

is the Waipawa Town Board; that should be a borough, because it allows the county to levy a rate, and then collects the rate itself, and spends the whole of the rate; and that Town Board is allowed two representatives on the County Council. This is under the present dual system. It pays nothing of the county rate to the county fund, and, as Waipawa has a large majority of votes, it can return two representatives to the County Council. There is another county (Patangata) that has the dual system, and in the most extraordinary way is its local government carried on there. The County Council meets once in three months, and maintains the county road in these Road Boards, and the County Council bears the expense. In some of the Road Boards the County Council does nothing to the roads whatever. There is a Road Board that never levies a rate; it has £50 a year allowed by the Council to keep it going. That goes in the expense of clerical work, advertisements, and elections; but as a Road Board it never does anything, and there is often great difficulty in forming the Board. Two more Road Boards levy rates and do a certain amount of work, and the County Council does a certain amount of work on these roads. They work on the dual system. In conclusion, my experience of Road Board and county is that, so far as Hawke's Bay is concerned, it would be a very great advantage to the people of the district if one body controlled the roads, &c., as a large proportion of the rates goes in expenses at present which would otherwise be obviated.

1. *Mr. Houston.*] I understood you to say that the county levies 1d. rate, and the Road Board  $\frac{3}{4}$ d.: is that correct?—Well, not exactly.

2. I understood that the County Council levies more than  $\frac{3}{4}$ d.—That is on unimproved value.

3. *Mr. Lang.*] I understood Mr. Smith to say 1d. in the pound in the county, and a penny in the Road Board district on the unimproved value (that is equal to  $\frac{3}{4}$ d. improved value)?—Yes, both in the Road Board and county.

4. What is the rate which they strike in the Hawke's Bay County?—I think, about  $\frac{3}{4}$ d.

5. *Mr. Lethbridge.*] Did you say the County Council of Patangata only meets once a quarter?—Yes.

6. Would it not be better to have suspended the Counties Act?—Yes, and let the Road Boards work the whole thing.

7. You say that one county has been divided; in fact, that it is now in three counties?—Yes; and I firmly believe that the people in the district are not satisfied with the present system. They would not care if there was one large local body.

8. They are in favour of one local body, no matter what you call it?—Yes; and I maintain it would save a large portion of the rates, and they would get the extra subsidy. If they have partial Road Boards and County Councils, they do not get all the Government subsidy which they would otherwise do. They would then get a double subsidy, 10s. instead of 5s.

9. *Mr. Rhodes.*] Where there are town districts, do you think they wish to be retained?—I think myself they wish to be retained.

10. And the bulk of the Town Boards wish to be retained?—I think so.

11. You mentioned one or two: have they the necessary population to enable them to become boroughs?—Yes, I think so.

12. *Mr. Hall.*] I would like, Mr. Smith, to understand a little more about this subsidy. I understand that where two Road Boards are merged into one there is only one subsidy?—Practically they would each get half.

13. Then, the Government would not pay a subsidy to a merged Board?—They will not pay the double subsidy which they would get if all were merged.

14. Then, it would be very much more advantageous to the county if it were merged?—Yes.

15. You are in favour of having only one local authority?—Yes; either Road Boards or County Councils.

16. *Mr. Stevens.*] From your own personal knowledge of the work of the Town Boards and Road Boards, have they worked satisfactorily?—Under some circumstances they have.

17. Assuming, for example, there was a population sufficient to form a Town Board situated twenty miles from the headquarters of the county, do you think the business could not be as well conducted by the County Council as under a Road or Town Board?—I think so.

18. With respect to the merging of Road Boards into a county, is it not a fact that wherever a Road Board exists then the county grant cannot exceed £500?—Yes, that is so.

19. So that the merging of the Road Board into the county would give them another £500 if they struck a rate?—There is not any alteration. They can go up to £500.

20. *The Chairman.*] You stated that the Waipawa Road Boards wanted either one or other condition of things, either a Road Board or a County Council?—I did not say that the Road Boards do. The opinion of the people is that there should be only one rate.

21. And the Road Boards are opposed to their being merged?—No. I may say that a circular was sent out, and from one county only one Road Board delegate came; in the other, four came out of eight.

22. And were the others represented—Takapau, Waipukurau, Waipawa, and Norsewood?—Yes; but as a matter of fact they did not represent nearly all the district. There were only five Road Boards for four counties.

23. Then, they had no authority to wire to me that the Waipawa Road Boards opposed the Counties Bill?—They had no authority to say "all." The Patangata County had only one representative there. I was not present at the meeting, however, and cannot tell exactly. There was only a very small proportion present.