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drain, and the Kopeopeo outfall drain, together with one or two minor drains. Two plans, numbered 3 and 4, are herewith attached. Plan No. 3 shows the works so far carried out by the original Drainage Board up to the end of 1910, together with the additional works projected at that date by the Lands Department, the cost of which latter was estimated at £50,000. A comparison of this plan, No. 4, accompanying the 1924 report, is interesting, as showing the small amount of work proposed under the Government's original scheme in contrast with the extensive and comprehensive drainage-works actually carried out. The drainage report of the 31st March, 1911, contains a detailed estimate clearly showing the works which it was then proposed should be carried out for the sum of £50,000, but in the absence of any levels or engineering surveys it was intimated that this estimate was to be taken as being more or less an approximate one.

As the drainage-works progressed, the necessity for further works became apparent, and by March of 1917 the expenditure had increased to close on £100,000. Since that date additional works and the maintenance of constructed works have, according to the official figures, brought the total net liability of the Rangitaiki Drainage Account at the 31st March, 1925, to the sum of £481,202. This is after crediting the account with rates remitted for the three years ending the 31st March, 1924, amounting to £58,633. The amount of these rates was paid into the account out of the Consolidated Fund. Roads constructed in the swamp at a cost of about £50,000 have been charged to the Drainage Account, and the residual value of the plant is estimated at £27,000. If these two items are deducted, it leaves the net cost of the drainage operations to the 31st March at the sum of £404,202.

Much comment has been made on the disparity between the original estimate of the drainage scheme in 1910 and the total liability incurred up to date; but it must be borne in mind that during the war period, and for some time after, conditions had materially changed, and that not only had labour costs gone up 50 per cent., but that the necessary plant and material has also increased in price from 50 to 75 per cent., and was difficult to obtain even then. The unavoidable delay in completing the work owing to the war has also had a considerable effect in adding to the final cost. Interest and maintenance charges alone amount to a very large sum. Had it not been for these factors, we believe that the present total cost of the works would have been reduced by at least 30 per cent. It is only fair, and in justice to those concerned with the carrying-out of the works, to draw attention to the above facts.

Physical Features, Land and Drainage.

We attach herewith two maps, numbered 1 and 2. Map No. 1 shows the total drainage area, together with the drains, stop-banks, bridges, &c., and also the surface levels (shown in terms of Railway datum). These levels have been taken after considerable sinkage of the land as a result of drainage operations, and are approximately the levels that obtain at the present time. Map No. 2 shows the area of land within the drainage district divided up for rating purposes into four classes—A, B, C, and D. The total area so classified is close on 80,000 acres. Class A land is described in the Rangitaiki Land Drainage Act as being "that land which will receive a direct benefit from the construction of the works"; Class B "lands which will receive a lesser benefit therefrom"; Class C, "lands that will receive only an indirect benefit therefrom"; and Class D, "lands which receive an indirect benefit, but which on account of their position or physical character are not classifiable under A, B, or C." The areas under the different classes at the present time are as follows: Class A, 49,256 acres; Class B, 7,894 acres; Class C, 12,907 acres; Class D, 9,916 acres: total, 79,973 acres.

In adjusting the rates between the different classes, the ratio has been fixed of 9 for Class A, 6 for Class B, 3 for Class C, and 1 for Class D. In other words, land of an unimproved value of £1 in Class A pays 50 per cent. more rates than land of the same value in Class B, three times as much as land of the same value in Class C, and nine times as much as land of the same value in Class D. Owing to difference in values, however, it often follows that land in Class B or Class C pays more rates per acre than much of the land in Class A. We would here point out the necessity for some means of appeal by settlers against the classification.

Evidence was brought before us concerning certain Native lands which we think should be omitted altogether from the classification or rating area.