

1903.  
NEW ZEALAND.

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# GOLDFIELDS AND MINES COMMITTEE :

REPORT ON THE GOLD DUTIES BILL, TOGETHER WITH MINUTES OF EVIDENCE.

(MR. JAMES COLVIN, CHAIRMAN.)

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*Brought up 29th September, 1903, and ordered to be printed.*

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## ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

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FRIDAY, THE 3RD DAY OF JULY, 1903.

*Ordered*, "That Standing Order No. 211 be suspended, and that a Goldfields and Mines Committee, consisting of sixteen members, be appointed, to whom shall be referred all matters relating to mining and all Bills relating to mines; with power to call for persons and papers; five to be a quorum: the Committee to consist of Mr. J. Allen, Mr. Bennet, Mr. Colvin, Mr. W. Fraser, Mr. Herdman, Mr. Herries, Mr. Kidd, Mr. R. McKenzie, Mr. Millar, Hon. Mr. Mills, Mr. Moss, Mr. Reid, Rt. Hon. R. J. Seddon, Mr. Smith, Mr. Witheford, and the mover."—(Hon. Mr. McGOWAN.)

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TUESDAY, THE 22ND DAY OF JULY, 1903.

*Ordered*, "That the Gold Duties Bill be referred to the Goldfields and Mines Committee."

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## R E P O R T .

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### REPORT ON THE GOLD DUTIES BILL.

THE Goldfields and Mines Committee, to whom was referred the above-mentioned Bill, have the honour to report that, having carefully considered the provisions of the same, they now recommend that the said Bill be allowed to proceed, subject to the amendments shown on a copy of the Bill attached hereto.

Parliament Buildings, 29th September, 1903.

JAMES COLVIN,  
Chairman.

## MINUTES OF EVIDENCE.

FRIDAY, 11TH SEPTEMBER, 1903.

WALTER PHILLIPS, Mayor of Waihi, examined. (No. 1.)

1. *The Chairman.*] What is your name?—W. H. Phillips.
2. You are Mayor of Waihi?—Yes.
3. You are here to give evidence upon this Bill in Committee?—Yes.
4. Have you any statement to make respecting this Bill?—I may say, Mr. Chairman and gentlemen, that the reason of my appearance here is to explain our views upon it. The Borough of Waihi was formed February twelve months ago, and from time to time we have been receiving the gold duty, and we have entered into certain contracts believing the gold duty honestly belonged to us. According to the Municipal Corporations Act we are bound to build an abattoir; we are committed to expenditure upon municipal buildings, and our liability with regard to the Hospital is approximately £1,500 a year. To now take this gold duty from us would put us in a position of bankruptcy. I may point out with regard to the township there, that it is purely a Government township which we cannot rate. We are quite prepared to recommend that the same basis of rating should be adopted as in the South Island at the present time. On the rating value Waihi would pay the borough £16,700, which would be more than the present duty. I do ask that the present plan be not interfered with. I understand the idea is to enable the gold duty to be diverted; it might be for maintenance of the river, but in that connection we are quite prepared to pay a proportion of the amount for that if necessary.
5. *Mr. Herries.*] Will you state the amount of gold duty at Waihi?—As nearly as possible, £14,000.
6. Will you state to the Committee the liabilities you have incurred in connection with the formation of the borough?—The liabilities to the bank at the present time amount to £8,000. I am not prepared to say what proportion of gold duty is due—probably about £2,000. We are committed for abattoir and water-supply. Your Government has been pleased to vote £15,000, but that is insufficient for our further requirements. It will take £10,000 more to carry out the water-works. Then, there is the annual cost of the Hospital—£1,500—and there is the Fire Brigade Station. There has been some statement made—it was mentioned to me by the Premier at Waihi—that we have been extravagant by voting sums to bands. That I emphatically deny; there has been no extravagance at all.
7. What is the nature of the award?—Our liability is not exceeding £4,300 per annum.
8. Are you proposing to undertake the various works?—Yes.
9. What is the population of the borough?—About 5,000.
10. Is that expected to increase or decrease?—It is expected to increase.
11. Supposing you levied a rate at the present moment, would you be in a position to meet your liabilities?—No.
12. What would be the effect if you only received half the gold duty?—We should be in a state of bankruptcy.
13. You state that when the Borough of Waihi was started these works were needed?—Yes.
14. And you think if the gold duty is taken away you should be put in the same position as other parts in the South?—Most decidedly.
15. If you were placed in the same position as the South Island you would be satisfied if the gold duty was abolished and rating-power substituted?—Yes.
16. Do you know any reason why this Bill should be brought in?—No; quite the contrary.
17. You are in the dark?—Yes.
18. Are there any other claims against the borough?—Yes; they can be made by the other counties.
19. These would be still further liabilities?—Yes.
20. Why is it necessary for this expenditure in Waihi? Are the streets formed?—Yes; but we require a good deal more money yet to meet the responsibilities we are under at the present time.
21. You mention a loan from the Government of £15,000. What is the security for that loan?—Simply the gold duty.
22. And if the gold duty is taken away it will reduce the Government's security?—Yes.
23. What is that loan for?—For waterworks.
24. Have they been started?—They have been commenced this far, that a survey has been made of the work and the formation commenced. The Engineer took charge last Monday morning, and he is proceeding to carry out the work.
25. What is the nature of the loan—when is it repayable?—In twenty-six years.
26. What is the interest payable?—Four and a half per cent.
27. That would be provided out of gold duty?—Yes. We are liable to pay £4,300 to the County Council, which would leave us with about £4,000 revenue, and out of that we have to pay for Hospital and interest on loan and making streets and drains.
28. And anything for lighting?—We are trying to deal with that. We have no money at the present time, but the matter is to be considered when I return. We have had offers from private companies.
29. *Mr. Moss.*] What is the size of the Borough of Waihi?—Four square miles, I think. You must know from your knowledge of the place.

