C.—1. 104

total area cleared, as shown in improved-farm table, should be added 12½ acres of standing bush which was destroyed by the fire and afterwards grassed; and included in that total area is 69 acres at present held by the Crown, which cost £96 6s. 9d. to clear and £23 5s. to lay down in grass. Altogether there are 50 chains of fencing erected by five settlers, of an estimated value of £50. Seven houses, valued at £133, have been built, and the value of other improvements, such as gardens, orchards, cowsheds, &c., is estimated at £49. Beside other live-stock, the settlement has 778 sheep and a few pigs. During the year two persons have received advances to assist them in house-building making the total number of recipients four, and the total amount advanced for this purpose £46. Twenty-three of the settlers are employed on roadworks in the vicinity, two work at sawmills, three are engaged in improving their holdings, and the occupation and residence of the remaining four is uncertain. During last winter it was deemed expedient to fell 6 acres of a Government reserve adjoining Section 7, Block VI., Mount Cerberus, as it was feared that the standing bush might impede the progress of the clearing fire. On the whole, the burning-off this year may be considered as satisfactory, all the selectors being fortunate, not only with the area just felled, but also with the area left unburnt the previous season. Although the number of settlers actually residing with their families is only ten, many others are preparing to erect dwellings on their sections, and I expect very shortly to see the resident population materially increased. It is a source of gratification to the able to report that the settlement is progressing favourably; that the settlers are satisfied as to the fertility of the soil; and that comfortable homes can be made by energy, industry, and economy.

Kawatu Improved-farm Settlement.—This farm-settlement is situate on the eastern side of the Rangitikei River in the Hautapu Survey District, and contains 999 acres 3 roods 36 perches, divided into twelve sections. The total area cleared is 625 acres 1 rood, of which 132 acres 1 rood has been cleared during the year under review. Of the latter area 102 acres 1 rood has been paid for by the Government, and 30 acres has been felled by the settlers without monetary assistance. The whole of the area cleared is laid down in grass, the seed for this year being found by the occupiers themselves. There has been 9 miles 8 chains of fencing erected, valued at £509 2s.; the value of the dwellings is estimated at £175; outhouses, water-wells, &c., £29 10s.; and gardens and orchards at £67 10s. The total value of improvements at present effected, including those paid for by the Government, is £2,067 15s. A total sum of £230 has been advanced to nine selectors in aid of house-building and other improvements, £50 of which was advanced in 1895–96, £46 10s. in 1896–97, and £133 10s. in 1897–98. Of the twelve settlers, three are single and nine married, who with seventy persons dependent upon the adjoining section to his own, and one is residing on a clearing near his holding. Eight are working on roadworks in the neighbourhood, three are improving their holdings, and one is at present sick in the hospital. The live-stock on the farm numbers as follows: seventy-nine cattle, thirteen horses, 610 sheep, and 111 pigs. This farm-settlement appears to be in a fairly prosperous condition, all the settlers having considerably more than half their holdings under cultivation.

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Mangatiti Improved-farm Settlement.—The total area of this settlement is 4,166 acres 3 roods 38 perches, divided into forty-two sections, eighteen of which, comprising 1,712 acres 3 roods, are held by the Crown, leaving a balance of twenty-four sections, of an aggregate area of 2,454 acres and 38 perches, occupied by selectors. The total area cleared is 591 acres, at a cost paid by Government of £766; the area cleared during the year 1897–98 being 390 acres, costing £535. 168 acres 2 roods has been grassed, the whole of which has been laid down during the year under review. The value of all improvements, including those paid for by the Government, is £1,064 18s. Of the twenty-four selectors, thirteen are married and seven single, the condition of the remaining four not being ascertained. Five reside on their sections, who, with their families, number thirty-nine; ten casually reside on their holdings, and the remaining may be stated as non-resident. The number of horses is seventeen, and there are fourteen head of cattle on the farm. So far none of the settlers have taken advantage of clause 16 of the regulations to have funds advanced in aid of building or other improvements. Immediately after the termination of the year a large quantity of grass-seed was forwarded to the settlement, consequently I expect my next annual report will return a very

large area as under cultivation.

Pemberton Improved-farm Settlement.—This settlement comprises thirteen sections, situate in Block XV., Hautapu Survey District, and contains 1,247 acres. Of this area 1,134 acres have been felled, cleared, and laid down in grass, nearly all the selectors having the whole of their holdings under cultivation. Of the thirteen settlers, four are single and nine married, with forty-eight persons dependent upon them, making a total resident population of sixty-one; nine are working on their holdings, and four are employed on roadworks in the vicinity. 11 miles 66 chains of fencing have been erected, of an estimated value of £760 13s.; dwellings worth £387 10s., and gardens and orchards valued at £30 have been planted. The total value of the improvements effected on the settlement since its commencement, including those paid for by the Government, is estimated to be £3,199 2s. During the year two settlers have received £30 each as an advance in aid of house-building. Live-stock on the farm is represented by 110 cattle, twenty-four horses, 1,364 sheep, and a number of pigs. Early in this year great damage was done to the settlement by bush-fires; much fencing was destroyed, and several sections were practically denuded of pasture. It is as well to observe, however, that the fire was not altogether an unmixed evil, as it was the means of clearing away a great quantity of decayed timber and thick scrub from land which could not previously be utilised for grazing purposes. The efforts of the settlers to obtain a schoolhouse and teacher have been successful, and altogether the settlement may be said to be in a thoroughly prosperous condition.

J. W. A. Marchant, Commissioner of Crown Lands.