

133. We have already recommended in our interim report that the amount payable to local authorities in this connection should be subject to annual appropriation, and have since considered in further detail the whole question of the disposition of this revenue. The first auctioneers legislation was passed in 1842, and the fee was then fixed at £30 per license. This was increased in 1843 to £40, and, subject to certain provincial alterations between 1853 and 1876, it has remained at £40. There is a slight exception in section 28 of the Auctioneers' Act, 1928, whereby a fee of £10 only is payable for a license in respect to "sparsely-populated areas." The fee might be compared with that charged for a land agent's license, and in the latter case the whole of the revenue is retained by the Crown. Auctioneers' license fees, in common with various other fees, were secured to local authorities by the Financial Arrangements Act of 1876. **The supervision and licensing of auctioneers is carried out by the Crown, and, as a natural corollary, the revenue derived from the issue of licenses should be credited to the Consolidated Fund.** We accordingly recommend an amendment to the law in this direction.

Saving £10,238.

Greymouth Harbour Board Amendment Act, 1920, Sections 5 and 7: Subsidy for Interest, Sinking Fund, and other Loan Charges, £12,000.

134. In our interim report we recommended that the above payment should be subject to annual review and appropriation by Parliament. We have since considered the matter further, with a view to affording some relief to the Consolidated Fund, out of which the expenditure is provided. The position is that under the Greymouth Harbour Board Act, 1884, by which the Board was constituted, it was authorized to raise loans totalling £150,000. The Board was also granted, by the same Act, an endowment consisting of "all profits from the Greymouth-Brunner Railway over and above the expenses of working the line." Authority was also given for the collection of a special coal rate of 3d. per ton on coal shipped. The proceeds from the special coal rate were to be applied proportionately towards the interest and repayment of the loan of £150,000, and towards repayment of sums, aggregating £143,639, which had been spent by the Government on harbour-works and which were a charge upon the harbour's reserves.

135. In 1910 the Board was authorized by a further empowering Act to raise additional loans, and the sum of £260,000 was raised under this authority. This latter amount included the sum of £50,000 required for the conversion of a portion of the loan raised under the 1884 Act. The whole of the loans raised by the Harbour Board were guaranteed by the Government.

136. In 1918, as the Board was unable to meet interest and amortization charges on the loans, totalling £360,000, the Government had to meet the charges under its guarantee. The main reason for the unsatisfactory position of the Board's finances at the time was that the net profits of the railway had fallen to vanishing-point, partly owing to reduced coal traffic and partly by reason of the adoption by the Railway Department of a different method of calculation, due to increased tariff and to increased salaries and wages payable by the Department. The net profits on the railway had varied from £8,000 to £20,000, rising in 1910 to £21,000, and reaching the peak of £30,000 in 1915.

137. Legislation which was passed in 1920 provided for the payment of a subsidy from the Consolidated Fund of such amount as the Minister of Finance might determine, but not exceeding in any year the sum of £15,000, and, in addition, the Board was allowed the sum of £30,000, representing the Crown's proportion of the accumulated special coal rate. In addition, the sum of £33,000 which had been paid by the Government in respect of interest and sinking fund on the State-guaranteed loans was allowed to remain as a loan to the Harbour Board, repayable out of the subsidy. Thus the outstanding loans in 1920 were £100,000 under the 1884 Act, £260,000 under the 1910 Act, and £33,000 under the 1920 Act—a total of £393,000.

138. The subsidy, not exceeding £15,000 per annum, in the discretion of the Minister of Finance, was, in 1925, as a result of a dispute with the Board, converted into a fixed annual subsidy of £15,000. The subsidy was at that date in excess of the annual loan charges, but the Board was allowed to use the balance for general purposes.

139. Later in 1925 the loan of £100,000 matured and was repaid out of sinking fund, and in 1930 the loan of £33,000 owing to the Government under the 1920 Act was also repaid. The funds for the repayment of these loans were mostly provided by the Government by way of net profits on the railway and by subsidy. At the present time the outstanding loans are £260,000, on which interest and sinking fund charges amount to £13,000 per annum. The Board obtained the sum of £1,000 per annum from the special coal rate, and, as this was available to meet interest and sinking fund charges, the result was that the subsidy of £15,000 per annum was in excess of the amount required to meet the loan charges. In view of the state of national finances, the subsidy was, therefore, reduced to £12,000 per annum—section 6, Finance Act, 1931 (No. 2)—at which figure it now stands.

140. Government finances to-day are, however, in somewhat the same position as those of the Board in 1920, when the Government had to go to its assistance. Had the original endowment of profits on the Greymouth-Brunner Railway been retained, the amount receivable from that source would now be negligible, owing to railway losses. **When the endowment was changed in 1920 to a £15,000 subsidy, the Railway Department was paying interest on its capital; but at the present time, when railway losses constitute such a heavy drain on the Consolidated Fund, it is considered that the subsidy should be brought more into line with what would have been receivable had the original form of endowment remained.** Further, present conditions are such that it is necessary for the Government to explore every avenue of saving, and it appears that the Greymouth Harbour Board cannot expect that the assistance hitherto afforded shall be given in full, notwithstanding that Government services in other directions have to be severely curtailed, or even discontinued.