30. How much does the gold duty amount to?—About £14,000.
31. Do you get rent from the mines and licenses?—Yes.
32. Does the Borough of Waihi get two rents—from the surface and the gold duty as well?—Yes; about £700 or £800 from these rents from the surface and gold duty.
33. Now, Waikino depends upon the reduction-works?—Yes.
34. And that is outside the boundary?—Yes.
35. Is the county at the expense of keeping up the roads and all the surroundings?—Yes; and we are liable to pay £4,300 per annum.
36. The Ohinemuri County has had to pay for all works—water-supply, footpaths, &c.?—Yes.
37. And get no benefit from the reduction-works?—That is so.
38. Then, there is a good deal of timber taken through Waihi?—Yes.
39. As a matter of fact, is not nearly every road used in supplying timber for Waihi?—I do not know how you apply that matter to Waihi.
40. To supply Waihi?—I am not going to deny that we cart timber to Waihi, but it is in common use for the public.
41. And when the Waihi Borough was formed the main road had been made and metalled the same as now?—It was better then.
42. *Hon. Mr. McGowan.*] What does the Government get out of the Government township?—I cannot answer that question.
43. Does not the local body get the whole revenue?—They have been getting it—they get it now.
44. What rates are the people paying at Waihi?—Five-eighths of a penny upon the Government value.
45. Upon the capital value?—Yes.
46. You pay no other rates?—Not above that. We intend making a Hospital rate.
47. You said one of the reasons why you need a large revenue is because you have a Hospital?—Yes.
48. How did you obtain that Hospital? Was there not a proposal made to provide a Hospital at a less cost, where the whole district would be contributory, but you decided to have the Hospital under your own influence?—Yes.
49. You say the rate is  $\frac{5}{8}$ d. upon the capital value?—Yes.
50. How is that capital value arrived at?—I cannot answer that.
51. Who are the valuers?—I do not know.
52. There is no unimproved value?—No.
53. So that the capital value means the improved value?—Yes.
54. And the rate is  $\frac{5}{8}$ d. upon the improved value?—Yes.
55. What is the total amount?—At random, I should say £600 a year.
56. Can you not say nearer than that?—Mr. Brown says £410.
57. That is, a town with a population of five thousand pays rates amounting to £410?—Yes.
58. And that is all they are subjected to—there are no special rates?—No; but we intend making a special rate for water, &c.
59. If you make a special rate for water how does the gold duty for water come in?—I think —
60. I do not mind what you think. I want to get the actual facts before the Committee. I have no feeling or opinion upon the matter?—I do not know how to answer that question.
61. You have no reply to that question?—No.
62. I suppose you are aware that many thousands of tons of tailings are going into the Ohinemuri River, which continues to the Thames River, and that this is going on continually, and is likely to increase instead of decrease?—Yes.
63. You know the Thames River is navigable not only as far as Paeroa, but to Matamata?—Well, vessels can get up.
64. Is the deposit of these tailings which is going on month after month and year after year likely to affect the navigation of the river?—I think it must. The Government is putting a lot of stuff into the river.
65. Have you ever made an estimate of what your rates would be if you rated upon the annual value, say at 5 per cent?—No, I have not.
66. What would the £410 represent at  $\frac{5}{8}$ d. on the capital value?—About £160,000.
67. If the Waihi people had been situated similarly to Paeroa, Thames, Mackaytown, Karangahake, or Coromandel do you think they would have been prepared to rate themselves to the same extent at the places I have named?—Yes.
68. Do you know what rate the Thames has, for instance?—There are several rates; I could not give an idea of the total.
69. You know what the county rate is?—I could not tell.
70. *Mr. J. Allen.*] Have you got the balance-sheet of Waihi with you?—No. The Borough was only formed in February twelve months ago, and the auditor is on his road to Waihi. I have not the balance-sheet.
71. *Mr. Moss.*] Do you know the value of the mines?—I think the capital value is £2,750,000—the market value, I mean.
72. *Mr. Herries.*] You are liable for payment for the road leading into the borough?—Yes.
73. You have always been willing, if good cause was shown, to pay your share towards the maintenance of the roads?—Yes; it is to our benefit. We have no selfish motives at all.
74. *Hon. Mr. McGowan.*] Did the Waihi people not want a Commission on this question?—Yes, because the County Council and Borough Council could not agree.
75. So that the Commission was set up by joint request?—Yes.
76. *Mr. Herries.*] What Act did you borrow the money under?—The Act brought in by Mr. Jackson Palmer.
77. Did not that Act give the gold revenue as security?—Yes. We have not got it so far, but we have the assurance of the Government that it will be forthcoming.

