

(10.) COMPARISON OF OPERATIONS FOR YEARS ENDING 31ST MARCH, 1896, AND 31ST MARCH, 1897.

| Year. | | | Turnips. | Grassing. | | Oats. | | Oaten Hay. | | Draining. | Bushfelling. | Clearing. | Fencing. |
|-------|-----|-----|---------------|---------------|---------------|--------|-----------------|------------|----------------|-----------|--------------|--------------|-----------|
| | | | | With Plough. | Surface-sown. | Acres. | Bush. per Acre. | Acres. | Tons per Acre. | | | | |
| 1896 | ... | ... | Acres. 14,606 | Acres. 14,867 | Acres. 1,160 | 2,667 | 29 | 1,385 | 1½ | Ch. 680 | Acres. ... | Acres. 1,390 | Ch. 1,947 |
| 1897 | ... | ... | *13,750 | 13,465 | 2,023 | 1,425 | 20 | 1,312 | 1½ | 262 | 557 | 1,347 | 664 |

* Includes sown with grass, 3,283 acres.

(11.) PROSPECTS.

The prospects of the oversea produce markets, which control our profits, are certainly discouraging, and it is difficult to conceive the means to a better result. Steps, however, should be taken, and I propose to do so, to obtain reductions in freight on our wool and frozen meat or any other produce which can be carried at lower rates.

Dependent upon the possibility of revenue is of course the strength of inquiries for properties such as we have for disposal. I am sanguine that, with judicious cutting up and placing on the market, we shall shortly clear off some of our Waikato properties, for which so far demand has been limited. Arrangements are being made to offer Rangiuru, Rangiatea, Karapiro (part Fencourt), and Manawaru in farms by auction at early dates.

(12.) BALANCE-SHEET.

In addition to his statutory certificate, the Colonial Auditor has handed in a report upon the business of the year and the accounts. As regards the former, comment is unnecessary. As regards the latter, however, there is one point which cannot be allowed to pass without remark:

Permanent Improvement Account.

Having had a good many years experience both as a station-manager and as inspector of stations and properties, I may fairly lay claim to a knowledge of these matters which, possibly, is not the case with the Colonial Auditor, who merely throws out an obscure remark of a hearsay nature. As, however, in his concluding remarks he has not deemed it incumbent upon him to call for alteration, it is reasonable to assume that he concurs in our practice. I shall, however, now be glad of the Board's ruling as to the propriety of our system in this connection.

(13.) STAFF.

I must not conclude my report without referring to the efficient manner in which the work of the year has been carried on. My efforts have been very ably seconded, and the comparative success of the year's operations is in large measure due thereto.

WALTER G. FOSTER, General Manager.

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