

them there was an indebtedness amounting to as much as £34 per head on the entire population of one city in connection with local loans at the present time. They should face the position boldly. If they were going to bring into local bodies an entirely new element, that might want to force the pace, surely they ought to see if some brake could not be put on the local bodies in connection with their borrowing proposals. He put the matter to them as realizing the responsibilities of his position, and endeavouring to take a wide view of the subject, and he would say that if things went on as they had done, in ten years time the indebtedness of the local bodies would be thirty-four millions, and in another ten years sixty-eight millions—equal to the indebtedness of the State itself.

A delegate: What about the assets?

The PRESIDENT replied that he could not speak as to the question of the assets; in some cases there might not be assets.

Mr. K. S. WILLIAMS (Waiapu) asked if the sanction of the Local Government Board applied to the County Councils as well as to the City Councils.

The PRESIDENT said the Local Government Board had been killed. The question as it stood, and had been negatived by the Committee, applied to all local borrowing.

Dr. COLLINS (Gisborne) pointed out that there would require to be some provision for the powers of local bodies. The defect was not so much on the part of the local bodies as a defect of the supervision of the Government. Districts should not be allowed to raise exorbitant amounts without any supervision. He had advocated that sanction should be needed to allow any undertaking to be presented to the ratepayers, but when once the ratepayers had agreed he said at once that work should go on forthwith. He thought it was most important that this should be considered in detail, and that the Conference should give it their support.

Mr. McLAREN (Wellington) said he thought there should be some means of making what the people want take precedence, and that the necessary works should be first undertaken, and that the other works should be attended to afterwards. He considered that was a right and proper principle, but he did not think they should have fear of the franchise being too wide, because the non-ratepaying residents were always more anxious to have good streets, and so on, than they were to go to amusements and shows. Whilst he would not like to see a drastic power established in the matter of raising loans, there had been an indifference in Wellington and other cities.

Mr. JULL (Hawke's Bay) thought that, in view of the statements that had fallen from the Minister, they might well say "No" to No. 1. With regard to No. 2, he thought they would be safe in saying "Yes" to that. The position in the counties at present was working very well, but in the boroughs there was a tendency on the part of the Councils not to examine the proposals too closely, but to leave the matter to the vote. That did not apply in the counties, and the member representing a riding had to be very careful before he made any proposition which contained within itself the matter of raising a loan. He did not think a loan should receive the sanction of the Minister, but he thought there should be some proposal brought forward to put a limitation on the powers of local bodies, and therefore they should have something enacted which would give a limitation in the matter.

The PRESIDENT said that if Mr. Jull looked at page 6 of the statistics he would find that the total raising of loans was £16,131,776, of which only £185,631 was owing by the counties. A footnote at the bottom of the page stated that the totals of these loans excluded the amount of £1,025,663 repayable by instalments under the Roads and Bridges Construction Act, the Government Loans to Local Bodies Act, and the Loans to Local Bodies Act, nearly all of which had been borrowed by the counties. They were rating property-owners in this country, and we were living in an age when rapid changes were being made, and if the residential franchise was extended to the counties it might be found that trading-scheme responsibilities were forced on the counties in the same way that they had been on the cities, and if it was found that the loans to local bodies was increased the blame must not be thrown on him. He put the proposal on the assumption that the Local Government Board was to be set up. He did not want to take away any power to borrow from the local bodies, nor did he think that a fair proposal on the part of any Minister. So far as he was personally concerned, he was not prepared to limit the function of local bodies to borrow until they desired it should be done.

Mr. WILLIAMS (Buller-Inangahua) moved, "That it be a recommendation of this Conference that no loan should be allowed until the sanitary conditions and water-supply of any body are such as fully satisfy the Minister of Public Health."

The PRESIDENT said, with regard to the question of the Local Government Board, a suggestion had been made to him that if the representative element were introduced the Board would probably be more acceptable to the Conference. It was suggested—and he thought it might be worth considering—that the Municipal Conference and the Counties Conference should each be empowered to elect a delegate to the Board. He merely threw this out as a possible solution of the difficulty, and not in any way to hamper any decision that the Conference had come to. If the proposal should be acceptable to the Conference it would be open to anybody to bring the matter before the Conference again at a later stage. In the meantime they had before them a motion by Mr. Milligan that subclauses Nos. (1) and (2) of clause 8 should be struck out.

Mr. F. HORRELL (North Canterbury) quite agreed that there should be some brake on the expenditure of loan-money. A lot of money had been spent foolishly on buildings, &c., when other necessary work should have been done. What might have happened in the part he and the President came from had it not been for wiser counsels prevailing? A few people of Christchurch would have liked to incur an expenditure of two millions. If some brake had not been put on, there would have been two millions spent foolishly.

The PRESIDENT.—You are taking an advantage of me to-day.