78. At what do you estimate the cost of drainage?—I can give no information upon that, but it will be a very large amount.

79. It is absolutely necessary?—Yes; and it will be very costly.

80. You estimate the waterworks at £10,000 more?—£25,000.

81. And is that an absolute necessity?—An absolute necessity. We are dependent upon the Waihi Company for water.

82. They could cut it off?—Exactly.

83. *Hon. Mr. McGowan.*] Do you know what the Thames County Council is paying its employees?—I could not answer that.

84. Did the Waihi Borough recently fix any rate of wages for the men employed by the Borough?—Yes; 8s. a day.

85. And out of an expenditure of £14,000 all the public pay is £410?—Yes; but a large portion of it has gone by the award.

86. That is your only income?—All the rest has gone in roads, bridges, and general works.

87. *Mr. Herries.*] Is it not a fact that the gold duty is in lieu of rates?—Yes, that is so.

88. Do you not consider that if the Government takes away half the gold duty it will be the same as taking away half the rates on mining property?—Yes.

89. *Mr. W. Fraser.*] You said just now that the gold duty was security for the works you propose to carry out: if this amount were liable to be diminished that security would be diminished?—Yes.

90. You were asked about striking a special rate as security for this loan?—We would not require to strike a rate if we retained this gold duty.

JOHN ANDERSON BROWN, Councillor, Waihi Borough Council, examined. (No. 2.)

91. *The Chairman.*] What is your name?—J. A. Brown, councillor of Waihi Borough.

92. Will you make any statement with regard to the Bill before the Committee?—I do not know that there is need for me to make a statement; I will answer any questions.

93. *Mr. Herries.*] Is there anything you can add to what has been said?—I do not remember anything.

94. Have you seen the Bill?—Yes.

95. Do you take it to apply to every borough or county that produces gold?—Yes.

96. That half the gold duty can be taken from every borough or county that produces gold?—Yes.

97. It does not apply to Waihi only?—I read it otherwise.

98. But Waihi is more affected than other places because of the larger gold duty?—Yes.

99. Are you of opinion that it would cripple your finances?—Yes, for a considerable time. We should not be able to go in for necessary works.

100. And you consider abattoirs and drainage-works, and lighting and waterworks should be undertaken by the borough?—I do, sir. Abattoirs we have to start by law; drainage must be gone on with; water we cannot do without.

