

Mr. Baker, Mr. Clendon's principal witness, gave in evidence an estimate of the cost of the works executed and proposed, as under :—

	£
Expended up to 30th June, 1921	212,645
To complete Mangaiti-Tirohia stop-banks	137,654
To complete Tirohia-Ngahina stop-banks	47,628
Ngahina Bridge extension	9,600
Ngahina to 4 miles, Lower Waihou, stop-banks	93,596
Lower Waihou, 4 miles to 13 miles stop-banks	73,373
Ohinemuri River stop-banks (both banks)	50,721
Total	<u>£625,217</u>

Mr. Clendon also submitted, through his principal witness, a statement showing what the estimated annual cost of the scheme, allowing for interest, sinking fund, and maintenance expenses, would amount to, and how he suggested the sum could be charged against the different interests involved. This statement is set out at length in Appendix A, but its substance is as follows :—

	£
Interest and sinking fund	36,000
Maintenance and administration	6,000
Total	<u>£42,000</u>
Rating scheme—	£
Matamata County	1,925
Piako County	3,824
Hauraki Plains County	11,690
Ohinemuri County	5,753
Thames County	764
Paeroa Borough	3,028
Waihi Borough	1,495
Te Aroha Borough	1,520
	<u>29,999</u>
Mine-owners	4,000
Extra Waihi (gold duty)	2,000
Government contribution	7,301
	<u>13,301</u>
Total	<u>£43,300</u>

(a.) *As to the Waihi Borough.*

As regards the Borough of Waihi, Mr. Clendon admitted that a reallocation of the contributions under the Act is necessary. To take out of the gold duty one-half the annual cost of interest and sinking fund on the large expenditure now contemplated is an impossibility, as the duty at present only produces about £8,000 a year, whereas the half-cost of interest and sinking fund, administration, and maintenance, as provided by the Act, would amount to fully £20,000. Mr. Baker's rating scheme suggests a contribution from gold duty at the rate of £2,000 a year, and rating the borough in addition to the amount of £1,500, or a total contribution by the borough of £3,500 per annum. This, Mr. Clendon thinks, would be fair.

While admitting that Waihi needed relief, Mr. Clendon contended that by depending so largely on the gold duty—a duty levied by the Crown and not by the borough—the borough was making itself too largely dependent on the people of the Dominion, and not displaying that degree of self-reliance that might reasonably be expected under the circumstances. During the nineteen years which the borough has been in existence it has received £300,000 from the Crown on account of goldfields revenue and subsidies. Mr. Clendon contended that the revenue of the borough might easily be increased, and mentioned that there are