

Education Endowments.—The lessees of these reserves have to a great extent shared the general prosperity. The farms about Clutha and Taieri, however, were very badly flooded last May and subsequently, and some of the land was under water for weeks. The leases falling in during the year have been let at increased rents. There are many of these reserves of indifferent land, some of which are unlet and which should be sold and the proceeds invested in more suitable lands.

Flax Industry.—Flax has commanded an extraordinary price since the war began, and there are mills at work wherever flax is obtainable. Labour is not plentiful, and very high wages have to be paid as a set-off to the high prices obtained.

Generally the farmers are doing well owing to the high prices ruling for wool, grain, and dairy-produce, due to the war. The past season has been unusually fine and mild, with a fair rainfall all over the district.

SOUTHLAND.

(H. D. M. HASZARD, Commissioner of Crown Lands.)

During the year under review Southland experienced yet another very prosperous season. The climatic conditions were all that could be desired, and from this important point of view it is doubtful if a better year has ever been known in the district. The result is that the province is in a flourishing state. There is an abundance of grass, and stock are in excellent condition, the ruling high prices of the previous season being well maintained. The wool-clip was very satisfactory, and the lambing returns equal to previous successful years. At the same time it must be recognized that the high prices for everything pertaining to a farm constitute a severe handicap to new settlers just trying to establish themselves.

Dairying is probably the most profitable form of farming in Southland, and farmers thus engaged continue to make excellent progress. The price of butter-fat has been increased, and both butter and cheese have been commandeered by the Government. The output for the year shows a considerable increase. Owing to the high prices being obtained for sheep and cattle, pastoral country has increased considerably in value and is in great demand.

There is an increase in the grain crop this season, the yield being fully 20 bushels per acre in advance of last year, and owing to the prevailing fine weather the crops were harvested in splendid condition.

Nowhere in New Zealand is lime more beneficial to the soil than in Southland, and hence the demand exceeds the supply. Burned lime, owing to shortage of labour, can be obtained only in limited quantities, and as a consequence a large number of farmers have turned their attention to carbonate of lime, which has produced good results, but nowhere so good as on the Glenham Settlement and on the ridges around Wyndham district.

For the past few years the number of tenants on the books has not varied considerably, the new selections generally balancing freeholds, forfeitures, &c. The year just closed shows that there are now some forty tenants less than were on the books at the 31st March, 1917. On the other hand, the area held and the annual rental payable show an increase. The revenue received for the year constituted a record for this district, and thus justified last year's estimates, which were the largest submitted to date.

During the year 21,841 acres were opened for selection, the greater part of this area being education-endowment land, the leases of which had expired and were reoffered at auction. The balance consisted of sections in Ardlussa Settlement and a few miscellaneous holdings. These figures do not include lands which were opened for selection by discharged soldiers only. Under instructions all sections available for the purpose are being opened or set apart for returned men.

I have pleasure in drawing attention to the fact that the arrears of rent are perhaps the lowest yet recorded, there being less than £100 outstanding, exclusive of current half-year, as at the 31st March. This must be considered highly satisfactory in view of the fact that there are nearly three thousand tenants, paying a total annual rental of over £50,000.

The lessees under the various tenures continue to avail themselves of the opportunity of purchasing the freehold, and nearly £10,000 was received from this source during the year, over £3,000 of same being on account of land for settlements. Others, again, take advantage of the deferred-payment system.

A considerable amount of time and work—both in field and office—is necessarily devoted to education-endowment lands, there being nearly eight hundred of these holdings in this district. During the year there were seventy-two expiries dealt with, fifty-two being granted renewals and the remainder being submitted at auction. The gross annual rental continues to increase, the amount added during the year being over £1,000. I think it will be readily admitted that the endowment has not suffered on account of the administration being now in the hands of the Land Boards.