

REPORT.

REVIEW OF PAST YEAR.

CLIMATIC conditions during the past year were of such a nature as to cause those engaged in agricultural and pastoral pursuits to experience a period of difficulty and anxiety. In the far South a long and severe winter, with heavy falls of snow, caused considerable sheep losses, while the whole Dominion, with the exception of Westland and certain parts of the Auckland Province, was affected by drought conditions caused by an exceptionally hot and dry period in the early and middle summer. Fortunately, in most districts the dry spell terminated in the early autumn and the copious rains which then fell assured an abundance of winter feed.

The effect of the unusually dry summer was particularly felt by the dairy-farmers, and those engaged in this class of farming were, unfortunately, again required to accept for their produce prices which, although showing a slight improvement over those for the previous year, were considerably below the level required to enable them to satisfactorily fulfil their obligations. When it is remembered that approximately 30 per cent. of the total number of dairy-farmers in the Dominion are either tenants or mortgagors of the Department, the extent to which the activities and returns of the Department are affected by the continued low prices for dairy-produce will be realized. It is pleasing to be able to state, however, that, despite the difficulties of the dairy-farmer, the departmental receipts have shown a substantial improvement on those of the previous year, and it can, in fact, be asserted that a reasonable increase in the price of butterfat would go a long way towards placing the majority of the Crown tenants in the position of being able to meet the whole of their obligations in so far as the Department is concerned.

A pleasing feature of the past year has been the satisfactory prices received for stock. The fat lamb market has been quite good, and this fact has caused the prices of store sheep, particularly breeding-ewes, to remain at a satisfactory level. The prices for wool, unfortunately, showed a decided drop on those of the previous year. There was, however, a definitely hardening tendency towards the end of the season and, on the whole, the prospects of the sheep-farmer can be regarded as favourable.

The Department has continued to accord sympathetic treatment to those tenants who, through no fault of their own, have been unable to meet their full commitments, and substantial concessions by way of remissions and postponements of rent and instalments have been granted. The Crown tenants, generally speaking, have faced up admirably to the position and, in many cases, by diversifying their farming-operations, have succeeded in increasing their revenue, thus enabling them to improve their properties and to fulfil their obligations.

There has been, during the year, a steady demand from prospective settlers for land which has been partly or wholly developed by the Department, but, owing to the economic situation and other factors, there has not been a great deal of inquiry for undeveloped land. Selections of Crown and settlement lands on all tenures during the year totalled 302,915 acres. This subject is dealt with more fully at a later stage of this report. At the 31st March the tenants on the books of the Department numbered 37,616, occupying a total area of approximately 19,000,000 acres. Pastoral runs account for 8,830,620 acres, while 1,862,228 acres of purchased estates are held under lease under the provisions of the Land for Settlements Act.

LEGISLATION.

The Reserves and other Lands Disposal Act, 1934, contains twenty clauses dealing with Crown lands, reserves, &c. Included in this Act are sections further extending temporarily the benefits of certain provisions of the Land Act and the Land for Settlements Act dealing with the granting of remissions and postponements of rent, and temporarily suspending for a further period the operations of the Land Act provisions with respect to the revaluation of rural Crown and settlement land.

SMALL-FARMS SCHEME.

In April, 1932, the Unemployment Amendment Act was passed, Part I thereof initiating the small-farm plan. It had for its object the "provision of facilities for the settlement of unemployed workers and their families on areas of cultivable land." Many farmers agreed to give or lease to the Minister of Employment small areas of from 5 acres to 10 acres, for the purposes of the Act, and cheap standard-type dwellings were erected and men on relief work were installed. The occupiers were expected to run a few cows, establish gardens, and to endeavour to keep their sustenance requirements to a minimum by obtaining casual work in the locality. It was not expected that more than a few of the men placed under the plan would become entirely independent of the Unemployment Board's funds. Actually 488 men were established under this plan.

In March, 1933, the Government introduced the Small Farms (Relief of Unemployment) Act, 1932-33, providing for the placing of the control of small-farms settlement in the hands of the Small Farms Board, and for the appointment in each district of Committees of experienced men to help in the administration of the scheme.

There was insufficient suitable Crown land available to enable the many applications to be dealt with, and the Board was forced to consider the purchase of suitable land from private owners. The Board was aware that settlers under the original ten-acre scheme were finding it difficult to obtain casual farm-work locally, and it was decided therefore that the objects of the scheme should be enlarged to permit of the settlement of unemployed on self-supporting sections—*e.g.*, for dairying a standard self-supporting farm would be one with a full carrying-capacity of about thirty cows to thirty-five cows. With butterfat prices still depressed it was clear that economy would have to be exercised in the matter of capital expenditure if the returns were to meet living expenses and rent, interest, and working charges. Therefore £1,200 was fixed as the approximate limit which would be advanced for the settlement of any one person.

That this limit is not unreasonably low has been proved by the fact that since the Small Farms Board came into existence 356 full-time farmers have been placed on 23,635 acres, and that only in one or two isolated cases has the cost to the Board exceeded £1,200. Moreover, the Board has under development 35,364 acres, which it is estimated will provide 459 full-time farms each at a cost within the limit mentioned.