

SESSION II.  
1921-22.  
NEW ZEALAND.

# WAIHOU AND OHINEMURI RIVERS COMMISSION, 1921

(REPORT OF).

*Presented to both Houses of the General Assembly by Command of His Excellency.*

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## COMMISSION

TO INQUIRE INTO AND REPORT UPON THE ALLOCATION OF THE COST OF PROVIDING THE FUNDS REQUIRED UNDER CLAUSE (d), SUBSECTION (4), OF SECTION 17 AND SECTION 25 OF THE WAIHOU AND OHINEMURI RIVERS IMPROVEMENT ACT, 1910.

JELlicoe, Governor-General.

## A COMMISSION.

To all to whom these presents shall come, and to HORATIO JOHN HOOPER BLOW, Esquire, of Wellington, Gentleman, late Under-Secretary, Public Works Department; WILLIAM STONHAM SHORT, Esquire, of Auckland, Solicitor, and late Under-Secretary for Public Works; and GEORGE BUCHANAN, Esquire, of Paeroa, Farmer: Greeting.

IN pursuance and exercise of the powers conferred by the Commissions of Inquiry Act, 1908, and of all other powers and authorities in anywise enabling me in this behalf, I, John Rushworth, Viscount Jellicoe, Governor-General of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby constitute and appoint you, the said

HORATIO JOHN HOOPER BLOW,  
WILLIAM STONHAM SHORT, and  
GEORGE BUCHANAN,

to be a Commission to inquire into and report—

- (1.) As to whether the allocation, under clause (d), subsection (four), of section seventeen of the Waihou and Ohinemuri Rivers Improvement Act, 1910, of the cost of providing, from the first day of April, one thousand nine hundred and twenty-one, the interest and sinking funds on any loans raised for the purpose of carrying out the works authorized by the Waihou and Ohinemuri Rivers Improvement Act, 1910, together with the cost of administration and maintenance, is, under existing conditions, fair and equitable, and, if not, what variation should be made in such allocation.
- (2.) As to whether, in the event of the existing allocation under clause (d), subsection (four), of section seventeen of the said Act being varied, what consequential variation should be made in the allocation provided in section twenty-five of the said Act.
- (3.) As to whether, in the event of the existing allocation being varied, the representation provided by section twenty of the aforesaid Act should also be varied, and, if so, to what extent.
- (4.) Generally, your opinion on all matters which may be brought before you in connection with the question referred to, and which in your opinion have any bearing on these premises.

And, with the like advice and consent, I hereby appoint you, the said

HORATIO JOHN HOOPER BLOW,

to be Chairman of the said Commission.

And for the better enabling you, the said Commission, to carry these presents into effect you are hereby authorized and empowered to make and conduct any inquiry under these presents at such times and places in the said Dominion as you deem expedient, with power to adjourn from time to time and from place to place as you think fit, and to call before you and examine on oath or otherwise such person or persons as you think capable of affording you information in these premises. And you are also empowered to call for and examine such books, maps, documents, or records as you deem likely to afford you the fullest information on the subject-matter of the inquiry hereby directed to be made, and to inquire of and concerning the premises by all lawful means whatsoever.

And, using all diligence, you are required to report to me, within a period of three calendar months from the date hereof, under your hands and seals, the result of your inquiry, with any recommendations as you think fit to make in the premises.

And it is hereby declared that these premises shall continue in full force and virtue although your inquiries are not regularly continued from time to time or from place to place by adjournment.

And, lastly, it is hereby further declared that these presents are issued under and subject to the provisions of the Commissions of Inquiry Act, 1908, and shall take the place of the Commission issued to Frederick James Burgess, Esquire, of Auckland, Gentleman, late Stipendiary Magistrate, and the said William Stonham Short and George Buchanan, on the 10th day of May, 1921, which Commission is hereby cancelled.

Given under the hand of His Excellency the Governor-General of the Dominion of New Zealand; and issued under the Seal of that  
[L.S.] Dominion, at the Government House at Wellington, this eleventh day of July, one thousand nine hundred and twenty-one.

J. G. COATES,  
Minister of Public Works.

Issued in Executive Council.

C. A. JEFFERY,  
Acting Clerk of the Executive Council.

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#### LETTER OF TRANSMITTAL.

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Auckland, N.Z., 26th September, 1921.

*Re Waihou and Ohinemuri Rivers Commission, 1921.*

SIR,—

We have the honour to send herewith the report of the above-mentioned Commission.

The estimated total cost of the work, as disclosed in the evidence (£625,000), is so largely in excess of the original estimate (£130,000, 1910 Commission) that to apportion the annual expenses amongst the contributors involves payments at so high a rate as to render it doubtful whether it will be possible for the contributing authorities to bear them. It is of the utmost importance, therefore, that the cost of the works should be reduced, if at all practicable.

The Commission entrusted to us did not empower us to inquire into the engineering aspect of the case, but, in view of the importance, and even necessity, of reducing the cost, we think the engineering aspect of the matter should be carefully inquired into. It seems to us that material economies are practicable, and it also seems questionable whether some of the land proposed to be protected is really worth the great cost of protecting it.

The area of land to be protected by the proposed stop-bank on the east side of the Upper Waihou, between Mangaiti and Paeroa, is somewhat limited. If the whole of the stop-bank on that side of the river between these points were omitted, and also the entire stop-bank on the left bank of the Ohinemuri River as far as the railway-bridge, and if the Pereniki cut is put in, it seems probable that the land that would be prejudicially affected by flooding could be acquired and subsequently resold with an acknowledged liability to flooding, and that the difference between the purchase and the sale prices would be likely to be considerably less than the cost of protecting it would amount to. It is quite likely that the putting-in of the Pereniki cut would so greatly relieve the Ohinemuri River when in flood that the inundated area, without the stop-banks, would not be vastly in excess of the area liable to flood, with a stop-bank on one side, as now proposed. Mr. Buchanan is of opinion that if the Pereniki cut is put in the settlers within this area liable to flood from the Ohinemuri would indemnify the Government against loss or damage by flooding if the stop-banks are omitted.

It was brought to our notice that some works had been carried out, notably the Rotokohu-Tirohia Drainage Canal, which seemed to us to be more in the nature of drainage of private lands than a public drainage scheme. Possibly it was the intention of the Department to recover the cost from the private landowners under section 16 of the Act, though it seems a little doubtful whether the provisions of that section would extend quite as far as this.

In our report we have suggested that the County and Borough Councils should be levied upon for the amounts considered to be fairly payable by the settlers of the district towards the annual expenses of the scheme, the local authorities to have power to levy a special rate to reimburse themselves for this outlay. If section 108 of the Reserves and other Lands Disposal and Public Bodies Empowering Act, 1917, would operate to prevent the Hauraki Plains County Council from levying any such rate, it will be necessary to amend that section to provide that it shall not apply to the proposed river-improvement rate.

The lower portion of the Waihou River is within the jurisdiction of the Thames Harbour Board; but it seems to the Commissioners that the body which is to control the rest of the river (say, seventy miles in length) should also control the last few miles at the mouth. There are two wharves in this latter portion of the river, at which, we understand, wharfage dues are collected by the Thames Harbour Board. If the Commissioners' proposal to charge a tonnage rate on all imports to or exports from the river, instead of wharfage, is adopted, it would be advisable to make this change apply to the wharves on the lower reach of the river as well as to those higher up the stream. It is a matter, therefore, for the Government to consider whether the Thames Harbour Board should not be relieved from administering any portion of the Waihou River.

The Borough of Waihi is in financial difficulties at the present time, and if, pending a rearrangement of its finances, it could obtain a temporary loan of £10,000, the Mayor is of opinion that it could tide over its difficulties and would also be able to pay the interest on the loan. The municipal debt at Waihi is comparatively small, due to the inability of the borough to borrow on the security which it is able to offer, but if the Government could see its way to guarantee a loan of £10,000 this difficulty would be overcome.

The Commission promised to submit this matter to the Government for consideration, and now does so accordingly.

Signed on behalf of the Commission.

H. J. H. BLOW, Chairman.

The Hon. Minister of Public Works, Wellington.

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## REPORT.

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To His Excellency the Right Honourable John Rushworth, Viscount Jellicoe, Admiral of the Fleet, Knight Grand Cross of the Most Honourable Order of the Bath, &c., Governor-General and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

Your Excellency's Commission, dated the 11th July, 1921, directed us to inquire into and report—

“(1.) As to whether the allocation, under clause (d), subsection (4), of section 17 of the Waihou and Ohinemuri Rivers Improvement Act, 1910, of the cost of providing, from the 1st day of April, 1921, the interest and sinking funds on any loans raised for the purpose of carrying out the works authorized by the Waihou and Ohinemuri Rivers Improvement Act, 1910, together with the cost of administration and maintenance, is, under existing conditions, fair and equitable, and, if not, what variation should be made in such allocation.