101. And the Waihi Borough was formed to get all these advantages?—The borough would never have been formed if we thought the gold duty would not be retained.

102. *Hon. Mr. McGowan.*] You said you would never have formed the borough unless you believed the gold duty would be retained?—Yes.

103. And before that the whole of this duty went to the county?—Yes.

104. Do you know the extent of the roads the county had to maintain before that?—I could not tell you.

105. The county had a large area of roads to keep in repair. Included in that area were the roads and streets belonging to Waihi. Most of the gold duty at the time was obtained from the area now occupied by the borough. I wish to know if it was not the idea of the residents that if they could get the whole of the gold duty within their own surroundings they would have better streets and footpaths?—Certainly; but I think you are not quite right with regard to the gold duty when we started.

106. Do you think the Waihi people would not be unwilling to allow a portion of the revenue from gold duty to go to help some other body in trying to improve the navigation of the river?—Yes; provided a proper River Board was set up, and we had representation based on our contribution.

107. *Mr. Moss.*] You know that the river is filling up?—Yes.

108. The river between the junction and Mackaytown?—Yes, by the tailings.

109. These tailings will have to be taken out of the river or the town will be swamped?—It will never be swamped.

110. Do you know what the gold duty from Waihi was two years ago?—About £10,000, I think; I am not certain of that.

111. You know it has gone on increasing?—Yes; but it might decrease.

112. Do you know how much the Waihi Borough has spent during the last twelve months?—At the end of the financial year, £14,000 on the town. To the County Council our liability was £11,235—that includes the money we pay this year.

113. *The Chairman.*] Previous to the Waihi becoming a borough, what rates were levied upon the people of Waihi by the Ohinemuri County Council?—I do not know.

114. Was it more than is levied at the present time by the borough, or less?—I cannot say.

HUGH POLAND, Chairman of the Ohinemuri County Council, examined. (No. 3.)

115. *The Chairman.*] What is your name?—Hugh Poland.

116. What are you?—Chairman of the Ohinemuri County Council.

117. Have you anything to say as to how the Gold Duties Bill will affect the county?—It is somewhat on the lines we have been asking for. We opposed the formation of the Waihi Borough

because we considered it would take away the main part of our revenue. We have to maintain 150 miles of roads, and the main portion of our revenue was this very gold duty which the formation of the borough deprives us of. In addition, we have the Township of Waikino, a large and growing township outside the borough, the people of which are employed exclusively in connection with the Waihi Mine. They are employed at the reduction-works and getting out timber, and in all sorts of work connected with mining. We consider the residents there have as much right to share the Waihi gold duty as the people working at the mines; but at present we have to make footpaths, streets, undertake water-supply, and do all the work for these people, and we have nothing to do it with. Even within the last six months we made footpaths in Waikino at a cost of £150. We had to do that out of county gold duty. We are not able to rate the mining property in Waikino, which has the most valuable battery south of the line. That is one of the reasons why we claim that an allocation of this gold duty should be made. Another reason is that the Ohinemuri River, from Mackaytown down to the Thames Gulf, and up the Waihou River to Matamata, is navigable, but if the deposit of tailings goes on as at present in a very short time it will not be navigable. In addition to being a navigable river it forms the drainage for the agricultural country. It is absolutely necessary that the river should be kept open for traffic and drainage. The Waihi Company puts in more tailings than the rest of the district, and should contribute to keep the navigation open; and the gold duty is the proper revenue for that. We have a River Board, but it has no funds, and the river is very rapidly silting up. Of course, with regard to the statement that the county previous to the formation of the borough did not treat Waihi fairly, that is contrary to facts. What I would like to say is this: Our revenue for twelve months prior to the borough being formed was £20,000, and of that we expended £5,500, upon the maintenance of the Waihi Road, practically for the benefit of Waihi, and, in addition to that, £4,750 in what is now the Waihi Borough in making footpaths, &c., so that half our revenue was expended practically for the benefit of Waihi. You can see that in the statement made two years ago in our objection to the formation of the borough. With regard to the mining roads for which we claim that a certain amount of the Waihi gold duty should be given us, these roads are used to a considerable extent for the cartage of material for Waihi. Timber is carried from all parts of the county. We get a certain amount of revenue from the sale of timber, but not equal to the expenditure necessitated by the traffic on the roads.

