Sir,— Department of Lands and Survey, Wellington, 10th June, 1921.

I have the honour to submit herewith the annual report on the settlement of Crown land for the year ended 31st March, 1921.

I have, &c.,

T. N. Brodrick, Under-Secretary.

The Hon. D. H. Guthrie, Minister of Lands.

REPORT.

CONDITIONS OF SETTLEMENT.

As is usually the case, the climatic conditions and progress of settlement varied considerably in the different parts of the Dominion, as will be seen by reference to the several reports of the Commissioners of Crown Lands, appearing in Appendix I.

Generally speaking, the past season was a good one, and the Crown tenants did well until the fall in the prices of produce affected those who depended on sheep-farming or stock-raising; but it seems inevitable that all pastoralists and graziers will have a very hard struggle to make both ends meet during the coming financial year. The Government, realizing this, has arranged for special consideration to be given to those requiring it, by postponing their rents and by freeing the season's clip of wool from Government liens, in order to enable settlers who are so encumbered to treat with the merchants and bankers for advances on even terms with those whose clips are free. This sympathetic treatment has considerably eased the position, and should help to tide most of our tenants over the bad times that are before them. Fortunately the market for all dairy-produce has maintained its satisfactory position, and it is pleasing to be able to report that all settlers employed in that industry are prospering and the later ones are establishing themselves.

There are about 35,000 tenants on the books of the Department, and in spite of the financial depression it may be confidently stated that a large majority of them are in a sound position, and when this depression has passed I am optimistic enough to believe that they will rapidly overtake their liabilities and again become prosperous. Most of them are of this opinion themselves, though there may be a few who take the opposite view, and proclaim it so loudly as to create a false impression of the general opinion.

In consequence of the decision of the Government to postpone rents, as related above, large postponements of rent have already been made, and larger may be expected later, with a consequential fall in the revenue.

It may be mentioned that a special report (parliamentary paper C.-9) deals with operations under the Discharged Soldiers Settlement Act.

LEGISLATION.

The following is a brief summary of the legislation affecting the operations of this Department which was passed during the last two sessions of Parliament.

Land Laws Amendment Act, 1920.—This Act contains thirty-four sections. Section 2 codifies the

law with regard to offering Crown and settlement lands on the deferred-payment system. Section 3 is a codification of legislation in existence at time of passing of the Act with regard to ballots of Crown lands. Section 7 provides for the payment of "thirds" with respect to pastoral lands subsequently disposed of in Hauraki. Westland, and Karamea Mining Districts. Section 11 gives power to remove from the national endowment an area not exceeding 20,000 acres, any land therein disposed of under the Discharged Soldiers Settlement Act or held under lease or license by any person competent to acquire land under that Act, and any small grazing-run therein held under a lease issued pursuant to the Land Act, 1892, or the Land Act, 1908, prior to the 10th December, 1918. Provision is made whereby the lessees or licensees of lands so excluded from the national endowment can acquire the freehold of their holdings, and for the National Endowment Account being credited with revenue from such lands notwithstanding their exclusion from the endowment. Sections 12 and 13 set up the "National Endowment Trust Administration Board" for the purpose of administering the National Endowment Trust Account. Section 18 gives power to postpone rents owing by the lessees of small grazing-runs, and occupiers of pastoral lands within the Hauraki, Karamea, and Westland Mining Districts. Section 25 revives the right of lessees in perpetuity of settlement lands to acquire the freehold of their holdings within a period expiring on the 11th November, 1925. Section 31 gives power by which those holding renewable leases of land set apart under the Hauraki Plains Act, 1908, can acquire the freehold of their holdings. Section 33 contains special provisions whereby the Governor-General, on the recommendation of the Minister, may appoint Commissioners for the purpose of investigating cases in which any Crown, Native, or private land may have been acquired in contravention of the law. The remaining sections of this Act are what may be termed "machinery" measures embodying improvements of the land laws which have been found necessary in the course of experience.