

One of the major difficulties regarding the incorporation in urban areas of areas which are at present rural in character was dealt with very fully at this inquiry. This was the question of the increased rating liability on properties being used for farming purposes. The Palmerston North City Council dealt with the position in a most reasonable manner, and submitted evidence which indicated that it had decided that the farmer should not, by reason of the incorporation of his land in the city, be placed in any worse position, unless additional expenditure was necessary to maintain and develop the existing roads in the area or increased amenities were provided. It was proposed to meet the position by relief under the Urban Farm Lands Rating Act, 1932.

The question of electricity supply in the areas proposed for incorporation was raised, as had been the case in a number of inquiries. The Manawatu-Oroua Electric-power Board supplied the areas in question. It was evident that, owing to certain major technical difficulties, considerable expenditure would be involved if the areas were transferred to the city's area of supply, while there would be no compensating advantage to the consumers, and we accordingly decided that the *status quo* should be maintained.

Although the Commission decided to include in the city an area which did not form part of the city's proposals, a substantial reduction of the areas actually proposed for incorporation was made.

(8) HAMILTON CITY : WAIKATO AND WAIIPA COUNTIES

Following receipt of an application in February, 1948, from the Hamilton City Council requesting that consideration be given by the Commission to the extension of the boundaries of the city, a public inquiry was held in Hamilton on 7th September, 1948. The areas involved in the Waipa County were generally to the north and south-west of the existing city boundaries, and those in the Waikato County were generally to the south-east, east, and north-east of the city boundaries. There was evidence that a very rapid growth of the population of Hamilton had resulted in a considerable "spillover" into the adjacent counties, and the question of the extension of its boundaries had been under consideration by the local authorities in that area for a considerable time. An acute housing shortage in the city indicated that this trend would continue for some considerable time, and there were also indications that the population growth would continue at a comparable rate.

In two of the areas in particular the Housing Division of the Ministry of Works had acquired substantial areas, and building activities had been proceeding for some time. This was a further indication of the lack of suitable residential sites within the city. There was evidence that the Railways Department proposed constructing a locomotive workshop to the north-west of the city beyond Lake Roto Kaeo. This necessitated the inclusion in the city of a suitable adjacent area for co-ordinated residential development, and it was stated by the Housing Division that negotiations were proceeding to acquire land for this purpose. It was evident that it was necessary to install a sewerage system in the various areas to cope with the rapidly increasing urbanization, and certain of the areas had been receiving a supply of water from the city, as well as fire protection from the city's brigade. The financial aspects of the city's proposed development expenditure, and also those of the individual ratepayers, were thoroughly examined, and it was considered by the Commission that, despite certain difficulties, the city, if extended, would as a whole benefit materially by the inclusion of additional areas.

After careful examination of all relevant factors, we decided that the areas proposed by the city for inclusion were not sufficient and would not satisfactorily solve the problems associated with the area as a whole. It was accordingly found necessary to enlarge the city's proposals.

The question of community of interest between the city and the urbanized portions of the county which were under consideration arose, and it was evident that, both socially and economically, they formed part of the City of Hamilton, and ought to be