

any further contribution to the fund ; but if further contributions are absolutely necessary he asks that they shall be limited to one-fifth of the gold revenue in excess of £5,000 per annum. He stated that the Borough Council cannot carry on its activities unless it receives £5,000 per annum at the least from the gold duty.

(b.) *The Gold-mine Owners.*

Counsel for the mine-owners stated that the case for his clients was substantially the same as that for the Waihi Borough. He contended that the majority of the works carried out or now in hand or contemplated were not rendered necessary by mining operations at all, and are of no benefit to mining. He urged that the works had gone far beyond the extinction and prevention of damage by mining, and had been extended to the carrying-out of a great land-reclamation and drainage scheme, which would have been equally necessary had the mines never existed. He also stated that whatever may have been the case prior to 1910, the methods of mining adopted since that date—fine grinding to slimes—provide against any damage being done either by obstructing the river or by injury to land, as the slimes are carried in suspension all the way from the batteries to the sea. He, like counsel for the borough, contended that, as the mining industry had now paid to the fund more than they considered sufficient to remedy any damage done, it would be only reasonable to release that industry from any further contributions.

Both counsel also pointed out that the mining industry is a waning and wasting one. Whereas in 1911–12, the first year that any contribution was required from the industry, there were no less than eleven mines to collect the amount from, the number of mines has now fallen to three ; also that in 1910, when the Commission of that year made the recommendations on which the Act was founded, the principal contributor, the Waihi Gold-mining Company, paid in dividends no less than £396,725, and in gold duty £22,846, so that contributions of £1,111 (the amount assessed against the companies that year) and £2,271 (the sum assessed against the gold duty) were not at all burdensome ; but now that only three companies are working, and all of them working without profit, the contribution asked for—slightly under £1,000 from the companies this year and £2,693 from the gold duty—presses heavily upon them, the total gold duty for the year having fallen to £7,855.

Then again, with a waning and wasting industry like gold-mining it is only a question of time when the industry and the revenue therefrom will cease altogether, and the evidence given before this Commission unfortunately seems to indicate that that time, in the case of the two principal mines in this district, is not likely to be very remote. It is claimed that the industry is steadily declining, and threatens to cease altogether in a very few years.

Contributions from the industry and also from the gold duty must therefore necessarily cease before very long, and counsel urged that such cessation should take effect without further delay.

(c.) *The Paeroa Borough Council.*

The several counsel for the local governing authorities—the County and Borough Councils—were, for the most part, strongly averse to any financial responsibility being placed upon their clients, and Mr. Hanna, on behalf of the Paeroa Borough Council, stated that instead of benefiting the borough the improvement-works had caused positive injury. He alleges that in times of heavy rain large quantities of water pour down from the hills towards the Ohinemuri River, and that before any stop-banks were erected these waters could and did easily get away. Now, however, the stop-banks dam back the water on to the lower-lying part of the town, where it must lie until the flood in the Ohinemuri River falls sufficiently to admit of the automatic flood-gates opening to release it.

He also contends that the valuations of certain properties within the borough have been reduced on account of increased liability to flooding, and the probable formation of silting-areas on the land, and that this has had a detrimental effect on the borough revenue, as it reduced the amount of rates payable on such properties. He complains very much, too, at the loss of navigation to the town