

HARBOUR BOARD LOAN BILLS.

Under existing general statute, whenever a Harbour Board proposes to construct a breakwater, graving-dock, dock, or an area of reclamation, or, alternatively, to raise a loan for harbour-works, it must promote a special Act of Parliament. This Act is not, however, an authority, complete in itself, enabling a Board to proceed with the raising of the loan and the carrying-out of the works.

In the case of a Harbour Board having no rating-powers there is no necessity to submit the loan proposals to a poll of ratepayers, but in the case of Boards which do possess such powers the approval of the ratepayers is necessary unless special exemption is provided in the local Act.

The Harbours Act requires that, before commencing any harbour-works, the constructing authority must first submit for the approval of the Governor-General in Council a plan, in duplicate, of the whole work, showing all the details of the proposed work and the mode in which it is proposed the same shall be carried out. A Board which carries out such works without proper legal authority is, by the Act, subject to penalties.

A further control is to be found in the provisions of the Local Government Loans Board Act.

It has been suggested that because of the safeguards of the Harbours Act, Local Bodies' Loans Board Act, and the poll of the ratepayers, the Local Bills Committee and Parliament might reasonably pass any Harbour Bill. Such contention is really not sound, for the following reasons: When the Department is called upon to report on a Harbour Bill to the Local Bills Committee, little or no information has been furnished to it, as a rule; the plan is usually little more than a picture; there has been no opportunity of engineering investigation of the proposals, no opportunity of checking estimates of cost, nor, in many cases, do the printed accounts available to the Department give sufficient data to enable an accurate idea to be formed of the economic soundness of the proposed expenditure.

The Department would place itself, and eventually the Local Government Loans Board, in an entirely invidious position if it acquiesced in the passing of a Bill without being satisfied that the proposals were sound from every point of view.

The right of the ratepayers, where such a control exists, to approve or disapprove the raising of the loan can really only be regarded as an agreement on their part, if they all voted, to their land being made security for the proposed loan, and to the imposition of a rate should the harbour undertaking not prove self-supporting. There is, of course, always the hope, and often the belief, that rating on land will not be necessary.

It commonly happens that only a small proportion of the ratepayers vote at all; and in any case it cannot be said that ratepayers, as a body, are in a position to express a valuable opinion on a problem usually involving close study, in relation to each particular case, of the marine engineering, navigational, financial, and economic aspects.

HARBOUR BOARDS SPECIAL LEGISLATION.

During the year the following Bills were promoted and passed:—

Auckland Harbour Board Empowering.—This dealt with the following matters:—

- (a) Varied the schedule of works prescribed in the Board's Act of 1924, for which a loan of £750,000 was authorized:
- (b) Provided for the maintenance of certain portions of Quay Street West by agreement with the Auckland City Council:
- (c) Transferred certain endowment land at Takapuna to the Takapuna Borough Council for street and drainage purposes.

Napier Harbour Board and Napier Borough Enabling Act.—This Act authorized the Board to sell, and the Borough Council to purchase, reclaim, and cut up for sale or leasing purposes, a small area of about 7 acres of Harbour Board endowment, which was useless for harbour purposes, and a receptacle for storm-water and rubbish.

Lyttelton Harbour Board Loan.—This Bill sought loan authority for £300,000 for harbour-works and equipment. Although the Board had created quite substantial sinking funds, they were not required by law to do so, and therefore the amount accumulated might have been diverted to purposes other than repayment of loans. With the consent of the promoters, a compulsory sinking fund of 1 per cent. was established over all loans.

Otago Harbour Board Empowering Act.—This Act empowered the Board to borrow £350,000 for the acquisition of dredging plant and the carrying-out of certain harbour-works. Some of these works were renewals of works which had been paid for out of previous loans, and it was found that when these loans were raised there was no provision for a sinking fund. Two loans, amounting in total to £933,800, fall due in 1928 and 1934. Provision was made in this Act, at the request of the Department and with the consent of the Board, that when the Board is renewing these loans, it shall establish a sinking fund of not less than $\frac{1}{2}$ per cent. of the amounts to be borrowed for the repayment of the original loans. For this new loan of £350,000 a sinking fund of 1 per cent. was established, so that all the Board's loans are now covered by sinking-fund provisions.

Tutukaka, Whangaruru, and Whananaki Harbours Control Act.—This extended the jurisdiction of the Whangarei Harbour Board, for administrative purposes, to these harbours which are within the Whangarei Harbour District.

Wanganui Harbour District and Empowering Amendment Act.—This empowered the Board to borrow the sum of £40,000 for the acquisition of freezing-works and cool chambers, warehouses, offices, and other buildings for harbour purposes.