118. *Mr. Herries.*] Have you seen the provisions of this Bill?—I have just seen the Bill this moment; I am satisfied with it.

119. Do you think it would take half your revenue from you? What is your revenue?—From the mines we obtain £4,000.

120. Under this Bill you would obtain £2,000?—I think we should receive £6,000. The Bill says, "Notwithstanding anything in 'The Gold Duties Act Amendment Act, 1882,' the Governor may from time to time by Order published in the *Gazette* distribute any part of the gold duty not exceeding one-half among such boroughs and counties and in such proportions as he deems just, having regard to the locality in which the gold was produced, and the extent to which streets, roads, and other public conveniences were used in connection with such production." That gives me the impression that the County of Ohinemuri would obtain the whole of its own gold duty, and also receive a fair allocation from the borough as well.

121. Is not the first effect of this Bill that you would lose half the gold duty?—I do not see that. The extreme limit we could lose according to the Bill would be one-half; we might not lose anything.

122. Would not the Waihi Borough, if it undertook large works, get a portion?—Yes.

123. Do you not depend upon a fixed finance?—Our finance is not fixed now.

124. But your only assured amount would be half the gold duty?—It is possible the other half might be taken away.

125. Could you borrow upon that security?—I do not know that we could borrow money upon security like that.

126. Would not the passing of this Bill reduce your security?—To that extent; but the whole county would be pledged for the repayment of any loan. The gold duty is only one security.

127. You are satisfied with losing one-half?—We are satisfied to risk it; I am satisfied we shall not lose revenue.

128. And the reason you are supporting this Bill is that you have not much to lose and may have something to gain?—That is not my reason; we think we are entitled to a share of the gold duty produced by the Waihi Mine.

129. What do you think you ought to spend it on?—I have mentioned several works. I have mentioned Waikino and the river. At present there is a properly constituted River Board, but it is without funds.

130. Has any application been made to the borough for funds?—No; you would have to set up a Commission for every item that came along.

131. Are there any other roads leading to Waihi that the borough ought to contribute to?—No; but there are several to Waikino. The Waihi Company have a railway to Waikino, and the latter town is just as much a portion of Waihi as Waihi Township, although in the county, and we have to look after it.

132. What is your rate?—Five-eighths of a penny is our ordinary rate.

133. And if a portion of the gold duty is given to you?—It is not proposed to give us any gold duty. It is proposed to give a proportion of the gold duty of one borough or county to another for specific purposes. That portion is not to exceed one-half, and may be distributed in such proportion as is deemed just. If we are entitled to some I presume we shall get some.

134. *Hon. Mr. Mills.*] What distance from the mouth of the river are tailings discharged into it?—Above the head of navigation; I do not know the distance from the mouth.

135. Have you any idea what quantity of tailings are discharged?—About 20,000 tons per month by the Waihi Company.

136. What royalty is allowed upon mining-timber?—The local bodies obtain a revenue upon certain timber.

137. Will you state the amount of royalty?—It varies according to the class of timber—kauri about 1s. 6d. per 100 ft., and rimu, I think, 6d.

138. *Mr. Moss.*] Do you receive any revenue from the Crown lands timber?—No.

139. Do you know if much of that timber carried to Waihi is taken from the Thames County and carted from the railway-station at Paeroa?—I believe some timber from the Thames County is brought by rail and carried to Waihi on the county roads.

140. Do you know the road to the Luck at Last Mine and the Mananu?—I know the site.

141. And the Muratoto?—Yes.

142. Do these roads run partly through the Thames and partly through Ohinemuri?—I not know about the Luck at Last.

143. Do they go through both counties?—Yes.

144. Do you know if the Thames County has been consulted in this matter?—I am not aware.

145. Neither you nor Mr. Kenny represent the Thames County?—No; there is no one here.

146. *The Chairman.*] What is the amount of revenue from rates in the Ohinemuri County?—I think it would be better to leave that to the Clerk.

147. You get a subsidy from the Government for rates?—Yes.

148. If you get a share of the Waihi gold duty will this stop the subsidy from the General Government?—It will reduce our claims.

149. If you get a larger revenue from gold duty from the Waihi Borough, will it have the effect of stopping the subsidy from the Government?—I hope not, but it will reduce our claim.

