

THE HAWKE'S BAY RIVERS BOARD.

Fourthly, there is the point of view of the Rivers Board. This body is constituted under the Rivers Board Act of 1908, and exercises powers given to it by the Hawke's Bay Rivers Act of 1919. There is an area of 73,740 acres within the jurisdiction of this Board, and part of the Borough of Napier is comprised in that area. The Rivers Board's main function is to formulate and carry into effect schemes for flood-prevention throughout the district, and it has power to borrow and power to levy rates. This Board has, as part of its general scheme, the diversion of the waters or part of the overflow waters of the Tutaekuri, so as to carry them into the open sea south of Napier. Under section 17 of its Empowering Act it may, in case its river-works safeguard the property or works of the Napier Harbour Board, require that Board to contribute to the cost of those works. The Tutaekuri River is the chief menace to the Awatoto and Richmond Blocks, and it is against its possible encroachments that the levees referred to are to be erected. When the matter is under consideration, or when any scheme is designed to remove the menace of the Tutaekuri, it might be expected that the Harbour Board and the Rivers Board would have no difficulty in acting in co-operation. This, however, has not proved to be the case. The position is complicated further by the fact that the constituents of the Rivers Board, spread over a comparatively large district, are, except for those in and about Napier, not particularly interested in any scheme relating to the Tutaekuri, but may be, for instance, more interested in the vagaries of the Tukituki or Ngaruroro Rivers. The trouble is, therefore, that the Rivers Board finds itself unable to raise any loan, for the interest of its constituents is sectional, and there is no general unifying interest that will obtain a sufficient authority to raise a loan for carrying out a work that in the nature of things will be local in its benefits. A fairly well defined scheme for the diversion of the Tutaekuri from the point of Meanee eastwards to the sea has been formulated, and it is estimated that it will cost £90,000, but the Chairman of the Board stated that they are not able to get the ratepayers to sanction the loan. The Rivers Board criticizes adversely the Harbour Board's suggestion that it should build levees along the banks of the Tutaekuri north of the spot at which the Rivers Board proposes eventually to divert the river. The Chairman of the Rivers Board put the matter before us thus: "The Harbour Board is prepared to spend £24,000 on levees around the blocks which they propose to dewater. They say they must do that to provide against the menace of the Tutaekuri; but if they would fall into line with us and assist financially we can divert the Tutaekuri and those levees will not be necessary. Furthermore, we say that then the menace will be removed permanently and effectively, whereas the need of the levees is admittedly temporary, and their efficiency is doubtful." To this the Harbour Board replies that it has little or no faith in the Rivers Board. And so again a position of stalemate is reached between two public bodies.

We have so far sketched the main factors that have to be considered in approaching an answer to the questions which Your Excellency has submitted to us concerning reclamation.

RECLAMATION AS PROPAGANDA.

It will be noted that in this our report we are treating harbour construction and reclamation as entirely separate problems, although in each division of our report there appear certain references to the bearing of the other subject-matter at points where the schemes are related. We propose now to present briefly our views of the precise relation of the two subjects; but before doing so we propose to deal with the method of presenting these related problems which appears to have been adopted by the Harbour Board in the past, and which was certainly put before us at the hearing. That method consisted in looking upon the Harbour Board's endowments which were capable of being reclaimed as a kind of lucky-bag into which the Board could dip for large sums to recoup them the expense of harbour-construction. This aspect is apparent in the electioneering pamphlet (Exhibit 51) issued in 1920 which we have already referred to, when the ratepayers' sanction to the Inner Harbour loan was sought. Under the heading of "Advantages of the Inner Harbour" we read, "It will NOT cost the ratepayers A SHILLING. The land reclaimed alongside the shipping will MORE THAN PAY THE TOTAL COST." (The capitals in these sentences are as they appeared in the pamphlet.)

This same method was adopted even by the Board's consulting engineers when they were engaged in the otherwise prosaic task of submitting engineers' estimates of cost. Thus Holmes and Son's estimates, presented to us at the hearing, gave details of Inner Harbour construction, set out detailed costs of the harbour, then subtracted the sum of £290,000 as value of land reclaimed and called the result the *net cost* of construction of the harbour! When it is considered that expenditure on the harbour-construction would mostly take the form of payment in cash for materials and labour, and that this cash could be provided only by borrowing at current rates of interest, whilst, on the other hand, the endowments consisted largely of semi-swamp lands which have still to be reclaimed, and which the Board does not (as a general policy) propose to sell, it will be seen how specious is this method of presenting the case. Interest on the loan-moneys required to construct the harbour begins to run immediately the money is raised, and no assistance can be given by the endowment until the land is reclaimed, subdivided, roaded, and let, and then the full extent of the relief it can give to the harbour will be afforded by the rents it will produce, which may be applied to assist in payment of the interest on the loans.

The specious presentation we have referred to would deceive no one who took the trouble to think about the matter, but there is no doubt that it is an *ad captandem* form of argument that might be expected to appeal to a public of sporting instincts, and it certainly savours more of the methods of the art-union promoter than those of the business man. The limit to which this misleading form of presentation might be carried is perhaps illustrated by a statement which during our sittings at Napier appeared in the daily press in a large two-column precis of some of the evidence of Mr. R. W.