- “ (2.) As to whether, in the event of the existing allocation under clause (d), subsection (4), of section 17 of the said Act being varied, what consequential variation should be made in the allocation provided in section 25 of the said Act.
- “ (3.) As to whether, in the event of the existing allocation being varied, the representation provided by section 20 of the aforesaid Act should also be varied, and, if so, to what extent.
- “ (4.) Generally, your opinion on all matters which may be brought before you in connection with the question referred to you, and which in your opinion have any bearing on these premises.”

#### PROCEEDINGS OF COMMISSION.

The Commission assembled at Paeroa on Tuesday, 2nd August ultimo, and formally opened the inquiry at the County Council Chambers on that date, but all sittings subsequent to the opening one were held in the Courthouse at Paeroa.

It was necessary, in order to thoroughly grasp the bearing of the evidence, that an inspection should be made of the two rivers and the country immediately adjacent to them, and the Commissioners therefore devoted the afternoon of the 2nd August to an inspection of the upper portion of the Ohinemuri River and the gold-mines and batteries at Waihi, Waikino, Karangahake, and neighbourhood. On the following day the upper portion of the Waihou River as far as Te Aroha and Shaftesbury was visited, and on Thursday, the 4th, the Lower Waihou between Paeroa and Wharepoa was examined. On Friday, the 5th, the inspections were completed by a visit to the Lower Ohinemuri between Mackaytown and the confluence of the two rivers at the Junction near Puke.

The taking of evidence commenced on Saturday, the 6th August, and continued uninterruptedly to the 17th, inclusive, when an adjournment was made until the 1st September, as two out of Your Excellency's three Commissioners had other important engagements that precluded their further attendance on the business of the Commission just then. On reassembling on the last-mentioned date the taking of evidence was resumed, and continued until the 9th instant, inclusive, when, at 10.30 p.m., the proceedings terminated and the public portion of the inquiry was declared to be closed.

During its investigations the Commission examined fifty witnesses, whose evidence, covering 970 pages of closely typed foolscap, is attached hereto [not printed]. A report of the addresses of counsel, covering a further 133 pages, is also forwarded herewith for Your Excellency's information [not printed].

The proceedings of the Commission were open to the public throughout (except during deliberations), and were fully reported in both the local and the Auckland papers.

Since the public portion of the inquiry was closed your Commissioners have carefully reviewed the evidence in detail, and given the whole matter earnest and mature consideration, and now have the honour to submit to Your Excellency this their report, recommendations, and findings.

#### PARTIES REPRESENTED AT INQUIRY.

The parties represented before the Commission were—

- The Waihi Borough Council (Mr. A. H. Johnstone and Mr. W. M. Jackson);
- The Waihi and Waihi Grand Junction Gold-mining Companies (Mr. H. P. Richmond);
- The Paeroa Borough Council (Mr. J. L. Hanna);
- The Ohinemuri County Council (Mr. J. F. Montague);
- The Hauraki Plains County Council, the Hauraki Drainage Board, the Komata North Branch of the New Zealand Farmers' Union, the Netherton Branch of the New Zealand Farmers' Union, the settlers on the banks of the Waihou and Ohinemuri Rivers, the Paeroa Chamber of Commerce, the Tirohia Progressive League, and the Tirohia-Rotokohu Ratepayers' Association (Mr. E. W. Porritt);
- The Piako and Matamata County Councils and the Te Aroha Borough Council (Mr. G. Gilchrist);
- The Thames County Council (Mr. T. W. Rhodes, M.P.);
- The Public Works Department and the Thames Borough Council (Mr. E. J. Clendon).

## LIMITATION OF ORDER OF REFERENCE.

In his opening address Mr. Richmond (counsel for the mine-owners) contended that the Commission was limited in its inquiry to a reallocation of the responsibility for providing the interest and sinking fund on the original loan of £150,000, raised for the river-improvement works in 1911; and in his closing remarks he emphasized the matter even more strongly, contending that to deal with the whole scheme and its probable ultimate cost (£625,000) would be to go beyond the order of reference in the Commission. He suggested that if the Commission thought fit to allocate the burden of the expenditure in excess of the original loan-authorization of £150,000 it should do so in a separate report, as the prime reference to the Commission is the reallocation of the £150,000, and that only. Mr. Johnstone, on behalf of the Waihi Borough, supported Mr. Richmond's contention.

The Commission did not agree with Mr. Richmond's view, however, considering that the wording of the first operative clause of the Commission, paragraph (1), was intended to cover, as it says it covers, "the interest and sinking fund on any loans raised for the purpose of carrying out the works authorized by the Waihou and Ohinemuri Rivers Improvement Act, 1910" (hereinafter referred to as "the Act"). Mr. Richmond contended that some of the works constructed or now in hand were not contemplated by the 1910 Commission; but, whether this contention is well founded or not, it can scarcely be held that they are not authorized by the Act, as the powers under that Act are very wide indeed, and the present Commission is directed to inquire and report whether the allocation scheme under section 17 of the Act is fair and equitable, and, if not, what variation should be made in such allocation. The Commission therefore proceeded with its inquiry on the assumption that it was intended to embrace all charges for interest and sinking fund on all loans raised or that may hereafter be necessary to complete the full scheme of river-improvement works now in hand or contemplated, together with the cost of administration and maintenance of such work.

## CONTENTIONS OF THE PARTIES.

(a.) *The Waihi Borough Council.*

Counsel for the Borough of Waihi, at whose instance the Commission was appointed, contended very strongly and ably that the allocation of a deduction from gold revenue up to £5,000 per annum against the borough is, and always has been, unjust and unfair, and that even if there were any justification for such an allocation in 1910 there is no justification whatever for it now, in view of the conditions having so greatly altered in the meantime. At the time the allocation was made the Borough Council's income from gold revenue was approximately £23,000 per annum, whereas at the present time it is under £8,000, and getting smaller every year. Moreover, the works originally contemplated were, the Borough Council understood, merely intended to remedy damage alleged to be done by the deposition of mining debris in the Ohinemuri River; but the works actually done and in progress have had the effect of draining and improving large areas of swamp lands, so that lands which were valueless, or nearly so, in 1910 have since been converted into profitable dairy farms, or are in progress of being so converted.

He contended further that as the money—some £20,000—already contributed to the Waihou and Ohinemuri Rivers Improvement Fund (hereinafter referred to as "the fund") by the mining industry (represented by the Waihi Borough and the mining companies) is, in the opinion of the Borough Council, more than sufficient to remedy any damage done by the deposit of tailings in the river, it would be equitable and fair to now release such contributors from any further payment towards the expense of the scheme; also that, on the well-established principle that taxation should follow the benefits resulting therefrom, the lands improved by the works being carried out under the scheme should be made to pay the cost of such improvement. Counsel further urged that the Borough of Waihi is in financial straits and sorely in need of assistance—so much so that it may even be necessary to close the local hospital if monetary help is not forthcoming. He therefore presses the claims of the borough to be relieved of the liability to make

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

wharf, which the townspeople enjoyed prior to 1895, but which they lost some time after that owing to the Ohinemuri River becoming much shallower by the deposit of mining-tailings therein. All the foregoing disabilities are attributed to the deposit of mining debris in the river, for which, it is contended, the Government is directly responsible, as the Government, by declaring the river a sludge-channel in 1895, permitted the fouling of the stream to take place. All liability to contribute towards the cost of the scheme is therefore denied, or at any rate until such time as navigation to the town wharf is restored. In the event of the Ohinemuri River being made fit for navigation by seagoing steamers of the class now trading to the Puke Wharf, the borough would then be willing to make a small annual contribution to the fund.

(d.) *The Ohinemuri County Council.*

On behalf of the Ohinemuri County Council Mr. Montague admitted that lands within the county were benefited by the scheme, and if the cost had been kept within the original authorization of £150,000 his clients would have been quite willing to bear their proportion of the amount; but they disclaim all knowledge of the present estimate of £625,000, and state that it is a great surprise to them, and that they, as contributors, ought to have been informed when the insufficiency of the original estimate was first ascertained, and should also have been consulted as to whether works on such a scale of magnitude as now in hand should be proceeded with. He said that the settlers wanted the works, but if they have to pay such a large contribution to secure them they would rather do without them.

