

*Counties Conference.*—The Counties Conference was held in Wellington on the 25th and 26th August, 1937, under the presidency of Mr. C. J. Talbot. The Conference was opened by the Minister of Internal Affairs, the Hon. W. E. Parry, with an address in which he dealt mainly with the question of the development of the present system of rural local government over the past sixty years, and gave a detailed explanation of the provisions of the Local Government (Almagamation Schemes) Bill. The Conference then dealt with a variety of subjects relating to local government and passed various resolutions thereon which resolutions were later transmitted to the Government for consideration. Two of the most important subjects discussed by the Conference in any detail were local government reform and Native rating. The Department was represented throughout the whole of the proceedings of the Conference. Mr. Talbot was re-elected as President for the ensuing two years.

*Matakaoa County:* The question of the control of Matakaoa County again occupied a very prominent place in the Department's activities during the year. Section 10 of the Local Legislation Act, 1932-33, as amended by section 2 of the Local Legislation Act, 1934, provided, among other things, for the expiry of the period of Commissioner control of Matakaoa County in May, 1938. As, however, from the Department's close association with the administration of the county during the preceding few years it appeared that the time was not ripe for its return to normal control, careful consideration was given to the question of future arrangements. In order to afford the settlers an opportunity of stating fully their views on the question, the Minister of Internal Affairs, the Hon. W. E. Parry, visited the county on the 4th and 5th August, 1937. On the night of the 4th August a public meeting was held at Te Ararua, where the whole question was fully discussed, and the settlers very clearly stated their views. Those views, together with the information gained during the course of the visit, were very fully reviewed in conjunction with the whole of the information at the disposal of the Government concerning this county, and it was ultimately decided that it would not be in the best interests of the county as a whole if normal control of the county were resumed in May, 1938. Consequently it was decided to extend the period of Commissioner control for a further term of three years so as to expire in May, 1941, and this was effected by section 11 of the Local Legislation Act, 1937. Whilst this decision was not, at the time, received favourably in certain quarters of the county, nevertheless there was distinct evidence that a large proportion of those settlers who are deeply concerned with the welfare of the county regarded an extension of Commissioner control as the right and proper course to take. Furthermore, it must be stated that the decision was arrived at only after very careful consideration of the whole facts of the case and with the sole desire to improve the lot of the settlers of the county.

The Commissioner furnished to the Department regular reports of his activities throughout the year, and it is gratifying to be able to record the continued progress he made towards restoring the county to normal conditions. His work in this direction has been made more possible by the response which the ratepayers generally have made to their rating obligations. In order to illustrate this fact I would mention that 82 per cent. of the rates levied for the year were collected, as against 74 per cent. for the previous year. The collection from European lands was 95 per cent. and from Native lands 64 per cent., as against 91 per cent. and 56 per cent. respectively. In addition, a substantial sum by way of arrears of rates was collected, principally on account of Native rates.

The administrative difficulties were increased during the year by exceptional flood damage.

*Boroughs.*—Four new boroughs were constituted and the usual action taken for the elections of Mayors and Councillors. Each of these boroughs was formerly a town district. Alterations of boundaries of four boroughs and one city were made involving the inclusion of lands previously under County Council control. The boundaries of four boroughs were altered by the inclusion of reclaimed lands and lands in respect of which there were no electors. Consequent on these alterations the boundaries of the local government districts affected were redefined as required by law. The Wellington City Council was authorized to expend the sum of £750 from the balance of the compensation-moneys held under the Thorndon Reclamation Act, 1921-22, for the purpose of erecting a bathing pavilion at Evans Bay.

The annual Municipal Conference was held at New Plymouth from the 1st to 3rd March, 1938, under the presidency of Mr. T. Jordan, Mayor of Masterton. The Conference was opened by the Hon. P. C. Webb on behalf of the Minister of Internal Affairs (Hon. W. E. Parry), whose absence in Australia prevented his attendance at the Conference. A lengthy address covering various phases of current local government administration was delivered by the Under-Secretary for Internal Affairs (Mr. J. W. A. Heenan) on behalf of the Hon. Mr. Parry. As usual, the Department was represented throughout the whole of the proceedings of the Conference. In accordance with the arrangement made with the Municipal Association last year a statement was supplied by the Department indicating the action taken and the decisions of the Government on all remits passed at the 1937 Conference. Mr. Jordan was re-elected as President for the ensuing year.

*Thames Borough:* As usual the Department kept in close contact with the Thames Borough Commissioner in regard to the administration of the Borough of Thames. Four quarterly reports were received from him, and necessary action taken thereon. The time was extended on two occasions preventing persons from applying for a receiver in respect of the Thames Harbour Board debentures. Mr. C. J. Garland resigned his position as a member of the Thames Borough Advisory Committee. Mr. Garland had been on that Committee since its inception in 1932, and had rendered valuable assistance. The appreciation of the Government for the services he had rendered was appropriately conveyed to Mr. Garland. Mr. J. Morley was appointed to the vacancy on the Committee.

A further step was taken in connection with the plan for the ultimate rehabilitation of Thames. With the prospective expiry in May, 1938, of the legislation providing for the Commissioner control of Thames, and in April and July, 1938, of the special arrangements for reduced interest and sinking-fund payments on Thames Borough and Thames Harbour Board debentures, it became necessary