

PART 22.—CONSTITUTION OF HARBOUR BOARD AND REPRESENTATION THEREON.

Your Excellency's order of reference requires us to report on any matter arising out of the foregoing premises which might come under our notice in the course of our inquiries and which we consider should be investigated.

One matter which we were asked to report on, and on which evidence was adduced, is a matter comprised in the Napier Harbour Board Empowering and Loan Bill of 1926, appearing in section 4, the marginal note to which is, "Alteration of constitution of the Board." We were asked to hear evidence in support of the proposal therein contained—viz., that the number of members to be elected as representing the Borough of Hastings should be increased from one to two.

We are of opinion that if the constitution of the Harbour Board is to be continued as it is at present, either with or without the presence of non-elective members on the Board, a good case has been made out for the increase by one member in the number of representatives for Hastings, and we are of opinion that this proposal should be given effect to.

We were also asked to consider the question of making a recommendation to the effect that no further non-elective members to the Board should be appointed by the Governor-General. No evidence was placed before us touching the principle on which in certain cases non-elective members are nominated to a Harbour Board by the Governor-General, and we do not feel qualified to make any recommendation in the absence of a knowledge of that principle. Taking the view we have taken of the past and present policy of the Board, we are inclined to think that the presence of the Government nominees on this Board in the past has had a steady and beneficial effect. We think we should, however, place on record that evidence was given of a resolution passed unanimously at a Harbour Association Conference in 1918. That resolution was to the effect that "the Conference affirms the opinion that the principle of Government nominees on the Harbour Boards is unsound."

There is, however, a larger aspect of this matter that we desire to deal with. We are unanimously of opinion that the matters brought to light in this inquiry reveal a fundamental weakness in the constitution of the bodies by which harbour affairs are governed. We have in the case of the Napier Harbour Board a Board of eleven elective and two nominative members. The elected members represent a comparatively large district, comprising two fairly large boroughs, a number of small towns, and a large rural population. The elective members are elected according to more than one standard of qualification in the electors, and there is no attempt to preserve a reasonable relation between voting-powers and financial responsibility. The policies of different portions of the Board have been taken up on party lines, and all the worst features of party government have been introduced into the controversy that has been engendered. The facts governing the subject-matter of the dispute are technical and professional, and the carrying-out of the various policies involves the expenditure of large sums of public money. Yet so well organized has been the party spirit, and so successful the propaganda, that in the words of Mr. Jull (page 43, Notes of Evidence), "That portion of the district which is responsible for 84 per cent. of payment of any rates has since 1911, *and in spite of any recommendations of engineers to the contrary* been steadfast in their adherence to the Inner Harbour proposal."

We think it shows an inherent weakness in the system that a policy involving the expenditure of a large sum of money for the creation of what should be a permanent and elaborate unit in the transport system of the Dominion can be carried through, almost to fruition, on a popular vote obtained from such a constituency by such propaganda as appears in Exhibit No. 51, read in the light of the history of the port at Napier.

From a national aspect all harbours are part of a composite Dominion transport system. They are really complementary to the roads and railways of the country, although occasionally their interests may conflict with land transport. Furthermore, the development or operation of ports which are bad, either in the navigational or financial sense, inevitably tends to raise the general flat rates for overseas transport to and from the Dominion, and to penalize in that way the whole of the country by raising the general cost of living. For these national reasons we submit that all harbour-development schemes should be carefully scrutinized by expert and unbiased advisers at the initial stage, and especially before the question of shouldering the financial risk is put to payers of rates or dues. We are of opinion that the records of harbour development in this country demonstrate that only by some such methods of supervision can both local and national interests be effectively safeguarded.

In the electioneering pamphlet which we have already referred to (Exhibit 51) there appears the statement, "Napier is crowded with amateur engineers who can predict all kinds of difficulties to any harbour scheme"—and this statement is probably true. It is equally true that in Napier, as in other towns in New Zealand which are in difficulties in the matter of harbour-construction, there is no lack of amateur engineers who can put forward attractive schemes of harbour-construction, and who are very impatient of the adverse criticism of men who have spent their lives studying the problems of harbour-construction. We think that this national problem should be dealt with in a comprehensive way. We do not feel competent, after having made a close study of the affairs of one New Zealand harbour, to formulate the precise remedy, but the principles we are advocating have some precedent in various measures of safeguarding community interests, as, for instance, in the provisions of the Town-planning Act.

CONTRACT PRICES AND DAY LABOUR.

Another matter which we considered should to some extent be investigated in the course of our inquiry, and on which much evidence was tendered, had relation to the cost of construction in concrete of certain works undertaken by the Harbour Board. This evidence took the form of testimony by various contractors of experience as to the cost per cubic yard of making concrete blocks. We also took evidence on the same subject-matter from representatives of public bodies—viz., the Engineer-in-Chief of Public Works; the Engineer of the Napier Borough Council, and (speaking from his cost records) the Secretary of the Napier Harbour Board. There was a great discrepancy between the prices of these two classes of witnesses. For instance, Mr. Furkert deposed he was able to make a cubic yard