

Perpetual Lease.—The number of these lessees has decreased to 688, holding 168,421 acres, owing to twenty-seven selectors having been allowed to acquire the freehold during the year; they held an area of 13,584 acres; five lessees, holding 1,392 acres, exchanged into lease in perpetuity; whilst three selections, of 869 acres, were forfeited for non-fulfilment of settlement conditions, and two selectors were allowed to surrender. The selectors in arrear with their rents number 203, owing £1,090.

Occupation with Right of Purchase has evidently been the favourite mode of selection, as the selectors under this tenure number 186, absorbing an area of 31,993 acres, a considerable advance on the previous year. The surrenders allowed by the Land Board are twelve in number, for an area of 1,370 acres, whilst the forfeitures have been six in number, and the exchanges two in number, for 609 acres. The total number of selectors now on the books is 966, holding 178,805 acres. Of this number some 108 are in arrears with their rent, to the amount of £561.

Lease in Perpetuity.—The selectors under this heading also show an increase upon the previous year. They are seventy-five in number, selecting 16,355 acres, or 5,754 acres more than last year. The forfeitures have been nine in number, the area affected being 1,362 acres. There are now a total of 511 selectors, holding 98,108 acres, of which number seventy-eight are in arrears with their rent, to the amount of £349.

Agricultural-lease Lands (within Goldfields).—There are only seven selectors still holding land under this tenure, and they hold a total area of 625 acres.

Lease in perpetuity.—The total number of lessees holding areas of purchased estates amounts to sixty-three, and the total area held by them is 7,795 acres, in the two estates of Opouriao and Okauia. The number of selections during the year was three, amounting to 1,131 acres. I have dealt further with these estates in my report under "The Land for Settlements Act."

Lands under Land for Settlements Act.

Opouriao Estate, Whakatane.—This estate was inspected by the Ranger in May of last year. He reports that at the time of his visit the population was 115 souls, and that the selectors had all complied with the conditions of residence, cropping and improvements; that they are all well pleased with their prospects, and, with few exceptions, ought to do very well on the land. The settlers possess 582 head of cattle, 126 horses, and 4,300 sheep. The acreage in maize was 928 acres, in root-crop 56 acres, in potatoes 30 acres, in oats 35 acres, and in garden and orchard 25 acres. In February last the settlement was visited by an extraordinary and severe frost, which cut off a large proportion of the maize-crops, and did other damage to this year's crop.

Okauia Estate is situated near Matamata, consisting of 5,920 acres. It was taken over in March, 1898, and was opened for settlement in the same month. Only two selections, of 851 acres, have been as yet taken up. No doubt the severe drought of the past summer has contributed to prevent selectors from taking up land, but I expect that during the coming spring most of it will be disposed of.

Rangiatea Estate (near Te Aroha).—This estate of 4,004 acres has only just been acquired. It has been subdivided into suitable areas, and will be opened for settlement in June next, when there is every likelihood that most of it will be applied for so soon as the date of opening is notified.

Lands held on Lease under Thermal Springs Act.—The total number of lessees for this class of land is 183, holding 5,273 acres. During the year seventeen selectors leased 544 acres. There are, however, forty-four selectors in arrear with their rents, and owing £291.

"*Mining Districts Land Occupation Act, 1894.*"—Only two selections, for 200 acres, have been made during the past year, the total number of selectors under this heading being twenty-three, holding 1,188 acres.

Village-homestead Special Settlements.—There are only 167 selectors now on our books, holding a total area of 6,793 acres. It is a very difficult matter to give an opinion as to this class of settlement in the Auckland District, because, from their positions, located as they are in forest districts, far away from centres of population, they are almost entirely dependent on pastoral farming; agricultural farming being out of the question. Such being the case, it is evident that very few of them can make a living on the areas they hold, and it would require generally about 250 to 300 acres in a bush district for a family to make a fair living. I feel, therefore, that the settlers are considerably handicapped by being confined to such very limited areas.

Special Settlements.—The Auckland Settlement, on the Hokianga-Kaihu Road, has not made much progress, and, as the selectors are exempt from residence until August, 1899, it is hardly fair yet to pronounce judgment as to its success. Out of the twenty-eight selectors still holding their sections only eleven are resident, and these are cultivating some 2,214 acres, and appear to be holding their own. Sixteen of the original settlers have complied with the improvement conditions, and twelve have not effected the required amount.

The Marlborough Association: Of the twenty-five original selectors nine only are resident, holding 1,912 acres. Of the remaining sixteen, five are neither resident nor have made any improvements, five others are deficient in the improvements necessary, and the remaining six have barely effected the necessary improvements, and are non-resident. During the past year good roads have been formed throughout the settlement; but I am afraid the distance from market, and other circumstances, such as the total absence of creameries, will lead to a partial abandonment of this special settlement.

The Avoca Settlement: Very little progress has been made during the year. Out of twenty-four selectors only five are resident, and these are making the requisite improvements. The remainder are doing very little indeed. The five resident selectors have made improvements to the value of £356, out of a total value of £832 credited to the whole of the selectors. Three years have now elapsed since the settlement was formed, and, being forest land, the lessees have exemption until next year. The want of roads has heavily handicapped these men, and I am afraid £1,000 is