

*Crown Lands.*—Practically all the remaining Crown land in the area was recently leased in areas of about 100 acres for flax-growing purposes. The lessees pay rentals on a sliding scale, and are required to plant flax on areas where the same is not growing. Some of the lessees have already commenced clearing and rolling their areas, and this experiment of farming flax in small areas will be watched with interest. On the larger areas leased during previous years the flax has in some cases not developed so rapidly as was expected. Where the rolling of the peat has been carried out the flax, however, appears to be growing more satisfactorily.

*Fires.*—Several fires occurred on the area, destroying temporarily the growing flax, but fortunately they were suppressed before serious damage occurred. Concerted action, as well as control over the lighting of fires, is necessary on these flax areas, and it appears that the extension of the principle of the constitution of fire districts to flax-bearing and adjacent lands is an essential to the success of this industry.

*Buildings.*—These consist of an office, store-shed, and workshop, two cottages, and one hut. Of these the two cottages and the store-shed and workshop are leased, as they are now not required, owing to the works nearing completion.

*Future Works.*—Apart from the proposed dredging of the upper Kaikokopu, work will be confined to the deepening of several hand drains, and the maintenance of all works.

*Works Expenditure.*—The total expenditure during the period under review was £2,085 2s. 5d., day labour accounting for £1,167 13s. 1d. and piecework contracts £478 12s. 10d.

#### POUKAWA DRAINAGE AREA (13,567 ACRES), HAWKE'S BAY COUNTY.

As outlined in report for the preceding year, alternative schemes of drainage have been drawn up, one being a larger scheme to completely drain the swamp for dairying, and the second a smaller one to develop the area as a flax-growing proposition. It has been decided to adopt the latter, and a commencement will be made with the work when opportunity offers.

The expenditure during the year was £239 7s. 1d., which included cost of conveying dredging plant from Waihi drainage-works to Auckland for future removal to Poukawa.

I have, &c.,

R. G. MACMORRAN, Chief Drainage Engineer.

The Under-Secretary for Lands, Wellington.