

- (b.) The coal shipped over the wharf did not bear for some twelve years the charge which Parliament had determined it should contribute towards the repayment, with interest, of the moneys expended in forming the port and railway through which it was shipped; and, further, since the rate has been collected it has been applied in substitution for, and not in addition to, the contribution towards the sinking fund properly chargeable to the Board's ordinary revenue.
- (c.) The manner in which the operation of dredging has been conducted, and in particular the hours worked, has been more in the interests of the workmen than of benefit to the port.
- (d.) The loan of plant, with or without payment, or with insufficient payment; the sale, gift, or loss of material, old or new, was controlled solely by local, and in some cases personal, considerations.
- (e.) The enforcement of contracts within contract time was lax, and resulted in benefits to contractors and local agents.

2. The method of recording the results of the deliberations of the Board has not been satisfactory in that it has been found to be impossible to trace through the minutes the history of important transactions.

There is an almost complete absence of information relating to the physical conditions and variation of the river with respect to its flood-levels and transport of shingle. This information is indispensable in harbour-works of the character of those at Westport.

There has been an absence of systematic and periodic soundings outside the harbour and in its entrance, with the result that the history and changes of the littoral drift have not been recorded.

Where local authorities carry out their works by contract there are necessarily records and data from which the progress and cost can be measured, but in the case of the Westport Harbour Board, whose works have been carried out by day-labour, there have been no corresponding records and data kept.

3. With regard to the purchase of the dredge "Rubi Seddon," the evidence and files placed before us show that the Board did not conduct the transaction with the amount of prudence that reasonable business men would have brought to bear in the conduct of their own affairs. In the first place, their original instructions and specifications for the dredge were framed in such a way that only one firm could tender, and, in fact, instructions were given to ask for prices from only one firm. When the dredge arrived at Westport it was found that she was not built in accordance with the specification, because she would not lift stones of the size specified. The Board's attention was drawn to this fact by their Engineer, Mr. Young. By this time, however, the Board was precluded from rejecting the dredge because they had accepted delivery at Wellington through their agents, the Railway Department. But it appears to us that the Board was negligent in not endeavouring to force its claim against the makers for breach of warranty.

4. The Board was imprudent, firstly, in not fully settling the design with the Railway Department for the sidings surrounding the floating basin, and making adequate provision for the necessary land; and, secondly, in not ascertaining the cost of such equipment and land, and adding it to the estimated cost of the floating basin upon the plan submitted to His Excellency the Governor for the purpose of obtaining his approval of the work.

5. In forming a recreation-ground and an esplanade and disguising them in their accounts under the names of "Cape Foulwind Railway Reserve" and "harbour-works" respectively, the Board were blameworthy, and were negligent in not obtaining a full design and an estimate of the cost of the esplanade and in not ascertaining whether these works were harbour-works within the scope of their authority. The minute of the Board's resolution authorizing the formation of the esplanade was calculated, if not intended, to mislead. The Board did not watch the expenditure on these works, with the result that £9,229 14s. 4d. was expended without the Board having realized the extent of the expenditure.