

Special Settlement Associations.—In the Waipawa and Danevirke Settlements, which adjoin and are practically one, out of the fifty-eight original selectors on deferred payment, only sixteen remain on the books, the balance having been made freehold. These settlements continue to prosper, and have fulfilled the most sanguine expectations.

The Liberal Association, from the first, owing to the character of its members, constituted as it was of persons unlikely to become settlers, did not promise to be a success, and in last year's report attention was drawn to seven out of fourteen selections having been surrendered or forfeited. These sections have been reoffered and selected under ordinary settlement conditions, and the prospects of this locality being settled have improved. Improvements are going on, but not to the extent desired, as in nearly every instance just sufficient have been made to comply with the law.

The Ruahine Special Settlement of 2400 acres was selected in November last, and bushfelling will be started very shortly.

Small Grazing-runs.—This tenure is suited to a considerable extent of country in Hawke's Bay, which is unfitted through various causes for closer settlement. There are now forty-eight leases, covering 125,528 acres, and the whole of the tenants have made extensive improvements, very far in excess of the legal requirements. Very shortly six more runs in the Hangaroa district, embracing 34,730 acres, will be thrown open for selection.

Pastoral Runs.—One run has been surrendered, reducing the number now held to twenty-one, with an area of 154,776 acres. These are, generally speaking, outlying poor country, with little permanent improvements on them.

Revenue.—The cash received was £22,214 0s. 5d., of which perpetual leases made freehold provided £11,336 8s. 10d. In addition, £362 3s. 8d. was taken on account of rent on educational endowments administered by the Land Board. The arrears of payments are in excess of last year, there being now 132 selectors owing £1,096 18s. 7d., of which all except £22 is for payments due in advance in January and March last. The increase in arrears is not surprising when taking into account the general depression and low markets. In considering arrears, it also has to be borne in mind that a number of settlers look upon these advance payments as not being due until the end of the half-year, and very much resent being called upon to pay them at the commencement.

Improvement Conditions.—Inspections have been made of 193 holdings, representing 76,836 acres. Nineteen of these were found to be deficient in improvements, ten of this number being selections of but one year old. The balance have made very extensive improvements, nearly treble the statutory requirements. On the sections inspected, the Rangers report improvements effected to the value of £48,980, as against £17,824 required. The extent of bushfelling done by Crown tenants during the year is estimated at 15,900 acres, and it is a pleasure to record that the burns, with hardly an exception, have been good, and very encouraging to the settlers, after repeated bad burns of late years. There is no doubt that a much greater extent would have been felled had it not been for a dread of a repetition of the failure in the past, with the losses consequent upon it.

The area of Crown land open for selection is 15,615 acres of surveyed and 32,668 acres of unsurveyed land, a total of 48,283 acres. It happens that none of this is fitted for small holdings, for which there is just now so much demand. Twelve of the 15,000 acres of surveyed land is in the Mata district, inland of Waipiro. It is rough forest country that has been open for selection without result for some years, and will probably remain so for some time yet. The unsurveyed land is outlying, not easy of access, wooded, and, though good grazing-country, is only fitted to be held in fairly large areas. It is only the man with a true pioneer spirit, and with a little money, that ventures to tackle it, and it is little sought after by the general run of would-be settlers.

There will shortly be 34,000 acres thrown open for selection in the Hangaroa district, but here again the small settler will have no chance, for it is high, rough, forest country, and will be let as small grazing-runs. There is some good land in the Waikopiro Block, near Ormondville, that will be opened in a few months, but the extent is limited, and will likely be applied for ten times over, for the cry throughout the district for small holdings is very pronounced and persistent.

It is perfectly clear from the foregoing that the Crown has not the class of land to satisfy the demand, and the only hope lies in transactions under the Lands for Settlement Act, and the acquirement of some of the Native blocks in the district, which are specially adapted for close settlement.

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WELLINGTON.

The land transactions of the district for the past year, including those effected under "The Land Act, 1885," come under so many subdivisions it is not easy to give a comprehensive review of them, and the revenue derived from the various classes of land now dealt with, without tabulating them in a concise form. This I have done in the form adopted by the Otago Commissioner last year, which shows at a glance the selections or exchanges made in the various tenures, the total area still held under each, and the revenue received therefrom for the year.

It will not be necessary to enlarge on the transactions which have taken place in each separate class enumerated in the summary prepared; but I have done so at greater length in those cases which appear to me to present importance in the administration of the present land-laws of the colony.

The total revenue collected exceeded my estimate by £11,193, but, as I explained when sending it in, a large proportion of the cash received is derived from lands taken up under "The Land Act, 1885," on perpetual-lease conditions, which are now being turned into freeholds, and it is impossible to form any reliable estimate of how many lessees are likely to do so; thus the total land revenue in this district can never be given with any degree of accuracy until the year's transactions are completed.