42. *The Chairman.*] Before leaving the question of the water-supply, you make a charge for the water?—Decidedly. It is practically 4 per cent. on the annual value of the property that is supplied.

43. Does that leave a profit?—Yes, a small profit. It pays interest, and there is a small profit accumulating.

44. Do you supply water to the mines?—As an ordinary supplier—not for power.

45. For boiler purposes?—No.

46. So that practically the whole of the water rates are on residential property?—That is so.

47. *Mr. McVeagh.*] In this connection I think you have made a calculation showing the average annual value of each holding in the Borough of Waihi?—Yes. It is 7s. 3d. weekly—eighteen guineas a year.

48. You said that a drainage system was an urgent matter. I think you have had some outbreaks of disease lately?—Yes, scarlet fever, typhoid, and one or two cases of diphtheria.

49. There is a hospital in the borough?—Yes.

50. And I think the boundaries of the hospital district correspond with the boundaries of the borough?—That is so.

51. Therefore you are the only contributor to the maintenance and upkeep of the Hospital?—Yes.

52. *The Chairman.*] I suppose you have a distinct Hospital Board?—Yes.

53. *Mr. McVeagh.*] Is the contribution shown on the accounts?—Yes.

54. What are the present needs of the Hospital?—I gather they are about to call on the borough for £1,750. They have not made a formal demand yet, but I saw that in the Press.

55. What did they get last year?—£1,575.

56. Is the Hospital sufficient in point of accommodation at present?—No. They are about to undertake buildings operations to add to the Hospital.

57. Have you any voice in that at all?—Not as a Borough Council.

58. The Hospital Trust has a right to do that without any reference to you whatever?—They make a demand, and we have to pay it. There is a provision by which we can call in the Colonial Secretary in case of a dispute.

59. What is the estimated cost of this further accommodation?—Sixteen hundred pounds.

60. *The Chairman.*] Is that going to come all in one year?—Yes.

61. Is that the total cost, or your proportion of the cost?—The total cost. I may say I have no official knowledge of this. The secretary to the Hospital Trustees is Mr. Bishop, who resides in Waihi. There are members of the Hospital Board who will be witnesses, and they will possess more definite information than I have.

62. I think you are bound by law to establish municipal abattoirs?—Yes.

63. You have done so, and they have cost you, how much?—Two thousand pounds.

64. You did not borrow for that?—No; it was done out of revenue.

65. Or overdraft?—Yes, but we call it revenue.

66. Is there not a limit to the amount of overdraft you can get by law equal to one year's rates?—One year's revenue.

67. *Mr. McVeagh.*] I want to know what is your experience with regard to local bodies in goldfields townships raising money by issuing debentures?—I never knew of it being done. I do not see how anybody could lend money.

68. You got your £21,000 loan?—Yes. I will explain that. There was special legislation contained in the Goldfields Public Bodies' Loans Act, 1898. It was put there for the purpose of giving Waihi a waterworks.

69. And under that Act you got your loan?—Yes.

70. When you were being pressed by your bankers to reduce your overdraft, I think a delegation from the Borough Council proceeded to Auckland to ascertain whether money could be raised for that purpose?—That is correct; but I may say that before the delegation proceeded application was made by correspondence to two important financial institutions—the A.M.P. Society and the Auckland Savings-bank—and they were not entertained.

71. It is well known that they lend money to local bodies?—Oh, yes! large sums of money.

72. What was the result?—They would not entertain them at all. The deputation then waited also on a large firm in Auckland, and tried to arrange it through them; but after short inquiries it was rejected entirely.

73. And then, I think, you had to make some arrangement with the bank for reduction of the overdraft by instalment?—Yes: we agreed to pay £500 monthly until the whole of the overdraft is paid off. That was not expressed, but that is the inference.

74. *The Chairman.*] Is there any limit to the amount of the overdraft, or can you pay off £500 and borrow it the next day?—No: the account has to be reduced monthly.

75. There is no doubt about it?—No.

76. *Mr. McVeagh.*] You have reduced the account within what period from £24,000 to £14,000?—In fourteen or fifteen months.

77. In addition to all these liabilities, you have the ordinary current borough expenditure, which I do not propose to go into?—Yes.

78. I think you and the Councillors have given some consideration to this attack that has been made upon the revenue of the local bodies in this district?—Naturally.

79. You have come to the conclusion that it would be unfair and unjust to attack the revenue of the local bodies?—Yes: that is what we think.

80. *Mr. Mitchelson.*] When was this attack made?—It has not been made in so many words. It is inferred in the scope of the Commission. This matter has been a subject of controversy in this district for some time. Then there is a statement by Mr. Metcalfe, who says an obvious source