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As a result of the long spell of dry weather good work has been effected in the bush country by burning fern and second growth, and resowing. In some localities bush-fires started and took control, and swept over large areas of drained swamp and grazing-country, and a number of the settlers suffered serious losses by the burning of their fences and pastures, and in a few cases there was even a loss of stock through the same cause. In really necessitous cases, where it was shown that the settler was not financially able to resow, special advances have been made for the purchase of grass-seed and manures, and in all thirty-four applications have been dealt with under this form of relief.

Flax-milling.—Flax-planting is now being carried out in several parts of the district, which, together with the draining of several good flax swamps, ought to have the effect of considerably

augmenting the output of hemp from this district.

Nine hundred and twenty-five acres of flax land on the Waihi Swamp, in the Tauranga County, were offered for selection, and taken up in July last. The area comprised nine separate holdings, opened on renewable lease for twenty-one years, with special conditions as to the area to be planted in flax each year, and to the proper cutting and maintenance of the crop. If in the course of time this experiment proves successful it may be possible to similarly open other small sections in low-lying localities where lack of outfall would otherwise prevent that full and efficient drainage so necessary

for ordinary farming purposes.

Special Settlement of Inferior Lands.—In pursuance of the powers conferred by section 223 of the Land Act, 1924, and its amendments, an area of 6,933 acres of pumice land was opened for selection in June last. The block is situated twelve miles from Rotorua, on the Te Atiamuri Road, and was subdivided some years ago for the special purpose mentioned, which carries with it the right to acquire, without charge, the freehold on fulfilment of certain specified improvement conditions. Seventeen sections were offered, and nine sections have been taken up. The selectors are all of a good type, and have sufficient capital behind them to enable them to make a start and carry on over the initial period of development with a reasonable chance of ultimate success, provided the results of the first few year's work proves that these particular areas are capable of being profitably farmed.

A block comprising 2,837 acres, subdivided into four sections, and situated in the Waitomo County, was also offered for selection under the same heading as the above lands; but little or no interest has

been shown in this area, and the sections still remain unselected.

Land opened for Selection.—During the year 108 holdings were opened for selection, comprising a total area of 33,722 acres, and though there is a demand for improved farms the lack of capital and the difficulty of raising the necessary finance prevents many would-be settlers from being in a position to take up the class of holdings available.

Conversions to Freehold.—These comprised a total area of 25,355 acres, made up of 162 holdings, of which 69 were sold for cash, the balance being disposed of on deferred-payment tenure. The

purchase price over the whole amounted to £47,605.

Land Board.—During the year twelve meetings were held, occupying forty-one days, and a total of 1,989 cases were dealt with, comprising applications for land, transfers of leases and licenses, applications for advances or relief under the Deteriorated Lands Act and the Discharged Soldiers Settlement Act, as well as a large number of miscellaneous items.

It is with great regret that I have this year to record the untimely death of Mr. John Bailey, who as a member of the Auckland Land Board for the last seven years rendered valuable service to the

Department and to the district.

Revenue.—The ordinary revenue for the year amounted to £117,824, showing a decrease over that of last year of £11,462. This decrease was expected as a result of the drastic reduction in rental values and remissions of rent eventuating from the decisions of the Deteriorated Lands Committee, and though the Department is the direct loser the country as a whole will be more than compensated by the renewal of confidence and the added encouragement given to continued effort and re-establishment of progress on our hill and bush lands.

GISBORNE.

(E. N. FARNIE, Commissioner of Crown Lands.)

General Conditions of Settlement.—Farmers of all classes in this district have had a most favourable year. The season commenced under favourable conditions, stock having wintered very well. There was an early spring, and dairy-farmers in particular enjoyed spring-like weather until about the middle of December. From then on a period of dry weather set in until the end of February, causing returns to decrease rapidly. The last few days of February brought great relief in the form of warm rain followed by warm sunshine. This resulted in an abnormal growth of feed. Spring-like weather continued up to the end of the year, and there is every prospect of dairy-farmers supplying more butterfat during the new few months than has been the case for years past.

As far as the sheep-farmers are concerned, the season has been a very good one, and all farmers should have done well. Wool-prices opened well and continued good all through the season. Better lambings were the general rule, and the percentage of fat lambs was very good. Lambs improved right along, and the year has been quite exceptional in that respect. Stock-prices also materially improved towards the end of the season, and they are now on the high side. A large number of sheep left the district, most of them going north. The number sent to Canterbury was not so high as usual.

As far as general farming is concerned, the season has been good. Maize crops were good, and prices firmed towards the end of the year, the average being 5s. 6d. to 5s. 9d. f.o.b., with crops averaging about 75 bushels to the acre. A storm, however, caused some damage, and a lot of the maize was under grade through lying on the ground. A very large area has been sown down in maize this season.