

Parahirahi Block (9,000 acres): Parts of this block have been handed to the State Forest Service for milling prior to opening; the best of the balance will be thrown open, but the greater part is too poor, I think, to open yet. As it surrounds the Ngawha Hot Springs it could be utilized with advantage for planting.

Altogether the blocks I inspected totalled some 150,000 acres, little of which can be brought into profit without liberal financial assistance, and much of which I should hesitate to spend money upon at the present cost of labour and materials; but, as the access to our northern lands is improving rapidly, the time may come when we shall be able to finance the bringing-in of the best, at any rate, of these lands, as we must have closer settlement and do our best to attract the people on to the land and away from the cities.

## AUCKLAND.

(W. F. MARSH, Commissioner of Crown Lands.)

*General.*—For the dairying industry, which occupies a large proportion of the farming community of the district, the past year has been an exceptionally favourable one from a climatic point of view. A mild spring was followed by a damp summer and a good autumn, the condition and growth of pasture being well maintained through the season. The prices for dairying products will probably be lower than last year, but this should be more than compensated by the increased output resulting from the good season. Dairy stock have averaged lower prices than during previous years, but there is a good demand for tested herds, and it is satisfactory to note that herd-testing is becoming more general as its benefits are recognized. The market for beef and store cattle has been fairly good, and sheep and lambs have been at high prices consequent upon the result of wool-sales. The latter benefited a number of settlers and enabled them to lighten their financial burdens; and, although present indications do not point to the maintenance of boom prices for wool, it is to be hoped they will keep up sufficiently to encourage the building-up of the depleted flocks of the Dominion.

Generally speaking, the farmer in each line has experienced a favourable season, but it can hardly be said that the position of the farmer on a purely grazing property has been materially improved thereby. Certainly, the high prices realized for his wool have enabled him to clear some outstanding liabilities, but having, as a general rule, been considerably understocked for some time past owing to the condition of the markets, he has been compelled to buy, if necessary, at prices which indicate an uncertain margin of profit when he sells again. In the meanwhile, owing to lack of sufficient stocking and finance for subdivision, fencing, &c., his property has often depreciated in condition to an extent that renders his position precarious. These conditions, which affect a very large number of farmers both on freehold and leasehold lands in the western part of the district, from the Mokau River to the mouth of the Waikato River, have been investigated by a special Commission, whose recommendations are now under consideration. In regard to the Crown leaseholders concerned, it may reasonably be emphasized that their difficulties are not properly attributable to the original capital values and rentals, but rather, in so far as the financial aspect is concerned, to mortgages representing goodwills paid to previous holders, or moneys borrowed for effecting improvements the value of which has now very largely depreciated.

*Lands offered and selected.*—The demand for lands throughout the year has been very slack. This is due to several causes, chief of which are, in the case of unimproved lands, the heavy cost of breaking them in; and in the case of improved properties, the fact that sellers (unless under pressure of financial or other circumstances) are not even now generally willing to negotiate upon a basis which offers the purchaser a reasonable margin for contingencies. Added to these factors are a feeling of uncertainty regarding the produce-market of the future, and the difficulty of obtaining finance, the latter due to the fact that investors seek securities with a more stable and readily realizable basis of value. There appears to be little prospect of the demand for farm-lands improving until more reassuring conditions in these respects can be established.

During the year a total area of 51,023 acres was offered for sale or selection on permanent tenures, but the areas selected under those tenures was only about 16,000 acres, taken up by fifty-two applicants. The two principal blocks offered were the first portion of the Urewera lands, totalling about 28,000 acres, under the optional system; of this only 3,318 acres was selected, and the remainder has been withdrawn pending further investigation as to the best method of its utilization. The other was an area of 10,566 acres, part of the block known as the Tokoroa Education Endowment, consisting of semi-pumice country situated southward from Putaruru. Although this was offered on the most favourable leases allowed by law (thirty-three years, perpetually renewable at revaluation) and on a very moderate basis of value, the result was not such as to inspire confidence in the claims that have been made regarding the attractiveness of this type of country—at any rate, under present conditions.

*Freehold and other Tenures.*—The principal selections under settlement tenures were—occupation-with-right-of-purchase licenses, fourteen, comprising 8,941 acres; and renewable leases, twenty, comprising 4,402 acres.

An area of 12,136 acres was sold during the year to 120 purchasers, the greater number of these being by conversion from deferred-payment and occupation-with-right-of-purchase licenses. In the case of the latter tenure, this naturally arises principally from the expiration of the term of the license, although an indication of existing financial conditions may be found in the fact that two holders under this tenure whose licenses were about to expire elected to convert into lease in perpetuity on a lower rental basis. It may also be noted that six holders who