(e.) *The Matamata County Council.*

Mr. Gilchrist appeared on behalf of the Matamata and Piako County Councils and the Borough of Te Aroha.

As regards the Matamata County, he submitted that the river-improvement works are of no benefit to them whatever, and that the settlers in the county do no damage to the river by depositing drainage silt therein. He claimed that the natural waterways of the Matamata County were the Waikato, the Waitoa, and the Waihou Rivers, but as regards the latter he stated that there is only one artificial drain in the county leading into it, and this drain serves only 150 acres, and that there has been practically no erosion from this drain during the last seven years. He also stated that the county did not derive, and never would derive, any navigation benefit from the Waihou River, as it was commercially impossible to run freight-bearing craft above Te Aroha, and no goods for Matamata County are carried on the vessels at present trading to Te Aroha. As, therefore, the county derives no benefit from the scheme and contributes no damage to the river, he claims entire exemption for it.

(f.) *The Piako County Council.*

As regards the Piako County, Mr. Gilchrist stated that the drainage system of the county, on the eastern side of the Waihou River, discharges nothing but natural drainage, that there is no drainage by the hand of man with the exception of Roche's Creek, and that the work there was done as long ago as 1887. It was washed out then, but there has been no erosion since. On the western side of the river about 20,000 acres drain into the Waihou River, and the rest of the country into the Waitoa, which is a tributary of the Piako. No benefit from the river-improvement works accrues to the county at present, and none will accrue until the works above Mangaiti—hardly touched at present—are completed, and even then the area beneficially affected will be small. It was further contended that the artificial drainage system of the county had long since been completed, and that there is now no silt being deposited by these drains; but if there is, the proper remedy is to take advantage of section 16 of the Act, or section 64 of the Land Drainage Act, and not to rate the lands of the county or to call upon the County Council for a contribution towards the river-improvement scheme. He therefore asked for entire exemption for the Piako as well as for the Matamata County.



(g.) *The Te Aroha Borough Council.*

As regards the Te Aroha Borough, Mr. Gilchrist contended that there is no land-drainage from the borough area into the Waihou River at all. He admitted that the town sewerage is carried into the river, and in a crude state, but he denies that any nuisance is caused thereby or that it does any harm. He admits that navigation on the river to the town wharf is of very great importance indeed, and if a really good and easily navigable waterway were provided it would be well worth paying for; but he contends very strongly that the river-works have so far done harm rather than good. To use his own words, he states, "Our navigation before the public-works scheme came into operation was comparatively good, but it has, unfortunately, been disastrously affected by that scheme." He therefore claims entire exemption for the borough as well as for the counties—at any rate until the navigability of the river is restored to at least its former standard.

(h.) *The Hauraki Plains County Council and other Public Bodies.*

Mr. Porritt represented the Hauraki Plains County Council and quite a number of other minor governing or public bodies. He did not dispute the benefits likely to arise from the scheme, nor the liabilities of the settlers to pay an equitable contribution to the cost of the works, but he contended that the draft rating scheme submitted by the Public Works Department (see Appendix A) would be absolutely ruinous, and would crush the settlers out of existence. He also asked for a larger contribution from the Consolidated Fund, urging, as Mr. Hanna had already done, that the Government, by proclaiming the Ohinemuri River a sludge-channel, had really made themselves responsible for practically all the damage that has been done by the silting of the river.

(i.) *The Thames County Council.*

The Thames County was not represented by counsel, but at one stage of the proceedings Mr. T. W. Rhodes, M.P., appeared by authority of the County Chairman and submitted their case and called evidence. This evidence was to the effect that lands in the Thames County are very little, if at all, subject to flooding from the Waihou River, that no works for their protection are necessary, and that no such works have been carried out, and that the land would be better without them.

(j.) *The Thames Borough Council.*

The Thames Borough was represented by Mr. Clendon, who also represented the Public Works Department. No evidence whatever was called on behalf of the borough, but it transpired during the proceedings that the borough has an endowment of approximately 2,878 acres situated in the Upper Awaitei district, and that the land is subject to flooding from the Waihou River, and will be greatly benefited by the protective stop-bank proposed to be erected under the river-improvement scheme.

## CONTENTIONS OF THE PUBLIC WORKS DEPARTMENT.

*Generally.*

Mr. Clendon, as counsel for the Public Works Department, admitted that the scheme of works now in hand and contemplated would, unfortunately, turn out to be much more costly than the 1910 Commission had any idea of. He stated that it would probably entail a total expenditure of approximately £625,000, and that this large increase in cost is attributable to (1) the 1910 Commission not having sufficient data before it to enable it to estimate the expense at all accurately, and (2) the intervention of the war, which had caused costs to rise tremendously.

He contended that the scheme of works now being carried out is not more, but rather less, extensive than that contemplated by the 1910 Commission, although he admitted that stop-banks 6 ft. high were now to be erected on the Ohinemuri River, and 9 ft. high on the Waihou River, as against only 4 ft. banks allowed for by the 1910 Commission. The present estimate for stop-banks is £297,800, as against the 1910 Commission's estimate of £50,750.

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

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

Aroha enjoys a preferential tariff on the railway which is equal to a reduction in freights of nearly £15,000 a year. If river traffic to Te Aroha were to become impossible by reason of the silting of the river, or any other cause, this large annual benefit would be withdrawn, and the ordinary railway tariff rates would be charged on all goods. Keeping the river open is therefore worth £15,000 a year to Te Aroha, and as improving the river to that point is an integral part of the scheme, and keeping the river open and improving navigation generally will be one of the principal duties of the River Board to be set up under the Act, it is quite clear the borough is going to benefit substantially, and must pay accordingly.

(j.) *The Thames Borough.*

As Mr. Clendon appeared for the Thames Borough Council as well as for the Public Works Department, it was perhaps scarcely to be expected that, as Borough Solicitor, he would lead evidence which, as Public Works Solicitor, he would have to gainsay or dispute. He therefore advanced no reasons, and called no evidence, to show that the borough should or should not be included in the rating scheme. He admitted, however, that the borough endowment would be benefited by the river-improvement works.

REPORT OF THE COMMISSION.

Having given the whole matter mature consideration, and having carefully weighed all the evidence adduced and the able and exhaustive arguments of the counsel engaged, your Commissioners have now the honour to report for Your Excellency's information as follows:—

GENERAL REMARKS.

The Commission of 1910, on whose report the Act was based, regarded the mining industry as primarily if not wholly responsible for the damage that had occurred to the Ohinemuri River, and accordingly burdened that industry with the principal responsibility for its restoration, and for the upkeep of the improved conditions when established. They advised charging one-half the interest and sinking fund on the loan, together with half the cost of administration and maintenance of the works, against the gold duty received from mining in the river district, and one-sixth against the gold-mining companies. This means that a total of two-thirds of the expense was to be debited against the mining industry. The gold duty, when collected by the Crown, is paid to the credit of the local governing authority of the district from which it is derived—in this case principally the Waihi Borough Council—so that any sum charged against this gold duty is really a charge against the income of the borough, and hence the great interest of the Borough Council in the present proceedings.

As already stated, two-thirds of the total expense is a charge against the industry, and the other third, in terms of the Act, is to be divided equally between the Government (Consolidated Fund) and the landowners in the rating district.

If the scheme of contribution to the interest and sinking fund is to apply to future expenditure and not to the first £150,000 only, it will mean, when the total disbursements reach £625,000, that the sum required for interest, sinking fund, administration, and maintenance will amount to between £40,000 and £50,000 per annum. To charge one-half of this large sum against the gold duty would involve a contribution of fully £20,000 per year, while the one-sixth against the mine-owners would amount to about £7,000 per annum. The former contribution is, of course, an impossibility, in view of the fact that the gold duty has now gone down to under £8,000 a year; and the latter contribution is almost an impossibility, in view of the fact that the mines have, under existing conditions, ceased to be profitable. It is evident, therefore, that there must be an entire reallocation of responsibility.

Moreover, it must be borne in mind that, so far, the Public Works Department has done virtually nothing to “remedy or prevent the silting-up of the Ohinemuri River” or to “improve such river for the purposes of navigation,”

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

and one-sixth on the consolidated revenue. In 1919, when it was known that the £150,000 would not cover the cost of the works, provision was made in the Finance Act of that year (section 6) for an additional amount of £150,000, the section stating that “all moneys so borrowed shall be dealt with as provided in the said section”—meaning section 17 of the Waihou and Ohinemuri Rivers Improvement Act, 1910.

