

appear necessary that there should be a large extension of the existing forest-reserves on the Tararua and Rimutaka Ranges. The Crown lands upon the Haurangi Ranges, in South Wairarapa, should also be reserved, as well as all available high-lying forest and scrub on the Ruahine and Kaimanawas. These will require to be thoroughly explored before being more particularly defined. The forest on Ruapehu, with the adjacent volcanic peaks of Ngauruhoe and Tongariro, and the ranges about Lakes Rotoaira and Taupo, which are probably unsurpassed for beauty and interest, should be permanently reserved. This would include all the forest southward and westward of the mountain to the Main North Island Trunk Railway as far as Waimarino Plains, and throughout those plains and the Maori lands to the northward, when the necessary power to do so has been obtained. I have in view also the conservation of other areas of forest throughout the Wellington District, but, owing to the alienation of the more accessible forest Crown lands, it is now too late to make adequate provision to carry out the very important and desirable objects indicated.

The area of reserves already set aside, gazetted and ungazetted, for forest conservation generally, exclusive of that for purely domain or scenery-preservation purposes, is as follows: Gazetted, 111,749 acres; ungazetted, 173,982 acres; total, 285,731 acres. As soon as the necessary investigations can be effected, complete and definite proposals to give effect, as far as practicable, to the foregoing views will be made in accordance with your instructions and the wishes of the Government.

*Condition and Progress of Settlements.*—Mr. Ranger Lundius's reports show that the Horowhenua and Levin Village Settlements were in a fairly prosperous condition, and that comfortable cottages are numerous. The villagers not only cultivate their lots—growing vegetables, &c., for sale—but are able to find employment at the local sawmills and on adjacent farms. The Hunterville, Ngamatea, Mangaweka, and Rakatoru Settlements comprise well-improved holdings, and good progress is being made. The villagers obtain employment in the vicinity of and on their holdings, and those in the two last-named settlements on co-operative works. The proposed sawmill at Mangaweka is looked forward to hopefully by settlers as likely to afford them more assured employment. The West Waitapu, Makohine, Te Rewa, and Karewarewa Settlements are progressing fairly well. The villagers work much of their time off their holdings for the adjacent farmers, and on co-operative works when accessible; the lots are generally too small, but the dairy industry will benefit some of these villagers. The Pukioire Village lots have been abandoned, and some of those at Pakihikura also; several of the settlers in the latter are making improvements, but have to go away to seek employment, the holdings being far too small. The Marshall Settlement, which comprises small holdings of second-rate land, remote from markets, is not in a satisfactory condition. The Welford and Mangamahu Villages are small, and handicapped by drawbacks which render successful settlement difficult of attainment. The Momahaki Settlement has not been sufficiently long established to enable an opinion to be formed as to its prospects; much depends upon the class of persons who hold the lots, and the efforts they make to comply with the conditions of their leases.

During the past year the Ranger made statutory inspections of the Horowhenua, Mangaweka, Rakatoru, Pakihikura, and Karewarewa Villages, and found that the settlers had generally complied very satisfactorily with the conditions of the Land Act.

The village settlements in the eastern part of the Wellington District, under Mr. Ranger Kavanagh's supervision, are fourteen in number, comprising 288 lots and 4,264 acres. Of the twenty-nine villagers in Pongaroa fifteen are residing, though residence is not yet compulsory, and satisfactory improvements have been effected. As the lots are too small, the holdings are being enlarged as opportunity offers. The settlers find employment on Government co-operative road-works. At Rakaunui, ten out of the sixteen villagers are already residing; several holdings have been enlarged, and satisfactory improvements have been made; the settlers are mostly industrious, and find employment on roadworks, as well as on their holdings. Hastwell, Mangatainoka, and Mangaramarama Villages are well established; the settlers support themselves by dairying, road contracts, occasionally working on their lands, and at the sawmills. Nearly every settler has complied with the conditions of the Land Act. The flooding of the Mangaramarama Stream is a serious detriment to the latter settlement. The Makuri, Pa Creek, Mangaone, Upper Makuri, and Makairo Village Settlements are permanently established; nearly all the selectors have complied as to conditions of residence and improvements; when not occupied on their holdings they find employment in the district on bush- and road-works. The principal village settlements are those at Pahiatua, comprising seventy-nine villagers, whose holdings are generally well improved. Dairying, fruit and vegetable cultivation are the chief pursuits. Following upon the completion of the railway and roads, and of the work of settlement generally, the small settlers find it more difficult to obtain employment. The Tutaeakara Village lots are too small to satisfy the requirements of villagers.

The conclusion to be drawn from a review of the reports is that the village settlements have proved to be a great boon, and where the conditions have been at all favourable they have been successful.

*Farm-homestead Associations.*—Given particulars as to the character of the country comprised in any of these settlements, the quality of soil, means of access, facilities for finding employment, contiguity or remoteness from markets, and it is possible to predict the ultimate success or otherwise thereof. The abandonment of holdings by unsuitable or faint-hearted persons has resulted in the introduction of a more enterprising and energetic class of settler upon the forfeited lands, to the great advantage of settlement, and consequently of the State. The establishment of dairies and creameries, sawmills, and the general progress of settlement following upon improved means of communication by rail, road, and steamer on the Wanganui River, are having a most beneficial effect upon, and have given additional impetus to, settlement. In the western district there