

tions, the Rangitaiki Drainage Board has carried a resolution in favour of cutting an outlet through the sandhills, which, if successful, will be the means of settling the whole drainage problem of this swamp, as it will keep the flood-waters of the Rangitaiki River from flowing all over the large area of swamp as it does at present. As regards the uplands in this county, land is in great demand, and all the available Crown lands have been taken up. Bushfelling, house-building, and grass-sowing have been going on satisfactorily. The long spell of dry weather has been an advantage to the settlers, very little damage being done by fires.

*Rotorua County.*—Progress in this county is pretty much the same as last year as regards the Crown settlers. It has been stated that a scheme to erect a butter-factory in the vicinity of Mamaku has failed. The cattle-disease is given as the reason, but it has been found that as the land gets more stock on and gets well trodden this disease dies out. This has been proved over the northern parts of the county. The milling industry is in full swing, and, taking the district as a whole, the fires have done very little damage to the forests throughout.

#### FORFEITURES AND SURRENDERS.

In the large majority of cases forfeitures have taken place either by reason of the holdings being abandoned, or at the direct request of the selectors. It is unfortunately the case that persons who have no intention of farming have in the past secured holdings with some other motive in view. It may be that they imagined that the area selected would yield gum or flax, or it may be that they have simply taken up the land because it could be worked in conjunction with an adjacent contract, and then, the necessity having passed, they threw up the land. The forfeitures for the non-fulfilment of conditions or through inability to carry on have been surprisingly few. The policy of the Land Board has been never to forfeit unless it is found beyond doubt that a man is either an impossible settler, or has no intention of complying with either the spirit or the letter of the law.

#### REBATES OF RENT.

The total amount granted as a rebate for prompt payment reached the sum of £2,829 19s. 8d., and was secured by 2,787 settlers.

#### ARREARS OF RENTAL.

The arrears, exclusive of the current payment ending on the 30th June next, on ordinary Crown lands amounted to £1,602 17s., which was owing by 355 tenants, out of a total on the books of 5,027, paying an annual rental of £40,853 11s. 7d.

Of land-for-settlements tenants for the same period, 54 tenants, out of a total of 664, owe £1,200 16s. 4d., out of gross rentals amounting to £19,263 4s. 2d. There are many and varied reasons for such arrears, such as the settler who spends every penny on his holding, with the one aim in view of bringing it into profitable occupation and money-earning within the shortest possible time; then there is the settler who entirely underestimates the cost of what he has taken in hand, although his intentions have been *bona fide* all through; the difficulty of getting produce to market accounts for much; and there is the ne'er-do-well and the speculator, who are simply an incumbrance to the soil. This year, however, the drought and the fires have closed down the incomes of settlers in the middle of their money-earning season, and not a few have had to start again from the beginning, just as they were getting on their feet. It will thus be readily seen that great discrimination is required in dealing with arrears where there is so much pioneer settlement going on, although the liabilities of settlers to the State in this respect are kept before them.

#### CROWN LANDS UNDER PART III OF THE ACT.

The operations of clause 47 of "The Land Laws Amendment Act, 1907," will result in a satisfactory settlement of the position in regard to many holdings selected for cash under Part III of "The Land Act, 1892." In this district a very large number of selectors under this tenure had, either through ignorance or neglect, failed to effect the improvements required within the time specified. Owing to there being no direction in the 1892 Act as to what action (beyond the non-issue of title) would follow this default, these selections remained on the books in the names of the selectors. The new power will settle the old transactions, and obviate a recurrence of this in future.

#### "THIRDS" AND "FOURTHS" AND "HALVES" FROM TIMBER AND FLAX.

On account of "thirds" and "fourths," proposals have been received for the expenditure of over £8,000, and, with the exception of a few cases received just about the end of the year, the amounts have been paid over to the local bodies. There is a considerable sum still standing to the credit of local bodies for which no proposals have been made. The difficulty appears to be that in a large number of cases the amounts are so small (£5 and under) that it is considered hardly worth while making proposals until a larger amount accrues. Action is, however, being taken to carry out the provisions of section 121 of "The Public Works Act, 1905." A sum of £8,699 5s. 4d. has been paid to the local authorities under the provisions of "The Timber and Flax Royalties Act, 1905." But as the policy of the Auckland Land Board has been to get the latter royalties received by the local bodies spent on backblocks roads, the neighbourhood of where the timber came from having preference, some correspondence has ensued with the local bodies on this account, but on the whole the wishes of the Board have been met in the fairest spirit.

#### HAURAKI PASTORAL LEASES.

During the year a number of remote sections held under this tenure have been inspected. To effect improvements at the rate of 2s. per acre within three years from the date of selection is the only