

receipts and expenditure, assets, liabilities, &c., and shows the position of the whole drainage district, it nowhere discloses the position of each of the sub-districts known as the Rural Areas and the Sewage Area. (See Exhibits 3 and 5.)

Again, the financial statement which is made up each year (but not published), and *which shows the position of each district*, is a statement made up from various sources. There is no ledger-entry in the books of the Board which directly shows how the figures therein are made up. Several books have to be consulted if one requires to get at all the details.

What the plaintiffs ask is that appended to the balance-sheet should be attached statements showing the position of each rural and sewage district, somewhat in the same way as the separate accounts of the Selwyn County are shown in the county balance-sheet (Exhibit 12), and also that a ledger account should be kept by the Drainage Board against each rural and sewage district, by means of which a clerk of any of the local bodies in the Rural Areas could easily ascertain the state of his district in account with the Drainage Board. The local bodies also ask that a copy of the balance-sheet and of the Board's yearly estimates of expenditure should be submitted to them.

There seems to have been a disposition on the part of the Drainage Board to ignore the local authorities and to look upon them as having no more right to ask for information than any single ratepayer, for whenever one of those bodies has asked for information the usual reply has been, "The books are open for inspection. Send some one to get therefrom the information you require." In some instances information has been supplied by the Board's official, or it has been found by the clerk who was sent to look for it; in other instances the clerk has come away without the information; but access to the books has never been refused. This action on the part of the Board has had the effect of alienating the sympathy of the local authorities, whose clerks are not always sufficiently adept in accountancy-work to be able to understand the Board's system of book-keeping, and besides which they have their own duties to attend to. This issue, and Issues III and IV, have, I think, been largely caused by the Board's practice of practically telling the local bodies who want information to "find it out for themselves."

The local bodies in the drainage district are required by law to raise such rates for drainage-works in their several districts as the Drainage Board directs them to levy, and it is reasonable therefore that such local bodies, as representing their own ratepayers, should desire to know something of the Board's business in so far as it affects their own districts and the necessity for the rate they are required to raise. The local bodies are therefore agents for the Board and trustees for their own ratepayers. The members of the Drainage Board are, on the other hand, only trustees in a larger sense, and it is their duty as trustees to give full information to their beneficiaries, and the local authorities representing such beneficiaries have, I think, the right to the information. The Drainage Board evidently has nothing to conceal, and their action appears to have been prompted by motives of economy and not by any desire to withhold information, but economy may be carried too far. The Board says that if it has to keep the books as required and to give the information asked for it would have to employ another clerk at £250 a year. I think this may perhaps be a slight exaggeration, but probably the Board's accountant has enough to do, and additional office help would be required. Supposing, however, that the Board would have to employ another accountant at £250 a year, then the salary of such an official would hardly be felt in the volume of the Board's income and expenditure, and I consider therefore that full and reasonable information should be supplied by the Board whenever it is asked for by the local authorities.

In my opinion no sufficient evidence was brought to show that the Board's system of book-keeping was defective, although I think that ledger accounts might be kept against each of the districts. There would thus be a permanent record. This, however, is a mere detail, and it in no way affects the real book-keeping system of the Board.