

of the term. It will be seen that, if this right to purchase was not exercised within the appropriate time, the tenant was left without any tenure and without any right to compensation for his improvements. The 1939 Amendment was therefore passed giving an alternative tenure in keeping with the Government's policy—a thirty-three year lease with a perpetual right of renewal. During the year approval was given to the issue of 175 leases, and the remaining cases where no tenure has yet been granted are being dealt with as the tenants prove their ability to successfully farm their holdings. It will be remembered that one of the features of this settlement scheme is that a tenant must serve a probationary period before qualifying for his lease.

The Government's decision to provide for the settlement of discharged soldiers of the present war under the Small Farms Act was given effect to in the 1940 Amendment. This included a clause giving preference to applications from discharged soldiers for land made available under the principal Act, and also gave the Small Farms Board the power to acquire land compulsorily for soldier settlement. This power will not be exercised unless it is found impossible to obtain sufficient suitable land by negotiation. The number of offers at present coming forward is entirely satisfactory, and details of twenty-one properties acquired during the year by the Dominion Land Purchase Board and handed over to the Small Farms Board for development and settlement will be found in the report under the Land for Settlements Act, 1925.

The gross expenditure for the year was £572,562 9s., and the credits-in-aid £258,553 4s. 9d.

Following are brief notes on the lands under the Board's control :—

BLOCKS UNDER THE SUPERVISION OF THE COMMISSIONER OF CROWN LANDS FOR THE NORTH AUCKLAND DISTRICT.

GENERAL.

The blocks north of Auckland, other than those still under development under the supervision of the Superintendent of Land Development, Auckland, and referred to later in this report, were either purchased (freeholds) or set apart (Crown land) shortly after the Small Farms Board commenced operations in 1933, and have now been settled. The policy of fully developing and equipping the subdivisions before establishing the tenants had not then been adopted, and the bulk of the men took over their holdings in a partially-improved state. They were assisted by the Board with advances for clearing, cultivation, seed, manure, chattels, &c., and, where the returns were small, with "free" grants of sustenance up to £1 per week to augment the amounts available to them for living-expenses.

Every opportunity has been taken to enlarge some of the original holdings, which, by present-day standards, were on the small side, and the general position on most of the blocks is at present satisfactory. All the settlers are now able to carry on without sustenance, and, with their capital liabilities fixed on the basis of current valuation, they should have an assured future. Many have already qualified for and received their leases.

CHURCH MISSION BLOCK, AWHITU (633 ACRES).

This property was acquired by the Crown approximately seven years ago, and development work was undertaken by the Public Works Department. There are eight settlers on the block, and leases under section 5 of the Small Farms Amendment Act, 1939, have been issued to all settlers. They have experienced a very good season and returns are higher than last year, though on the average less cows were milked. The tendency has been to overstock, but this has been rectified.

MAORIROA FARM SETTLEMENT, BROADWOOD (522 ACRES).

This block was developed by the Public Works Department. There were originally eight holdings, but as these were on the small side the boundaries were recast and there are at present only six occupiers. It is considered that with the readjustment of boundaries the holdings can be deemed economic units, and that with a vigorous top-dressing programme satisfactory returns should be forthcoming from the sections in the near future.

TAIPUHA FARM SETTLEMENT, TAIPUHA (668 ACRES).

This block was developed by the Public Works Department and subdivided into seven sections. Leases under section 5 of the Small Farms Amendment Act, 1939, have been issued in all cases. An adequate water-supply is available, and the block has been electrically reticulated. Returns from this settlement are well above the average.

TE MAIRE FARM SETTLEMENT, TE KOPURU (815 ACRES).

This property was developed by the Public Works Department, and there are at present eleven sections. The original holdings were considered to be on the small side, and approximately 200 acres of adjoining Crown land was utilized to extend them. Leases have been issued to all but two settlers whose accounts are still in arrears.

WAIARUHE FARM SETTLEMENT, PAKARAKA (272 ACRES).

There are four settlers on this block, and leases have been issued to three. An adequate water-supply system has been installed, and the returns from the individual holdings have consistently improved.

REHUTAI FARM SETTLEMENT, DARGAVILLE (1,066 ACRES).

There are nineteen dairy-farms on this settlement, but one settler has secured the freehold of his holding. Leases have been issued to all the other occupiers with the exception of three who are not yet satisfactorily established. Returns from all sections are consistently good and the block is considered to be well above the average.