

Engineer with the concurrence of the Secretary to $7\frac{1}{2}$ acres previously fenced in for a signalman's cottage, and a strip $1\frac{1}{2}$ chains in width upon which the railway to the western breakwater was situated. The original restriction asked for in the Secretary's letter of the 22nd September on the proposed grant to the Golf Club expressly requested by the Board was not put into this license, though it was known that it was in contemplation that the land was intended for the Golf Club.

The pastoral license was ultimately issued to Mr. Colvin without restriction or reservation other than those provided for in the regulations for an area of 232 acres, the original reservation of 64 acres having been withdrawn. The Golf Club, by subsequent agreement, obtained at a rental of £12 a year a license from Mr. Colvin to use the land for golf-links, and the pastoral license has twice changed hands subject to the license of the Golf Club. The Board's standard blocks on the western side of the Harbour are all within the boundaries of the pastoral license issued, and the Board has no right of access to these blocks other than that given by the regulations. It was a matter of importance that the Board should have had full and free access to these blocks with the right to erect beacons thereon and to cut down the lupins and other growth upon the beacon-lines, and there should have been expressly reserved to the Board an easy termination of the license, even if a total reservation from the license should not have been made of the lands upon which the blocks are situated.

LOANS AND FINANCE.

59. Under section 7 of the Westland and Nelson Coalfields Administration Act, 1877, lands known as the Westport Colliery Reserve were set apart, and "the purchase and other moneys arising from the sale, lease, occupation, or disposal thereof, and the rents, royalties, fees, and other moneys arising therefrom," declared a security for the construction of the Westport-Ngakawau Railway, charged in particular as a security for the sum of £145,511 12s. 6d., and on all sums spent upon the railway-construction after the 31st December, 1876, with interest on all such sums at the rate of 5 per cent. per annum, chargeable half-yearly.

When the Westport Harbour Board was constituted under the Westport Harbour Board Act, 1884, the Board was endowed under section 7 with the revenues arising from these lands, together with the profits arising from the working of the Westport-Ngakawau Railway, and all wharfage and tonnage rates, less the cost of working and collecting, and compensation for accidents.

By the Westland and Nelson Coalfields Administration Amendment Act, 1901, certain other lands in and around the Borough of Westport were declared to form part of the endowments under the original Act. These rents, royalties, fees, and profits form what is generally referred to as the Westport Harbour Board endowments.

Under the Westport Harbour Board Act, 1884, the Board was authorized to raise a loan of £500,000 on the security of its endowments. There was also, by section 12 of that Act, a special rate authorized and directed to be raised on coal "so soon as a sum of £250,000 has been expended in the improvement of the Harbour of Westport." This rate was, under the Act, to be applied towards the repayment of the moneys authorized to be borrowed under the Act (£500,000) and the interest thereon, and to the repayment of the sum of £145,511 12s. 6d. above mentioned, with interest thereon. This matter has been the subject of a judicial decision (*The King v. The Westport Harbour Board*—25 N.Z. L.R. (C.A.) 449), in which it was held that the proceeds of this rate should be applied to these two sums rateably.

By the year 1884, when the Board was constituted, the cost of construction of the Westport-Ngakawau Railway (as stated by the Railway Department) has increased to the sum of £221,299, including the sum of £145,511 12s. 6d., which latter sum is repayable with interest thereon by means of a contribution from the special coal rate. The sum of £250,000 referred to in section 12 was expended in the improvement of the Westport Harbour by the end of the year 1889, but the special coal rate was not struck or levied until the year 1901. This rate had to be collected as from a day and by a person appointed by the Governor, and when collected was to be paid to the Harbour Board and applied by the Board as above mentioned. The Governor, on the 6th August, 1901, appointed that the special rate should be collected as from the 1st September, 1901, by the Treasurer of the Board.