

The true issues have been very much clouded by the partisan spirit invoked, and by sectional aims and ambitions, but we are confident that the view we have here expressed is one which will appeal to any unbiased and intelligent observer who takes the trouble to make a careful examination of the present problem.

We are satisfied that the results of the party dispute which, particularly since the year 1909, has so strongly influenced the Board's policy have been to cloud the judgment of members of the Harbour Board, to clog their energies and divert them from useful deliberation, to cause them to allow harbour-works to fall into a state of quite serious disrepair and inefficiency, and to bring the valuable reclamation policy of the Board to a standstill. Furthermore, the evidence has raised in our minds more than a suspicion that there are aspects of the administrative side of the Board's work where inefficient methods and faulty organization have been tolerated and allowed to continue longer than they would have been had it not been that their existence and results tended to lend weight to some of the theories and claims of the dominant party on the Harbour Board at the time. In this connection we are satisfied that these tendencies have operated to the discouragement of a most efficient and loyal staff, the members of which seem nevertheless to have rendered excellent service to the Board. In support of the foregoing statements we would refer to the points which we have in mind—viz., the lack of maintenance work on the breakwater by the failure to supply renewal concrete blocks placed pell-mell at points that were becoming weakened; the serious state of disrepair at the Glasgow Wharf which has existed at times and which now seems to be amended only to the point of the minimum standard of safety; and, thirdly, the inefficient existing arrangements for loading and discharging general cargo at and from the Glasgow Wharf.

We recommend, therefore, that for the period of the next ten years the Harbour Board should, after having made a close and careful survey of its financial position, seek to consolidate that position. Time is necessary to disclose the effect of recent alterations in the tariff of harbour dues. It is quite apparent that for the current year and for some years past the annual revenue expenditure of the Board exceeds and has exceeded its income for the corresponding periods, and the whole system has therefore been run at an annual loss. It should, therefore, in our opinion, be the immediate financial concern of the Board to make up this leeway and bring out the result of its revenue operations on the correct side. It should as soon as possible undertake the work of putting the existing facilities in a state of good repair and efficiency.

We have obtained from the Secretary of the Harbour Board (see Exhibit No. 96) an estimate of the cost of putting the Inner Harbour into a state of good repair and reasonable efficiency for its present-day work. We have checked this carefully, and we believe that it is a good and reliable estimate. The Secretary brings the amount out at £39,000; the details of this are shown on Exhibit No. 96. We submitted the same question in relation to the Breakwater Harbour, and we were supplied with an estimate (Exhibit No. 97) prepared by the Secretary, showing the amount to be £5,300. We believe this to be an accurate and safe estimate. By the expenditure of these sums, and by devoting to the question of improving the industrial, mechanical, and administrative sides of the Board's work the energy which in the past has been dissipated in partisan warfare, we believe the Board can improve its revenue with its existing facilities, undertake a useful policy of reclamation, and thus build up reserves which will comparatively quickly put it in a position to consider a further constructive policy.

It is true that this policy will in the meantime leave the Napier Harbour with the necessity of using lighters for the bulk of its export trade. This is inevitable, however, and any disappointment that may arise therefrom is not due to our recommendation, which is made after fully considering all the facts, but must be laid at the door of those who in the past have made promises wholly incapable of fulfilment. The people of the district by printed pamphlets issued in 1920, when they were urged to sanction the loan for the Inner Harbour scheme, were invited to "Vote for Inner Harbour Loan . . . The harbour with no rates." In a summary of advantages printed on the same pamphlet the ratepayers were told that the Inner Harbour "would not cost the ratepayers one shilling"; that the land reclaimed alongside the shipping "will more than pay the total cost"; that "all shipping will gladly avail itself of the Inner Harbour; there will be no need to urge them to make use of it"; that "all the lighterage charges can be saved by a small expenditure of £250,000 on the Inner Harbour, and that land-rents will pay the interest." As against this the evidence satisfies us, and we believe that it will satisfy any intelligent ratepayer who will take the trouble to study it—(1) That in the financial period ending 30th September, 1926, after taking credit for rates, £14,731, the Harbour Board's outgoings exceeded its revenue for the period by £8,087; (2) that for the year ending 30th September, 1927, after taking credit for rates, £14,693, the year's working expenditure exceeds the year's revenue, according to the Secretary's estimate prepared at the end of August; (3) that the construction of the harbour would have involved an annual interest charge at least equivalent to the annual lighterage charge; (4) that for ten years to come, at least, the income from the reclaimed lands will produce little, if any, more than interest on the cost of reclamation; (5) that, at best, the Inner Harbour would have been a tidal basin into which only one overseas ship could pass either in or out at each slack water of high tide, and then only if favourable conditions existed at the mouth of the channel; whilst (6) at the worst, marine superintendents would forbid altogether the use of the Inner Harbour by their company's ships.

There is, therefore, little room to doubt that if the Inner Harbour were built in accordance with the Harbour Board's plans, the district would be required to carry (1) a considerable portion of the present cost of lighterage, (2) interest on the cost of construction of the harbour, (3) a heavy annual charge for maintenance dredging, and (4) the old burden of harbour rates. That part of our report which deals with "Reclamations" shows to what extent the harbour accounts may expect relief from rents from reclaimed lands.