

The fact that the loans have more than doubled during the last ten years is important; but we must not ignore the fact that municipal and harbour enterprise—such as tramways, &c.—have increased revenues under the heading of “Licenses, Tolls, Rents, and other Sources,” from £751,046 in 1901 to £1,941,655 in 1911, an increase of £1,190,609; whilst the rates have risen from £734,023 in 1901 to £1,592,601 in 1911, an increase of £858,578.

In England the Local Government Board is the great loan-sanctioning authority. I quote the following from the Municipal Year-book, 1911:—

“Except where money is borrowed under special provisions contained in local Acts, a local authority which desires to borrow money for capital purposes must, generally speaking, obtain from the central authority its approval of the scheme or works, and its sanction to the borrowing of the required funds. In this connection, and as illustrating the Board’s procedure, we may quote from the Board’s Annual Report for 1906–7, p. lii:—

“We have, as in previous years, required the borrowing authorities to supply us with detailed particulars as to the manner in which it has been proposed to expend the loans which we have been asked to sanction, and we have been careful to satisfy ourselves that the works for the execution of which our sanction has been given were reasonably required, that due regard had been paid to economy, and that the cost of the works had been properly estimated. With the view of obtaining full information on these points, and of affording all persons interested an opportunity of being heard on the subject, we have, in relation to a large number of the applications for permission to borrow money, caused local inquiries to be held by our Inspectors after public notice in the districts. Before granting our sanction we have also required the authorities to inform us of the arrangements made for the due discharge of their debt, if any.’”

In New South Wales local-government loans are limited to one-tenth of the unimproved value of rateable lands, and have to be sanctioned by the Governor.

In Victoria the loans are limited to ten times the average income for the three previous years.

This question of borrowing is assuming such vast importance that this Conference might with great advantage express itself upon the following points:—

- (1.) Should the sanction of the Local Government Board be necessary before a loan is obtained?
- (2.) Should the power to borrow be in any way limited, and to what degree?
- (3.) Should all local loans be obtainable only from or through the State-guaranteed Advances Department?

LOCAL GOVERNMENT BOARD.

One of the main proposals of the Bill is the creation of a Local Government Board; and, as this has been very adversely criticized by some of the district conferences that have taken place, I think it may be desirable that I should deal somewhat fully with this proposal.

Hitherto all the functions proposed to be exercised by this Board have been performed either by the Minister of Internal Affairs or by the Governor in Council.

The object of setting up the Local Government Board is to place upon a responsible body of men, to a very large extent, the functions that have been hitherto exercised by the Minister or the Cabinet.

There is a precedent of a most important kind for the setting-up of the Local Government Board, for such a body exists in England, and, as you know, is presided over by the Right Hon. John Burns. The English Local Government Board, which possesses enormous powers dealing with the internal and domestic affairs of England, consists of the President (the Right Hon. John Burns) and a number of high officers of State, including the President of the Privy Council, the holder of the Privy Seal, the Chancellor of the Exchequer, and the principal Secretaries of State. They, however, are to a large extent merely figureheads, for all power is vested in the President, and, subject to him, in the Parliamentary Secretary, the Permanent Secretary, and the five assistant Secretaries.

If I were to proceed to refer at length to the powers that are possessed by the English Local Government Board you would realize how large those powers were.