#### RESPONSIBILITY FOR INTEREST AND SINKING FUND.

The section referred to is the one that fixed the responsibility for five-sixths of the interest and sinking fund on the local contributors and one-sixth on the consolidated revenue; but it seems doubtful if the wording above quoted, “moneys so borrowed shall be dealt with as provided in the said section” would extend as far as binding the local contributors to pay the interest and sinking fund. The wording seems rather to apply to the manner and purpose of the expenditure of the capital sum than to provide for the interest and sinking fund; but this point will doubtless be referred for the opinion of the Crown Law Officers. If it is held that the section does not require the local contributors to provide their five-sixths, then it would appear that, although provision has been made for the raising of £300,000, the provision as to local responsibility for the interest and sinking fund applies only to the first £150,000, and that the interest and sinking fund on the second £150,000 will devolve entirely on the Crown. Doubtless this was not intended, and it will therefore be necessary to provide for the matter in any amending Act that may be passed as a result of this present inquiry.

#### DELAY IN SETTING UP COMMISSION.

It seems a great pity that this Commission was not set up directly it became known that the original estimate of the cost of the works was entirely inadequate. If this had been done the Government could have considered the matter before any very large expenditure had taken place, and if abandonment or indefinite postponement of operations had then been decided upon the loss would not have been nearly so great as the adoption of any such course now will entail, and the local authorities could not have complained, as they do now, that they were not notified of the increase in cost until a large portion of the money had been expended. It seems to the Commission that so vast a scheme as this has now developed into should not have been proceeded with until full financial arrangements had been approved by Parliament, and arranged with the local authorities and the settlers who are to be contributors.

#### COURSES OF ACTION OPEN FOR ADOPTION.

The inability of the local contributors to bear the financial strain will render it necessary to adopt one or other of the following courses:—

- (1.) To greatly modify the scheme of works proposed with a view to largely reducing the total cost;
- (2.) To abandon it altogether and to stop the works; or
- (3.) For the Government to assist with a much larger money contribution.

An increased contribution by the Crown will be necessary under either of the above alternatives.

#### REASONS FOR AND AGAINST DIFFERENT COURSES.

1. The Commissioners pressed upon the departmental officials and counsel the great desirability—almost amounting to a necessity—of a material modification of the scheme so as to reduce the cost very considerably and bring the total expense involved within the means of the contributors, but the evidence of the principal departmental witness (the District Engineer) was strongly averse to the proposal. Mr. Baker gave the matter careful consideration, and took time to deliberate over it, so that his opinion when expressed was far from being a hasty and immature one. We believe Mr. Baker honestly tried to meet the Commissioners' views in the matter, but that the circumstances of the case would not permit him to fall in with our ideas. So important is this matter, however, that the Commission feels compelled to stress it, even in opposition to the views of the District Engineer. It seems to us that a scheme of works satisfactory to an ably constituted Commission

like that of 1910, and estimated by them to cost at that date £130,000 only, should not be lightly set aside. It is understood that the very large increase in the estimated cost of the scheme (£625,000 as against £130,000) is due partly to an alleged underestimate on the part of the 1910 Commission, partly to increased costs now prevailing owing to the war, and partly to changes in design.

It is to the latter of these three causes that the Commission considers the attention of the principal engineering experts of the Department should be directed, and if a careful restudy is made of the matter we cannot but think that some middle course will be found to be practicable that would reduce the cost of the scheme to possibly £400,000 or £450,000. If such a reduction can be made it certainly should be made, and so greatly ease the burden to be borne by the several contributors.

The experts should also consider whether the lands to be protected are in all cases worth the cost of protecting them, or whether it would not involve less expense in some cases to buy out the affected lands and to sell them again with an acknowledgment that they are subject to flooding.

2. The abandonment of the works in their present condition would be disastrous. Not only would the very large expenditure that has taken place upon them (well over £200,000) be wasted and lost, but also there would be grave danger of the works in their present unfinished state causing injury instead of benefit to the adjoining farming-lands, with the consequential liability to pay compensation to the landowners affected. Moreover, the payment of interest and sinking fund on the amount already expended cannot be avoided under any circumstances, even if the work is immediately discontinued and abandoned, so that one-third at least of the ultimate charges involved in completing the scheme must be met, and that without any corresponding benefit ensuing. Furthermore, if the works are not completed very little land will be safeguarded, and consequently very little could be rated, and the Government would therefore be left to find practically all the interest. This would involve, so far as the Government is concerned, an annual charge of but little less than if the works were completed and the interest and sinking-fund charges allocated as recommended herein.

3. The only other alternative is for the Government to grant additional assistance by agreeing to bear a larger proportion of the interest, sinking-fund, and maintenance charges. This course seems to the Commission to be the only practicable one; and although in a time of financial stress it may entail unlooked-for and unwelcome liability, it must be conceded that the State has on other occasions assisted local public works connected with mining and other enterprises to a much larger extent than originally contemplated in the present case.

#### LOCAL MONETARY ASSISTANCE ONLY REASONABLE.

It is quite fair and reasonable that the local residents whose properties will be benefited by the improvement-works should contribute towards the expense involved in providing such benefit, and it is equally fair that the district enjoying special freight advantages, and which are consequently greatly interested in maintaining and improving the navigability of the Waihou River, should provide their quota, and similarly districts from which river sands and silts drain into that river.

To assess these quotas equitably will be a work of some difficulty, and to assess or classify them in detail—viz., the different rates per acre which each class of land should carry—is quite beyond the functions of the present Commission, but counsel for a number of the local authorities interested (Mr. Porritt) stated, “We do not suggest for a moment that any of the landowners or any portion of the district receiving benefit should escape its share of the burden. That has never been suggested. We submit that if the district as a whole carries one-half of the residue it will be carrying what it can fairly be expected to carry.” The word “residue” as Mr. Porritt used it meant all moneys that had to be provided over and above the contributions of the mining interests. Assuming, therefore, that the mining interest provides one-fourth of the amount required, it would mean that the other three-fourths would be borne by the settlers and the Government in equal proportions.

Mr. Hanna, counsel for the Paeroa Borough, also made suggestions in his closing address as to the amounts of the contributions that might fairly be assessed against the different interests involved, and he put the local land interest down for a subscription of nearly £12,000 a year (see Appendix C).

These two suggestions are fairly liberal ones, and represent, we think, the limit of the burden that the settlers can carry. The findings of the Commission appearing later on in this report provide for a somewhat lighter burden, but a burden that we feel satisfied is a fair one, and can reasonably be placed on the land.

It appears that some of the earlier settlers within the benefited area have disposed of their properties since the improvement-works were started, and at greatly enhanced prices. It will probably be impossible to bring these persons into any rating scheme now and this is much to be regretted, as they are the ones who have derived the most substantial benefit from the scheme.

#### COLLECTION OF CONTRIBUTIONS FROM RATING-AREAS.

The parliamentary Committee of 1907 (see I.-4A of 1907) recommended that any scheme for arresting the silting of the Waihou and Ohinemuri Rivers should be on a contributory basis, the local bodies whose districts are affected providing their quota towards the cost.

It seems to the Commission that until the Board referred to in section 20 of the Act is set up and actually levies a rate on the river district, as provided in section 23 thereof, it would be advisable to follow the recommendation of the parliamentary Committee, as it would doubtless be much easier and more convenient for the Minister to have power to levy on the local bodies concerned for the contributions required rather than to have to define special-rating areas and to strike and collect rates. The local bodies levied upon should be given power to reimburse themselves by levying a rate over their district, or over whatever part of the district they may consider benefited by the river-improvement works, and such rate should be either on the unimproved value or at a rate per acre, and enforceable without any prior poll of the ratepayers being necessary.

The Minister has not the requisite machinery at his disposal for quickly and cheaply levying and collecting rates, whereas the local authorities have complete machinery ready to hand, and they could collect the special rate without any expense whatever by simply adding another column to the rate notices that they regularly send out.

In classifying the lands, however, as required under section 9 of the River Boards Act, 1913, the rating authority should have power to add additional classes—namely, lands from which soil, sand, or other material is or is likely to be eroded and carried into streams or drains so as to obstruct the flow of water therein or otherwise damage such streams or drains; also lands benefited by the Waihou River being available for navigation. The proviso to section 17, subsection (4), paragraph (d), of the Act of 1910 should be repealed, and the second proviso to section 9 of the River Boards Act, 1913, should be amended, in the case of the Waihou and Ohinemuri Rivers, to provide for rates being levied where soil is likely to be eroded and damage caused thereby.

