

close to Hastings, and reasonably close to Napier. Mr. Oldham also deposed that a similar section within a half-mile radius of the Taradale Post-office would command from £75 to £100 per section. Taking the higher of these two figures, we have an annual value of £5 per annum. We are of opinion that the existence of $\frac{1}{4}$ -acre sections at Hastings and Taradale at annual values of £6 15s. and £5 respectively, considered in relation to £7 for a $\frac{1}{4}$ -acre section of reclaimed land, will have a steadying effect on values at Napier, especially when a reasonable policy of reclamation at a rate sufficient to appease the present land-hunger is in operation.

EXPENSES OF RECLAMATION.

There is no disguising the fact that the reclamation of the Harbour Board's endowments at Napier will be quite an expensive proceeding. The figures which we shall submit show that the primary cost is considerable, and that the Board's endowments in reality consist not of land, but of sites capable of being converted into dry land, as the term is ordinarily understood, at the expenditure of considerable sums of money. Furthermore, when 100 acres of land, for instance, has been reclaimed, 20 per cent. of it becomes non-producing at once by being appropriated to reserves and roads; and the cost of roading has been estimated by Messrs. Hay and Rochfort at £200 per acre over the gross area. Thus, taking the 100-acre block again for illustrative purposes, the cost of survey, subdivision, and roading on that estimate would be £20,000. This cost, plus the cost of reclamation, must be spread over the net area of 80 acres. Again, loan-money to carry out the reclamation work must be raised in advance of the actual work of construction, and interest on these loans during construction and up to the point of time when the land can first be offered to intending residents adds considerably to the cost of the land. Legal costs, printing, advertising, and auctioneers' charges are also appreciable. These factors must be kept carefully in view when studying the figures which we submit later, showing the probable position of the Harbour Board after a decade of a progressive reclamation policy.

RECOMMENDATION.

We now approach the precise question submitted to us by Your Excellency in relation to the reclamation problem. The recitals which introduce our order of reference include a reference to the Napier Harbour Board Empowering and Loan Bill, 1926, and its introduction into Parliament in that year, and recites, "but after consideration thereof was not allowed to proceed, and it is expedient that a Commission should be appointed to inquire into and report as to the necessity or expediency of the proposed legislation." And the subsequent question contained in the order of reference is "Whether the reclamation of the Awatoto Block, the 28-acre Block, North and South Ponds Block, and a part of West Quay reclamation should be authorized, and, if so, to what extent and by what arrangement can such reclamation be most economically and satisfactorily accomplished?"

Briefly stated, we are of opinion that the Bill in question should not be allowed to proceed, for we are convinced of the expediency of repealing the proposed legislation. The evidence satisfies us that the Board's proposals to reclaim immediately the North and South Ponds and part of the West Quay reclamation were part and parcel of the Inner Harbour scheme, and were dictated by a policy of consolidating that scheme and committing the district to it by the prosecution of every work that was either in itself a partial construction of that harbour, or the committal of the district to a policy and to forms of expenditure that bound the district to the Inner Harbour scheme for all time.

As we have reported against the adoption of that Inner Harbour scheme, we are of opinion that these reclamation authorities, in so far as they are incidental to that Inner Harbour scheme, should be reconsidered. We set out the following principles which in our opinion govern the whole matter, and submit that the future policy must be based on the best reconciliation possible between these principles where they appear to conflict.

- (1) The Harbour Board, while it is entrusted with the duties and responsibilities bestowed upon it as a Harbour Board, should have its right to its endowments preserved intact.
- (2) While the primary use of these endowments is to assist the Board in its financial problems, a very strong secondary consideration is that it should use them so as to conserve and further the interests of the Borough of Napier, which is one of the most important constituents of the Harbour Board.
- (3) Any reclamation undertaken should be part of a comprehensive policy which contemplates the ultimate reclamation and protection of the whole of the Board's endowments.
- (4) No authority to reclaim any part of the lands should be bestowed until the relation of the part proposed to be reclaimed to the whole comprehensive policy of reclamation has been made clear.
- (5) No authority to reclaim should be bestowed until it is made clear that the Harbour Board is giving reasonable consideration to the wishes and rights of the Napier Borough Council, the Hawke's Bay Rivers Board, and any other public bodies which may be interested.

It seems to us that before any progress can be made in the matter of reclamation a working scheme governed by and consistent with these principles must be evolved. The question submitted to us in Part 1 (f) of our order of reference—"By what arrangement can such reclamation be most economically and satisfactorily accomplished?" would probably justify an attempt on our part to