

mention that one paper is kept going for the purpose of running down the harbour. It publishes the most fallacious and absurd accounts of the Board's meetings, and the people generally take not the slightest notice of what this paper says. There are two other papers published in the place, and if the Committee would wish to see the reports I will produce them.

*The Chairman* : I do not suppose members of the Committee see any of these papers.

*Mr. Graham* : This paper has been circulated, I know, amongst members who are known to be opposed to the work.

92. *Mr. Ross*.] I see by Mr. Higginson's report that the Board had power to levy a harbour rate on Crown and Native lands; how about these petitions from Cook County?—I just got a glance at them when they came before the Petitions Committee. I did not read them through. I saw a number of Native signatures. To the best of my belief there is not a single Native that pays rates on the coast. I would like the petitions to be submitted to the secretary to the Board, and he will be able to state the number of ratepayers whose names appear on them. With respect to the statement made by Mr. Ormond that the "Australia" already trades to the ports along the coast where the petitioners reside, and that the work could be of no possible advantage to these people, I think he is in error there. If Gisborne were able to accommodate inside vessels of the size of the "Australia," or larger, these petitioners trading with Gisborne would save the cost of lighterage, and get their goods considerably cheaper than they do at present. As a matter of fact, the principal part of the settlement up there just now is by Napier people—Mr. Ormond, Sir George Whitmore, and Mr. Williams—and they deal, naturally, with Napier, getting their wool, &c., shipped there; they do not deal with Gisborne. Taking generally the settlement of the country into consideration, if the Gisborne port were made to accommodate vessels of the size mentioned it would eventually be a considerable saving to the people generally on the coast. It would enable them to get their freights at a considerable saving on the present rates. It does not make any difference to these three gentlemen just now, but I believe it would eventually benefit them.

93. *Mr. Tanner*.] Do you assume that these three gentlemen only signed the petition against it?—No.

94. These other residents to whom you refer, have they not signed the petition against it?—We will see when we get the petitions.

95. Have you seen the petition against it?—I saw it for a moment. I did not examine it very carefully. There is another point: If the Government step in now and stop the work which was authorised by them, which has been so far carried out, and which (I contend it has not been proved otherwise) would, if carried out to a certain depth, prove of very great benefit to the place, and be the means of increasing the revenue of the Board; it places the Board in a very awkward position indeed.

96. *The Chairman*.] You mean to say it would give to the people of Gisborne a claim upon the colony which now does not exist?—It would place the Board in a very peculiar position. The Government authorise certain works, the works are carried out in a very efficient and economical way—a fact which cannot be denied—and they are going on with an authorised loan to a point which the Government has already approved of, when the works are stopped by the vetoing of further expenditure.

97. Why do you require to come to the House at all?—Because last year, when the Amendment Act was brought in, two clauses were inserted, limiting the expenditure to £65,000, in order that a report might be made.

98. *Mr. Whyte*.] You say that the expenditure was limited to £65,000 in order that an impartial report might be obtained; if this impartial report is in favour of spending the extra £40,000, then the issue is before us?—Yes. There is no reasonableness in this matter as to the harbour of refuge. It is a preposterous idea that the Cook County is able to provide a harbour of refuge for the whole colony. What was wanted was a work for the requirements of the district's own trade, and that will be obtained if the expenditure of £101,000 be made. They will get all that they are practically entitled to, and what they ought, in my opinion, only to have asked for in the first instance. If it be any advantage to the district to have a harbour of refuge it can be made by extending the present work to 30ft. or 35ft. This would cost only £10,000 more than Mr. Higginson's scheme for a harbour of refuge.

99. *Mr. Allen*.] You say the district is not called upon to make a harbour of refuge?—I do not say whether they are or not. I think it is out of their power.

100. Was it not, in the preamble of the Act, stated that that was one of the objects of the loan? [Mr. Allen read the preamble, as already given.] That is the preamble to the Act, and on that they borrowed the money. They have departed altogether from that?—I say it was absurd to expect the district to do anything of the sort.

101. *Mr. Thompson*.] According to your argument it would come to this: The Gisborne people borrowed the money under false pretences?—I do not know, I am sure. My own individual opinion is that they could not have undertaken such a work; it was far too much for the district.

102. *Mr. Whyte*.] No sum under £300,000 or £400,000 would supply a harbour of refuge?—About that sum would be required.

103. Would any sea-captain go in here in rough weather? would he not go round the East Cape?—Certainly he would keep out to sea or go round the East Cape.

*The Chairman* : I do not think that question is before us.

104. *Mr. Whyte*.] As to these investments?—The secretary has got a full statement of these securities. I do not take the same view as Mr. Ormond in regard to them. I know the districts well in which these securities are, and I feel certain that there are lenders who would be willing to take over the Board's securities, and that within three months. I am perfectly confident of that. There is a hotel security which I do not think should have been taken. I think this class of