SURVEYS.

Engineering surveys carried out during the year involved 19 miles of traverse and 84 miles of levels. Full use was made of the opportunities afforded for gauging flood-flow and collecting and

recording hydraulic data.

The survey commenced last year for the purpose of determining the topography, soil-characteristics, and possibilities for reclamation of an area of about 35,000 acres was continued this summer, and is nearing completion. The general work consisted of running base-line levels and lines of levels 40 chains apart across the area from east to west, and determining depth of peat and subsoil conditions by borings at 10-chain intervals along these lines: 151 miles of levels, 1,420 borings, varying in depth to 30 ft., have been completed to the present time, and 30 miles of levels and 536 borings carried out during the year.

FLAX LEASES.

During the year an area of 897 acres was opened up for flax-culture. This is in the nature of an experiment, which will be watched with the keenest interest, and I am hopeful that the results of the flax-cultivation will come up to expectations. The flax revenue received during the year amounted to £239 7s. 9d.

VALUATIONS.

As stated in last year's report, it was decided to delay opening further areas until the land had time to properly consolidate. As a consequence no land was opened during the year. The total area handed over (including permanent reserves) is 43,904 acres.

ARTESIAN BORES.

No bores were put down during the year. The number sunk to date is 219, the total cost being £7,185 6s. 8d., most of which is recoverable. Interest at 5 per cent. is charged on all amounts outstanding, and the total receipts for the year were—Principal, £340 6s. 4d.; interest, £116 9s. 7d.

GRAZING-AREAS.

The total area under temporary grazing tenancy is 5,437 acres, divided into five holdings, the annual rent amounting to £242 18s. The sum of £211 18s. 4d. was received during the year.

WORKS EXPENDITURE.

The total expenditure for the year was £78,917. Of this amount, £46,163 was paid out of Thames Imprest Account. Day labour (including dredge crews) amounted to £38,817, piecework contracts £13,013, and hire of teams £1,453.

FUTURE PROPOSALS.

The works at present in hand will be continued. They are principally Piako River improvements and stop-banks, Awaiti Canal construction, Waitoa River improvements, and also roading and subsidiary drainage.

GENERAL.

The field and office staff, with headquarters at Kerepeehi, is charged with the designing, computations, draughting, and surveying necessary for the execution of the field-work, also the payment of wages, preparation of specifications, contract vouchers, wages-sheets, and general office-work. I desire to express my appreciation of the manner in which employees in all branches have co-operated in carrying out the undertakings of the Department. The Engineer in charge is Mr. E. Taylor, M.N.Z.Soc.C.E.

I have, &c.,

O. N. CAMPBELL, Chief Drainage Engineer.

The Under-Secretary for Lands, Wellington.