

The drainage-works undertaken in connection with the swamp lands on the Hauraki and Rangitaiki Plains have progressed considerably during the past financial year, and the settlement of the reclaimed areas has proved a most successful undertaking. To further the development of other areas of swamp land throughout the Dominion the Swamp Drainage Act was passed last session, and special inspections and reports are now being made regarding various swamp lands with a view to further operations.

AGRICULTURE.

The agricultural and pastoral pursuits of the Dominion have been most successful during the past year. Excepting that abnormally dry weather occurred in parts of Canterbury and North Otago, the season was favourable, and the settlers have derived considerable benefit from the export of food products during the war. Prices obtainable overseas for all kinds of farm-produce remained at a very high level, with the result that the value of our agricultural exports was much higher than in any previous year. Details regarding the value of farming-produce exported during the year have been already referred to under the heading of "Customs."

As there is at present every prospect of another good year for our farmers, and as the bulk of our exports is not in the nature of luxuries but rather of necessities to the peoples of Europe, the outlook for the future is hopeful, although obviously it is not to be expected that the present very high level of prices will continue after peace is established.

LAND FOR SETTLEMENTS.

The purchase of lands for settlement during the year has been for various reasons considerably restricted. 16,495 acres, valued at £136,326, were, however, purchased. There has been a good demand for the whole. Arrangements are now being made to secure suitable lands for returned soldiers, for which purpose £500,000 will be required. Land should be available in various districts under conditions likely to induce settlement. Notwithstanding the war, land-values show no tendency to drop, owing, no doubt, to the great demand for all products.

STATE FORESTS.

The net expenditure during the year was £30,313, being approximately the same as that for the previous year.

Owing to the falling-off of royalties on timber cut off Crown lands subject to the State Forests Act it was found that, notwithstanding a grant of £9,000 from the Consolidated Fund as against £6,000 for the past three years, the Lands Department was compelled to considerably curtail operations, the actual expenditure being £3,300 less than that estimated to be required for proper maintenance of the then-existing plantations and providing reasonable extensions to the plantations.

It follows that with the increased area planted each year the cost of maintenance and management must necessarily show a corresponding increase. Owing to the general slackness in the timber industry there is not much demand for milling-timber this year, and it is estimated that the State forest revenue for the year will amount to only £10,500, being approximately one-half of that required for maintenance of plantations and attention to nursery stock.

Proposals for the proper maintenance of the planted areas, and for enabling the stock of young trees in the nurseries to be planted out, are receiving attention.

STATE ADVANCES OFFICE.

There has been no change in the policy of this Office during the year. The limit of advances to local authorities remains at £5,000, while advances not exceeding £1,000 (including loans for the repayment of mortgages and the erection of homes in urban districts up to £450) continue to be made to settlers.