

REBATES OF RENTAL.

Rebate for the punctual payment of rent, amounting to £56 19s. 3d., was granted to 204 tenants under the provisions of "The Crown Tenants' Rent Rebate Act, 1900."

ARREARS OF RENT.

The arrears of rent, exclusive of the current half-yearly instalments, amount to a sum of £450, distributed amongst seventy-eight tenants. £48 is owing on deferred-payment license, £48 is owing on an occupation-with-right-of-purchase license, and £63 is owing on lease in perpetuity. Of the balance, £155 is owing on mineral leases, which are under the jurisdiction of the Warden, and £58 on the Westport Harbour Board endowment lands. A number of the rentals which go to make up the arrears are comparatively small, and I have instructed the Receiver of Land Revenue to have them paid immediately. Some of the arrears have been outstanding two and three years. There is no reason why they should not be paid, considering that the tenants have been participating in the general prosperity of the colony.

GOVERNMENT LOANS TO LOCAL BODIES ACCOUNT.

The moneys paid to the Government Loans to Local Bodies Account amounted to £250 2s. 10d.

FORFEITURES AND SURRENDERS OF LANDS HELD ON PERMANENT TENURE.

There were no forfeitures during the year. One selector surrendered his lease-in-perpetuity holding on the plea that he could not make a living out of it.

RESERVATIONS.

1,699 acres 3 roods 9 perches was reserved for various purposes under section 235 of "The Land Act, 1892," during the year.

PAYMENT OF "HALVES" TO LOCAL AUTHORITIES UNDER "THE TIMBER AND FLAX ROYALTIES ACT, 1905."

The amounts paid during the year under the provisions of the above-named Act amounted to £262 0s. 11d., £126 6s. 11d. of this sum having been paid to the Inangahua County Council and £135 14s. to the Buller County Council.

PAYMENT TO LOCAL BODIES FROM "THIRDS" AND "FOURTHS."

A total sum of £1,114 16s. 5d. was distributed amongst the Counties of Collingwood, Takaka, Waimea, Buller, and Inangahua, and the Road Boards of Stoke, Dovedale, Upper Moutere, and Riwaka.

TRANSFERS.

Forty-nine transfers were approved by the Land Board during the year, thirty-two relating to lease-in-perpetuity lands, three to occupation-with-right-of-purchase lands, ten to lands leased under "The Mining District Land Occupation Act, 1894," one to perpetual-lease land, one to small grazing-run, one to a village-homestead special-settlement allotment, and one to a reserve.

The business under this heading has declined since I took charge, and the refusal of the Land Board to approve of transfers as a matter of form has caused irritation in some quarters. In no single instance, however, has a transfer been refused when the conditions of lease have been complied with. The policy of the Board in this respect, as well as in others, is to interpret the provisions of the Land Act in a liberal and generous spirit—to take every case on its merits and deal with it equitably. Such a policy is as much in the interests of the *bona fide* settler as it is in that of the State.

SAWMILLING AND TIMBER-CUTTING.

There has been great activity in the timber industry in the southern part of this district during the year, and it will probably increase during the current year. There are seventy-one sawmills in this district, fifteen of them being in localities situated between Motueka and Cape Farewell, twenty-two scattered between Nelson City and Tadmor Saddle, twenty-three situated in Buller County, and eleven situated in Inangahua County. The output of the mills for the year increased by 1,895,800 superficial feet over the output of the previous year. With the exception of Messrs. Bowater and Bryan, who cut for export, all the timber milled in the Buller and Inangahua Counties is used for local purposes—house-building, bridges, railway and public-works requirements, and mining. The number of persons employed in connection with the industry is 403. A movement is being made on the part of the sawmillers to have the reserved areas increased beyond 600 acres, on the grounds that the capital involved in the extension of their milling plants justifies the concession. The argument sounds fair enough, but if it were put into operation it would tend to the extinction of the small sawmiller. In any case there is not, in my opinion, a sufficient amount of milling-timber left in the Nelson District to warrant an increase of reserved areas. A desirable reform, however, would be the abolition of the 5s. sleeper-cutting license, for hundreds of acres of valuable forest have been destroyed by the exercise of the privilege.

DAIRY INDUSTRY.

It is satisfactory to know that the dairy industry is extending in this district. In localities where it has been started everything points to the possibility of its expansion and development into a profitable industry, and no doubt its auxiliaries—pig-breeding, bacon-curing, and poultry-rearing—will keep pace with it.