

unfavourable conditions that have affected the farming community, the area selected having dropped from 84,426 acres, with an annual rental of £17,970, for the previous year, to 49,479 acres, at a rental of £10,370, for the year under review. All recent ballots have shown that would-be selectors are estimating their prospects from a more conservative and therefore safer and saner standpoint, and their prospects of success should be correspondingly sounder, while they are more likely to prove permanent holders than those to whom land-selection is largely a speculation. It is noticeable also that forfeitures and surrenders, which ordinarily might have been expected to increase under prevailing conditions, have actually fallen from 145, covering 39,957 acres, to 117, covering 23,538 acres; and, as a considerable number of these transactions frequently follow soon after selection, it appears to suggest that a sounder and more permanent form of selection is developing. The actual number of tenants at the close of the year was 4,985, occupying 1,255,549 acres, at a rental of £114,803 per annum.

*The Freehold Tenure.*—The area disposed of direct for cash during the year was only 278 acres, while that for the previous year was 1,115 acres. The actual price realized was, however, considerably greater. This is no doubt due, at least in part, to the application of the deferred-payment system to such sales, which has enabled selectors to purchase who would otherwise have been unable to do so. The conversions from existing leases to freehold title show the strongest evidence of the effect of the prevailing conditions, transactions under this head having dropped from 213 purchasers, of 61,613 acres, at price of £96,998, to 83 purchasers, of 14,560 acres, at a price of £23,646. Only one class of tenure, the Hauraki pastoral licenses, shows an increase of transactions under this heading for the year, all the others showing very substantial reductions.

Following on the requisition received from a large majority of the lessees in the Native Township of Taumarunui, asking that the Crown purchase from the Natives and give them the opportunity of acquiring the freehold, the necessary valuations have been made by the Valuation Department, and the petitioners have been notified of the prices fixed, so as to enable them to enter into definite agreements to purchase in the event of the Crown succeeding in acquiring from the Natives. A similar requisition has been received from lessees at Te Kuiti, and the work of valuation is in the hands of the Valuation Department, which is also engaged on valuations in the townships of Rotorua and Te Aroha for lessees who have applied to purchase.

*Revenue.*—In view of the existing conditions it is not surprising that the gross revenue (exclusive of principal and interest receipts Discharged Soldiers Settlement Account) for the year has fallen from £233,984 to £127,752, the greater portion of the falling-off arising from the restriction of conversions to freehold tenure. The arrears of rents at the close of the year amounted to £20,895, due by 783 tenants. The amount of rebates earned for prompt payment of rents fell from £1,955 to £3,830, while postponements granted rose from £3,581 to £10,607. The Land Board has recognized that under the abnormal conditions prevailing every possible reasonable consideration must be given to those who were endeavouring to maintain their footing, and its treatment of the tenants has, as far as possible, been conducted on these lines, the Board having every confidence that, with a return to more normal conditions, tenants will recognize that it is to their own interests to meet their obligations, and discharge their arrears as promptly as their improved circumstances will permit.

*The Education Endowment.*—The total area of the education endowment in the district is 72,754 acres, of which 40,261 acres are occupied by 222 tenants, at a rental of £3,577 per annum. The remaining portion of the endowment consists for the most part of lands which are not attractive to selectors under present market conditions.

*Lands for Future Selection.*—An area of 150,659 acres is at present lying open for immediate selection under various tenures. The lands remaining for future disposal have already been indicated as lying along the ranges which roughly form the eastern boundary of the King-country; in the Maramarua district; on the Hauraki Plains; in various parts of the Coromandel Peninsula; in the central pumice region; in the back country of the Bay of Plenty; and in the Urewera country. The successful completion of the principal negotiations with the Native owners in the Urewera has made it possible to commence actual survey work, which is now being actively prosecuted, so as to permit of the lands being placed on the market at the earliest possible date. The nature of the country will necessarily involve its subdivision into fair-sized areas for pastoral holdings, as well as the reservation for forestry and climatic purposes of considerable belts of country, mainly along the ridges, in order as far as possible to avoid the disastrous results that have in the past attended the indiscriminate clearing of bush on hill country of similar character. Of the other localities noted the opening-up of the eastern side of the King-country necessitates extensive exploration surveys. Much of this land also carries valuable forest, which will have to be dealt with before the land can be opened for settlement. The lands in the Maramarua district are generally of inferior quality, and not attractive to land-seekers under present conditions, and most of the remaining portions of the Hauraki Plains require extensive drainage operations to fit them for settlement. The lands on the Coromandel Peninsula are generally of rough and somewhat inferior quality. Owing to the necessary postponement of operations under what is popularly called the "homestead" system, none of the pumice areas have yet been placed on the market. The roading-works which the opening of many of these lands at present would involve cannot be put in hand under existing financial conditions.

*General.*—During the year the Land Board has sat on twenty-three days, the work of the Board consisting very largely of operations under the Discharged Soldiers Settlement Act. I record with very great regret the death of Mr. J. G. Rutherford, who had been a member of the Board for eight years, and whose extensive knowledge of the district and its conditions, as well as his sound judgment and sympathy with the *bona fide* settler, have been of very great assistance to the Board during a particularly strenuous and difficult period.