

- (e) Various other provisions aimed at protecting different rights and interests, fitting in with the machinery of local government and amplifying the main principles of the scheme of the legislation.

The operation of the Act was made dependent upon the appointment of a Commissioner and, except for certain safeguarding provisions, the Act will operate only so long as a Commissioner is in office.

In order to safeguard the rights and interests of debenture-holders section 4 of the Act, in authorizing the Governor-General in Council to appoint the Thames Borough Commissioner, provided, *inter alia*, for—

- (a) A prior recommendation from the debenture-holders or a majority in value of them ;
 (b) The Governor-General being satisfied that the interests of any dissenting debenture-holder would not be prejudicially affected by the making of the appointment.

Certain Australian lenders, holding debentures to the value of £28,500, were opposed to the appointment of a Commissioner, and they presented their case to the Government. Steps towards the appointment of a Commissioner were accordingly delayed in order to give those debenture-holders an opportunity of applying to the Supreme Court for the appointment of a receiver. Applications were duly made to the Court which were first adjourned and later declined. In due course, on the recommendation of a majority in value of the debenture-holders, and with the concurrence of the Thames Harbour Board debenture-holders and the Thames Borough Council, Mr. C. L. Grange, then Town Clerk of the City of Invercargill, was appointed Thames Borough Commissioner. Mr. Grange assumed office on the 21st September, 1932, and on that date the Thames Borough Council ceased to exercise its ordinary powers and functions. Following thereon an Advisory Committee was appointed in terms of section 7 of the Act.

The Commissioner's duties broadly fall under the three following headings:—

- (a) Administering the Borough of Thames in terms of the Thames Borough Commissioner Act, 1932.
 (b) Safeguarding the rights and interests of the debenture-holders as modified by that Act.
 (c) Investigating ways and means of reviving trade and industry in the borough.

The Commissioner has furnished quarterly reports upon his administration, and generally he has worked in close co-operation with the Department, and it is gratifying to record that at the close of the year his administration had shown a decided improvement in the borough affairs. 65 per cent. of the current rates had been collected, as against 54 per cent. for the previous year, and a greatly increased percentage of arrears had been collected. Substantial economies had been effected while further economies were in train. The bank overdraft had been greatly reduced and the debenture-holders had been paid 50 per cent. of the interest due.

Further legislation dealing with the administration of the Borough of Thames by the Commissioner is contained in sections 34 to 40 of the Local Legislation Act, 1932-33.

Thames Harbour Board: Another case of a defaulting local authority was the Thames Harbour Board. The general depression, alterations in the form of transport, and the particular difficulties of the Thames district so severely affected the revenues of the Thames Harbour Board that it was unable to meet its total obligations to lenders. The Board had raised four loans totalling £76,000. Three of these loans, totalling £66,000, are, by special legislation, secured by a special rate over the Borough of Thames, the scheme of such legislation being that, if there is insufficient revenue to meet interest charges thereon, a rate is levied to provide the balance. The difficulties of the Thames Borough ratepayers have already been referred to, and these difficulties were reflected in the Harbour Board's attempts to collect rates from the borough, causing it to default. As a result of various conferences and other negotiations by the principal parties concerned, including the debenture-holders, agreements were reached sufficient to give the Harbour Board temporary relief. The result was embodied in the Thames Harbour Board Loans Adjustment Act, 1932-33. Under this Act provision was made for the repayment of £10,000 loan by means of the accrued sinking fund thereon amounting to £9,313 12s. ; the payment to debenture-holders of accumulated sinking funds of the other three loans ; payment of full interest up to the 30th September, 1932 ; postponement of payment of further interest until other liabilities of the Board have been met, and then payment in full settlement of such interest of whatever amount is available for the purpose ; limitation of powers of debenture-holders to apply for the appointment of a receiver ; continuing then existing members of the Harbour Board in office until May, 1935 ; power for the appointment, if considered desirable, of a Commissioner and an Advisory Committee ; and various other provisions aimed at fitting in with the machinery of local government.

Local Government Reform.—The question of the reform of the system of Local Government was again prominent. The announcement that the Minister of Internal Affairs would investigate the matter was followed up by the appointment by Cabinet of an inter-departmental Committee comprising representatives of the Departments of Internal Affairs, Public Works, Valuation, Lands and Survey, Treasury, and Health. The Committee was instructed to collect data and make recommendations to the Government.

The Committee did not commence its real work until near the close of the year, and at that time it had collected considerable data and was well advanced in the formulation of proposals.

LEGISLATION.

In addition to the Urban Farm Land Rating Act, 1932, the Thames Borough Commissioner Act, 1932, the Thames Harbour Board Loans Adjustment Act, 1932-33, and the Matakaoa County legislation, referred to under appropriate headings elsewhere in this report, the following legislation affecting the Department was under review:—

Local Elections and Polls Amendment Act, 1932.—This Act temporarily modified certain statutory provisions disqualifying defaulting ratepayers from voting at elections and polls, and from nominating or being nominated as candidates for election as members of certain local authorities.