3 G.—7.

With regard to the capabilities of these Northern lands, taking the purchases as a whole (that is, those concluded during the last three years), there is a very large extent of rich land, particularly in the Hokianga District and on towards Whangape and Victoria Valley, fit for settlement, but being covered with bush, it would not suit the ordinary class of settlers. I am of opinion that these lands may be made a source of great prosperity to the Auckland District were they opened up by main trunk roads and settled on in a systematic manner by emigrants from either Canada or Nova Scotia, for they would get a ready market for the larger timber such as totara and kauri, and would be settled on extremely rich land, adjacent to or within easy reach of a magnificent harbour, abounding with all kinds of fish during every season of the year. The climate is genial, and at the same time capable of producing in the valleys most tropical fruits. No doubt, for the first few years the settlers could not expect to make more than a bare living, but I feel confident that if the land I refer to were settled on by the right class of men, having a little means to begin with, and the land on fair terms, that in the course of five years they would be on a fair way to prosperity of no small degree.

The land I particularly refer to includes the Manganuiowae, Takahue, Uwhiroa, Puhata, Otangaroa,

and other blocks, the purchase of which are complete, and contain about 80,000 acres.

In order to make these blocks more valuable, it is desirable to acquire the portion of land between Manganuiowae Block and the Hokianga Harbour; this land is now under negotiation for purchase, and is named in Table III. hereto Motukaraka and Tapuwae. There is some difficulty connected with the purchase of these blocks, but I believe I will be able to overcome them in time, and get the consent of all the parties interested; but I can do little or nothing until the Court sits to determine the ownership of Motukaraka Block, which is the greatest proportion of the whole. After that is once settled, I believe I shall be able to get the survey of the remaining portion completed.

There are other blocks in the valleys adjacent to other tidal streams in Hokianga which are

of equal value.

The land extending from the head of the Kaihu Valley, in Kaipara, towards Hokianga Heads, is partly good soil, partly valuable kauri timber, and the remaining portion of inferior quality;

the portion near Hokianga Heads, namely Waimamaku, is well adapted for a sheep-run.

To the back of these lands, and at a much greater elevation, are the Waoku Blocks, which, although somewhat difficult to approach, contain the richest of soil, being table-land, and covered with light forest. The blocks on the Mangakahia and Wairoa are partly valuable kauri forest, partly light forest with good soil, and partly open poor land. The lands purchased and under negotiation in Whangarei are chiefly forest, and fit for settlers used to bush-clearing, and partly open land of second quality.

In the Bay of Islands and Mangonui Districts the lands purchased are not of so good a quality as in the other districts. A few small purchases in the Lower or South Kaipara are good soil fit

for cultivation and farming purposes.

In conclusion, I would state that there have been completed by the various officers engaged by the Government in the purchase of land to the North of Auckland, during the last three years, about 450,000 acres, the largest quantity of which, it will be noticed by a reference to a plan of the district, is so connected as to form two large compact blocks, one to the North of Hokianga, extending towards Ahipara and Mangonui, the other to the South of Hokianga, extending to the head of the Kaihu Valley, and eastward to Mangakahia, both of which, as I have before stated, contain a considerable area of good and serviceable land, and is, I consider, taken as a whole, a most valuable estate.

The Under Secretary, Native Office, (Land Purchase Branch,) Wellington. I have, &c., J. W. PREECE.