

season, good burns being the rule. In fact, the earlier part of the season was so dry that serious bush-fires broke out in the Matawai and other parts of the district, causing considerable losses of fencing, buildings, and stock. Dairy-farmers have had a fairly good season, but butterfat yields and prices have not come up to the sanguine expectations of some. Too many settlers seem to be content with cows that do not give the normal minimum return of butterfat per year. It is difficult to induce some settlers to cull their herds and gradually build up a standard dairy herd; but this must be done if a success is to be made of dairy-farming, more particularly on the high-priced lands of the Poverty Bay flats. Cows which do not come up to the proper standard must be got rid of, as they are only retarding the progress of the dairy industry. One other aspect of farming requires attention: it is only with difficulty that some settlers can be induced to make provision for fodder crops both for winter and summer. A settler who neglects this obvious provision is, of course, only courting disaster.

Evidence of the very inflated prices paid for land in this as in other districts in past years is not wanting. In many cases where pressure has been brought to bear the vendor has been forced to resume possession and to let his mortgage go. Land is gradually coming back to a price at which it can reasonably be expected to be made to pay. The Board has exercised a rigid inspection in all cases of transfer which came under its notice, and unless satisfied that the purchaser could make a success consent has been refused. Another inevitable result of inflated prices has been the reduction in size of holdings below the area which will give a fair return. On high-priced dairy land it may be taken as an established fact that twenty-five cows is the absolute minimum number which will pay unless the farmer does outside work, and it is also considered by local experts that a sheep-farmer must be able to run at least a thousand sheep in order to make anything like a reasonable income. Many subdivisions will never carry these minimum numbers, and the result can only be that they will come back on the vendor's hands sooner or later unless amalgamation with an adjoining holding takes place.

Noxious weeds have been kept fairly well in check; but in parts of the district, especially the southern portions, blackberry is becoming a serious menace. Thanks to the energy of the Rabbit Board, rabbits are kept well in check, and there are very few in the district.

*Land opened for Selection.*—During the year the Tapatu Block, 6,047 acres, and the Waipiro Block, 7,503 acres, were opened for selection. In the former case there was not much competition, and one section remains unselected. The type of successful applicant, however, is good, and on the favourable terms under which the block was opened success is only a matter of time. In the case of Waipiro the competition was much keener, but the Board was forced to reject a large percentage of the applicants as being either financially unsuitable or lacking experience. The land is valuable, and the areas are large, and only men with capital and experience can hope to succeed. The Board very carefully estimated the minimum capital required to work each section, and applicants who had not that capital, or guarantees equal to it, were rejected. This, of course, caused some heartburning, but it could not be avoided; it is necessary in many cases to protect applicants against themselves. The Waipiro Block is now occupied by settlers of a very fine type.

*Revenue and Arrears.*—During the past six months the Board has had most of its time taken up with endeavours to reduce the very large amount of arrears outstanding. Owing to the fact that many of the settlers have got the peculiar idea that payment of money due to the Government does not matter much, collection has been difficult, but the activity of the Board has at length impressed selectors with the fact that obligations must be met. In many cases, however, forfeiture had to be resorted to before settlers realized the position. The usual concessions in the way of postponement were, of course, granted where deserved. It is very evident that many settlers, particularly soldiers, have been meeting their liabilities to financial institutions instead of paying rent. Such settlers have had the fact impressed on them that the Crown is entitled to its fair share of the proceeds of their farms. Again, very few settlers remember that they must make provision to meet postponed rent when it falls due. The revenue for the year amounted to £72,947, but as the district is new there is no way of making comparisons with past years. With improved prices now ruling, next year's revenue should show a marked increase.

*Board Work.*—The work of the Board has gradually grown, and towards the end of the year two-day meetings were the rule. Mr. G. Donovan, of Motu, was elected as the tenants' representative. All the members have shown most praiseworthy attention to the interests of the district, and the Board has worked together very happily. Difficult problems had to be dealt with at times; but the Board has never shirked its obvious duty, however unpleasant, once that duty was clear. Drastic action was necessary in many cases, particularly in dealing with defaulters. The cordial co-operation of the legal firms in the district must be acknowledged.

*Unproductive Bush Lands.*—During the year many holdings in the Opotiki part of the district reverted to the Crown through abandonment or forfeiture. In looking for a reason for this it becomes evident that the cause was largely the fact that holdings contained a big percentage of very steep bush country which could not be made productive. If cleared the country slipped very badly, and if left in its natural state it of course gave very little return even when it was possible to fence. Quite a large percentage of the Crown land in this part of the district would appear to be far more suitable for forestry purposes than for settlement. A comprehensive report of the whole situation is to be made, and it is thought that one solution of the problem will be an amalgamation of holdings, after the higher parts have been resumed by the Crown. It would appear to be obvious that most of the holdings in this part of the district are too small to give tenants any reasonable chance of making a living. The problem is a big one, but it must be tackled.

*Lands remaining for Selection.*—The lands which should be opened for selection during the ensuing year include the following blocks: Tuparoa Consolidation, 6,000 acres; Paraeroa, 1,460 acres;