

the items properly separated and extended. This has been inefficiently done, with the result that the cost of separate parts of the works cannot be ascertained. A serious disadvantage that arises from extensive grouping under general heads is that the nature and cost of any particular work may be disguised or concealed.

Question (f): "*The method of keeping the trading accounts of the Board.*"

The method of keeping these accounts is altogether unsatisfactory. Such accounts should properly be entered in the ledger, and the amounts thus shown to be due should appear as credits in the balance-sheet.

The Board seems to have been unaware of the number of these accounts, and the extent to and manner in which this trading has been carried on. Closer supervision by responsible officers should be exercised in the sale of old plant and material, and a proper system should be introduced and carried out whereby such sales would be brought into account in the books of the Board. The extended credits that appear to have been given ought to be discontinued in favour of a system of cash payment.

Question (g): "*The suitability or otherwise of the present facilities for loading coal.*"

Two methods of loading coal are in vogue—(1) by means of steam cranes, and (2) by means of staiths. The first is a satisfactory system, and the existing facilities are ample for the present trade of the port, or possibly for some increase thereon. The second method is obsolete and very little used, and in our opinion should be superseded by further crane accommodation as required by the development of the trade.

Question (h): "*Is the construction of the floating basin or permanent slipway necessary, and, if so, is it an urgent work?*"

This work is, in our opinion, not necessary, and therefore not urgent. From the experience of the port the risk to shipping from floods in the river has not been found to be so great as to warrant the construction of the basin as a refuge. In view of the estimated life of the coalfields, and the probabilities of the increase of the coal trade, there is ample accommodation for shipping upon the river-front, particularly if the staiths are removed and a wharf substituted with crane equipment. The floating basin will not make the river more easy to navigate, and systematic dredging will keep the river navigable for vessels of deeper draft than are at present plying to Westport. The construction of a permanent slipway, either by itself or in conjunction with a floating basin, is not warranted. The natural conditions prevailing at Westport render it highly improbable that vessels trading to that port would use the slipway except in case of accident. The smaller vessels of the Board's flotilla can be accommodated upon the gridiron as in the past, and the annual cost of taking the larger vessels to another port is not sufficient to justify the proposed expenditure upon a slipway.

Question (i): "*As to whether the conditions of the endowment provided under subsection (2) of section 7 of the Westport Harbour Board Act, 1884, should be revised.*"

In considering this question we beg to point out to Your Excellency that the Board has under statutory authority from time to time pledged its endowments, of which this is a part, as a security for all its loans. In view of this fact it will be necessary in any proposed revision of this subsection to consider whether the bondholders will be injuriously affected in respect of their securities. We believe that some change is necessary in the control of the huge income arising from the Board's endowments. This change might take one of the three following forms:—

- (a.) The Government might, with the consent of the bondholders, guarantee the whole of the loans now secured upon the endowments of the Board.