

A small quantity of gold is still being obtained in the Wakamarina and other valleys, but I fear the amount won gives but a poor return for the labour expended.

The southern portion of the district south of the Wairau River contains most of our tenants and the Land for Settlements estates, which are reported upon separately. This portion also contains most of the pastoral country, chiefly rough mountainous country, and some fertile plains and valleys, and also the Kaikoura district, a very fine tract of country, where the settlers are making very good progress, and, owing to the greater rainfall, have done relatively better than those farther north. The last year has been phenomenally dry all over the district, but it has been exceptionally so on the country between the Wairau and Clarence Rivers. By the kindness of some of the meteorological observers I am able to give the winter and summer rainfalls for the year, the mean annual fall, and the quantity this year's fall is below the mean of other years :—

Station.	Winter Fall, April to September.	Summer Fall, October to March.	Total Fall, Year 1907-8.	Mean Annual Rain- fall of Pre- vious Years.	Last Year below Mean Annual Rain- fall.
	In.	In.	In.	In.	In.
Manaroa, Pelorus Sound ...	35.50	17.01	52.51	59.33	6.82
Marshlands, north-east Wairau Plain	18.61	4.80	23.41	28.77	5.36
Grovetown, middle Wairau Plain ...	13.58	5.48	19.06	25.73	6.67
Timara, south-west end Wairau Plain	14.23	4.79	19.02	27.71	8.69
Starborough Nursery ...	13.32	4.0	17.32	24.09	6.77
Cape Campbell ...	18.80	3.29	22.09	26.76	4.67

This shows a very material decrease from the mean of other years. The details of the monthly rainfalls, if they could be obtained, would probably give some striking results. I may mention that the average rainfall for most of the stations available—excluding Manaroa, in the Pelorus Sound—was only 2.42 in. from the 1st October, 1907, to the end of February, 1908, a period of five months; and when it is remembered that during a considerable portion of this time there was a strong dry wind blowing, it is not very surprising that many of the small streams dried up, and that most of the crops were not up to the average yield, except in localities where the land is of a naturally damp nature. The shortness of grass, the almost complete failure of turnip and rape crops, both locally and in Canterbury—which latter not only deprived the settlers of their best market for store sheep, but rendered it almost impossible to hold them until better conditions prevailed—have seriously affected the receipts from pastoral lands. Some of the settlers, taking warning by previous dry seasons, have erected dams for the purpose of storing part of the usually abundant rainfall: I feel sure that if others could see their way to do more of this work they would be amply repaid for their outlay. The settlers in the Kaikoura district have made very good and substantial progress during the year, and, as they were only slightly affected by the drought, and have good soil to work on, their prospects are good.

I may remark that, notwithstanding the severity of the drought, and the subsequent drop in the value of store sheep, the low price of wool, and the losses by fire, there appears to be no appreciable drop in the value of the goodwill of the leaseholds throughout the district.

Out of the various tenures under which Crown land has been taken up within this district, the lease in perpetuity still holds pride of place. The total number of holdings is 1,074: out of this number, lease-in-perpetuity lessees hold 201,748 acres, held by 659 holders.

Small Grazing-runs.—The area held by 109 persons under this tenure is 255,118 acres—that is, thirteen less than last year, and 5,023 acres less in area. This represents a surrender, and several exchanges of small holdings to lease in perpetuity.

Occupation Licenses under "The Mining Districts Land Occupation Act, 1894."—There were eight selections and one forfeiture made during the year, leaving twenty-six selectors, holding 1,818 acres, now on our books. These pay an annual rental of £56 16s. Most of these licenses are situated in the Wakamarina Valley. Some of these have made good use of their holdings; but some are doing very little to improve them, and appear to be satisfied with a residence and a little grazing for a cow or two. Now that these holdings can be exchanged for renewable leases under section 19 of "The Land Laws Amendment Act, 1907," they may be able to increase the size, and then better results may be expected.

REBATES OF RENT.

Rebates for prompt payment of rents during the year have amounted to £2,130 7s. 2d., distributed among 612 Crown tenants.

SURRENDERS.

There were five forfeitures and one surrender during the year; two of the forfeitures were at the request of the holders, who could not pay the rent, and three were for non-payment of rent. These surrenders are generally only small areas of poor land of no great value; but three of them have been taken up again by other persons.

DEPARTMENTAL.

Twelve ordinary meetings of the Land Board have been held during the year. Ninety-nine transfers and 119 mortgages were dealt with. The number of letters received and despatched was 5,618, and 2,148 rent notices were issued: total, 7,866; also large numbers of sale plans, &c. In the office