

REPORT.

To His Excellency Sir Charles Fergusson, Baronet, General on the Retired List and in the Reserve of Officers of the Army, Doctor of Laws, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Knight Commander of the Most Honourable Order of the Bath, Companion of the Distinguished Service Order, Member of the Royal Victorian Order, Governor-General and Commander in Chief in and over His Majesty's Dominion of New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

Your Excellency's Commission dated 24th April, 1925, directed us to inquire into and report on matters connected with the drainage of the district set apart for the purposes of the Rangitaiki Land Drainage Act, 1910, and its Amendment, 1913, and with the financial difficulties now being experienced by settlers in the said district.

We now have the honour to submit for Your Excellency's information the following report in respect to the questions submitted to us under the order of reference.

INVESTIGATIONS.

Your Commissioners met at Whakatane on the 12th May, 1925, and on the following days, in company with several representative settlers, made a general examination of the swamp area, examining more closely many of the properties. During these visits of inspection much information and informal evidence was given by settlers.

On the 15th and 16th May public sittings were held in Whakatane, and evidence was tendered, either orally or by written statement, by thirty-two witnesses. A third public meeting was held in Auckland on the 5th June, and further evidence, mainly departmental, was received from seven witnesses, making a total of thirty-nine witnesses examined. A copy of all the evidence taken on oath is attached herewith. A list of the witnesses is prefixed to the evidence, and forms an index thereto.

GENERAL HISTORY OF DRAINAGE OPERATIONS.

The scheme of drainage of the Rangitaiki Swamp lands originated with the settlers on portions of the plain, who, in 1894, formed the Rangitaiki River Land Drainage District, under the provisions of the Land Drainage Act of 1893. The total area of land brought within the drainage district was then about 87,000 acres, of which roughly one-third was land leased from the Crown, one-third Native lands, and the balance unoccupied Crown lands and 7,670 acres of freehold land. Of the total area only some 40,000 acres—then valued at £88,280, and owned or occupied by fifty-nine ratepayers—was expected to be affected by the Land Drainage Board's operations. Between 1894 and 1910 this Land Drainage Board endeavoured to grapple with the difficulties before it, but, after having spent a considerable sum in works, the Board, with the sanction of the settlers, appealed to the Government of the day to pass special legislation empowering the Minister of Lands to take over, as from the 1st August, 1910, the Board's liabilities, and to construct and carry on such works as he might think fit for the drainage, reclamation, and roading of the lands referred to in the Act.

On the passing of the 1910 Rangitaiki Land Drainage Act a thorough inspection of the district was made by the Under-Secretary for Lands, accompanied by the Chief Drainage Engineer, and a general scheme of operations was drawn up. An outline of these proposals is contained in the first report of the Under-Secretary for Lands, dated 24th June, 1911; the works projected including Rangitaiki River diversion or new outlet to the sea, the Tarawera River improvements, the Omehu