

As a result of its inquiry into the matters referred to it, which covered a wide order of reference, the Commission has made very valuable suggestions with regard to the improvement of what is likely to remain for a considerable time one of the most important industries in the Dominion.

#### NATIONAL ENDOWMENT.

The area in the national endowment was reduced during the year by 5,934 acres. Of the area set aside, 7,082,633 acres was held on lease or license at the 31st March by 4,464 tenants, paying an annual rental of £136,452. Further particulars are now given in parliamentary paper C.—14.

#### REVALUATIONS.

During the year twenty-eight Crown leaseholds were revalued under section 15 of the Land Laws Amendment Act, 1915. The capital values were reduced as a result of these valuations from £34,570 to £26,442, and the annual rental from £1,522 to £1,050. The total revaluations as at the 31st March numbered 460, with a reduction in capital value from £1,107,649 to £835,629, and in annual rental from £50,209 to £40,141.

#### FORFEITURES AND SURRENDERS.

Crown tenants to the number of 383 had their holdings forfeited by Land Boards for non-compliance with the conditions of their leases. The area involved was 105,654 acres, and the annual rental £9,695. In addition 143 tenants voluntarily surrendered their leases over an area of 75,988 acres, with an annual rental of £4,223.

#### REVENUE.

The gross revenue amounted to £1,735,483, a record for the Department. Of this sum, £756,960 was derived from ordinary Crown lands; £661,825 from lands held under the Land for Settlements Act (including Cheviot Estate); £144,520 from the national endowment; and £107,179 from education endowments.

Canterbury Land District again heads the list, with a revenue of £288,622, chiefly from her numerous sheep-farming and grain-growing settlements; while second place is taken by Taranaki, owing largely to the number of West Coast Settlement Reserve freeholds acquired under section 110 of the Native Land Amendment Act, 1913. Hawke's Bay, although a comparatively small district, has also a large revenue, the bulk of which is derived from estates acquired under the Land for Settlements Act.

#### REBATES.

For prompt payment of rent 16,805 Crown tenants were granted the usual rebate in terms of section 116 of the Land Act, 1908, and section 55 of the Land for Settlements Act, 1908. The amount thus rebated was £54,175.

#### ARREARS.

The rent in arrear at the 31st March amounted to £63,459, an increase of £11,658 over last year. This is chiefly accounted for by the greatly increased revenue and tenant roll, the decline in primary-produce values, and the inability of many tenants to meet postponed rents falling due, which have had to be again brought to charge. The whole question of arrears is receiving most careful consideration, and by separate attention to each case it is hoped to materially improve the position in the near future.

#### EXPENDITURE.

The amount appropriated last year on the Consolidated Fund for the purpose of financing the ordinary activities of the Department was £368,663. The gross expenditure was £406,276: recovery for services rendered to other Departments and for other purposes amounted to £113,427, leaving a net expenditure chargeable against the Lands and Survey vote amounting to £292,849. The administrative expenses and cost of other works controlled by the Department charged on the Lands and Survey vote exceeded the cost of the previous year by approximately £54,000. The principal factors contributing to the increase in expenditure were increases in scale salaries of officers on account of the increased cost of living, increase in the wages of workmen, &c., on survey parties, and increase in the cost of material used by the Department.

The total value of the accounts passed for payment during the year was £9,544,568. This sum included operations on the Discharged Soldiers Settlement Account amounting to £8,725,466, while considerable expenditure was incurred in connection with the various drainage operations under the control of the Department. Statements of accounts in connection with the various transactions requiring special reports will be submitted to Parliament shortly.

While it is anticipated that there will not be such a heavy volume of financial outlay for the future as took place during the past few years, owing to the slackening-off in operations under the Discharged Soldiers Settlement Act, nevertheless there is every probability of the Department's activities being well maintained, principally in the direction of the reclamation of lands and the development of waste lands. A very great responsibility devolves upon the Department in administering and looking after the securities already established under the Discharged Soldiers Settlement Act.