xiii C.—1.

When the matter was discussed in Parliament, during the passage of the Bill it was thought that the reserves would benefit by the transfer. The past administration by the School Commissioners has, generally speaking, been excellent, and their services were given ungrudgingly and without remuneration; but the staff under the control of each Commissioner of Crown Lands will, it is felt, deal more effectively with these reserves, while the Land Boards will take the place of the Education Reserves Commissioners, and the Crown Lands Rangers will be available for furnishing reports when the leasing of any reserves is contemplated.

(D.) LAND-DRAINAGE WORKS.

A very special and interesting branch of the Lands Department, and which has come into existence within the last four years, is the Land-drainage Branch, under a separate Engineer, with Assistant Engineers, the two most prominent works being—(1) that of the drainage of the area bounded on the north by the Hauraki Gulf, and extending southwards towards Morrinsville, and intersected by the Piako and Waitoa Rivers in the Auckland Land District. This area, which is now known as the "Hauraki Plains," contains an area of about 90,000 acres, and is worked under a special Act of Parliament entitled the Hauraki Plains Act, 1908. The second work referred to is the drainage of an area of about 87,000 acres in the Bay of Plenty district known as the "Rangitaiki Drainage-area," and which is also worked under a special Act called the Rangitaiki Land Drainage Act, 1910.

(1.) Hauraki Plains Drainage-area.

In accordance with the statutory provisions of the Hauraki Plains Act, 1908, a special report will be laid before Parliament. It will therefore suffice to say that the drainage operations have been most energetically pushed forward under the direction of the Land-drainage Engineer (Mr. J. B. Thompson), who has with him a most efficient staff of assistants, overseers, and dredgemasters, and, roughly speaking, an average of 105 men employed on day-labour and 175 as contract labourers. The expenditure to date amounts to £66,011, while the moneys received from cash sales, rents, sale of cattle, &c., amounts to £7,676 10s. 9d. The cattle realized £1,627 7s. 4d. Against the expenditure of £66,011 referred to above, the capital value of the assets-that is, the value of the land actually reclaimed, and nearly all disposed of—amounts to £106,640, represented by 22,034 acres of land, all of which has been disposed of with the exception of 503 acres. These figures do not include an area of 69 acres occupied by reserves, representing a value of £1,425. Of the area disposed of, 19,336 acres has been selected on the occupation-with-right-of-purchase tenure, which means that after ten years from date of disposal the settlers can acquire the freehold of their lands, when the capital value of £92,455 will be paid to the credit of the Hauraki Plains Account. It is hoped to have an additional area of 6,800 acres opened during the ensuing spring and autumn, which will have a value of certainly not less than £27,200. If the lands already dealt with, plus the area to be opened next spring and autumn, and also plus area absorbed by canals, drains, stop-banks, roads, and reserves, be deducted from the 90,000 acres (being the whole of the area within the schedule to the Act), it leaves an area of about 60,000 acres for future reclamation and disposal; and if this is valued, when drained, even at the low price of £2 per acre, it amounts to £120,000, which, added to the sums £106,640 and £27,200 mentioned above, gives a total value of The Hauraki Plains Act, 1908, empowers the raising of £80,000 by the issue of debentures, but it is probable that Parliament will have to be asked to amend the Act in the direction of granting power to raise another £40,000 for the completion of the work.

(2.) Rangitaiki Drainage-area.

Following upon the Hauraki Plains Drainage-area, the Lands Department, in June, 1910, by Cabinet direction, took over the drainage of 87,000 acres in the Bay of Plenty district, known as the "Rangitaiki Drainage-area." The Drainage Board having exhausted its funds, and having still left untouched the real drainage problems—viz., (1) the cutting of a new outlet for the Rangitaiki River straight out to sea, so as to reduce the water-level some 6 ft. or 7 ft., and thus enable the drains to act, and (2) to deal with the problem of the silting-up of the bed of the Tarawera River, which at times causes the river to overflow its banks and submerge the adjoining country—it was decided, after a careful personal examination by myself (acting under your direction) of the several affected areas, that Parliament should be asked to pass a special Drainage Act embodying the necessary powers for raising a loan, and generally to deal with the drainage question by obtaining definite legal powers. This statute duly passed Parliament in October last, and the next step was to obtain the necessary levels