charges, wages, supplies, repairs, &c., and is very satisfactory. The following table shows the total amount excavated, and cost per cubic yard, for the past five years :-

			Cubic Yards.	Cos: per Cubic Yard.
1913-14	 	 	 272,370	3.07d.
1914-15	 	 	 268,760	3.48d.
1915–16	 	 •• ,	 224,740	4∙54d.
1916-17	 • •	 	 261,751	4.36d.
1917 - 18	 	 	 320.614	3.72d.

HAMMOND DREDGE.

The Hammond dredge was laid up for repairs during the last six months of the year—this being a much longer time than was anticipated—chiefly owing to the scarcity of material required. dredge is now in commission again, and is at present engaged in deepening and widening old cuts from the flax-mill up-stream. During the period the dredge has excavated a total of 33,562 cubic yards of spoil, at a total cost of £1,590 7s. 11d. This cost is very high, owing in a great measure to the enforced idleness of the dredge for six months. While the dredge was under repair the men were engaged in drainage operations in the neighbourhood.

The actual cost of dredging done by Hammond dredge amounted to 11·36d. per cubic yard. The total amount mentioned includes repairs, replacements, supplies, and wages; but when the men were not at work on dredge they were engaged in manual labour in the locality, the cost of miscellaneous services amounting to £722 17s. 2d.

PRIESTMAN DREDGE No. 3.

This dredge has done very good work during the year, completing the Kopeopeo outfall as far as the Rangitaiki drain, a distance approximately 140 chains, and also starting on the new Kopeopeo outfall deviation from the big lagoon in Section 62, down the Orini Stream, through the Orini banks towards the Rangitaiki outlet, and thence to the sea. Very good progress indeed has been made on this work, and three or four months should see this outlet finished. During November and December, 1917, good dredging country was met with, the dredge doing over a mile in two months. During September, 1917, a dam had to be constructed at the entrance to the big lagoon to enable the dredgepontoon to keep afloat, and the spillway lower down the cut was taken out. During the period the dredge excavated a total of 136,202 cubic yards of spoil, at a total cost of £1,608 8s. 8d.

PRIESTMAN DREDGE No. 4.

The dredge completed the Tarawera outlet early in the year, and this outlet is now running well and drawing well up the river, enabling the scows to navigate the Tarawera as far as the Awaiti Stream; on two occasions coal has been delivered by this means of transit, which cheapens the cost of delivery considerably, the scows taking flax-fibre as outward cargo. The outlet has lowered the water in the various streams fully 2 ft. 6 in., and brought into profitable use land which was formerly The drain up through Section 108 to the boundary of Section 110 was then taken in water-logged. hand, and for the greater portion of the drain good progress was made. Towards the end the ground slipped considerably, but the cut was completed, and the surrounding country obtained immediate relief, and is now fairly dry. From there the dredge proceeded up the Awaiti Stream to the Omeheu cut, and is now engaged in that cut, and making very good progress. Previous to going up the Omeheu the dredge went a short distance up the Awaiti-Paku Stream in order to create a settlingbed for the large amount of silt, &c., coming down the Awaiti-Paku Stream from the Awaiti Road During the period the dredge has shifted a total of 150,850 cubic yards of spoil, at a total cost of £1,775 1s. 10d.

MAIN OUTLET DRAINS.

During the period seven miles of new main drains, two miles of new road drains, thirty miles of cleaning, widening, and deepening, four miles and a half of dredging, and three miles and a half of snagging on the Rangitaiki River have been carried out. A drain commencing at the Kopeopeo cut, and running in a southerly direction for nearly two miles and a half, has been cut. The drain will eventually be a dredge-cut, and will supersede the Rangitaiki drain, which is now running through high country. Another very useful drain cut is one in a westerly direction from Mount Edgecumbe catchwater. This cuts off a considerable quantity of water which formerly ran down between the Tarawera and Rangitaiki Rivers, but is now diverted into the Rangitaiki at the upper end of the swamp. These two drains were cut by contract. Another new drain cut was one from the Tarawera River in a southerly and westerly direction for a distance of about 180 chains.

Roads.

Early in the year the formation of Gow's Road was completed, and about ten months later a certain amount of maintenance was carried out on it. The Rangitaiki River East Bank Road from Section 86 southwards has now been attended to, drains being constructed on either side of the road, and the spoil excavated being scooped into the centre of formation. Arrangements have now been made between the Whakatane County Council and the owners of the land to be taken for this road between Section 84 and the south-western boundary of Section 86; and on completion of this portion, which should be early next year, there will be a good road up the east bank of the Rangitaiki River from Thornton to Te Teko. During the latter portion of the year the road down the western drain was constructed from the southern boundary of Section 84 to the northern boundary of Section 78,