150. *Mr. Herries.*] If this Bill goes through and you do get a proportion of the Waihi gold duty, will you still insist upon the award of £4,300 being paid?—That has nothing to do with the gold duty. It was made under the Public Works Act. The Commission was set up under that Act, and they made the award.

151. Do you not consider the gold duty in lieu of rates?—To a certain extent.

152. And when a mining township has an award like that it is paid out of gold duty?—Yes.

153. At the present time you get £4,300 out of gold duty?—That is the maximum limit we may get paid.

154. How much had they paid you on adjustment of accounts?—When the borough was formed the county overdraft was £12,000. Of that the Waihi Borough paid £1,594 as their share, but the adjustment of accounts did not take place till about fifteen months after the formation of the borough, and they had to pay us the two-thirds of the cost of maintaining the main road, and that amounted to another £4,000. This year they are now paying us monthly two-thirds of what we expend upon the road.

155. You are getting that out of the gold duty?—Everything comes out of gold duty in Waihi.

156. Supposing this Act comes into force and the award is still in force, if the railway is not finished would you consider you ought to get a share of the Waihi gold duty in addition to the award?—We get nothing at present. We are claiming a share of the gold duty for the purpose of maintaining the Waikino Township, keeping the river open for navigation, and maintaining the roads used by the Waihi Company.

157. Whether leading to the township or not?—The roads are used largely for the benefit of Waihi. All the roads to Waikino are used largely for the benefit of Waihi. The main Paeroa-to-Waihi Road was the principal road, and on that the Commission sat. Since then we have been endeavouring to obtain the allocation of the gold duty, and we have written to Ministers of the Crown asking them that allocation of the gold duty be made.

158. No roads were put in the claim before the Commissioners?—Only the one road.

159. *Mr. Reid.*] Are you a farmer?—No; a journalist.

160. How long has the River Board been in existence?—I think, ten years. They have been holding regular meetings. The County Clerk will be able to tell you all about it. I would like to say this with regard to the gold duty: that we are opposed to its abolition. We consider it is the fairest tax upon the mining companies. If the gold duty were abolished a number of mines carried on in Ohinemuri would have to close down. The duty is a great inducement to continued efforts to carry on.

161. *Hon. Mr. McGowan.*] How long will the award exist?—It is terminable by a fresh Order in Council or by a fresh Commission.

162. As the railway approaches Waihi the amount of the award will be reduced?—With regard to that, as the railway to Waihi progresses the amount Waihi will have to pay of the award will decrease. When the railway is open to Karangahake there will be only a small portion of the road between Karangahake and Waikino where there will be heavy traffic.

163. Do you consider the present arrangement a satisfactory one to all concerned—that is, the award?—I think it was a fair award. It was agreed to by both bodies. I think the arrangement was satisfactory to all concerned. We are satisfied that they should contribute two-thirds as a fair proportion.

164. If you think it a fair proportion now what are you down here for?—We are not objecting to the award, but it deals only with the one main road.

165. You said you were anxious to get a larger share of the gold duty?—We get none at all now. We are here to get a fair share of the Waihi gold duty for the roads and other purposes I have mentioned. The award only dealt with one road. We have made applications to the Government to so allocate the gold duty that we shall get a fair share.

166. What distance is Waikino from Waihi?—It is six miles from Waihi. It is a town created to carry out reduction, where there is a sufficient flow of water. There are over six hundred people at Waikino dependent on the Waihi Company.

## THOMAS NEPEAN EDWARD KENNY examined. (No. 4.)

167. *The Chairman.*] Your name?—Thomas Nepean Edward Kenny.

168. You are the Clerk of the Ohinemuri County Council?—Yes.

169. Will you make a statement with regard to this Bill?—The County Chairman has covered all the ground I could speak to. I am willing to answer any questions.

170. *Mr. Herries.*] Do you consider this Bill will give you an assured finance?—Our finance is not assured now, but it really covers what we applied to the Government for before. The two local bodies could come to no agreement, so the Government was asked to decide.

171. Have you read the Bill?—Yes.

172. In what way do you think it will affect you?—Under the present circumstances our gold duty is about £4,000 a year, which is insufficient to enable us to carry out necessary works. The clause gives power to take away half the gold duty, but I do not think the Government would enforce it with reference to the Ohinemuri County Council.

