

Mr. MOORE desired to refer to the comparisons that had been made between the boroughs and the counties. They had to take into consideration that the cities and the boroughs had very large works to be carried out, in the shape of sanitary undertakings, water-supply, and so forth; so they had naturally, in proportion to the area over which the money was spent, to borrow much more largely than the counties. He did think, however, that there ought to be some steadying influence in reference to the borrowing-powers of local bodies. At the same time, he had very grave doubt whether they could get a body that would take control out of the hands of the ratepayers. Although they had a few instances of reckless borrowing and expenditure which many of them would not approve, it would be a very difficult thing to place the power in the hands of a Board such as the Minister had suggested should be set up. They would have to be very careful as to how they centralized power more than it was centralized now.

Mr. J. STUDHOLME (Ashburton) hoped the Conference would affirm the principle—at any rate, in general terms—that there should be some restriction of the borrowing-powers of local bodies. The tendency with the average person was to spend money much more freely when he could get credit than when he had to pay cash. They had for many years applied the principle of placing restrictions on the amount of money that a local body could raise by rates—in other words, when the work had to be paid for immediately; yet there was no restriction as to the amount of money a local body could raise by loan and put the responsibility for on the shoulders of a future generation. To his mind, the need for restriction on the borrowing of local bodies was infinitely greater than the need for imposing a maximum that could be levied in rates.

Mr. C. J. PARR (Auckland) could not see what the use would be of affirming the necessity for restriction unless they were able to indicate just what that restriction should be. A resolution in general terms, such as was indicated by Mr. Studholme, might land them ultimately in some sort of statutory or governmental restriction that would be found distasteful to the different boroughs and cities. Perhaps in the past there had been some rather unwise expenditure of loan-moneys, but they would have to trust the ratepayers to know their own business best. And they must not assume that all ratepayers were foolish entities of the community. It might be true that in the large cities a comparatively small proportion of the ratepayers rolled up to vote on important loan proposals, but he had always taken this to mean that the bulk of them were satisfied to allow those proposals to go through. He had found in his experience that when a scheme was proposed which did not meet with the approval of the general body of ratepayers they rolled up in large numbers to oppose it; and probably always would do so when their pockets were touched. In the large cities, too, there was this safeguard—perhaps the best safeguard of all: they had a very virile and active Press, which watched loan proposals and municipal expenditure with a lynx eye. The criticism of the Press on any schemes for the improvement of the cities was very pointed and informative, and helped to mould public opinion on right lines. This in the cities was, he thought, the best safeguard they had. His opinion, therefore, was that unless they could indicate to the Minister some competent, judicial body, removed altogether from political influence, which should exercise this power of restriction, it would be wiser to leave the legislation as at present—namely, that the ratepayers—the people who owned the property and had the power to burden themselves—should say what liabilities they would undertake.

Mr. G. J. GARLAND (Auckland) moved, That the question be now put—*i.e.*, that clause 8, sub-clauses (1) and (2), be deleted.

Mr. A. E. JULL (Hawke's Bay) thought there were two distinct propositions, and that they should be put singly.

The PRESIDENT said he would do so. Meanwhile he had an amendment moved by Mr. Williams—an amendment to subclause (2). Was there a seconder for it? It read as follows: "That no loan should be allowed until the sanitary conditions and water-supply of any body are such as fully satisfy the Minister of Health."

Mr. H. SCHOFIELD.—But suppose the loan is for that work?

The PRESIDENT thought it was not necessary to discuss the amendment. He would like to say that Dr. Collins had handed him a motion which might come in at this stage, as it dealt again with the question of a Local Government Board. He would read it, and would take the sense of the Conference as to whether they wished it discussed and voted upon. It was: "That this Conference is in favour of the formation of a Local Government Board, to take over and exercise the functions of the Minister and Governor in Council; that the Local Government Board be partly elective and partly nominative, on the lines suggested by the Minister—namely, one member each by the Counties Conference and Municipal Conference; that members of Parliament shall not be eligible; and that the Minister be a member of the Board *ex officio*." Was it the wish of the Conference that he should take a vote on this amendment?

Mr. W. S. MASLIN (South Canterbury) said the objection raised before was that what was proposed would necessitate the member's residence in Wellington. This would mean that the person elected to represent municipalities must be a Wellington resident, and the person elected to represent the County Councils must be a resident, or must come and reside in Wellington.

Mr. A. E. JULL (Hawke's Bay) rose to a point of order. What they had been asked to determine was whether this matter should be discussed. Mr. Maslin was discussing the motion.

The PRESIDENT said it had been represented to him by a number of delegates during the interval that the objection of the Conference, probably, was not to a Local Government Board, but to a Board that would not have any elective element. Was it the wish of the Conference that the amendment be voted upon?—(Aye, aye; No, no.)—He thought the numbers were about equal, as far as he could judge from the voices. He would take a vote on the question now, that the Conference affirm the amendment of Dr. Collins.

Mr. R. MOORE (North Canterbury) thought they were going back on the vote they had already taken. The Minister had told them that it would be practically impossible for an elective Board