Arrears (Table 31).—The arrears of rents on the 31st March last, not including the current half-year's instalments or holdings under the Native Townships Act, comprise 1,264 selectors, occupying 399,387 acres, upon which they owe the Crown £13,083. These figures are considerably in excess of those given in Table 31, attached to the Report for 1903-4. The increase is distributed over almost the whole of the systems.

Forfeitures and Surrenders (Table 21).—The total number of forfeitures of leases and licenses for the year is as follows: 150 selectors, 67,064 acres, returning a rental of £2,306. This is a very considerable and satisfactory reduction upon the previous year's figures.

The surrenders during the year 1904-5 included 106 holdings, aggregating 183,580 acres, upon which the rental amounts to £2,286. The number of surrenders is nearly the same as those of last year, although the area and amount of rental is larger.

LOANS TO LOCAL BODIES (TABLE 45).

The statutory statement required under the provisions of "The Government Loans to Local Bodies Act Amendment Act, 1891," and "The Local Bodies' Loans Act, 1901," has been duly prepared for submission to Parliament. The last 23 blocks of Crown lands specified in the statement were brought under the provisions of the Act during 1904-5; the unimproved value is £83,889, which equals 11s. 11d. per acre, whilst the "loading"-i.e., the amount added to the value of the land for the purpose of constructing roads and other works—is £33,941, being 4s. 10d. per The expenditure of the latter amount is intrusted to the Roads Department, which undertakes the duty of carrying out the works to provide access to or to improve the lands. The following figures indicate the results of the application of the Acts to Crown lands since the year 1891: the number of blocks is 309, which contain in all 2,652,780 acres, valued at £1,836,132; and the amount for road-works, &c., is £503,759, of which £388,002 has been expended. It may be mentioned that occasionally blocks of Crown lands when opened for selection are not immediately selected, and it becomes necessary to reconsider not only the valuation placed upon the land, but also the amount set aside for providing road access. Ten of the original blocks of Crown lands were dealt with in this manner during the past year, reductions and increases on the latter amount being made as circumstances necessitated.

RESERVES (TABLE 20).

The total area actually gazetted and dedicated as reserves for various purposes during the year ended the 31st March, 1905, amounted to 2,370,581 acres. The principal classes of these reserves are as follows: 15,346 acres for the endowment of primary education; 10,211 acres for plantations and the growth and preservation of timber; 4,817 acres have been set aside as State forests; 9,338 acres mainly for scenery-preservation; 3,000 acres for conservation of water; and 2,326,200 acres for the great National Park, embracing the greater portion of the Fiord County in the western part of the Southland Land District.

Large areas have also been set aside for numerous public purposes.

The total of all reserves of Crown lands since the foundation of the colony is 12,188,573 acres.

FORESTS AND MILLING-TIMBER.

The Commissioners of Crown Lands and their staffs have during the past year given careful attention to the duty of holding back from sale all areas of forest lands containing milling or valuable timber.

The demand for supplies of milling-timber by the sawmillers in the North, both for kauri and other timbers, has been extensive; the quantity of timber applied for amounted to over 300,000,000 superficial feet, of which over 160,000,000 superficial feet were more or less urgently required. To meet these requirements, so as to keep the mills going and maintain the industries dependent thereon, the valuers and appraisers of the Department have been constantly employed, and the quantities of timber have been allotted after full inquiry and due consideration in order to prevent monopoly, and insure that each mill and its employees should be continuously working.

In other parts of the colony sawmill and other licenses have been issued under the regulations, and care has been taken to supervise the cutting, with a view to checking undue waste and accurately ascertaining the quantities of timber upon which royalties were payable.

The Commissioners have now furnished complete reports, statistics, and illustrations relating to the timber industry throughout the colony, to serve as a permanent record of this important branch of production, but this information is too voluminous and important to be dealt with in this report. It is proposed to collate and publish these valuable and up-to-date particulars in separate pamphlet form.