

Subsequent to the receipt of such report, a meeting was held of the principal interested parties in Wellington, at which meeting a financial scheme, aimed at ultimately rehabilitating the county, was agreed upon. This scheme was subsequently ratified by such parties and by other substantial creditors. The essential features of the scheme are—

- (a) The "freezing" of unpaid debts for a period of three years free of interest :
- (b) The reduction of the current interest burden on the county to approximately 4 per cent. :
- (c) Drastic curtailment of administrative expenses :
- (d) The application of current revenues, after meeting administrative and other necessary charges, towards the reduction of the frozen liabilities.

The Commissioner proceeded to carry out the administration of the county in accordance with such scheme, and he has pursued a vigorous policy of rate-collections. The payment of a substantial portion of the rates due is, after all, an essential factor in the successful carrying-out of the financial scheme and the general rehabilitation of the county. He again reported to the Department as at the 31st January, 1934, showing the results of his administration for the six months then ended.

It is pleasing to record that ratepayers have responded in a marked degree to the demands made upon them for payment of rates, both current and arrears, and at the 31st March, 1934, the sum of £8,227 5s. 2d. had been received from rate collections. This was the highest amount collected in the county from this source since the year which ended on the 31st March, 1930.

The receipt of that amount from rate collections enabled the Commissioner to pay administrative charges and current debts for the first year, and to reduce the amount of outstanding liabilities. A satisfactory feature of the financial scheme is the fact that any surplus is used for the purpose of paying off the "frozen" liabilities and not for payment of increased interest charges. Thus, there is a definite incentive to the ratepayers to pay their rates, thereby ultimately discharging the overdue liabilities of the county, and thus, in time, placing the county once more in a stable position.

*Boroughs.*—The boundaries of five boroughs were altered, three by the inclusion of lands and two by the exclusion of lands. Three petitions for the alteration of borough boundaries were declined. The Ross Borough Council passed a special order reducing the number of Councillors from nine to six, and the Waikouaiti Borough Council similarly reduced the personnel of its Council from nine to seven. Minor irregularities in connection with a poll taken in the Tauranga Borough to decide the statutory closing-day for shops were validated.

A financial adjustment was made between the Feilding Borough Council and Oroua County Council, consequent upon previous alterations of boundaries.

The severe earthquake in the month of March, 1934, affected several North Island towns to such an extent as to warrant special powers being given to the Borough Councils to control immediate building construction therein. For this purpose an emergency Proclamation was issued under section 382 of the Municipal Corporations Act, 1920, containing suitable regulations applicable to the Boroughs of Dannevirke, Woodville, Pahiatua, and Eketahuna.

The Napier Borough Council was authorized to use a portion of the moneys in the Depreciation Fund of the electricity undertaking of that borough for the purpose of carrying out certain restoration and replacement work rendered necessary by the Hawke's Bay earthquake in February, 1931.

Following on the disastrous Hawke's Bay earthquake in February, 1931, and by virtue of section 49 of the Municipal Corporations Act, 1930, and section 64 of the Hawke's Bay Earthquake Act, 1931, a special Committee of Management, consisting of John Saxon Barton, Esquire, Stipendiary Magistrate, and Lachlan Bain Campbell, Esquire, then Inspecting Engineer, Public Works Department, was appointed with full powers of control over the Borough of Napier. The powers of the Napier Borough Council were suspended during the term of office of the Committee. With the holding of the municipal elections in Napier in May, 1933, the term of office of the Committee came to an end, and the Napier Borough Council resumed control on the 10th May, 1933.

As required by law, the biennial election of Mayors and Councillors throughout the Dominion was held on the 3rd May, 1933. The elections were of special significance in the Boroughs of Napier and Hastings, as they were the first held since 1929. The 1931 elections in those boroughs had been postponed on account of extraordinary conditions arising out of the earthquake of that year.

Unusual interest was taken in the Stratford Borough election, where the Mayor was elected on the casting-vote of the Returning Officer. The election was upset on account of certain irregularities. At the consequential by-election, the same gentleman was elected Mayor with a more substantial majority. Certain difficult questions arising out of the proceedings were brought before the Department for consideration.

The Municipal Conference was held in Wellington on the 14th and 15th March, 1934, when various remits and resolutions were passed on different phases of the law and practice governing the activities of Borough Councils and Town Boards. The Department was again represented throughout the whole of the proceedings of the Conference.

*Thames Borough:* The Department again took an active part in matters arising out of the administration of the Thames Borough Commissioner Act, 1932. Four further quarterly reports were received from the Borough Commissioner, dealing exhaustively with the progress of his administration of the borough. Such action as was necessary was taken, arising out of each report. The Commissioner visited Wellington on two occasions for the purpose of conferring with the Department and others on matters affecting Thames. A petition was received from 562 ratepayers of the Thames Borough, asking for the appointment of an independent Commission consisting of three members, the Chairman to be a Judge of the Supreme Court, to have full power and jurisdiction to deal with the Thames Borough Council and the Thames Harbour Board indebtedness and unification of the collection of rates. Representatives of the petitioners visited Wellington and made representations to Ministers in support