

of feed not only for late summer, but winter feeding. This shortage has affected the dairy-factory supplies of North Marlborough, and the quantity of milk coming forward has fallen below the average. There has been an all-round increase in the dairying output, and the season has been a successful one. A large number of farmers in the vicinity of Blenheim, and as far south as Ward, forward their cream to Wellington by river boat for manufacture into butter. The growing of lucerne in the dry and stony areas of Marlborough promises to bring into use a large extent of land hitherto considered useless for the purposes of dairying. Those engaged in grain-growing have had excellent results, and the returns from wool have been highly satisfactory. The unfortunate strike of slaughtermen, and the impossibility of quitting their lambs at the proper time has been a serious blow to many of our grazing tenants.

The improvements carried out by Crown tenants again show a large increase over the amount required by the Land Act. The number of holdings inspected by the Rangers (exclusive of land-for-settlement holdings) was 179, over an area of 200,081 acres, the improvements required by the Act being £48,144, and actually carried out £119,968. The arrears of rent at 31st March amounted to £953 16s. 8d.; of this sum a considerable proportion has since been received.

FLAX INDUSTRY.

The high price of flax has caused a revival in this industry, and nearly all the mills are again at work, some of them working night shifts. A large number of unskilled labourers are employed in the cutting, carting, &c., of the raw material. Great difficulty is experienced in obtaining suitable labour for this work, and one or two of the mills are closing down on this account. Under contract, men have been known to make over £20 a month at flax-cutting, and yet there is a shortage.

LEASE IN PERPETUITY MADE FREEHOLD UNDER THE PROVISIONS OF THE LAND LAWS AMENDMENT ACT, 1912.

Only three applications have so far been received for the conversion of lease-in-perpetuity holdings into freehold, in each case representing only small areas.

REBATES OF RENT.

For prompt payment of rent, rebates amounting to £2,253 5s. 6d. were granted to 726 tenants made up of £1,853 17s. 1d. on land-for-settlements holdings, and £399 8s. 5d. to tenants on ordinary Crown lands and national-endowment lands.

CLIMATIC RESERVES.

With regard to climatic reserves, or land set aside for the growth and preservation of timber, I beg to state that a very considerable area, amounting to 21,000 acres, has during the year been permanently reserved by Proclamation for this purpose. These areas are made up almost entirely of the upper slopes and peaks of the bush-clad ranges throughout the Sounds and Port Underwood districts. The most prominent features of these reservations are: Mount Stokes, or Pororangu (3,951 ft.), which dominates the whole seaward or Cook Strait front of the Sounds County; and Mount Robertson, or Tokomaru (3,397 ft.), on the Picton-Port Underwood watershed. Further additions to this class of reserves will, I hope, be made soon along the mountain backbone that constitutes the watershed of the Wairau-Pelorus valleys. I quite anticipate that fires will from time to time during the drier seasons damage these fine reservations, but their areas are now sufficiently large, and the climatic conditions favourable, to their recovering and renewing themselves with young growth. On no consideration should resumption be permitted over such burnt-out areas and the land allowed to be taken up by the adjoining holders, for the reason that such a course would probably lead to the wilful destruction of tracts of reserved bush. With the exception of the fire that swept over the Rai Saddle reservation, Mount Duppa Range, in February last, little damage, I am pleased to say, has been suffered during the year from this source by the large area of climatic reserves throughout the district.

DEPARTMENTAL.

The Land Board held twelve ordinary meetings, and one special meeting in January in the Pelorus Valley in connection with applications for timber licenses. The third biennial election for a representative of the Crown tenants on the Board was held on the 16th December, 1912, resulting in the return of the sitting member—Mr. James Fulton—by a large majority. Fifty per cent. only of the tenants availed themselves of the opportunity to record their votes, from which it may be inferred that the privilege is not greatly valued by many of the leaseholders. Mr. H. M. Reader, one of the nominated members, whose seat has been filled by Mr. J. S. Storey, has sat continuously for ten years, and I would like to express my appreciation of the energy and ability he has thrown into the work of the Board during his term of office.

I have to express my thanks to the Chief Clerk and other members of the staff for the able and ready assistance accorded me during the past year.

W. H. SKINNER,
Commissioner of Crown Lands.