

2. The locking-up for a considerable time of a large and valuable area of the Patutahi Block as endowments for municipal purposes.

3. The delay (doubtless unavoidable) in the transference to the Board of the Waiharakeke and Te Puke Blocks.

4. The non-completion of the surveys of the Aroha and Taramarama Blocks, arising from Native and other unexpected difficulties; and

5. Unanticipated delays which have taken place in carrying out certain road works undertaken to give access to several tracts of surveyed land in the Hokianga and Whangape Districts.

When I state that the blocks above mentioned, embracing as they do a very extensive area, and offering unusual inducements to intending purchasers, were the subject of constant inquiry and application, it will be readily understood that the marked diminution observable in the sale of land for the year is only such as their retention from the market was calculated to produce.

2. *Lands selected under Settlement Clauses.*

The proceedings which have taken place under these clauses have, as in the case of last year, been confined solely to the homestead provisions of the Land Act. Particulars of these are given in Return No. 3.

The comparatively high price required in the case of deferred-payment land, added to the difficulty experienced in selecting blocks adapted, both as regards quality and accessibility, to the requirements of this system, have hitherto proved a barrier to its being brought into operation.

These requirements, however, the Aroha and Te Puke Blocks, soon to be dealt with, are expected to satisfy, and in each the system will shortly receive a trial, and with every prospect of being attended with success.

The number of approved applications under the homestead system is less than half that for the year 1878. Valuations under this system are periodically inspected by the Crown Lands Ranger, whose reports have hitherto borne testimony to the fact that the conditions imposed in these cases, both with regard to residence and cultivation, have, with few exceptions, been satisfactorily fulfilled. Indeed, in some instances, the improvements effected have largely exceeded the stipulated requirements. The cases in which failures occur to carry out the prescribed conditions are usually found to be those in which the homestead selectors are possessed of other land, in freehold or otherwise, and thus, from over pressure on their generally slender resources, are unable to cope with the demands which the working of two holdings necessarily entails upon them. To persons so situated this system was clearly never intended to apply, so that, were an amendment of the Act prohibitive of selections under such circumstances procurable, it would obviously not be unattended with advantage.

3. *Lands held under pastoral Occupation.*

The quantity of land held as above during the past twelve months exhibits a very large increase on that similarly occupied in the preceding year. In 1878 there was but 1 holding of this kind granted, containing 1,550 acres, while in 1879 the number increased to 8, and the acreage to 35,817 acres. These lands are leased for periods varying from seven to twenty-one years, but are all subject to a proviso for re-entry on the part of the Government in the event of their being required for purposes of sale or settlement: they are all third-class lands. I regret that I am unable to furnish any information as to the number of stock depastured on these holdings.

4. *Evasions of the Law, and Proceedings relating thereto.*

None have come under notice during the past year.

5. *Miscellaneous.*

There were 589 Crown grants and 8 licenses issued during the year. The number of grants prepared for signature was 460, of which 92 were in triplicate, and 368 in quadruplicate; making, in all, 1,748 copies. Where, in the issue of Crown grants, delays have occurred they are solely attributable to the unavoidable temporary withdrawal from this work of the officers engaged in its execution, in order that they might be employed on other services—notably the preparation of returns required in connection with the late Native meeting, and also returns of education reserves, both of which absorbed a large amount of time.

The total land revenue for the year contrasts unfavourably with the receipts for the preceding twelve months, the former being merely £20,866 6s. 7d., as compared with £52,547 7s. 6d. for the latter period. For the causes which have operated to produce this result the remarks made under the head of "Lands absolutely disposed of" will, I think, be found to sufficiently account. The following classification of the receipts indicates, with some particularity, the sources whence the total revenue was derived:—

	£	s.	d.
1. Land sales	19,927	17	3*
2. Depasturing licenses	157	10	0
3. Timber licenses and sale of trees	51	10	0
4. Temporary occupation of land	3	7	0
5. Royalty on manganese	49	9	0
6. Rent on Manganese Mine, Waiheke	10	0	0
Coal lease, Bay of Islands Coal Company	666	13	4
Total	£20,866	6	7

* Of this amount, the sum of £6,208 18s. 6d. is represented by scrip.