

by too much rain. The increase in the price of products was most noted in the case of wool and sheep; the rise on agricultural produce was not so marked, but was nevertheless of great benefit.

Cropping.—Crops were exceptionally good, and with a drier harvest-time would have been a record.

Dairying.—A good season, with payable prices.

Fruitgrowing.—The apple-orchards had good crops, and the quality is excellent. As the industry depends largely on the overseas markets, it is to be hoped that payable returns will be received. A fair quantity is being sent to South America.

Flax.—A few flaxmills resumed work; the output was not large, but of good quality.

Mining.—The old goldfield of Mahakipawa has attracted fresh attention, and the prospecting operations proved so favourable that there is a good probability of a company being formed to work the field extensively. The Deep Creek Mine is still working on gold and scheelite.

Timber.—There are sixteen sawmills now at work, and milling still continues to be profitable.

Wool.—The sudden rise in values was of the greatest benefit to wool-growers, and the prospects of the coming year are very good.

Limeworks.—The Flaxbourne works continue to crush raw lime, but, owing to the death of the owner, the quicklime works at Wharanui have ceased operations. The importance of liming does not appear to be sufficiently recognized in this district.

Land Board.—The usual monthly meetings were held. The result of the Crown tenants election resulted in Mr. James Fulton being reappointed. Mr. J. S. Storey was also reappointed a member of the Land Board.

NELSON.

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

Conditions and Progress of Settlement.—Few new selections have been made during the year, although a large number of holdings were opened. The outlook at the commencement of the year was not promising, but towards the close thereof numerous inquiries for land were received. This is an indication that the better prices now being obtained for stock and farm-produce will stimulate the demand for new areas. The outlook generally is much brighter than it has been for the past two years, and farmers appear to be satisfied with the wool and sheep market and with the price of butterfat. The price of cattle is, however, still low. The past season has been unusually wet, consequently there has not been much bush felled, and considerable areas which have been felled in some cases for two years have not been burned. This has caused loss through lack of return on capital invested and delay in bringing the felled areas into profit.

Nelson Land District is progressing steadily. It is capable of supporting a much larger population, but the increase is slow. The progress of many settlers is retarded owing to the fact that they hold more land than they can develop with the resources at their disposal. In the back country, smaller holdings, more settlers, and better roads are urgent necessities.

Statutory Inspection of Leaseholds.—Ordinary inspections of Crown leases are somewhat in arrear, but as an additional Ranger has been appointed this work will be brought up to date in the near future.

Dairying Industry.—The established dairy factories are generally increasing their output. A new factory at Station Creek, Maruia Settlement, is now assured. Prices paid for butterfat are satisfactory.

Fruit Industry.—This is in a very unsatisfactory condition. Although most of the crops are heavy and clean, prices are so low that they will hardly cover the cost of marketing. Many orchardists are therefore in an unenviable financial position, and must fail unless there is a decided improvement in prices in the near future.

Westport Colliery Reserves.—Energetic action has been taken in the matter of improving the position with regard to the lands comprised in the Westport Colliery Reserve and extension. The sections hitherto unoccupied or occupied without authority, or held under year-to-year leases, have been offered for permanent lease by public auction, with satisfactory results both as regards rentals secured and number of sections disposed of. All lessees are now required to register their leases and all dealings thereunder before new transactions will be considered by the Land Board. It is hoped that legislative authority will soon be obtained to bring the whole of the reserves under the Land Transfer Act.

Education Endowments.—The Land Board has adopted the policy of offering holders of expiring leases new leases for twenty-one years, with perpetual right of renewal for further successive terms of twenty-one years at rentals based on 5 per cent per annum of the unimproved capital value. Renewals on these terms have been readily agreed to in all parts of the district except in the Town of Westport, where it is contended that the unimproved value is excessive. In a number of cases where leases had expired new leases were offered weighted with the value of the improvements; no bids were received, however, and they are now being reoffered with the value of the improvements reduced. Some holders of expiring leases in Westport will not agree to a rental of 5 per cent per annum of the unimproved capital value. These lessees have a right of renewal for a term of fourteen years, and arbitration is now being resorted to with a view to fixing the rental to be paid during the renewed term.

Review of Occupation Licenses.—The work of reviewing all the miscellaneous leases in the district issued prior to the 1st January, 1915, has proceeded steadily, and has resulted in a large increase in the gross rental received from this source. The lessees where necessary have been required to comply with the conditions of their leases, and many leases in the names of deceased settlers have been terminated or transmitted to their successors. A considerable portion of this work still remains to be done.