

There are 379,000 acres of Crown lands yet to be disposed of in addition to the areas included in kauri-gum reserves. Besides the Crown lands there are 568,014 acres of Native lands, so that, taking the district as a whole, it offers good prospects of successful development and prosperous settlement.

Strong evidence of the confidence of the settlers of the northern districts in their lands is shown by the inauguration of the "good roads" movement. This was begun in the most northern county—Mangonui—where the Council has raised £54,000, while, coming south, the Whangaroa Council has raised £8,000, the Bay of Islands £68,000, Hokianga, £33,700, while Whangarei and Hobson Counties are also falling into line, and the movement has taken hold in the counties nearer Auckland; so that there is every prospect, within the next five years, of there being a good motoring highway extending from Auckland City to near the North Cape.

In regard to the kauri-gum lands, these consist of two main classes, the clay lands and the kauri peat swamp areas. The clay gum land areas have been in a measure exhausted as a gum-producing proposition, as far as the ordinary spade digging by the gum-diggers is concerned, and the gum these lands now contain can only be profitably recovered by the process of cultivating the lands by ploughing and harrowing. The kauri peat swamps, however, are of great value, and all the products contained therein can be turned to profitable account. First, the gum itself; next, the peat can be utilized for the production of oil; and, lastly, the buried timber can be utilized, the largest spars for fencing-posts and other uses, while the roots, knots, and resinous portions can be pulverized and the gum recovered. After all the valuable products have been secured these peat lands can be utilized for agricultural purposes, when they have become sweetened by exposure to the air, and treated with the proper manures. Within the past twelve months considerable activity has been shown in schemes for the exploitation of these kauri peat areas by private enterprise, and the value of these lands is becoming more appreciated. Several companies have been formed for the acquisition of areas, with the main object of producing the kauri chips, which during the past year have been in such keen demand and of such high quality.

In addition, there are considerable areas of mangrove-swamp lands in most of the northern districts. Large areas of these lands can be cheaply reclaimed, and in a few years could be made highly productive. In the many arms of Kaipara Harbour extending from Helensville to Dargaville, in the Bay of Islands County, in Hokianga, and in the Mangonui County, particularly surrounding Rangaunu Bay, there are vast areas of such lands, which could be brought into profitable use by a well-considered scheme of reclamation; and much of the land is only covered with a few inches of water at high tide, and it could be reclaimed by a low stop-bank. This is a question which is deserving of early consideration.

On the 1st April 1919, the number of ordinary Crown tenants on the books was 3,038. Since then, owing to the fact that nearly all available lands for disposal have been retained for discharged soldiers, the roll of ordinary tenants has not materially increased.

With the energies of the staff in so large a measure absorbed by the work of setting up the new district, and of dealing with the voluminous business in connection with the settlement of discharged soldiers under section 2 of the Discharged Soldiers Settlement Act, there has not been much opportunity for giving proper attention to the progress of ordinary civilian settlement.

*Transfers.*—Every meeting of the Board brings forth numerous applications by settlers to transfer their holdings, in many cases the amount of goodwill asked being very high, in consequence no doubt of the greatly enhanced land-values during recent years. Mindful of this fact, the Board used every endeavour during the past year to prevent the incoming man taking on a burden which he had not a good prospect of carrying successfully. Owing to the time of the Crown Lands Rangers being almost altogether occupied in making inspections of lands applied for by soldiers, in valuing and inspecting stock, or other inspections in connection with advances to soldiers, little attention has been given to the ordinary Rangers' work of making statutory reports on the ordinary settlers, and, with the exception of urgent inspections, this work has had to stand over. The Ranger staff has since been increased, and it is hoped that during the coming year more attention will be given to these matters. The general policy of the Board in regard to applications for the postponement and remission of rent and interest has been to consider every case on its merits. If it is found that the applicant has done his part and endeavoured to make good, the Board has always recommended the concession asked for; but if, on the other hand, it has been found that the settler has endeavoured to escape from his responsibilities, the Board has not made any recommendation. It has come to the knowledge of the Board that in one particular soldier settlement several of the selectors have actually the money in hand to pay their rent but have failed to do so, for what reasons it is hard to discern. In the particular case referred to there are indications that the settlers want to get all they can from the Government and do little or nothing in return. The Board has taken up the firm stand that where settlers are on good land under favourable conditions, and have failed to fulfil their obligations, they will be themselves responsible for any consequences which follow.

*Education Reserves.*—A remarkable increase in dealings with these reserves has been shown during the year. Indeed, trafficking had become so marked that the Board adopted the definite policy in every case of refusing consent to transfer where there appeared to be an undue element of speculation. There are many of these reserves in Auckland City, where there was considerable trafficking going on. The Board refused to transfer any of these areas to persons who already owned a house or a building-site. It has been found in many cases that the rental charged for these reserves has been much too low, and in one case of a renewal of lease the annual rental was raised from £7 to £73, and in another from £2 to £35. These reserves are a great trust and a valuable asset to the country, and every care is taken in administering them.

*Sand-dune Reclamation.*—Attention has been given to this work during the past year, and reclamation works were put in hand on the east coast between the Waipū and the Ruakaka Rivers,