

LUGGATE-GLENDHU BLOCK.

This is marked on map as Block VIII, the total area being 32,500 acres. This land, generally speaking, is purely pastoral, and the soil of poor quality. About 2,900 acres is suitable for irrigation, and 600 acres of this area has already been irrigated.

HAWEA BLOCK.

This is shown on the map as Block IX, and the total area is 48,500 acres. It is situated around the Town of Newcastle. The area marked on map as being suitable for irrigation contains about 6,870 acres, the greater portion being the Hawea Flat, which possesses a rich soil, eminently suitable for high-class farming, and excellent results are already being obtained without the aid of irrigation, but this land would be rendered much more profitable if water was obtainable when required. The balance of the block is purely pastoral country.

TARRAS BLOCK.

This is marked on the plan as Block X, and the total area is 80,000 acres. It is situated between Sandy Point and the head of the Lindis Downs near Grumbling Gully, thence along the foothills of the Dunstan Range. There is about 25,740 acres fit for irrigation. If sufficient water for irrigation purposes could be provided it would materially assist settlement and assure the prosperity of a number of small grazing-runs when the country comes to be subdivided.

GIBBSTON BLOCK.

This area is shown on the map as Block XI, the total area being only 2,200 acres. It is situated about midway between Cromwell and Arrowtown. About 1,120 acres is fit for irrigation, of which some 200 acres has already been irrigated. The soil and contour of the ground are especially good, and the benefits of skilful irrigation are even now clearly demonstrated.

MANIOTOTO BLOCK.

This is shown on the plan as Block XII, the total area being no less than 170,100 acres. This plain extends from the Taieri Gorge at Linburn to Kyeburn. About 108,700 acres is situated on the south-west side of the railway-line, and of this area about 87,000 acres is fit for irrigation. Where under cultivation, the soil of the Maniototo Plains absorbs and responds readily to moisture, and when irrigated with discretion this large area is capable of being transformed into a highly fertile expanse, eminently adapted for grain-growing and the raising and fattening of stock. There is also an area of about 3,000 acres near Wedderburn where irrigation might be profitable.

Roughly speaking, the total area fit for irrigation, after deducting the land already irrigated, is 222,000 acres. The report thus shows conclusively that nearly a quarter of a million acres will be benefited by irrigation. On the attached map I have also shown by a firm red line the Otago Central Railway opened to Clyde, and by dotted red line its position when extended to the southern shore of Lake Hawea. The whole of the work done up to the present time is that of taking levels by the officers of the Public Works Department, and a report thereon will no doubt be presented with the Public Works annual report to Parliament. This, together with the very valuable report by Messrs. Bruce and Dobson, shows the work done up to date.

The question for your consideration is this: The carrying-out of the irrigation-works (if Government decides that they shall be carried out) must rest with the Public Works Department, who, I believe, have already secured the services of a competent engineer. I would therefore recommend that the appropriation in future for this work be entered on the Public Works appropriations, and the work placed entirely under the charge of the Public Works Department. A good portion of this land is more or less in private hands, and some portions of it are occupied by runs. Portions are National Endowment lands as follows: In Blocks II and III such portions of these blocks as are not private property are within the National Endowment area; also a small part of the southern portion of Block XII is National Endowment.

Therefore, with your approval, no portion of the funds intended to be appropriated for irrigation-works will be entered on this year's estimates of the Lands Department—that is, we practically close our account, so far as Central Otago irrigation is concerned, on the 31st March, 1909.

I notice on Cabinet minute the instruction "Circulate to Ministers." I propose, after you have considered my general report, to have the whole of it copied, and a copy supplied to each Minister.

There is also another Cabinet instruction to pay a bonus of £50 to Messrs. Bruce and Dobson. I presume the Agricultural Department will pay Mr. Bruce from its own funds, and also that the Public Works Department will pay the bonus to Mr. Dobson, as, if my suggestions are carried out, there will be no sum this year to the credit of irrigation-works, Central Otago, on the Lands Department estimates to which these two amounts could be charged.

WM. C. KENSINGTON, Under-Secretary.