9 H.—22.

The foregoing table covers the big alluvial-gold art-unions for which licenses were issued up to the close of the 1931–32 financial year. Accounts were not rendered in the earlier art-unions on the basis of the gross proceeds from sale of tickets, but in all cases the commission allowed on sale of tickets was 20 per cent., with certain special discounts on the sale of full books, &c. The large number of applications for these alluvial-gold art-unions, nearly all from deserving objects, and the impossibility of issuing licenses for all of them, led to a review of the whole conditions under which these art-unions were run. The policy of grouping a number of objects with fixed allocations to each was adopted, and the conditions attached to the license were also revised. The new conditions first came into operation for No. 17 "Another Black Cat," the license for which was issued on the 24th May, 1932. The new conditions reduced the commission payable to 15 per cent., and set limits to the advertising and other expenses.

Comparison of the results of the first art-union under the new conditions, and of the results of the average of the four immediate preceding art-unions, is informative. The figures are as follows:—

_	Art-union No. and Name.			Gross Proceeds.		Commission.		Other Expenses.		Prizes.	Profit.		Government Tax.			Net Profit to Objects.	
	3, 14, 15, 16, average of 7. Another Black Cat		£ 34,556 28,967		£ 06,901 04,345	2	d. £ 67,584 63,638		0		16,070		3,466	19	1. 0 12,603 0 14,087		6

It will be seen that, although the gross proceeds averaged by the immediate preceding four art-unions, were £5,588 17s. more than those of No. 17, "Another Black Cat," the net profit accruing to the beneficiaries in the latter case was £1,483 2s. 8d. in excess of the average of those first mentioned, which is accounted for by a considerable reduction in the cost of running the art-unions from an average of £14,485 10s. 6d. to £7,983 14s. 10d. The Government tax is 10 per cent. of the nominal value of all tickets represented in each drawing, and, with a substantial decrease in the gross proceeds, the tax in the case of No. 17 is £570 4s. less than that averaged in the four preceding art-unions.

## DEER.

The problem of dealing with the deer menace, and the methods to be pursued, has been discussed in previous reports. It was realized that the rougher and inaccessible areas from which the great distributing groups of deer keep up the supply must be given special attention, and that this was practicable only by means of properly organized parties operating systematically with "drives," &c., under close control and supervision.

At the close of the financial year ended 31st March, 1931, the Department's field organization was in the middle of its first season's deer-destruction operations in the Otago (Hunter Valley), Waitaki (Morven Hills, and Hopkins and Dobson Valleys), North Canterbury and Ashburton (Rakaia Valley) Acclimatization Districts. These operations were terminated between the end of May and the middle of July by which time a total of 8,988 deer had been killed; 5,380 skins being recovered.

Except in the Waikaremoana area, referred to later, activities were suspended until the beginning of November. A comprehensive campaign was then embarked upon in the Nelson and Marlborough Districts with a view to finally getting the deer herds there under control and the infestation reduced to a degree where runholders and commercial hunters could deal with the position. As a result of a reconnaissance made, it was possible to formulate a scheme whereby scattered parties could so co-ordinate their operations that a systematic sweeping movement was possible.

Having established that one of the main strongholds of the deer was in the country lying to the south of the Blenheim-Murchison Road, operations were launched simultaneously in (1) the valley of the Leatham River, (2) the Upper Wairau Valley (above Tophouse), (3) the valleys of the Sabine and D'Urville Rivers (at the south end of Lake Rotoroa), and (4) the Upper Matakitaki Valley (south of Murchison). These parties, keeping contact and working together, and following the evident recent movement of the deer south and west, pushed steadily forward in that direction "cleaning up" as they went.

Those on the Marlborough side pushed on via Rainbow Reserve, Tarndale, the Saxton, Severn, and Acheron Valleys, Molesworth, Lake Tennyson, and headwaters of the Clarence and Waiau Rivers to the Ada and St. James Stations, coming out at Hanmer Springs at the end of May.

Those on the Nelson side, after dealing with the country to the south of Lake Rotoroa, were moved into the valley of the Glen Roy River, and thence to Maruia Springs in the Upper Maruia Valley. Joining in the general movement, they worked all the country towards the south, crossing the Spenser Range via the Lewis, Henry, and Ada Passes, and progressing via the Henry, Ada, Lewis Boyle, Hope, and Waiau Valleys, finishing at Hanmer also.

Another party meantime worked continuously for six months in the great valley of the Matakitaki River which rises in the Faerie Queene Mountain, penetrated the Spenser Range, and made contact in the Waiau Valley with those starting from the Nelson side.

It was originally intended to confine the season's operations to the Nelson-Marlborough area, but as the result of representations and appeals for assistance made by the runholders in the Makarora Valley (at the head of Lake Wanaka) a party of six men commenced operations there on the 23rd January. Owing to starting so late in the season, it was necessary to commence in the upper reaches (above Haast Pass) and work down the valley.