

In the year 1926 two further petitions were presented praying for exclusion, principally of the lands the subject of the two petitions referred to in the foregoing paragraph, and the Commissions appointed to report on these further petitions recommended, by their report dated 1st December, 1926, the further exclusion of certain of these lands, whereby the remaining lands in the borough would be divided into two portions—namely, the area largely business and residential, from the post-office eastward, and the beach residential area along the sea-coast; Tasman Road, forming a link between such two portions, to remain vested in the borough. Orders in Council dated 22nd March, 1927, giving effect to these recommendations as and from 1st April, 1927, were duly gazetted (*vide New Zealand Gazette*, 1927, p. 940, and Exhibit I).

Doubtless the persons the exclusion of whose lands from the borough was effected in manner aforesaid anticipated relief in the amount of rates to be paid by them. They did not, however, receive it to the extent anticipated, for the Borough Council, in purported exercise of section 23 of the Local Bodies' Loans Act, 1926, increased the special rates levied on the excluded properties as securities for loans. The alleged necessity for the increase was the failure of certain owners or occupiers in the borough, notably Natives, to pay their rates.

There appears to have been no legal impediment to the action of the Borough Council in increasing these rates—at all events, until an adjustment of assets and liabilities was made pursuant to section 145 of the Municipal Corporations Act, 1920, and the regulations under that Act (*New Zealand Gazette*, 1921, p. 2243).

There seems to be no legal provision compelling the local authorities to make an adjustment, or, indeed, for Your Excellency to do so, except upon the written application of any of the local authorities directly affected, and your Commissioners therefore respectfully suggest the amendment of the regulations by omitting from paragraph 52 thereof the words “upon the written application of any of the local authorities directly affected by such constitution or alteration,” and adding, after the words “the Governor-General may,” the words “if he thinks fit.”

In the month of July, 1927, a petition was received from E. H. Letts and R. B. Anderson, and in the month of August, 1927, a further petition from certain adjoining owners—F. Kilmister, I. Kilmister, C. O. Tipler, I. L. Tipler, and F. G. Letts—in each case praying for exclusion of their lands from the borough. Notices respecting these alterations were duly gazetted (*vide New Zealand Gazette*, 1927, p. 2837), and formal objections to the exclusions prayed for were received from the Otaki Borough Council and from the Horowhenua County Council.

In the month of September, 1927, the Otaki Borough Council, through its solicitors, Messrs. Harper, Atmore, and Thomson, forwarded a petition, pursuant to section 133 of the Municipal Corporations Act, 1920, praying for the reinclusion in the borough of all the lands previously excluded therefrom.

Your Commissioners, after very full consideration of the evidence, and the reports of all previous Commissions in reference to the question of what lands should or should not be included in the borough, are of the opinion that, having regard to the statutory test of suitability for municipal control (which is, in the opinion of your Commissioners, the proper test), and subject to the recommendations hereinafter contained in reference to adjustment of the incidence of rating and classification, the area defined and described in the schedule to the Order in Council of 1st March, 1921 (*New Zealand Gazette*, 1921, p. 568, and *vide* Exhibit I) should be the area of the borough, and accordingly that any land excluded from the borough since its constitution in 1921 should be reincluded therein.

Your Commissioners make this recommendation for the following reasons:—

(a) It seems to the Commissioners that the railway on the east, the River-bank Road and the old course of the Otaki River on the south, the high-water mark of the sea on the west, and the Waitohu Stream, the Old Coach-road, and the boundary (unaltered since the constitution of the borough) between the Old Coach-road and the railway on the north are the confines of the area best suited for the control as a municipality of what is now, and it would seem must for at any rate some years to come remain, with the exception of a small and fairly compact business area, a sparsely inhabited borough.