

the extent that it has been in the past, and that the inhabitants should be willing to be rated to an extent more commensurate with the rating existing in other boroughs. Whilst it may be right that in districts where gold-prospecting is being carried out, and the returns are small and uncertain, the gold duty should be handed over to the local body, it does not appear as reasonable that where the industry, as at Waihi, has settled down to a period of great and continued prosperity, the local body should derive so great benefits.

Gold duty to provide one-half income.

The Commissioners have therefore no hesitation in recommending that the gold duty and goldfields revenue should contribute one-half of the annual income required to carry out their proposals.

Paeroa-Waihi Road maintenance.

It has also been brought under the notice of the Commissioners that the Waihi Borough contributes too small an annual sum to the Ohinemuri County for the upkeep of the main road from Paeroa to Waihi. As this road is used above the Owaharoa Bridge almost entirely by the mining traffic to and from Waihi and Waikino, which latter township is an offshoot from and is entirely dependent on Waihi, and as there is practically no agricultural or other interests concerned in this portion of the road, the Commissioners recommend that the Waihi Borough should pay for the whole cost of the upkeep of the road from the Owaharoa Bridge to the borough boundary.

Ohinemuri County and gold duty.—Small rateable area.

The position of the Ohinemuri County Council, the only other recipient of gold duty and goldfields revenue in the Ohinemuri district, is a very different one from that of the Waihi Borough. Out of 306,000 acres in the county, the area on which rates can be collected is only about 34,000 acres, or one-ninth. All lands to the eastward of the river, except the Township of Paeroa and some freehold land along the river front, is in the goldfields area, and, as such, is exempt from rating. There are large areas of Crown lands as yet unoccupied, and therefore not paying rates; and, whilst the large area of Native lands can theoretically be rated, there is no power in practice to collect such rates. This county, only having power to rate one-ninth of its area, has within its boundaries the Township of Paeroa and the mining Villages of Mackaytown, Karangahake, Waikino, Waitekauri, and Komata; and it has to form and maintain great lengths of roads, both main and branch, to these villages, and to other mines. Owing to the bulk of the gold duty having been earned in the Borough of Waihi, the county has thereby suffered by not receiving that portion which would have been its share had the Town of Waihi not been severed from the county. From 1903 to 1909, inclusive, the Ohinemuri County only received £56,674 from gold duty and goldfields revenue for expenditure in its widely spread district and on behalf of its widespread population of 5,895; whilst the Borough of Waihi, with its population of 5,850, received for the same time £122,151. That the Ohinemuri County was unable to carry out its functions on this income is shown by the fact that in the past eight years, ending March, 1910, they have received Government grants in aid to the extent of £23,944.

Revision of distribution of gold duty.

It appears to your Commissioners that it would be well if in future the provisions of section 13 of the Gold Duty Act could be brought into operation, which section permits one-half of the gold duty to be distributed to local bodies other than those in whose district it is produced, in such a manner as to put the Ohinemuri County Council on a more satisfactory financial footing.

Native lands: Rates should be collected.

The Commissioners are of opinion that those lands owned and occupied by Maoris existing within the district that will be benefited by the proposed works should contribute equally with the lands occupied by Europeans, and be rateable