173. Do you think it is a satisfactory arrangement—your finances being dependent upon the Government?—No, I cannot say it is; but there is no other alternative that I know of.

174. You are taking it for granted that you will get a proportion of the Waihi gold duty?—We assume we shall. We have no money to spend upon luxuries whatever; our whole revenue is insufficient for necessary works.

175. If you had any impression that you would not get a portion of the Waihi gold duty you would then not support the Bill?—I do not know that I can make any statement upon that; but we could not be in any worse position than we are in now. It is possible that under the Bill we might lose half the duty, but it is unlikely. Any Commission would see we have no money to spend on luxuries. Where there is special work required we form special rating districts and raise loans for them. In the lower part of the county we recommended to the ratepayers to borrow money. There are drainage-works required, and we propose to form a special drainage district, and to raise a loan for the purpose.

176. What do you propose to spend the gold duty upon?—There are large calls for mining-works such as tracks and aids to prospecting, and there is the river.

177. That is the principal?—Oh, no; the roads—we have to make miles. At the present time we are asked to spend £2,500 in making one road, though if the silting of the river is not stopped the road will be useless in five years.

178. Under this clause you are entirely dependent upon the Government notifying in the *Gazette* what you will get?—It is left to the discretion of the Minister.

179. Are you satisfied with that?—I am not the Council.

180. Are you satisfied, as Treasurer, to leave your finances to the discretion of a Minister of the Crown?—That is for the discretion of the Council; I am the hand, they are the brain. We can reasonably expect that the Minister of the day will see to our requirements and will not cripple us.

181. Does the Government do that now with regard to grants?—Last year we sent a letter to the Premier thanking him about grants. The early distribution of them enabled us to get our works done economically. It would be better if the revenue had been allocated statutorily, but whether this case could be met by statute is another question.

182. *Mr. Reid.*] A special loan is being raised for water?—We are proposing to raise a loan for drainage. We have formed a special rating district for water, and have rated ourselves.

183. Paeroa is a borough?—No; it is a town, and is rated by the county.

184. About what year was the River Board formed?—Some twelve years ago the Harbour Board district was extended to Paeroa, and they were rated by the Thames Harbour Board. The people applied to the Government to form them into a River Board, so that the authority of the Harbour Board could not extend so far up the river. The River Board was brought into existence really as a defensive measure.

185. You have a grievance now, inasmuch as the river is silting up?—Yes.

186. And you want a contribution from the Waihi Borough to provide against this?—Yes. Nine-tenths of the deposit going into the river is from the Waihi works.

187. *Mr. Kidd.*] Is the silting of the river likely to become dangerous to any portion of the district?—Yes, Paeroa. The greatest danger will be where there are equal tides.

188. Has any portion of the revenue of the Board been used for this?—It has no revenue. The gold duty revenue has been held in abeyance. We are using our own county revenue to mitigate the evil to a limited extent.

189. And you think it is a fair thing to get a portion of the Waihi gold duty revenue for that?—I think so.

190. *Mr. Moss.*] The gold duty has been increased?—I could not say that. I only know what we get.

191. During the last five or six years has not the gold duty increased?—I reckon there has been an increase for the whole district.

192. Paeroa is an older township than Waihi?—Yes.

193. Do you know what money was spent on the Waihi Road by the county from its inception?—I could not tell you that.

194. As a matter of fact, was Paeroa sacrificed for the purpose of keeping the road open to Waihi?—I could not say that.

195. *Mr. R. Mackenzie.*] You do not think anything in the Bill will affect you?—I do not think it will alter the position, because we are in the hands of the Ministry now.

196. Do you not think it will affect the many boroughs and counties throughout the colony?—I cannot say; I have not thought it out.

197. You are not in a position to express an opinion that it would be better for the counties to be rated towards keeping the roads?—I think that is what the rates are for.

198. Do you not think it would be a fair thing for a proportion of the gold duty to be spent on agricultural roads?—If it affects mining. The view I hold is that the gold duty is for the benefit

of mining, and it would not be right to spend it on a purely agricultural district; it should be directly for the benefit of mining.

199. Supposing an agricultural district surrounding Waihi, do you not think it necessary to have good roads?—Yes; that benefits mining indirectly. The Ohinemuri County has also a purely agricultural district that has nothing to do with mining, and it would not be right to spend gold duty on those roads.

