

notwithstanding that such works are amongst the principal operations entrusted to the Department by the Act, and are quite the principal works in respect of which the mining companies and the Borough of Waihi can be, and are, called upon to contribute, and towards which they have already found upwards of £20,000.

The Department has partially constructed a stop-bank to protect the Town of Paeroa, and has killed a large number of the willow-trees on the banks of the Ohinemuri River, and removed many of them, but it has done nothing to relieve the river of the large quantity of mining silt deposited on its banks or in its bed, and consequently such silt is still liable, in case of a heavy flood, to be washed down by the river and spread over the adjoining lands; nor has the Department done anything to render the Ohinemuri River suitable for navigation, and, so far as the Commission can gather, nothing is proposed to be done. These points demand consideration in any reassessment of the monetary responsibility now to be made.

The Commission of 1910, by allocating two-thirds of the financial responsibility against the mining interests, apparently considered that the money value of the damage due to mining was approximately £100,000 (*i.e.*, two-thirds of the estimated total expenditure required to restore it); but the evidence taken by the present Commission is that the damage fairly attributable to mining may still be put down at nearly £100,000, notwithstanding that it is not proposed to dredge out the Ohinemuri River nor to restore navigation to the Paeroa Town Wharf.

#### FINANCIAL ASPECT OF PROBLEM.

The inquiry entrusted to the Commission has shown itself to be one of extraordinary difficulty, inasmuch as the estimated cost of the works required has more than quadrupled, whereas the principal contributors, who were to have found two-thirds of the money required, have either passed out of existence or are in danger of extinction within a comparatively short time, or plead total inability to pay.

#### ESTIMATE OF COST OF WORKS.

The rivers-improvement scheme was launched in reliance on the report of the Commission of 1910, which stated that the Commissioners had not been able to make estimates in great detail, but had "satisfied themselves that the works they recommended, including payment of the compassionate allowances for damage by floods, and including the plant necessary to complete the works, can be carried out probably for £130,000." To be on the safe side, however, the Commission advised making financial provision to the extent of £150,000, and this was done accordingly. The expenditure on the works has, however, already amounted to well over £200,000, and it is now estimated that the total expenditure to complete the works will reach the very large sum of £625,000, and this on the assumption that the works are carried on energetically and expeditiously and without break.

#### PROVISION OF INTEREST AND SINKING FUND.

If the bulk of the money to pay the interest, sinking fund, and maintenance is still to be found locally it is clear that, as the gold duty and the mine-owners cannot find their quota, the ratepayers within the rating district must shoulder a very large part of the burden, and a burden of such weight will entail a rate per acre that may, we fear, be prohibitive. In the language of the counsel appearing for several of the local bodies (Mr. Porritt), "It will be an absolute impossibility for them to bear the burden, as it would crush them out of existence." The burden would amount to a rate of 10s. per acre per annum on a very large area of land directly benefited by the works, and smaller sums per acre on lands less directly benefited. On a benefited farm of 300 acres, therefore, this special rate would amount to £150 per annum, and this in addition to land-tax and local rates and taxes. The Commission considers that such a rate cannot be collected, and that the benefits derived and to be derived from the scheme will not justify such rating.

#### FUNDS ALREADY RAISED FOR WORK.

The Act of 1910 provided for the raising of a loan of £150,000, and it also provided for charging the interest and sinking fund—five-sixths on local interests