

no less than 1,200 residence-sites within its area on which the annual rental is only 5s. each, and seventy-six business sites carrying a rental of only £3 per annum. If these rentals were increased to 3s. per week and £13 per annum respectively the borough would obtain an increase in its income of approximately £10,000 a year, which would be sufficient to overcome all its difficulties. To illustrate the absurdity of the present very low rentals, Mr. Clendon mentioned that the Bank of New Zealand paid only £3 a year for its fine site, and quite good houses are erected on sites entailing a rental of only 5s. each per annum. These rentals, however, are not fixed by the borough, but by the Mining Act, and the borough is powerless to alter them without an amendment of that Act.

(b.) *As to the Mine-owners.*

As regards the mine-owners, Mr. Clendon stated that the right to discharge tailings into the Ohinemuri River was a benefit of incalculable value to the gold-mining companies. It was known that the companies had discharged some 6,000,000 tons of debris into the river, and the saving thereby made in obviating having to stack or otherwise dispose of this huge quantity of material was enormous. It was also known that the Waihi Mine had won some £13,000,000 in bullion, and the Grand Junction Mine £1,744,266, and that the Waihi Mine alone had paid over £5,000,000 in dividends, so that the companies were well able to pay their share of the cost of the remedial works required, and it is only fair and reasonable that they should pay. It might be, of course, that the mines will not last for many years longer, though Mr. Clendon does not share this view; but as long as they are there and continue to pour large quantities of sludge into the river he thinks they ought to pay their contribution. The injury to the rivers is a continuing one. The mines are still pouring sludge into their beds; and deposits on the banks of the Ohinemuri River, and in a lesser degree on the Waihou, are still much in evidence.

(c.) *The Paeroa Borough.*

Mr. Clendon contends that Paeroa will benefit by the scheme more substantially than any other borough. He points out that the improvement in the navigability of the Waihou River will be a splendid thing for Paeroa. The town, as the navigation-head of the river so far as seagoing vessels are concerned, depends for its progress and prosperity largely on this river traffic; also, if the farmers in the district and on the Hauraki Plains, who trade extensively with Paeroa, are rendered more prosperous by reason of the security and immunity from floods given to their lands by the river-improvement works, that prosperity must be reflected on the borough. The borough should therefore contribute substantially to the scheme.

(d), (e), (f), (h), (i). *As to the Counties.*

As regards the County Councils, Mr. Clendon contends that the rating scheme submitted by his principal witness, Mr. Baker, under which lands considered to be benefited would be rated as high, in some cases, as 10s. per acre per annum, is perfectly fair and reasonable. He says if any interest in the community will derive benefit from the scheme and from the improved navigability of the river it is the farming interest, and he does not consider that 10s. an acre per annum is too large a sum to pay for such benefits. He points out that the rating scheme is entirely dependent on the classification of the land. Every landowner proposed to be levied upon will have the right to appeal, first, as to whether his land should be included in the assessment at all, and, secondly, as to whether it should be in Class A, B, C, or D; and the rate payable, if any, will depend, of course, on the classification ultimately decided upon. All the lands on which the higher rates will be levied will be lands deriving very material benefit from the river-improvement scheme, and will consist principally of lands now liable to flooding which will be thoroughly reclaimed by the stop-banks constructed or proposed.

(g.) *The Te Aroha Borough.*

As regards Te Aroha, the case was also represented as being very strong. It was urged that the navigation of the Waihou River to Te Aroha is of the utmost importance to the borough. In consequence of the navigability of the river, Te