#### BENEFITS TO COUNTIES AND BOROUGHS CONSIDERED.

##### (1.) *Thames County.*

As regards the counties concerned, it seems to your Commissioners that the interest of the Thames County in the scheme, and the benefits to accrue therefrom, are not very great, and that no rating on the lands in that county, except the area in the Puriri and Hikutaia Ridings, will be practicable. The steamer traffic on the Waihou River is a means of many settlers in the Thames County getting in supplies and of getting produce to market, and this, of course, is a benefit justifying some contribution.



(2.) *Hauraki Plains County.*

The Hauraki Plains County is the area principally benefited by the river-improvement works and by the clearing of the river for navigation, and a very substantial contribution should be obtained from this area, and a large proportion of the lands in that county are accordingly shown on the plan attached hereto [not printed] as coming within Classes A and B, and will consequently bear fairly heavy rating. Included in the area is about 25,000 acres of Crown land which the Land Drainage Engineer in evidence admitted cannot be settled without the protection which the Waihou River improvement works afford.

(3.) *Ohinemuri County.*

A large area of the land in the Ohinemuri County will certainly be benefited by the scheme, and must be prepared to bear its fair proportion of the expense. Moreover, the benefits to the Ohinemuri County and Paeroa Borough by the Puke Wharf being the head of navigation on the river for seagoing vessels will be very considerable, and will quite warrant a certain amount of rating on the land in addition to the payment of port dues and wharf charges.

(4.) *Piako County.*

The lands in the Piako County will be benefited by the scheme, in some cases to a considerable extent, and a moderate rate from Piako lands may therefore very reasonably be asked for. Moreover, the improvement of the navigability of the Waihou River is a matter of importance and value to the Piako County.

(5.) *Matamata County.*

A portion of the lands in the Matamata County immediately abut upon the Waihou River, and other lands in that county drain into that river and must derive benefit therefrom, as well as being liable to add sand and other detritus to the burden of silt which the river always has to carry.

In the opinion of the Commission the tributary streams of the Waihou River in the Matamata County (see Appendix D) [not printed], together with the Waihou River itself, are the main sources of the large supply of river-sands which the river carries.

(6.) *Thames Borough.*

The present prosperity of the Borough of Thames is largely attributable to the settling of the Hauraki Plains and the trade which the town derives therefrom. The prosperity of the Hauraki Plains County will be enhanced by the river-improvement works, and, as this prosperity is reflected in the progress of Thames Borough, a moderate contribution to the fund should be obtained from that borough. The borough will also benefit directly by the protection from inundation of the large Thames Borough endowment in the Piako County.

(7.) *Paeroa Borough.*

The Paeroa Borough will benefit by the scheme, as pointed out by Mr. Clendon in his remarks quoted in this report, with which the Commission to a large extent agrees.

It may also be found to be practicable, when the Paeroa-Pokeno Railway comes to be constructed, to connect the new wharf at Ngahina with the railway by means of a siding. If this can be done, goods for the districts of which Paeroa is the centre could be transferred direct from steamers to the railway-wagons.

In justice to the borough the Ohinemuri River should be cleared, at any rate sufficiently to give as good a service as to Te Aroha—viz., to make it fit for barge traffic to the town wharf.

Moreover, Paeroa, which was at one time liable to very serious flooding by the river, should now enjoy complete immunity from inundation, as the stop-banks, present and proposed, practically encircle the town.

(8.) *Te Aroha Borough.*

When the navigation of the river to Te Aroha is improved so that traffic to that point can be carried on regularly and advantageously, considerable benefit therefrom will accrue to the Te Aroha Borough, and in a lesser degree to the lands in the Matamata County. Moreover, the borough discharges crude sewerage into the river, and for this privilege it should make some payment. A substantial contribution towards the expense of the scheme should therefore be made by the borough.

## WAIHI BOROUGH FINANCES.

The declining gold duty is having a serious effect on the Waihi Borough finances, and in view of probable increased demands on such duty to meet the interest and sinking fund on the loans for the river-improvement works the effect promises to be more serious still. At present the borough can only be charged in respect of the first £150,000, but if the Act is amended to extend their responsibility to the second £150,000, and also to the further £325,000 which will ultimately be necessary, it is clear that the whole amount of the gold duty will be absorbed, so that the borough would obtain no income at all from this source.

The Commission is, however, advising an amendment of the law in this respect, and if the suggestion made is approved and legislation passed to give effect to it the entire absorption of the duty will be obviated for some time, but the revenue of the borough from this source will be smaller than it has been in bygone years, though not a great deal less than for the current year.

It is clear, however, that the Borough Council must give the matter of municipal finance early and careful consideration. The municipal estimates for the current year, which were laid before the Commission, show that the year may be expected to close with a deficiency of over £5,000; but the estimated receipts from general rates for the year are set down at £2,250 only, which seems a small sum for a borough with a population of over 3,500 and an annual rating value of £29,319. Even £2,250 is a large increase on any previous year, the amount collected during 1920–21 having been £803 only. Then again, the hospital rate (as referred to in another paragraph) is estimated to produce only £1,400, whereas the Charitable Aid Board's levy is estimated at £2,750. Clearly the rate is too small and should be increased.

The estimates also include such exceptional items as—Expenses of Compensation Court, £500; expenses of Rivers Commission, £800; reduction of overdraft, £1,500; repairing decayed culverts, £1,000; renovating Council Chambers, £500: total, £4,300. These are mostly non-recurrent items; and, excluding these, and with a larger hospital rate sufficient to meet the expenses, it would seem that the ordinary revenue should be nearly sufficient to meet the ordinary expenditure.

## RENTALS FOR MINING PRIVILEGES.

Your Excellency's Commissioners, for the reasons mentioned before, consider it would be desirable to amend the Mining Act to provide for more reasonable rentals being paid on all future licenses for business and residence sites. As the revenue derivable from this source reaches the local authorities eventually, the income of the Waihi Borough would be augmented by whatever increase is made in the scale of rentals.

## WAIHI HOSPITAL.

When visiting Waihi a very brief inspection of the Hospital was made by your Commissioners, and during the inquiry the Hospital accounts and expenses came slightly under review, inasmuch as the contributions of the borough to the institution were shown to amount to £2,750 per annum, whereas the special hospital rate produces £1,400 only. Evidently the special rate ought to be increased so as to avoid this drain of £1,350 per annum on the general revenue.

It was stated that quite a number of patients come from outside the district, owing to the Hospital having a first-class local reputation. This feature would be an admirable one and quite satisfactory if payment at an adequate rate was made for non-resident patients, but we understand that only 2s. per diem is recovered for impecunious patients from other districts for their maintenance. This inadequate rate calls for an early increase.

## WAIHI HOSPITAL BOARD.

It came out in evidence that the Waihi Borough Council is the sole contributing body towards the maintenance and upkeep of the Waihi Hospital, but that, notwithstanding this, a separate Hospital and Charitable Aid Board exists for the district, apart from the Borough Council. It seems that the borough is completely responsible for the Hospital, and yet has no direct control over it and its expenditure.

The Commission recommends that the Borough Council be made the Hospital Board for the district, which district, we understand, embraces merely the Borough of Waihi. This alteration should tend to both economy and efficiency by fixing the responsibility for the expenditure on the shoulders of those who have to find the money.

## NAVIGATION OF THE WAIHOU RIVER.

We agree with the 1919 Commission that the improvement of the Waihou River from the sea to Paeroa to give 5 ft. minimum depth at low water, and the proper maintenance of the channel to this depth, is of supreme importance not only to the lands between Ngahina and the sea, but also to the whole district.

We also concur in the further finding of that Commission that the importance of navigation, and the inseparable way in which it is bound up with the other river-improvement works, has not been sufficiently appreciated by the Public Works Department.

Evidence was brought before the present Commission to show that in the earlier years of settlement small vessels were brought up to a wharf which then existed in the Town of Paeroa adjacent to the traffic-bridge over the Ohinemuri River near the Criterion Hotel; also that the steamers of the Northern Steamship Company regularly traded to the Railway Wharf, which was connected with the Paeroa Station by a short siding. Traffic to this point was discontinued fully twenty years ago, however, and the wharf has since been removed. "The Junction"—viz., near the confluence of the Waihou and Ohinemuri Rivers—then became the head of steamer navigation, but even this point had to be abandoned a few years after in favour of the present wharf at Puke, which is about two miles from the Town of Paeroa by road, and about seven miles by the course of the Ohinemuri River. Evidence was given by the master of the "Taniwha," which is now the only seagoing steamer visiting the port, that navigation to Puke is becoming increasingly difficult, and that whereas it was formerly a pleasure to bring his vessel up the river it is now a misery, and that the vessel is "dragging" nearly all the way from Hikutaia to Puke. It is evident, therefore, that the condition of the river is worse than it used to be, and that it is getting worse still, and that unless something tangible is soon done there is a grave possibility of seagoing steamer traffic to even the Puke Wharf being discontinued.

