

The arrears in connection with the payment of instalments on houses are mainly attributable to the mortgagors being out of employment.

The great number of applications for postponement of rents and instalments has increased the work of both office and field staff very materially—in fact, so much so that the staff as at present is hardly sufficient to cope with the work.

Education Endowment Reserves.—The leases of thirty-seven primary-education endowments expired, and twenty-nine of them were renewed at rentals increased by revaluation from £426 to £2,553 per annum. In some instances the lessees elected to have the rentals for the new term submitted to arbitration, with the result that, owing to the uncertainty of values caused by the fall in prices of primary products, they obtained renewals at a lesser rental than assessed by the revaluation.

Lands remaining for Future Disposal.—At the present time some 10,300 acres are ready to be opened for settlement, comprising single sections in the Otahome, Akitio, Makowai, Tiraumea, and Pitt, and forty-one allotments in the Hall-Jones Settlement; four sections in the Weraroa Training-farm, Waiopehu Survey District; and sections in the Wairarapa, Tauakira, Maungakaretu, Whirinaki, Retaruke, Ohinewairua, and Moawhango Survey Districts, the two latter comprising pastoral runs, which are being offered for short terms, as milling-timber on the adjoining Crown lands has yet to be cut out.

Owing to several milling licenses over the Crown lands referred to in my report for the previous year having required to be extended to enable the timber to be profitably milled, I see no prospect of any of the lands being released for settlement within the next two or three years, except three small areas comprising 607 acres.

The leases of seven primary-education endowments of which the previous lessees have declined to accept renewals, comprising an area of 847 acres, will be offered by public auction at an early date.

MARLBOROUGH.

(J. Cook, Commissioner of Crown Lands.)

General.—From a climatic point of view the year has been favourable for both pastoral and agricultural pursuits, the spring and summer months having had a useful rainfall. The erection of bridges over the Kekerangu and Woodside Streams has much improved the facilities for travel over the east coast.

Cropping.—The yield and quality of the crops were exceptionally good. More wheat was grown this year than is usual, it being the only grain for which a steady price could be expected. The prices for oats, barley, and peas, the staple crops here, were only very moderate indeed, and left little margin for profit.

Dairying.—This industry received a check owing to the unexpected fall of prices, but the recent rise has rendered the outlook more hopeful.

Fruitgrowing.—The younger orchards in the district are now coming into profitable bearing, and a fair amount of apples will be exported this season. The quality of the fruit, as usual, is excellent.

Flax.—No royalty was received this year, although a certain amount of flax continues to be cut from private lands.

Mining.—There is little to report on this industry, but some mining is still carried on in the Wairau and Wakamarina Valley.

Timber.—Thirteen sawmills are working in the district, and another plant is being erected in the Kaikoura district. The millers have had a profitable year. The output exceeds 8,000,000 ft.

Wool.—Except for the finer classes of this staple, wool-growing has not been profitable, and a number of the growers have been hard hit in consequence.

Lime-works.—The Flaxbourne plant is crushing raw lime, and the new works near Wharenuai are disposing of a fair amount of quicklime.

Land Board.—The ordinary monthly meetings of the Board were held. In consequence of the depressed markets for farm-produce a considerable number of applications for concessions were received from both soldier settlers and ordinary Crown tenants.

NELSON.

(H. D. McKellar, Commissioner of Crown Lands.)

Conditions and Progress of Settlement.—During the past year farming conditions have not been too bright. Some further settlement has taken place, but progress is slow, and will be slow until better prices obtain for primary products. Wool-prices recovered a little, but the price of stock generally is still low, and those settlers who are engaged solely in sheep-farming still find the times hard. Taking the soldier settler generally, a good spirit prevails, and in most cases an honest attempt to win through is being made. The financial situation, coupled with inexperience, is depressing some, and consequently concessions have been sought. The output of the dairy factories was very satisfactory, and dairy-farmers at the commencement of the season received a good price for butterfat. Unfortunately this price did not continue, and the returns of the dairy-farmer were adversely affected. The position has slightly improved, and there is still an upward tendency. The Murchison Dairy Company is making a substantial addition to the plant in the shape of a new and up-to-date building and machinery to meet expansion in requirements. This shows the faith of the company in the prospects of that district. The Buller Dairy Company has added a bacon-factory to its business, which will help the farmer in obtaining better prices for his pigs.