These specifications were dealt with as follows:—

Accepted without Alteration.			Accepted after Alteration.		Not accepted at end of Year.	
Without being questioned.	After being questioned		In respect of Novelty.	In respect of Informality.	On Ground of Want of Novelty.	On Ground of Informality.
	On Ground of Want of Novelty.	On Ground of Informality.				
57·4	10·4	1·4	7·9	8·9	10·5	3·7

The fees received in respect of patents amounted to £4,624 11s., £514 12s. 6d. more than in the previous year, the increase being chiefly due to the greater number of renewal fees paid, £1,935 being received from that source in 1906, and £1,595 in 1905. These fees (223 five-pound fees and 82 ten-pound fees) represent the number of patents granted four and seven years ago, which it is considered worth while keeping alive—*i.e.*, about 34 per cent. and 16 per cent. respectively. This means that about 66 per cent. of the patents become void after the fourth year, and 84 per cent. after the seventh year, and, though the proportion of patents that are allowed to run out before the end of the term to those that remain in force appears to be very high, it is about the same as those in the other countries requiring periodic payments for which the figures are available.

AVERAGE PERCENTAGE of PATENTS IN FORCE to PATENTS GRANTED in certain Countries after the End of the Fourth and Seventh Years.

Country.	After End of Fourth Year. Per cent.	After End of Seventh Year. Per cent.
New Zealand	29	12
Great Britain	33	15
France	21	11
Switzerland	23	12
Norway	27	12

COUNTRIES FROM WHICH APPLICATIONS WERE RECEIVED.

Out of the total number of applications received—1,745—residents of New Zealand sent in 1,101, or 63 per cent. of the total, being 59 more than in 1905; 119 (102) came to hand from the United Kingdom, 92 (109) from the United States, 368 (281) from Australia, 187 (143) from Victoria, and 90 (88) from New South Wales. France and Germany contributed 11 (17) and 10 (15). The figures in parentheses are the number for 1905. A full list of the countries from which applications were received is contained in Table H.

As showing the extent to which the patent privileges of other countries are availed of by residents of the colony, it may be stated that in the years 1904–5, 1 in every 10 applicants for New Zealand patents living in the colony patented their inventions also in the United Kingdom, 1 in every 5 applied in Australia, and 1 in every 18 in the United States of America. Only 1 in every 186 residents of the United Kingdom who applied for patents there also made application in New Zealand, and only 1 in every 275 persons living in the United States of America who sought to obtain patents in that country also took steps to protect their inventions in the colony. One in every 6 Australians who applied for patents in the Commonwealth also patented their inventions in New Zealand.

NATURE OF INVENTIONS.

The progress of invention in the various industries is shown in Table I. A noticeable increase in the number of applications took place in connection with "boots and shoes," "dairying," "drains and sewers," "electricity and magnetism," "engines (steam)," "engines (air, gas, and oil)," "fencing," "heating," "kitchen and cooking appliances," "minerals," "railways and tramways," and "shop and hotel fittings." A slight increase occurred in "fibre-dressing," "fire-alarms," "furniture," "illuminating," "pipes, tubes, and hose," and "printing and photography," and a falling-off in "boilers (steam)," "building (windows and doors)," "food," "marine and submarine," "metal-working," "seed-dressing," "stationery and paper," and "water-supplying," while there is no appreciable change in the rate of progress of the other classes.

The development of the milking-machine, which has received more or less attention from inventors during the last half-century, has led to the increase in the number of applications in respect of "dairying."

The inventions for "fencing" which were formerly very numerous, but which of late years have considerably diminished, show a revival, chiefly with regard to metal standards—accounted for to some extent no doubt by the growing necessity for economy in the use of wood. A considerable field for inventors has been opened up by the introduction of electric tramways, and applications with regard to them are numerous, more especially in respect of trolly heads and poles and rail-cleaners. The interest aroused by the inquiry into the cause of the combustion of flax, wool, &c., resulted in the patenting of several inventions for testing the heat of the bales, and preventing and extinguishing fires in ships.

Tracing the number of inventions patented in connection with some of the more important