200. Do you think the gold duty is a fair duty?—I think it is the fairest duty there is.

201. Is the Waihi Mine responsible for the filling-up of the Ohinemuri River?—I can only speak from hearsay.

202. Will it overflow its banks if not kept clear?—I certainly think so. The bed of the river is rising, and the water must have somewhere to go.

203. *Mr. Herries.*] Has the river been declared a sludge-channel?—I think so; I am sure it has.

204. And all the mines have a legal right to discharge tailings into it?—Yes.

205. No one can claim compensation if it is declared a sludge-channel?—I do not know the law sufficiently to answer that.

206. Is it not a fact that the river is at the present taken up by dredging claims?—I believe so.

207. So that the River Board could not interfere with that portion let for dredging purposes?—I could not answer that, it is a legal question; but the county was opposed to the granting of these claims at the time.

208. Is it not your opinion that it is necessary the borough should have works such as drainage, waterworks, and lighting?—Undoubtedly.

209. It is more necessary in a borough than in a country district?—I would not say that.

210. I mean to say that in a borough these things are not luxuries, but absolute necessities?—Provided they are not extravagant. I cannot agree with the Mayor that there is a very poor water-supply now. Waihi has been fairly supplied, but with the increase of population it is not now sufficient. Having been in the engineering way myself I cannot say the twenty-five-thousand-pound scheme is necessary; but it is necessary to have water.

211. And the abattoir?—The abattoir, water, and drainage are not luxuries.

212. And certain main-street formation must be done?—Certainly.

213. And lighting must be done?—Yes.

214. *Mr. Kidd.*] Is Waikino as large as Waihi?—It is not nearly such a large place. It is provided for out of county revenue, but it is really a continuation of Waihi.

215. *Mr. Herries.*] This silting-up of the river has been going on for some time?—Ever since the Waihi Company have had their large works there.

216. Is the River Board the same as the County Council?—It is the County Council.

217. Before the borough was formed did you take any steps with regard to the silting-up of the river?—No; I do not think we had the money then. All the money was spent in providing for increasing heavy traffic. Waihi sprang up very quickly with the output of gold.

218. *Mr. Kidd.*] You spent all the revenue to make the main road?—A large portion of it.

219. *Mr. Herries.*] Have you any idea how much gold revenue you received up to the formation of the borough?—I could not speak from memory.

220. *Mr. R. McKenzie.*] Is the Borough of Waihi within the River Board district?—No; only up to the head of navigation, I believe.

221. Why do you not extend your boundaries?—If that were done we should have to rate the whole agricultural district for clearing away the accumulations by the mines. It would be unfair to spend the revenue of the goldfields upon an agricultural district, and it would be unfair to rate the agricultural district on account of the tailings put into the river by the mines. You would include also the rateable area below, and the rateable value down the river is far in excess of that above. I do not think the matter has been before the Council.

222. *Hon. Mr. McGowan.*] You are an engineer as well as the Clerk of the County Council?—Yes.

223. The County Council has already provided a water-supply for Paeroa?—Yes.

224. And are doing the same for Waikino?—Yes.

225. You have made a special rate for water-supply at Paeroa?—Yes.

226. Did you rate Waihi with regard to water-supply?—No; we could not raise a loan on the security.

227. And whatever expenditure you went to there was from your ordinary revenue derivable from rates and gold duty?—Yes.

228. You know the country between the Thames and Paeroa?—I do.

229. The river is navigable from Thames to Paeroa?—Yes.

230. What is the character of the land on each side of the river?—From the junction downwards it is very good land.

231. You have some dairy factories there?—Yes.

232. Do you know how many?—I believe there are three. There is one on either side of the river below, and one at Paeroa.

233. Do you think, if such a Bill as this was passed, the Government would be justified in subsidising the rates for drainage that the Board might make to help in clearing the river?—I could not say.

234. What is the rate in the county?—Five-eighths of a penny.

235. Have you any special rate?—We have a special rate for charitable aid, but it has not been in force for some years.

236. *Mr. R. McKenzie.*] Do you collect any special rate for the loan?—We collected a special rate for the loan for the first year, but when it paid for the interest we dropped collecting it. The water loan is paid out of water charges upon those using the water.