

balance of the grant sanctioned, if judiciously expended in metalling a few chains of the formation in different places where it goes over very soft ground, and in forming a few chains of the road along the purchased land between Okuku Saddle and the Ashley River, will open the whole of the road for dray-traffic, a distance of 24 miles, and allow fencing and other material to be carted into the Upper Waipara and Okuku Valleys and into the back Ashley country, which had previously only been accessible for pack-horses. A large extent of pastoral country is opened up by this road, but, being part of the block set apart for the Midland Railway Company, I suppose that the Government will not sanction any further expenditure on it, and I have accordingly advised the Road Board to expend the balance of the grant in making the road passable for dray-traffic down to the Ashley River.

Glentui Forest Road (2½ miles).—This road, made on the recommendation of the local authorities to open up the Glentui Forest and the Crown lands beyond the present freeholders, has been formed, and culverts and small bridges erected, at a cost of £852 5s. 9d: of this £500 was contributed by the Government, as noted in the last yearly report. A further sum of £100 was authorised on the 11th July, 1887, to be spent in metalling a portion of the road: of this £93 5s. 6d. has been spent, though only £80 has yet been passed; a voucher for the balance will be forwarded. Since then £150 more has been sanctioned for the further improvement of the road, and specifications have been prepared by the engineer to the Ashley Road Board, which I have approved of, providing for an extra coating of 5 yards to the chain of metal to be placed on the road up to the site of the present saw-mill. Some very bad slips have taken place on the sidings beyond the mill. These it is proposed to remove, and to cut the road at least 12ft. into the solid. It is also proposed to cut the road down into the creek at the end of the present formation, to make a good permanent ford, and a cutting out of the creek up the terrace on to the flat beyond it. This is as far as the money will probably go. As this takes the road about a quarter of a mile on to the Crown lands which are now hypothecated to the Midland Railway Company, I apprehend that no further Government grant will be made in aid of this road.

Roads on Reserve 1,263 (village settlement at Pig-hunting Creek).—The road through Mr. Russell's land, to give access to the sections fronting on Pig-hunting Creek, has been opened out by the Levels Road Board, at an expenditure of £103 3s., of which £82 13s. 4d. is to be contributed by the Government. A further grant of £50 was sanctioned to open the road from the previously-formed road in the settlement up to the top of the hill, so as to give an outlet for the settlers who took up their selections in this part of the reserve. I am without any advice from the Levels Road Board as to whether this work is yet completed. It is probable that the death of the late Chairman of the Board, Mr. W. Moody, has delayed matters. I will, however, take steps to get the work carried out if not already done.

Waihao-Hakateramea Road.—This road was undertaken on the recommendation of the Waimate County Council, who undertook to pay half the cost thereof. Only £129 13s. 11d. has been passed for payment this year, which sum was spent in completing about a mile of formation in the Pentland Hills Road, near its junction with the Skevington Road. This amount, with the £1,598 2s. 2d. previously expended, makes the total expenditure to date £1,727 16s. 1d., of which one half—£863 18s.—has been paid by the Government. This has opened about 3 miles of the Pentland Hills Road and 3 miles of the Skevington Road, 13 miles of the former from Waihao Forks, and 6½ miles of the latter from its junction with the main road on the Waihaorunga Estate having been previously constructed by the County Council. There are still about 1½ miles of the Skevington Road to complete it to its junction with the Pentland Hills Road, and about 3¾ miles of the latter road to form until it reaches the unsold Crown land between the head of the Waihao River and the Hakateramea Valley; but the country, as I stated in my report of the 14th June last, is, in my opinion, only suitable for pastoral purposes, for subdividing into small area runs.

JOHN H. BAKER, Chief Surveyor.

OTAGO.

THE Engineer of the Lake County reports that the improvements on the track to Martin's Bay, *via* Greenstone, are now completed, the total length formed being 32 miles 47 chains, of which 6 miles 60 chains have been done this season. Although there is now a fair means of access to the Hollyford Valley and Martin's Bay District, it is seldom taken advantage of. Since the completion of the track, one mob of about sixteen head of cattle has been brought over, and a few pedestrians have used the track. Of the £750 voted for this work an unexpended balance of £60 10s. 10d. remains. There are now only about seven souls in Martin's Bay Settlement, but as all the vacant land there has lately been reduced to 10s. per acre, possibly some of it may shortly be taken up.

Sutherland's contract for cutting track from the head of Milford Sound to Sutherland Falls is progressing fairly. The "Stella" brought me a letter from Sutherland dated the 15th June, in which he says he expects to finish in August. Captain Fairchild also informed me that what he saw of the track was very well cut indeed.

As regards the Western Lakes and Sounds, I would strongly recommend that any expenditure in connection with them should be in the direction of opening them up for tourist-traffic. Seeing that for magnificence of scenery they surpass anything else of the kind in the known world, I do not see why the stream of tourists visiting our shores should not be considerably augmented. In this connection I have just received reliable information that a chain of lakes extends almost all the way from George Sound to the north-west arm of the Middle Fiord of the Te Anau Lake, and I have great hopes that a passable track will be formed during the coming summer.

Road through Block XIV., Lower Wanaka.—There has been 1 mile 59 chains formed, culverted, and catch-water drains made, under the supervision of Mr. Black, County Engineer, and 2,407 acres of surveyed and 5,200 acres of unsurveyed land benefited by it.