The navigation of the Upper Waihou is also stated to be more difficult and restricted than it was. The Paeroa agent of the Northern Steamship Company reported in April, 1920, that until the previous summer the tug-boats, when the river was normal, made the run from Paeroa to Te Aroha in seven to eight hours, whereas now it is impossible to get over not only one shallow, but several, without lines being made fast ashore and the winches on the steamers used for hauling them over. This, he says, is not a small matter, and takes from four to eight hours of continual hauling. He also stated that only once during the previous six months had the tugs been able to get from Paeroa to Te Aroha in the same day, and on that occasion the river was in flood. He adds that at one time cargo that left Auckland on Tuesday arrived at Paeroa Wednesday morning, and was landed at Te Aroha the same evening, whereas now it takes twenty-four hours longer. In forwarding this report to the Te Aroha Chamber of Commerce the general manager of the Northern Steamship Company said, "I hope you will be able to approach the Government concerning the very unsatisfactory state of the Waihou River, which is fast becoming unnavigable." It is clear that immediate action is called for to improve the navigability of the river.

## REMOVAL OF SAND FROM RIVER.

The coarse sands in the Waihou River have proved to be very suitable for concrete and other similar work, and large quantities are regularly removed from the bed of the river and taken to Auckland and sold there. It is not at all advisable to stop this traffic, but it is necessary that it should be supervised and regulated, as it is quite conceivable that the removal of such material from parts of the river might possibly do harm, whereas removing it from other parts might be very beneficial to the maintenance of a good navigable channel. Moreover, the sands seem to be of some value, and, as the necessities of the River Improvement Fund are very pressing, no opportunity should be lost to gather in revenue. As the Minister of Public Works is the controlling authority of the river just now, it is suggested that regulations should be made to supervise the traffic and to provide for the payment of royalty.

## DUES FOR USE OF RIVER.

It also seems advisable, in the interests of the revenue of the River Improvement Fund, and as recommended by the Commission of 1910, that some dues should be payable for the right to use and navigate the river. This is all the more necessary because the steamers of the Northern Steamship Company do not use the Ngahina Wharf, but still continue to use the company's old wharf at Puke. This means that the large expenditure incurred in the erection of the former wharf is wasted in the meantime, as no revenue is derived from it, and that the steamers trading to the Puke Wharf do not contribute anything to the river-improvement revenue. We suggest that a tonnage rate be charged on all goods carried into or out of the river. If this is done it might not be necessary to charge any wharfage, and the Northern Steamship Company would then doubtless use the Ngahina Wharf.

## LAND TAKEN FOR RIVER-IMPROVEMENT WORKS : BETTERMENT PRINCIPLE.

Section 10 of the Act empowers the Minister of Public Works to take any land required for the river-improvement works as for a public work, and section 11 provides that in assessing the compensation to be paid for the land the Court shall take into account, in reduction or mitigation of the claim, any benefit which has accrued or is likely to accrue to the claimant by reason of the construction of any work authorized by the Act.

Doubtless the betterment principle is a right one to apply in cases where a comparatively small area of land is taken, and where much larger areas belonging to the same owner are substantially enhanced in value, but in many cases where land has been taken for the river-improvement works the clause is stated to have worked inequitably. It frequently happens—generally, in fact—that the land immediately abutting on the river is higher than other lands lying farther back—sometimes as much as a mile or more farther back—and the result in such cases is that the riparian owner from whom the land is taken receives little or no compensation, on the ground that his remaining land is benefited, although the remaining lands of that owner may not be benefited to anything like the same extent as adjacent lands farther back from the river which belong to other owners. The owner receiving the lesser benefit is thus called upon to make a substantial donation to the cost of the scheme—to the extent generally of the full value of the land taken from him—whereas his more fortunate neighbour who receives by far the greater benefit entirely escapes contribution.

The matter was brought under the notice of the 1919 Commission, and they reported “that the betterment principle, as laid down by the Act, is inequitable and should be amended, it bearing unjustly on the riparian owners.” Notwithstanding this recommendation it is stated that nothing has been done, and the claim for an alteration in the law is strongly pressed.

Your Commissioners consider the matter can best be rectified by not actually taking the land at all—except in cases where the property is small and would be largely occupied or materially damaged by the stop-bank—but merely acquiring the requisite rights over it, thus allowing the owner to retain the title to his property and his riparian rights, and at the same time giving the Department all the powers it requires in respect of it.

If this suggestion is adopted it will be desirable, in amending the Act, to provide that it shall be a criminal offence to destroy or injuriously interfere with the stop-banks and other river-improvement works. This will be a necessary safeguard if the land on which the works will be situated is to remain private property, as the owner, realizing that the stop-bank in law belonged to him, might consider that he had a right to do as he liked with it.

Cases were brought under our notice where drains of considerable size had been made on the landward side of the stop-bank, or stream-diversions carried through properties. In such cases the settlers affected should be provided with a suitable crossing over the drains or streams.

#### GENERAL RECOMMENDATIONS.

##### (a.) *As to Contributions.*

As has already been shown, it is not financially possible to carry the scheme to completion on the basis of the existing scale of contributions.

If the Government can see its way to subsidize the work on a pound-for-pound basis the Commission thinks it would perhaps be practicable to allocate the local contribution, which will amount to at least £20,000 per annum, somewhat as follows (though we fear the burdens to be imposed would prove to be heavy, and we have great hesitation in recommending them, but the bearing of such burdens seems to be the only alternative to abandonment of the undertaking):—

	Per Annum. £
Counties and boroughs within river district (one-half) ..	10,000
Gold duty (estimated at) .. .. .	4,000
Mine-owners (estimated at) .. .. .	3,500
Revenue from scheme (estimated at) .. .. .	2,500
	<hr/>
	£20,000
	<hr/> <hr/>

##### (b.) *As to Government Subsidy.*

A pound-for-pound subsidy would mean that the Government might ultimately have to find £312,000 if the works cannot be reduced in cost; but minor savings can, we think, be effected which will bring the total expense down to £600,000, and probably below that sum, and this would limit the Government contribution to £300,000, of which amount £250,000 will have been found and expended by the 31st December next if the works are proceeded with as at present, so that only another £50,000 will be required.

It is true, no doubt, that the Government will have to find the whole £600,000 in the first instance, but local interests will be responsible for the interest and sinking fund on half the amount, so that, as already stated, it is really only the interest and sinking fund on £300,000 that the Government has to permanently concern itself with, and even that responsibility will eventually be extinguished by the operation of the sinking fund. Interest and sinking fund on £300,000 will necessitate an annual contribution to the fund of, say, £20,000 for a period of seventy-five years; but against this there would be a large amount of additional revenue to accrue from the greatly enhanced prosperity of this very fertile and prosperous district in the shape of land- and income-tax, and general Customs and stamp and railway revenue.

#### PROCLAMATIONS DECLARING RIVERS SLUDGE-CHANNELS.

The Commission of 1910 advised the revocation of the Proclamations declaring the Waihou and Ohinemuri Rivers sludge-channels, but that they be reissued in an amended form so as to admit of finely ground slime being still deposited. It is a pity this recommendation was not given effect to years ago; and the Commission advises that in any Bill that may be introduced to give effect to the recommendations of this Commission provision be made for the revocation of the Proclamations,

and their reissue in an amended form so as to permit the deposit of tailings only on such conditions as will obviate all liability to damage to either the rivers or adjacent agricultural lands, and also on payment of the charges referred to on page 23 hereof.

#### CROWN LANDS TO BE LOADED FOR IMPROVEMENTS.

Evidence was obtained from officers of the Land Drainage Department that a large area of Crown land will not only be greatly benefited by the river-improvement works, but also that such land is and will remain practically valueless without such works. It will therefore be fair to load such lands with the value of the benefit to be gained.

