

At Karamea dairying is now established on a solid basis, and remarkable development has taken place during the last two years. The number of cows supplying the factory is 400, an increase of 100 during the year. The dairy herds are far above the average. The output of butter for the season—September, 1907, to 31st March, 1908—is 62,400 lb., valued at £3,120 approximately. I anticipate an increased output of butter from the Karamea district during the coming year, for there is a large area of splendid country admirably suited for dairying.

The factory recently re-established at Cronadon is turning out about 7,200 lb. of butter per month, all of which finds a local market. There are about 360 cows supplying this factory.

Farmers are engaged clearing their lands in Inangahua Valley with the view to providing milk-walks. Doubtless as the industry develops more attention will be paid to the breed of the dairy herds, and there is urgent need for a reform in that direction.

THE FLAX INDUSTRY.

The flax industry has declined during the year. Following on reduced price of fibre, mills have been working short-handed, and turning out in consequence thereof a reduced quantity of fibre. The price of fibre is the lowest for a number of years—viz., £22—a drop of £9 per ton. In the northern portion of the district there are seven mills, employing sixty-four hands, the quantity of fibre produced being about 300 tons, approximate value £6,600. In the southern portion of the district there are six mills, employing forty-nine hands, the quantity of fibre produced being about 330 tons, valued at £6,600 approximately.

All the Crown lands in this district carrying flax are under lease. Cutting is done on Crown and freehold lands. The flax is naturally grown, no attempt being made to cultivate it further than by draining the swampy ground.

There is a large extent of swampy *pakihis* in Buller County very suitable for the cultivation of flax. The capabilities of this class of land have been tested by an enterprising settler there, who has in three years converted an area of 600 acres of barren swamp into fields of flax by cutting sixteen miles of drains through it. It appears that the seed lies dormant in the swampy ground until drains are cut, when it germinates and grows with rapidity.

BUSH-FIRES.

During the drought which I have referred to in another paragraph eight rural localities in Waimea and Takaka Counties were swept by fire. Altogether about 25,000 acres were burnt, and a very large portion of this area consisted of noxious weeds, fallen bush, and rubbish, on freehold lands—the accumulation of years—the existence of which helped to spread the fire. The regrettable fact is that the clean farmer suffered for the sins of his neighbours. The actual damage done by the fire has been grossly exaggerated. No doubt several small grazing-areas and some fencing were destroyed, and farmers who could ill afford the loss were compelled to sell their stock at prices below its value. The Crown is, however, the greatest loser, 2,000 acres of State forest containing good milling-timber having been burnt or scorched. Regarded from every point of view the fires were a blessing in disguise, for lands that were lying idle have since been sown down in grass. In order to compensate the settlers for the losses which the fires entailed, the Government generously authorised a supply of grass-seed to them, and a total expenditure of £1,022 8s. 11d. has been incurred in this connection on behalf of forty-four settlers—freeholders and Crown lessees—on the security of promissory notes for terms extending from one to four years, as the cases justified, bearing no interest. A further expenditure has been authorised for the purpose of sowing about 2,000 acres of burnt Crown forest, with the object of disposing of the grazing rights thereof on lease, and thus recouping the Government for the outlay.

LAND BOARD.

Eleven ordinary meetings and two special meetings of the Land Board were held during the year at Nelson. Special meetings of the Board were also held at Westport and Reefton for the convenience of the settlers in southern Nelson, and for the purpose of enabling the members of the Board to visit the various localities and familiarise themselves with the actual conditions and requirements of settlers, and the value of the land.

The aim of the Board is primarily directed to the settling of *bona fide* settlers on suitable land at rentals fair to the settler and to the State, and to this end the Land Act is administered in a liberal manner.

A vacancy occurred in the membership of the Board on the 15th December, 1907, and in accordance with the provisions of section 27 of "The Land Laws Amendment Act, 1907," which amends the constitution of Land Boards, an election was held on the 31st December, 1907, and resulted in the return of Mr. Sinclair, the retiring member.

DEPARTMENTAL.

The number of letters and telegrams received and despatched during the year was 13,540. The number of vouchers passed through the books for the year was 739, representing a sum of £16,504 12s. 9d.

The work of this district has increased very materially, owing in a large measure to the fact that the Crown tenants are in touch with the Commissioner and the Land Board. It is recognised by the settlers that any applications for assistance will be acceded to, and that any genuine grievance will be inquired into and, if possible, remedied. I have paid several visits to various parts of the district during the year on special business. My thanks are due to both the office and field staffs for their valuable assistance. I could not desire a better or more efficient staff.

F. W. FLANAGAN,
Commissioner of Crown Lands.