We have considered from various aspects the question whether, and how far, increasing the facilities on the Waikato for the safe navigation of shallow-draught steamers, launches, and barges is likely to affect the traffic on the railways. We have come to the conclusion that the railway earnings, either at present or in the future, would not be reduced, but, on the contrary, that increased navigation, especially of the tributaries, would have the result of bringing into cultivation or increased cultivation a large area of land, by giving better access thereto, and that this would tend to an increase in the railway traffic.

In Appendix B is given, for the year ended 31st March, 1921, the earnings for goods-carriage between Auckland and the principal stations the traffic of which might be affected by improvements in the navigation of the Waikato River or by the construction of canals, as well as the rates in force at that date for the carriage of the different classes of goods.

WAIKATO RIVER BOARD.

Arising out of clause 13 of the order of reference, concerning the improvement works proposed or already executed by the Waikato River Board, and the further instruction to report upon matters relating thereto, we feel that we must, in addition to what we have already set out, advise that the present Waikato River Board should be abolished, and a new River Conservation Board constituted, consisting of members having power to deal with all questions relative to river-improvement, landdrainage, or other matters, within the whole watershed of the Waikato and its tributaries. If it is deemed to be desirable to permit Drainage Boards to deal with special districts, then the powers of such Boards should be limited to carrying out such work as has met with the approval and sanction of the proposed River Conser-We are satisfied that the operations of the existing River Board have been faulty throughout, having been based only on a desire to provide for improved drainage of certain lands in the Whangamarino Swamp. It is also certain that, in undertaking certain portions of the work which they executed or tried to execute, they did not sufficiently consider how their proposals would affect other drainage schemes. The Board, although it has been in existence since September, 1911, has failed to obtain or record any particulars as to the height or duration of floods and of low water, or other data relating to the river within its jurisdiction, and by its neglect valuable time has been lost. The works so far carried out by the Waikato River Board appear to us to have been started on quite insufficient data, and without due appreciation of all the conditions pertaining to this river. Chairman of the Board stated in evidence that the members of the Board desired to be relieved of their duties, and there is every reason why this should be done. He requested that if so relieved the new authority to be constituted should take over all the debts and responsibilities of the Board. We do not approve of this suggestion, and are of opinion that the districts now rated for the loan which has been spent should continue to bear the burden.

The history of this Board should be a serious warning that matters relating to river control and improvement require expert knowledge and training, and should not be placed under the sole management of local men elected by the ratepayers unless there is some thorough control by an authority having special knowledge and ability to deal with the problems under consideration.

We recommend that a Waikato River Conservation Board be set up, which should consist of seven members, partly nominated and partly elected. We recommend that two Government nominees be appointed by the Minister of Public Works, one to be an engineer with expert knowledge of river-control, and the other to be either a Stipendiary Magistrate or some person skilled in local-body law who should act as permanent Chairman. Five other members should be elected, one jointly by the ratepayers of all boroughs and Town Boards within the watershed, and one each by the ratepayers of those portions of the Counties of Franklin, Raglan, Waipa, and Waikato that will come within the rating-area. In order to save expense, the elections should be held at the same time as the local elections for Councillors. If the Waiuku canal scheme be proceeded with, an additional member should be nominated to this Board upon the selection of the Auckland Harbour Board.