

The boundaries of four counties were altered by the transfer of land from one county to another, and the boundaries of the County of Waitemata were altered by the inclusion therein of Kūkutango Island. The Wallace County Council passed a special order altering the boundaries of certain ridings in the county. Certain powers of borough councils with respect to drainage and sanitation were conferred on the Hutt County Council. The by-laws of that council fixing fees for the licensing of vehicles plying for hire were approved. The time for holding the annual meeting of the Stratford County Council was extended.

*Matakaoa County*: Further progress was made towards the ultimate re-establishment of Matakaoa County. Arrears of rates, both European and Native, were collected and a satisfactory standard maintained in the collection of current rates. Additional outstanding liabilities of the county were adjusted. The county loans were converted, resulting in substantial annual saving to the county.

The close contact established with the County Commissioner was maintained during the year, and he made regular reports to the Department. One meeting of the creditors' committee was held in Wellington, the County Commissioner attending this meeting.

The creditors' agreement, embodying a temporary financial scheme for the county, made in 1933, expired on the 31st July, 1936. In view of the substantial improvement which had been made in the county's position it was not deemed necessary to prove a further scheme for the future. It was considered that the liabilities then outstanding and the further concessions necessary to secure the ultimate rehabilitation of the county could be dealt with in the normal course of events without the necessity for recourse to a formal agreement.

*Boroughs*.—The boundaries of two boroughs were altered by the inclusion of lands. Consequent on these alterations the boundaries of these boroughs were redefined in accordance with law. The Wellington City Council was authorized to expend sums totalling £1,630 from the compensation-moneys held under the Thorndon Reclamation Act, 1921–22, for the purpose of providing additional bathing facilities in Wellington City.

The annual Municipal Conference was held, on this occasion at Timaru, from the 9th to 11th March, 1937, under the presidency of Mr. T. Jordan, Mayor of Masterton. The Conference was opened by the Minister of Internal Affairs (Hon. W. E. Parry), who, in a comprehensive address, outlined what had been accomplished by the Government in certain matters particularly applicable to municipalities, and what it was intended to do in regard to certain other such matters. As usual, the Department was represented throughout the whole of the proceedings of the Conference. This year a statement was supplied to the Conference by the Department, indicating the action taken or the decisions of the Government on all the remits passed at the Municipal Conferences held from 1933 onwards. This innovation was a very forward step in the history of the Municipal Association and greatly facilitated the work of the last Conference. It is proposed to continue this practice for each future Municipal Conference.

*Thames Borough*: The usual close contact was maintained with the Thames Borough Commissioner in connection with the administration of the Borough of Thames. Four quarterly reports were received from him and necessary action taken thereon. The administration of the borough is now running very smoothly. The special legislation passed from time to time in relation to Thames has had a very beneficial effect, and, combined with the concessions extended to the borough, has accelerated the approach of the time when Thames will be able to revert to normal administrative control.

*Thames Harbour Board*.—In my last report I indicated that proposals for the amalgamation of the administration of the Thames Harbour District with that of the Thames Borough were under consideration. It is pleasing to be able to record that this result was accomplished during the year.

Preliminary to the amalgamation, the Minister of Internal Affairs visited Thames and held conferences with the principal parties interested. First of all, the Thames Chamber of Commerce strongly urged that the amalgamation be brought about in the interests of the financial position of Thames Borough. After that had been done the Minister held meetings with the Thames Borough Advisory Committee and the Thames Harbour Board respectively, after which he held a joint meeting with those two bodies. At the last-mentioned meeting an agreement was reached that the amalgamation should take place subject to certain conditions respecting the control of the Turua Wharf, the non-rating of the districts outside Thames Borough, the protection of the interests of the people trading on the Waihou River beyond the Thames Harbour limits, and the safeguarding of the Harbour Board's staff.

The amalgamation was subsequently effected by the Thames Harbour Act, 1936, and the satisfactory results of unified control are evident to-day.

The whole trend of the legislation and other Government activities of the past few years in regard to Thames has been aimed at rehabilitating the town with the dual purpose of—

- (1) Allowing the people to retain their homes and businesses; and
- (2) Preserving the security of the debenture-holders.

The Harbour Board amalgamation was a further step in securing this objective. There is no question but that the time had arrived when the cost of maintaining a separate Harbour Board to do little else than to collect rates from the Thames Borough to pay the interest and sinking fund on certain loans secured over the Borough of Thames was a luxury that the town could ill afford.

In addition, in accordance with agreement arrived at between the Harbour Board and its debenture-holders, the rate of interest payable on the Harbour Board debentures was reduced to 4½ per cent. per annum until the 1st April, 1938. Prior to that date the question of the future rate of interest payable on those debentures, in common with the Thames Borough Council debentures, will have to be reviewed. Payment of the full amount of interest at the reduced rate is being maintained, but as a precautionary measure Orders in Council have from time to time been issued extending the time within which persons were prevented from applying for a receiver in respect of the Harbour Board debentures.