

transit facilities for getting same to the land at all times. Experiments made by this Department upon Birdwood Block, and by the Agricultural Department near Whangarei, go to show that it takes quite three years to establish a sole of grass, at an expenditure of £8 to £12 per acre at present prices of seeds, manure, &c., and that it is then necessary to expend from 12s. to £1 per acre per year for many years to maintain that sole of grass. At present this is prohibitive to the man of small or no means, and the man of means can better invest elsewhere. I do not therefore advocate putting these lands upon the market until the time arrives when the provisions of the above-quoted section can be put into operation.

Up to date an area of 5,495 acres of gum land has been selected by 147 selectors under section 20 of the Land Laws Amendment Act, 1912; while 265 gum-washing areas, totalling 5,109 acres, are held, the royalty from which for the year amounted to £1,412 3s. 3d.

General.—During the past season this branch sustained a severe loss by the death of my predecessor, who controlled it for the first five months—April to August—spending almost the last days of his life in an exhaustive review of the finding of the Inquiry Board, and leaving behind documents of the greatest assistance to this office. The next two months it was ably controlled by a Deputy and the senior officers. I was in charge for the last five months, during which period I managed to visit all the soldier special settlements except one, all the gumfields, and almost every corner of my district.

AUCKLAND.

(W. F. MARSH, Commissioner of Crown Lands.)

General.—The past year, although in some respects better than its predecessor, has not been such as to restore confidence to the farming community.

The dairying industry has suffered from the effects of an unusually wet winter, followed by a late cold spring, to which succeeded an early but short and very dry summer. The result was that dairy stock, which had come through the winter in poor condition, had barely reached their full capacity before the dry summer reduced the milk-yield, and although this has been followed by an early, warm, moist autumn, with abundant growth of feed, it has not counteracted the effect of the check experienced. The total result has been that the returns for the spring and summer were considerably below the average, and the improved autumn returns were hardly sufficient to restore the balance.

Sheep-farmers have had a fairly successful year, although the good prices obtained for sheep and wool were counterbalanced by a short supply of lambs for sale, and those who needed to stock were compelled to do so at high prices.

Producers of fat stock had a somewhat better year than the previous one, but ruling prices make this section of the industry unprofitable in relation to the value of the land required for the purpose. There appears to be a probability that home consumption will shortly overtake the supply of fat cattle, and that there will be a shortage in the near future. Store cattle are in short supply but are not in demand, and are generally only being kept for the purpose of keeping fern in check.

There is a fair demand for dairy stock, and recent clearing sales show good competition and satisfactory prices realized for tested herds as against lower values for cows of similar type that have not been tested. This indicates an increasing recognition of the value of testing as a means of getting rid of the "boarder," and suggests a hope that, in the absence of regulations on the subject, the natural operation of the law of supply and demand will bring about the extinction of that useless and deceptive animal.

The demand for land for farming purposes is very limited, owing probably to uncertainty as to the future of the farming industry, and the effect which the termination of the moratorium will have upon financial arrangements in regard thereto. A demand appears to be arising for land suitable for commercial afforestation, and the demand for town lands is good. Applications for approval of transfers are still coming before the Land Board in cases where the mortgagee has been compelled to take his property back in satisfaction of his mortgage, and probably does so in a depreciated condition owing to the place having been abandoned by the purchaser, or the latter having been unable, by reason of restricted finance, to work the holding properly.

Lands opened for Selection.—Only 4,281 acres of lands were opened for selection during the year, consisting principally of reofferings of lands previously opened. The disposal of the first portion of the Urewera lands is fixed for early in the coming year, an area of about 28,000 acres being gazetted for opening on the 28th April. This land is situated principally in the valleys of the Waimana River and its tributaries. The opening of other areas of available land has been held over by reason of the expenditure required to road most of the lands, which are not of good quality, and therefore not attractive, particularly in view of the limited demand now existing.

The total number of new tenants placed on the books during the year was 696, representing an area of 77,820 acres. Out of these numbers, however, only forty-eight selectors, and an area of 15,337 acres, could be described as settlement selections.

The Freehold Tenure.—During the year 11,078 acres were sold under freehold title to 143 purchasers, the bulk of this being by conversion from various tenures carrying the right of freehold. In addition, 236 lessees under different tenures commenced the purchase of the freehold of their holdings by deferred payments.

Lessees in the Native townships of Taumarunui and Te Kuiti continue to avail themselves freely of the right of acquiring the freehold of their sections from the Crown, following on the purchase by