

are twenty-two farm-homestead associations, embracing 317 selectors and an area of 58,300 acres. The portions of the following blocks still occupied under the farm-homestead-association system are reported as generally well improved and progressive: Waimarino, aided by Government co-operative works and central position; the Clifton settlers obtain work on roads and graze sheep and cattle, and attend to some extent to bacon-curing; the Wanganui United, where the prospects are good; the Salisbury, Marton Nos. 2 and 3, Pohangina, Palmerston North Knights of Labour, Palmerston North Forest Reserve, and Hunterville No. 3 Settlements have generally benefited by the co-operative roadworks, and have reasonably good horse-roads to their holdings. The under-mentioned farm-homestead settlements, however, are not in a satisfactory state: Clifton No. 2, Marton No. 3 (part) and No. 4, Umutoi, Onslow, Hunterville Nos. 1 and 2, Gladstone, and Malton; but there are several industrious settlers in these blocks who, in the face of great difficulties—absence of roads, and other necessary conveniences—are establishing homes in high inaccessible localities. The Sommerville settlers, also, have improved their holdings in a surprising manner, although all the roads on the block are not formed. The Land Board has from time to time expressed the opinion that settlers so circumstanced are entitled to special consideration. This feeling tends to delay the collection of rentals. There are eighteen farm-homestead-association settlements in the Pahiatua and Wairarapa districts, containing 204 members, occupying 38,607 acres.

Mr. Ranger Kavanagh's reports show that, as a whole, considerable progress has been achieved—that the settlers are industrious, and are struggling manfully to overcome the usual difficulties encountered in forest settlements. Most of them find their chief employment on their own holdings, though advantage is freely taken to secure co-operative contracts on Government roadworks.

Free-selection Holdings.—Under this heading Mr. Ranger Lundius furnishes favourable reports as the result of his inspections in the Waimarino, Awarua, Pohouiatane, Apiti, and Pohangina districts. Selectors under Part III. of "The Land Act, 1892," have, as a rule, more capital, and frequently more experience, and consequently carry on the improvement of their holdings on a larger scale and in a more expeditious manner. Not only have they effected considerable improvements, but numbers have gone into permanent occupation of their holdings; and the present indications point to the realisation of prosperous and productive settlement at no distant period.

Mr. Kavanagh reports that the deferred-payment, perpetual-lease, and special-settlement blocks are all well improved, if not in a flourishing condition. Similar remarks are applicable to the settlements under the occupation-with-right-of-purchase and lease-in-perpetuity systems.

Speaking generally of the settlements throughout the eastern district, the improvement conditions appear to have been satisfactorily complied with. Many settlers who were in default have since complied. A disturbing feature observed in connection with the farm-homestead-association settlements is that a large proportion of the areas laid down in grass remain unfenced and unstocked, and consequently unproductive to the holders, who are not obliged to reside until the expiration of four years from the date of their lease, and who at present are generally non-resident.

The Rangers' duties are represented in part by the following:—

Number of inspections made during the year ended 31st March, 1898, by Mr. Lundius: Properties visited, 731. Area, 146,739 acres. Value of improvements—Required, £22,474; actually made, £50,903. Area required to be in grass, 3,635 acres; area in grass, 8,645 acres. Number of defaulters: In improvements, 196; for non-residence, 12: total, 208. Residence—Residing, 315; not residing, 416.

Number of inspections made during the year ended 31st March, 1898, by Mr. Kavanagh: Ordinary inspections: Act of 1885, 48; area, 11,566 acres and 16 perches; value of improvements required, £8,881; value of improvements actually made, £21,593. Act of 1892, 335; area, 50,306 acres 3 roods 7 perches; value of improvements required, £12,505; value of improvements actually made, £30,712. Possession and value (forfeited sections), 38; area, 7,814 acres and 6 perches. Total, 416 inspections; area, 69,686 acres 3 roods 29 perches; value of improvements required, £21,386; value of improvements actually made, £52,305. Number of defaulters: In improvements, 32. In all comprising: Ordinary inspections, 378; possession and value, including eighteen statutory valuations, 38; transfers, 21; special reports, 106: total inspections and reports, 543.

The Rangers performed a multitude of other duties, their time being specially taken up and their ordinary work much interrupted by investigations connected with the bush-fires.

All defaulters as to improvements and residence referred to in the Rangers' reports have been or are being dealt with by the Land Board. In most cases, as soon as the selectors are called upon to explain their non-compliance with the Act they take steps to fulfil the conditions, the Board usually agreeing to withhold action for a reasonable time to enable them to do so.

With regard to residence, the actual defaulters are few, the holders of lands under "The Land Act, 1885," having in most cases of non-residence complied with the conditions by doing double improvements, and the majority of selectors under "The Land Act, 1892," not being required to reside yet by the terms under which they hold their land.

Clerical Branch.—A very large increase has taken place in the correspondence during the year. The number of letters, &c., received and despatched was 53,142, or an average of about 177 per day, as against 46,245 last year, when the average was about 150, being an increase of 6,897. This statement includes circular notices *re* payments and improvements, &c., to selectors, Surveyors' and Rangers' reports, circulars, various returns, records received from other departments, &c. 928 vouchers, amounting to £25,742, were passed forward for payment, and 400 cheques were drawn on the Chief Surveyor's Imprest Account for wages, &c., representing a sum of £2,808 16s. 4d.

The number of selectors now on the books on settlement conditions amounts to 2,434, being an increase of seventy-two on last year's figures.

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