During the year a cheese-factory was started at Turua, and is supplied by several settlers on the Turua Estate. At the present moment there is talk of a cheese-factory being erected at Kopuarahi and Ngatea respectively, and if the price for this product maintains its present figure there is nothing surer than that other localities will follow the lead that has been given.

The fattening of cattle is now followed on more sections than was formerly the case, due primarily to the fact that several settlers who were milking have sold out, being replaced by others who consider that grazing is quite satisfactory.

During last April and May there was quite a boom in these lands, several changing hands at between £30 and £45 per acre. This rise in values is phenomenal when it is considered that the same land in many cases, when thrown open in 1910, was valued at $\pounds 5$ per acre.

PRIESTMAN DREDGERS.

During the year both dredgers have been employed on various works between Kerepeehi and the Patetonga Landing.

The total amount of spoil dredged and deposited on the adjacent banks was 146,905 cubic yards, which work cost £2,048 13s., this giving an average cost of 3.35d. per cubic yard. Th cost includes all charges that can be debited against the work—wages, supplies, repairs, &c.-This but not depreciation.

During the latter part of 1915 No. 1 dredger was completely dismantled and overhauled, numerous parts being replaced, and now this dredger is in first-class order.

No. 2 dredger had to assist in the dismantling and also the re-erection, and consequently the costs of dredging for both were this year higher than last, although whilst actually working the costs were still about the same.

(2.) Improvement of Patetonga Landing Approach.

(3.) Commencement of Mangawhero Canal.
(4.) Continuation of Awaiti Canal.

(5.) Deepening the Puhanga Canal.

All these works are treated separately under their respective headings.

No. 1 dredger excavated for the year 73,730 cubic yards, at a total cost of £1,138 17s. 7d., thus averaging 3 57d. per cubic yard; whilst No. 2 dredger excavated 73,175 cubic yards, at a cost of £909 15s. 5d., averaging 2 98d. per cubic yard. The costs are higher than during the previous year owing to the overhauls and replacements, and also to the necessity for employing an extra man at intervals on each dredger to punt coal.

As in the past, the dredgemasters have carried out their duties in a most satisfactory manner, and it is to their credit that this work has been carried out so successfully.

NGARUA CANAL.

This work, which was commenced in May, 1914, has been completed. The canal leaves the Piako River about midway between the Waikaka and Puhanga Canals, and runs practically due west for just over two miles. This is as far as the dredger could be worked, owing to the sudden rise in the country.

Throughout this distance the spoil has been deposited on the northern bank so as to form a foad, which can easily be done for a very small expenditure.

At the Ngarua Lakes, which are situated near the western end of the canal, a small cut was run for about 15 chains in order to improve the old creek, which is the outlet for a large area of swamp country. In places very heavy timber was experienced, whilst in other places the country was extremely hard. Nevertheless the work was carried on at a satisfactory rate, and will provide the most important outlet between the Piako River and the swamp areas to the west. This canal is navigable for launches at high water, and consequently will in the future provide the settlers in the locality with a cheap and efficient service.

The question of completing canal road will receive attention during the coming year. This work was carried out partly by special grant.

PATETONGA LANDING.

For about two weeks No. 1 dredger was employed in dredging spoil out of the cut at the above landing, and depositing it on the approach to the wharf. When the cut was first dredged this was impossible owing to the danger of slips, but with a year's drying and subsidence that danger has abated. Formerly there was insufficient spoil for an approach, but now the approach has been widened out for the greater part of the distance.

MANGAWHERO CANAL.

This canal was commenced in March, 1916, and is intended as an outlet for both drainage and road purposes.

At the present time the Mangawhero Creek meanders over the flats in the vicinity, and it is impossible to maintain it so that the creek-waters can be discharged rapidly. Consequently this canal was laid off, and will shorten the channel materially, as the old course has been abandoned for some distance.

The spoil has been deposited on the southern side and will enable a road to be formed later. This road will give access to a large area of first-class peat swamp, and will eventually connect up with the road system on the western foothills.