

obligation (other than payment of rent) under this class of holding. The Rangers visited fifty-three selections, on which improvements to the value of £1,120 should have been effected, and it was found that the improvements actually made are worth £3,700. In addition to this, although, as stated, residence is not compulsory, there were thirty-seven selectors who had made their homes on or adjoining their Hauraki pastoral-lease holdings. The area covered by these leases is, as a rule, rough broken fern and bush country suitable for grazing. In the localities over which this tenure may be exercised, there are two distinct classes of settlers. In the north the lessees are farmers making their living off the land; in the south they are mostly business people, contractors, &c., who employ labour on their holdings.

MINING DISTRICTS LAND OCCUPATION ACT.

The main difference between selections under this tenure and that of Hauraki pastoral lease is that, whereas improvements are required under the latter, residence only is the feature of the mining-districts-land-occupation holdings (also, holdings are limited to 100 acres in the latter case, 1,000 acres being the maximum in the former). There were seventy-two inspections made, covering an area of 4,620 acres. Of these, forty-two selectors were residing, and they had carried out improvement-works to an estimated value of £5,076. This tenure is not producing such energetic settlers as the Hauraki pastoral leases, for the lessees do not depend on their areas for a living, and are consequently more careless as to their condition and development. A number of areas are held as adjuncts to other holdings: this is particularly the case in proximity to goldfield towns, where a few acres are of great use to residents.

TIMBER.

Four parties, comprising ten men, have been busily engaged measuring timber to meet the requirements of applicants. Since last report 55,614,536 ft. of various kinds of timber have been disposed of by public tender, the value of which is £44,875, and revenue received during the same period amounted to £41,604, as against £34,629 for the previous year, being an increase of £6,975.

Timber-floating Licenses.—Forty-six new licenses were issued, and thirty-three renewals were granted during the year.

Bush-fires.—Every known precaution has been taken to preserve Crown and State forests from the ravages of fires. Four caretakers are employed, two full and two half time. The late fires extended over wide areas, and a great deal of damage to private property resulted. Fortunately, Crown forests largely escaped, with the exception of the scorching of some trees in Kauri Park and a small scenic reserve at Herekino, also some mixed timber standing on worked-out kauri areas.

FLAX INDUSTRY.

During the early part of the past year operations in the above industry were exceptionally active, owing to the then ruling high market prices obtained for fibre. In consequence thereof a large number of applications for flax cutting and cultivating areas were received and dealt with by this office, resulting in keen competition and record royalties being obtained for green flax, the gross royalty amounting to £1,627 17s. 3d. Amongst the more important areas dealt with was the lease for fourteen years of the flax area situated on the west coast south of Kawhia in the Whareorino Survey District, the amount realising in the aggregate for royalties and rent about £4,500. During the latter part of the year several applications for flax were withdrawn owing to the lesser demand and present values for fibre, but inquiries are still being made regarding areas suitable for flax planting and cultivation. Considerable quantities of green flax have been destroyed in different parts of the district by the recent fires.

FIRES.

Towards the end of the year the district was overrun with fires. As soon as it became known to the Government how extensive the fires had been, prompt instructions were received to render assistance to those who were financially embarrassed, repayment being made by promissory notes extending over several years as the circumstance of individual cases demanded.

In this district the services of Rangers and surveyors were requisitioned to make inquiries with a view to supplying those in need with grass-seed to resow the grassed areas that had been destroyed. I personally visited the locality where the most extensive fires took place, and since my return to Auckland have with my staff of Inspectors been kept continuously busy in making outside inspections and in examining the applications for seed, ordering, supervising, and despatching the required quantities as soon as the applications were approved. In all 296 applications were received. Of these 197 were approved, and seed was supplied to the value of £7,913 on the Government conditions of repayment. Although the loss sustained by many settlers has been very severe, there are many compensations, areas of fallen bush which selectors had for some seasons despaired of ever firing have been swept clear, and the ultimate result must be decidedly beneficial to those so situated. The assistance rendered by the Government to settlers who were quite incapable of financing the resowing of large areas will be most apparent next season, and, given favourable climatic conditions, and provided the settlers who were almost ruined can hold out, the season should result in prosperity to all concerned. In many cases worthless farms have suddenly been converted into profitable holdings, the carrying-capacity when regressed being often more than doubled, and I feel that a rough estimate of 30 per cent. is low in view of the increased carrying-capacity in the fire-swept districts, and a general ultimate increase in value of at least £1 per acre.

CORRESPONDENCE.

The Record Clerk reports that 32,480 letters and parcels and 2,168 telegrams were received, and 49,735 letters and parcels and 2,196 telegrams were despatched. These figures show a gross increase on last year's returns of 1,648.