Mr. Thompson, the Chief Drainage Engineer, stated that about 27,000 acres between the Waihou and Piako and across to the Waitoa would be benefited, and that in this area there is about 2,000 acres of really good land south of Kerepeehi, in the delta of the Awaiti and the Piako. As regards this latter block he stated that its capital value in the books of his Department at present was £1,600, but that when drained it will be worth £30 per acre, and that it will cost about £10 per acre to drain it. He thought it would be fair to load that block at the rate of £3 per acre on account of the Waihou River improvement works. The next block was one of 6,300 acres, which Mr. Thompson thought might also be loaded to the extent of £3 per acre. Out of the whole 27,000 acres he thinks 13,800 acres will be directly benefited by the Waihou River works, and can be loaded at rates varying from 10s. to £3 per acre.

From the manner in which Mr. Thompson gave his evidence it seemed clear that he wished to quote figures that would be well on the safe side. In view of the prices that agricultural lands are now realizing it is probable that the lands above referred to could stand loading at a higher rate than Mr. Thompson quotes.

If these lands are to be sold for cash they should be loaded at rates at least equal to those suggested by Mr. Thompson, and at higher rates if practicable, and the loading, when paid, should be credited to the Rivers Improvement Account; If, however, the lands are leased, then the due share of the annual rent should be so credited. The rating on these lands to be paid by the Minister of Lands until they are disposed of.

#### SETTING UP OF RIVER BOARD.

The Act (section 20) provides for the setting-up of a River Board to control the rivers and to carry on all the works, and generally to exercise all the functions at present vested in the Minister of Public Works regarding them, but such Board is not to come into existence until the works authorized by the Act have been completed. There is a good deal of local feeling, however, in favour of setting up the Board without further delay. It is pointed out that the works have already been in progress for ten years and are not yet half-finished, and it may possibly be another ten years before they are entirely completed, and the settlers in the meantime have no voice regarding them.

If the settlers, either directly or through the local authorities, are now to be called upon to make substantial contributions towards the cost of the interest, sinking fund, and maintenance of the works, it is reasonable, no doubt, that some Board of management should be established on which the local ratepayers could be represented. On the other hand, it would not be reasonable for the conduct and control of the works to be entirely removed from the Government if the Government is still to provide all the money required and to pay the interest or half of it. It seems to your Commissioners, therefore, that the time for setting up the Board has scarcely yet arrived, but when it is decided to bring it into existence we think that a smaller Board than that provided in the Act would suffice. A Board of eleven members was contemplated when the Act was drawn, and the Hauraki Plains County—the largest ratepayer—was not provided for, as the county was not in existence when the Act was passed, and Matamata County was not provided for either, as that county was not included in the rating-area.

If representation on the scale contemplated in the Act is required, and members allotted to the Hauraki Plains and Matamata Counties also, it would mean esta-

blishing a Board of, say, fifteen members. A Board of that size would be unwieldy, and would involve too much outlay in travelling-expenses to attend meetings, &c. The Commission advises the repeal of proviso (a) of section 20 of the Act, and its re-enaction to provide for a Board of five members, namely—One to be appointed by the Governor-General (who should, we think, be the Public Works Engineer); one to be appointed by the Borough Council of Waihi; one to be elected by the ratepayers of the river district within the Hauraki Plains County; one to be elected by the ratepayers of the river district within the Thames and Ohinemuri Counties and the Thames and Paeroa Boroughs; one to be elected by the ratepayers of the river district within the Piako and Matamata Counties and the Borough of Te Aroha: the Government nominee to be the Chairman of the Board. The Board, when appointed, to have all the powers of a Harbour Board, and also those of a River Board.

#### FINDINGS OF COMMISSION.

In answer to the questions specifically addressed to us in Your Excellency's Commission, we very respectfully find as follows:—

1. The allocation under clause (d), subsection (4), of section 17 of the Waihou and Ohinemuri Rivers Improvement Act, 1910, of the cost of providing, from the 1st day of April, 1921, the interest and sinking fund on any loans raised for the purpose of carrying out the works authorized by the Rivers Improvement Act, 1910, together with the cost of administration and maintenance, is not, under existing conditions, fair and equitable, and the following should be substituted therefor:—

One-half from the Consolidated Fund.

One-fourth from the counties and boroughs (other than Waihi) within the river district, in the undermentioned proportions:—

Thames County	..	..	..	4 per cent. ;
Hauraki Plains County	..	..	..	33 per cent. ;
Ohinemuri County	..	..	..	25 per cent. ;
Piako County	..	..	..	15 per cent. ;
Matamata County	..	..	..	7 per cent. ;
Thames Borough	..	..	..	3 per cent. ;
Paeroa Borough	..	..	..	7 per cent. ;
Te Aroha Borough	..	..	..	6 per cent.

One-half the gold duty (including therein the goldfields revenue) received from mining in the river district. In the event of the gold duty falling below £500 per annum the Government to retain £250 per annum, and in the event of the duty falling below £250 the Government to retain the whole and the Waihi Borough Council to pay the difference between the amount retained and the sum of £250.

A charge against all companies and persons discharging mullock, tailings, slimes, or debris into either the Waihou or Ohinemuri Rivers or their tributaries; such charge to be at the rate of 1s. per ton on all mullock or other material 90 per cent. of which will not pass through a 150-mesh screen, and 4d. per ton on all ore crushed to the fineness specified.

2. The consequential variations to be made in subsection (1) of section 25 of the Act should be as under:—

(a.) By the Minister of Finance—one-half of the gold duty (including therein the goldfields revenue) received from mining in the river district; but in the event of the gold duty falling below £500 per annum the Government to retain £250 per annum, and in the event of the duty falling below £250 the Government to retain the whole and the Waihi Borough Council to pay the difference between the amount retained and the sum of £250.

- (b.) By the companies, authorities, or persons discharging mullock, tailings, slimes, or debris into either the Waihou or Ohinemuri Rivers or any tributary stream—an amount equal to 1s. per ton on all mullock or other material 90 per cent. of which will not pass through a 150-mesh screen, and 4d. per ton on all ore crushed to the fineness specified.

Subsection (2) of section 25 should also be amended so that its provisions may harmonize with subsection (1) in its altered form.

3. The representation on the Board provided for in section 20 of the Act should be varied as under :—

- (a.) The Board shall consist of five members, to be appointed or elected from time to time as follows: One member (being the person holding for the time being the office of District Engineer of the Public Works Department for the Auckland District) to be appointed by the Governor-General; one member to be elected by the ratepayers of the river district within the Hauraki Plains County; one member to be elected by the ratepayers of the river district within the Thames and Ohinemuri Counties and the Thames and Paeroa Boroughs; one member to be elected by the ratepayers of the river district within the Piako and Matamata Counties and the Te Aroha Borough; one member to be appointed by the Waihi Borough Council: the Government appointee to be the Chairman of the Board.

And this our report, which has been unanimously adopted, together with the accompanying appendices, we have the honour to respectfully submit for the consideration of Your Excellency, in obedience to the Commission addressed to us.

Your Excellency's Commission is also returned herewith.

Given under our hands and seals, at Auckland, this 26th day of September, 1921.

H. J. H. BLOW, Chairman.  
W. S. SHORT, Commissioner.  
GEO. BUCHANAN, Commissioner.

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## APPENDICES.

