

3. What is the maximum rate?—There is a division of opinion on that. Some people say, and many of the lawyers assert, that the present is the maximum rate. I am just coming to that question. Well, then, for the next year, ending the 31st December, 1889, Mr. Higginson estimates a deficiency at £7,663; and then, he says, to make up this, it will be necessary to increase the rates to $1\frac{1}{2}$ d. in the borough and $\frac{3}{4}$ d. in the county, which would yield barely sufficient money to pay it. He then goes on to explain, "It seems to be generally supposed that the present Act does not give power to levy a higher rate than 1d. and $\frac{1}{2}$ d.; but, after carefully studying it, I should understand otherwise. In clause 23 of the Gisborne Harbour Board Empowering Act of 1884 it states that the Board may 'make and levy a rate in the proportions in the different parts of the district hereinafter mentioned, not exceeding 1d. in the pound upon all rateable property in the harbour district.' Clause 25 provides also that 'the rate to be levied under this Act on the rateable property in the Borough of Gisborne shall be double the rate to be levied on the rateable property in the several ridings.'" Lawyers are at variance on this subject; a difference of opinion exists about it. Then, Mr. Higginson says, "According to information supplied to me by the secretary, as to the present rateable value, calculated at 1d. in the pound, the amount yielded would be: Total rateable value, including Crown and Native lands in borough and county, £2,119,367, at 1d. = £8,830 13s. 11d." So that you see, as I understand it, if the Act is given full effect to this rate will not raise the sum required to pay interest on the loan. The Committee will kindly keep this in recollection. I am quoting Mr. Higginson's figures; I have not made a calculation myself, but I assume Mr. Higginson's figures are correct. I would further refer the Committee to page 9 of Mr. Higginson's report, where he gives a statement of his estimate of receipts and expenditure in 1893. Allowing for an increase in trade, in anticipation that the land will be open for settlement, he makes out a deficiency of £8,445.

4. *Mr. Whyte.*] That is, if the whole of the money was spent?—That is, if the £101,000 was expended. He is, I understand, always going on that basis. In giving you these figures I have called attention to the leading points as regards the monetary position of the Board. Then, as to the ability of the district to pay interest on the loan, Mr. Higginson makes two or three statements on this point. The first one is on page 7 (last paragraph but one), where he says, "It is generally supposed that 'The Crown and Native Lands Rating Act, 1882' will be repealed; but I have taken no notice of this in the foregoing estimates. In the case under notice the repeal of that Act would relieve a large portion of Cook County from bearing its fair share of taxation, and which would, in consequence, bear all the more heavily upon the few settlers who have been for some years struggling to improve their holdings. I have made allowance for a small increase from port charges and wharfage, but, unless Crown land is thrown open, and the restrictions removed from dealing in Native land, no extension of settlement can be looked for, nor any great improvement made in the present holdings, so that trade must stagnate." Then, on page 9, he refers to "The capabilities of the district to bear the burden of the present rate, or such a rate as it may be necessary to impose, &c." "Although the rate now levied of $\frac{1}{2}$ d. in the county and 1d. in the borough has been shown to be insufficient for the purpose of enabling the Board to meet its engagements after this year, I find that there is a general feeling that the district cannot bear a higher one, as it would press too heavily on the many struggling settlers, who are already heavily taxed, and who, owing to the general depression existing, look with dismay on the prospect in store for them. Many hold the opinion that a mistake has been made in voting for the prosecution of a work which must entail so heavy a burden upon the present generation. The interest of the loan amounts to an annual tax of nearly £2 per head of the population." And on the next page he makes these remarks: "I am unable to report under this head further than that, in my opinion, the imposition of a heavier rate than that now levied—viz., 1d. and $\frac{1}{2}$ d.—would create a bar to the progress of the settlement." Further down he also says, "The present harbour rate presses heavily upon many settlers along the seaboard who make no use of the Port of Gisborne, and probably never will, as they ship their wool direct into coasting-vessels at various points." That last paragraph refers to the settlers whose case I put before the Committee at the commencement of my statement. Now, I would like to say, the question, it appears to me, that arises out of all this, and which I desire to be considered on the part of those who have petitioned—Does getting the "Australia" to the wharf justify the expenditure that is required to accomplish it—that is, the expenditure of an additional £40,000? This is, of course, a matter which the Committee can form their judgments upon as well as any one like myself giving evidence. I believe there is a great difference of opinion in the district on the subject. I am not at all sure but that if it were referred to the people they would say they were in favour of stopping the work altogether, and leaving it as it is. I do not see myself that the £40,000 would bring any commensurate benefit equal to the interest on the sum which is to be spent. I am quite aware that this opinion entails the present absolute loss of the money that has been spent. I would point out that it would not be absolute loss, for, if the work is valuable, it is there and would not go away, and when the district came into the position of being able to bear the cost of such a work it might be carried out.

5. *Mr. Thompson.*] Would there not be the danger of its silting up?—Mr. Higginson says no.

Mr. Tanner: The same argument would apply even if it were completed.

6. *Mr. Allen.*] Were the whole of the settlers along the coast consulted as to this £200,000 loan; did they agree to it?—When authority was obtained to raise the loan there was a poll taken on it, and a majority of the settlers of the whole district voted in favour of it.

7. *Mr. Graham.*] Are you aware that a number of those who now object signed the original petition?—I cannot tell; I do not think they signed it.

Mr. Graham: To the best of my recollection two settlers voted against the loan.

Mr. Thompson: If the petitioners who now object originally voted for the loan they place themselves in an awkward position.