

ARTESIAN BORES.

Three bores were sunk during the year. The total number of artesian bores put down to date is 219. The cost of the year's operations was £64 14s. 4d., making a total to date of £7,185 6s. 8d., nearly the whole of which is recoverable. The sum of £829 was received during the year. A schedule of the bores sunk is attached hereto.

SURVEYS AND CLASSIFICATION OF SOILS.

A very complete survey of an area of approximately 35,000 acres lying to the east of the Piako and Waitoa Rivers, and including a portion of the Awaitei basin, has been undertaken to define the topography and formation, physical characteristics, and extent of soils. Levels and soundings to determine the peat depths are being taken systematically over the whole area, and methods of reclamations adapted to the physical and economic possibilities of the land can be devised from the information obtained.

The classification of soils in this area is incomplete, but the indications are that, owing to the subsidence which will take place after drainage, roughly three-fourths of the area will be more suitable for flax-production than pasture.

Similar work is being carried out on the area between the Piako River and the hills forming the western boundary of the plains. One hundred and forty-two miles of levelling were carried out, and over one thousand one hundred soundings taken and samples of soils obtained at various depths up to 30 ft.

Other engineering surveys required seventeen miles of traverse and thirty-eight miles of levels.

FUTURE PROPOSALS.

Piako and Waitoa river-improvement works; continuation of Awaitei and Waitakaruru-Maukoro Canals; widening Puhanga Canal; reclamation and roading of lands in the Awaitei district; development and roading of peat lands at Waitakaruru and Torehape.

WORKS EXPENDITURE.

The total expenditure for the year was £91,979. Of this amount the sum of £46,996 was paid out of Thames Imprest Account, day labour (including wages of dredge crews) amounting to £37,464, piecework contracts to £15,649, and hire of teams £1,992.

VALUATIONS.

The expectation of opening up new areas within the year was not realized. After going exhaustively into the question it was decided that it would be preferable to delay opening the proposed areas pending further consolidation. These lands comprise deep peat-country on which time is an essential factor in bringing them into a state of production.

The process of consolidation will be assisted in every way, and the lands made available for selection as soon as conditions permit.

The total area handed over (including permanent reserves) is 43,895 acres.

FLAX LEASES.

As mentioned previously, a considerable area of the remaining lands will be more suitable for flax-culture than for general-farming purposes, and it is intended to develop these lands accordingly. Under the existing legislation flax leases may be granted for a term not longer than ten years, but it is hoped that in the near future a more secure tenure will be made possible by amending legislation. Under this security of tenure it is hoped that flax will be planted, cultivated, and cared for like any other crop from which a revenue is expected. I am optimistic enough to imagine that, in the not-far-distant future, instead of being considered a temporary or catch-crop as it is to-day, flax will be farmed in the true sense of the word, and will become one of our permanent and thriving industries.

No areas were opened during the year. The sum of £67 14s. 9d. was received during the period.

GRAZING-AREAS.

The total area under lease is 4,847 acres, divided into seven holdings. The annual rent is £230, and the revenue received for the year amounted to £193 17s. 7d.

GENERAL.

Able and effective work has been carried out by the Kerepeehi office staff, which has been busily engaged preparing plans and specifications, wages-sheets, attending to correspondence, stores, and general office-work. A very considerable amount of construction and repair work has been carried out at the local workshops. All routine work in connection with wages and claims is done in the Kerepeehi office, and the final approval of all vouchers is given in the controlling office in Auckland, where the necessary financial books are kept. The work entailed in checking and passing wages vouchers and claims for supplies, &c., is very arduous, and calls for a great degree of skill and attention in the officers responsible. Payment of wages alone on works of this size is an operation of some magnitude and usually covers a period of from three to four days each month. The possibilities of fraud in bogus wages payments are always kept in view and periodic checks made by an independent officer. Occasional checks are also made of the stocks of benzine, kerosene, and stores generally. A complete stock-taking of all machinery and tools is made every year; the total amount on charge is in the vicinity of £70,000, and the separate items run into thousands.

The officer in charge is Mr. E. Taylor, M.N.Z.Soc.C.E., to whom the greatest credit is due for the energy he has displayed and the able and efficient manner in which he has controlled the operations.

I have, &c.,

O. N. CAMPBELL,

Chief Drainage Engineer.

The Under-Secretary for Lands, Wellington.