is not available for occupation?—It is at present under survey, I think. We have now open, as advertised in the Land Guide, and it can be selected to-morrow, 76,294 acres, the capital value of which is £65,696.

94. That would leave 36,900 acres still unavailable?—Yes, that is about it.

95. The point I am trying to make is this: It is hardly fair to say that the Harbour Board would lose only £1,000 a year when, as a matter of fact, a considerable area of the lands from which the Board draws revenue is not yet available for occupation?—There, again, I do not think you have quite grasped the position I have laid down. The argument adduced yesterday was that if this Bill became law the Taranaki Board would lose its 25 per cent. of the rental from all the lands that are unused at the present moment, and I was trying to show you that if the Bill did have that effect their loss would be not £3,000 a year but about £1,000.

96. You imagine then that these lands could not within, say, twenty-five years be of any greater value than you have estimated?—Supposing you leased them for sixty-six years, they would produce a revenue of some £4,000 a year, of which a fourth would be due to the Board. What I have brought out is that if you leased the whole of these lands to-morrow for sixty-six years at 5 per cent. they would produce a rental of only £4,206, of which a fourth would go to the Board.

97. That is, at a value which you are confident does not belong to the land?—I have taken the value at a high level on purpose.

98. The idea running in my head is this: There are considerable areas of Crown lands which to-day, or in the near future, may be more or less valueless; but as roading is carried on and the country generally is opened up these lands might, before they are disposed of either by way of lease or sale, become fairly valuable?—My answer to that is that I think I have taken that value into consideration.

99. *Mr. Jennings.*] Where are these lands in the Taranaki Provincial District?—They are