## APPENDIX A.

## DRAFT RATING SCHEME SUBMITTED BY PUBLIC WORKS DEPARTMENT.

Matamata County—						£	£
Class C—£1,232,512 at 3s. 8d. .. .. .	..	..	..	..	..	..	1,925
Piako County—							
3,600 acres at 8.4s. .. .. .	..	..	..	..	..	1,512	
Class C—£739,723 at $\frac{3}{4}$ d. .. .. .	..	..	..	..	..	2,312	
						<u>          </u>	3,824
Hauraki Plains County—							
Class A—12,000 acres at 10s. 6d. .. .. .	..	..	..	..	..	6,300	
Class B—8,000 acres at 7s. 10d. .. .. .	..	..	..	..	..	2,800	
Class B—2,280 acres at 3s. 6d. .. .. .	..	..	..	..	..	399	
						<u>          </u>	9,499
Class A—6,000 acres at 4.2s. .. .. .	..	..	..	..	..	1,260	
Class A—7,800 acres at 1.4s. .. .. .	..	..	..	..	..	546	
Class B—1,500 acres at 1.4s. .. .. .	..	..	..	..	..	105	
Class B—8,000 acres at 0.7s. .. .. .	..	..	..	..	..	280	
						<u>          </u>	2,191
Ohinemuri County—							
Class A—4,600 acres at 10s. 6d. .. .. .	..	..	..	..	..	2,415	
Class B—4,600 acres at 7s. .. .. .	..	..	..	..	..	1,610	
Class B—2,300 acres at 3s. 6d. .. .. .	..	..	..	..	..	402	
Class C—£307,184 at 1d. .. .. .	..	..	..	..	..	1,280	
Class C—£176,317 at $\frac{3}{4}$ d. .. .. .	..	..	..	..	..	551	
						<u>          </u>	6,258
							(See footnote.)
Thames County—							
Class A—1,071 acres at 7s. .. .. .	..	..	..	..	..	375	
Class B—1,071 acres at 3s. 6d. .. .. .	..	..	..	..	..	187	
Class C—£97,030 at $\frac{1}{2}$ d. .. .. .	..	..	..	..	..	202	
						<u>          </u>	764
Paeroa Borough—							
Class A—£363,440 at 2d. .. .. .	..	..	..	..	..	..	3,028
Waihi Borough—							
Class C—£385,509 at $\frac{3}{4}$ d. .. .. .	..	..	..	..	..	..	1,495
Te Aroha Borough—							
Class C—£364,850 at 1d. .. .. .	..	..	..	..	..	..	1,520
Mines contribution .. .. .	..	..	..	..	..	..	4,000
Extra Waihi contribution .. .. .	..	..	..	..	..	..	2,000
New Zealand Government contribution .. .. .	..	..	..	..	..	..	7,301
							<u>          </u>
							£43,805
							(See footnote.)
						£	<u>          </u>
Annual cost of interest and sinking fund on estimate of £600,000..	..	..	..	..	..	36,000	
Maintenance and administration .. .. .	..	..	..	..	..	6,000	
						<u>          </u>	<u>          </u>
						£42,000	

NOTE.—The sum of £43,805 herein should be reduced to £43,300 on account of an area of 1,100 acres in the Ohinemuri County not now being protected by the stop-bank.

## APPENDIX B.

## AREAS AND SUGGESTED CLASSIFICATION OF LANDS BENEFITED BY WORKS OR DEPOSITING SILT IN RIVERS.

County and Riding.	Class A or B.			Class C or D.			Approximate Total Area, excluding Reserves.	Total Capital Rateable Value.		Percentage of Total Net Area of Riding classified A or B.	Percentage of Total Net Area of Riding classified C or D.
	Total Area.	Less Percentage for Reserves.	Leaves Net.	Total Area.	Less Percentage for Reserves.	Leaves Net.		Amount.	Date of Valuation.		
	Acres.	Per Cent.	Acres.	Acres.	Per Cent.	Acres.	Acres.	£		Per Cent.	Per Cent.
Thames—											
Puriri ..	..	..	..	16,640	5	15,810	15,810	141,736	1919	..	100
Hikutaia ..	..	..	..	16,160	5	15,352	15,352	142,350	1919	..	100
Hauraki Plains—											
Netherton*	33,920	5	32,225	2,968	2½	2,894	35,119	369,259	1917	88	8
Tahuna*	14,912	5	14,160	1,600	2½	1,560	15,720	22,720	1917	33	4
Patetonga*	..	..	..	6,354	5	6,036	6,036	63,714	1913	..	10
Ohinemuri—											
Kaimanawa ..	4,224	7	3,930	17,536	2½	17,099	21,029	194,674	1913	19	81
Paeroa ..	7,800	10	7,020	6,400	2½	6,240	13,260	154,630	1919	53	47
Waitekauri*	..	..	..	28,640	5	27,210	27,210	61,516	1919	..	50
Waikino ..	..	..	..	16,960	5	16,115	16,115	76,660	1919	..	100
Karangahake ..	..	..	..	15,652	5	14,777	14,777	38,140	1919	..	100
Mangaiti ..	320	7	300	16,830	5	15,990	16,290	130,380	1919	2	98
Piako—											
Waihou*	3,840	5	3,650	20,300	5	19,284	22,934	434,090	1917	10	52
Te Aroha ..	..	..	..	32,170	5	30,560	30,560	234,675	1917	..	100
Manawaru*	..	..	..	22,900	5	21,755	21,755	362,880	1917	..	76
Matamata—											
Matamata*	..	..	..	34,048	5	32,348	32,348	276,129	1918	..	45
Putaruru*	..	..	..	32,765	5	31,118	31,118	177,143	1918	..	29
Patetere*	..	..	..	122,810	5	116,670	116,670	634,725	1918	..	59
<i>Boroughs.</i>											
Paeroa ..	883	25	662	716	25	537	1,199	363,440	1920	55	45
Waihi ..	..	..	..	3,840	25	2,880	2,880	385,509	1908	..	100
Te Aroha ..	..	..	..	3,300	25	2,475	2,475	304,850	1916	..	100
	65,899	..	61,947	418,489	..	396,710	458,657	4,569,220	..	..	..

NOTES.—In the case of those ridings marked \* part only of riding is included, and the rateable value given for that part of riding is arrived at approximately.

The area of unalienated Crown land classified "A" or "B" (coloured green on plan) between Waihou and Piako Rivers, in Awaiti basin, included in above is 26,707 acres; total, 25,372 acres net; part being in Netherton Riding and part in Tahuna Riding. (Areas given are planimeter areas.)

## APPENDIX C.

## MR. HANNA'S SUGGESTED RATING SCHEME: TABLE SHOWING HOW ASSESSMENT ARRIVED AT.

	Cost.	Total Cost.	Rate of Interest.	Annual Cost.
	£	£	Per Cent.	£
Ngahina North Section—				
Ngahina Bridge extension ..	9,600			
Ngahina to 4 miles ..	79,713			
4 miles to 13 miles ..	76,173			
		165,486	8	13,232
Ohinemuri River Section ..	..	52,234	8	4,176
Upper Waihou Section—				
Mangaiti to Tirohia ..	146,714			
Tirohia to Ngahina ..	47,921			
		194,635	8	15,468
Moneys expended to date ..	..	212,000	8	16,960
		624,355		49,836

APPENDIX C—*continued.*

Annual cost apportioned as under :—

	£	£
Mining industry (including gold duty)—		
75 per cent. of annual cost, Ohinemuri .. .. .	3,132	
Quarter annual cost of Ngahina North .. .. .	3,308	
Its proportion of expended moneys .. .. .	3,200	
	<hr/>	9,640
Crown (Consolidated Fund)—		
Quarter annual cost of Ohinemuri .. .. .	1,044	
Half annual cost of Upper Waihou .. .. .	7,734	
Half annual cost of Ngahina North .. .. .	6,616	
Its proportion of expended moneys .. .. .	8,000	
	<hr/>	23,394
Shipping (including Piako River shipping)—		
Quarter annual cost, Ngahina North .. .. .	3,308	
Its proportion of expended moneys .. .. .	1,600	
	<hr/>	4,908
Land (rating, Wharepoa to Matamata)—		
Half annual cost, Upper Waihou .. .. .	7,734	
Its proportion of expended moneys .. .. .	4,250	
	<hr/>	11,984
		<hr/>
		<u>£49,926</u>

Bringing the amount derivable from these suggestions to £90 more than the amount required.

[APPENDIX D, map showing Waihou River and tributary streams in Matamata County, not printed.]

## APPENDIX E.

STATEMENT SHOWING EXPENDITURE TO 30TH JUNE, 1921, AND ESTIMATED COST OF COMPLETING SCHEME.

Expenditure to 30th June, 1921 .. .. .	212,645
Estimated cost of completing works as from 30th June, 1921—	£
Mangaiti-Tirohia, left bank .. .. .	68,827
Mangaiti-Tirohia, right bank .. .. .	68,827
Tirohia-Ngararahi, left bank .. .. .	12,555
Tirohia-Ngararahi, right bank .. .. .	31,360
Rotokohu drainage .. .. .	3,713
Ngahina Bridge extension .. .. .	9,600
Ngahina to 4 miles, left bank .. .. .	41,166
Ngahina to 4 miles, right bank .. .. .	44,561
Komata Creek .. .. .	7,869
4 miles to 13 miles, left bank .. .. .	34,210
4 miles to 13 miles, right bank .. .. .	39,163
Ohinemuri River, left bank .. .. .	42,682
Ohinemuri River, right bank .. .. .	8,039
	<hr/>
	412,572
	<hr/>
	<u>£625,217</u>

If the Upper Waihou stop-bank (right bank, Mangaiti and Tirohia) is not proceeded with, but certain other consequent works arranged for, the total estimated cost will be reduced to £598,905.

A. J. BAKER, District Engineer.

Public Works Department, Auckland, 21st September, 1921.

[APPENDIX F, plan showing works completed, in hand, and proposed; and APPENDIX G, plan showing area of land suggested to be classified and rated: not printed.]

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