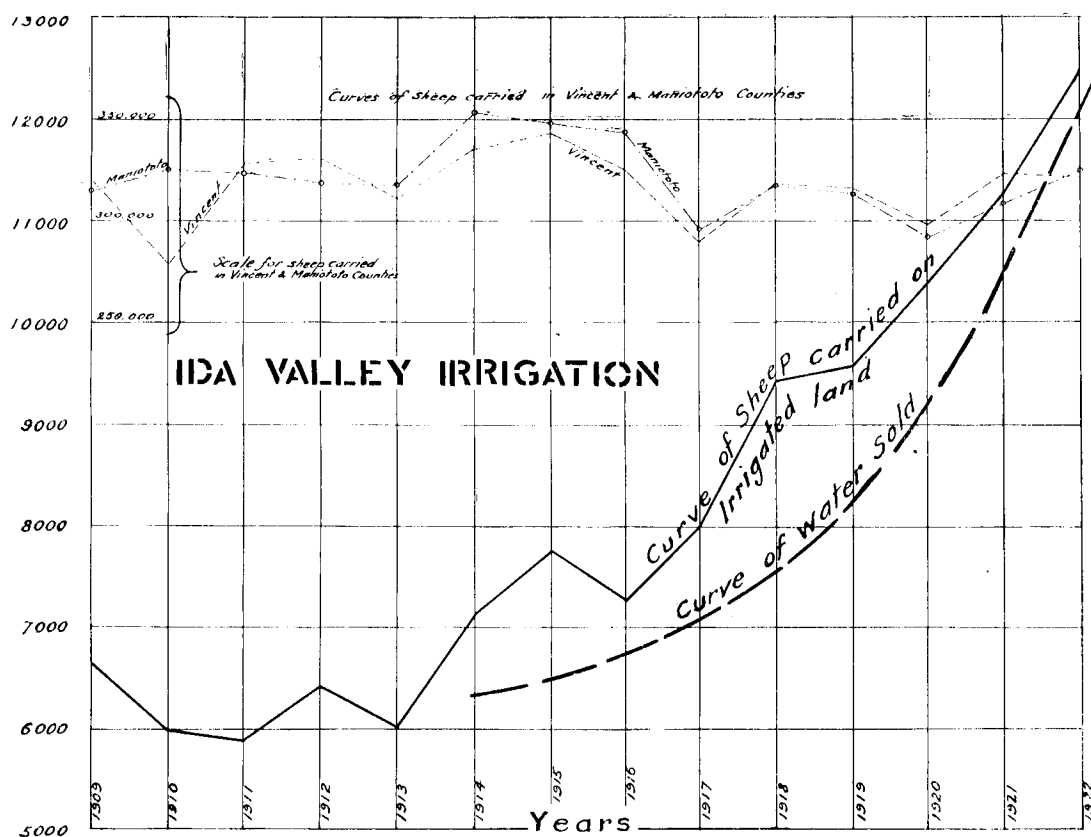


The average enhancement in land-values per acre estimated by a number of owners is £6 7s. 6d., after making due allowance for the cost of the water-supply. This amount is much less than the enhancement estimated by Government officers, but naturally the owners would be cautious in estimating the values, particularly as there was no question at the time of their selling. Taking, however, the farmers' values of enhancement, and capitalizing the water-rents receivable, we find that in the case of the Ida Valley scheme we have an asset worth £226,325 from an expenditure of £160,000. If extremely conservative values adduced by the Department's officers from actual crop and flock returns be taken, the national asset is really £281,146 from the expenditure of £160,000. If all the schemes now under construction, or already constructed, be pooled, and the same basis of argument be used on the farmers' estimate we will have a Dominion asset of £498,310 from an expenditure of £370,000, or, on the Department's figures, £619,846 from the same expenditure. All the above values are adduced from sheep-farming operations almost entirely, but the real future of a considerable amount of the irrigated land lies in the development of dairying, and when the change is brought about—and it can be only brought about by irrigation and subdivision—then the results will be such as could only be believed by persons who have actually seen the country both before and after irrigation.

Attached is a diagram showing the relation between the sale of water and the increase in the numbers of sheep carried by a group of irrigated farms in Ida Valley.



WAIHOU AND OHINEMURI RIVERS IMPROVEMENT ACCOUNT.

Upper Waihou (Mangaiti-Tirohia Section).—Both banks have been cleared of willows to Tirohia Bridge, a total length of $4\frac{3}{4}$ miles. The formation of the preliminary left-bank stop-bank is in hand from 3 miles 42 chains to 5 miles.

Tirohia-Ngararahi.—The stop-bank on left side has been completed, partly to preliminary and partly to final levels, over its whole length of $4\frac{3}{4}$ miles.

On the right bank final level has been reached (with the exception of one small gap at Mill Road) for a distance of approximately 2 miles. The suction dredge pumped 127,000 cubic yards of sand into this bank since the 12th August last.