

*Miscellaneous Leases and Licenses.*—These were increased by twenty-six, and now comprise seventy-nine, an area of 31,118 acres and 6 perches, and brought in £831 19s. 6d. during the year. This satisfactory extension of the system is due to efforts to utilise the multitude of reserves and Crown sections scattered throughout the land district.

*Native Townships under the Provisions of "The Native Townships Act, 1895."*—The Pipiriki Township, on the Wanganui River, was established on the 27th July, 1897. Up to the 31st March last the sections disposed of amounted to sixty-five, the area being 189 acres and 6 perches; but, owing to abandonment of leases, the number actually held is thirty-two, and the area 54 acres 3 roods 19 perches. The Tokaanu Township, situated at the south-western corner of Lake Taupo, and including the celebrated thermal springs, was opened for sale at Tokaanu on the 7th June, 1898. Of the 154 lots, of an area of 198 acres, comprising the township, forty-two lots, of a gross area of 92 acres, were disposed of; the balance was offered for sale in Wellington on the 8th of last February, but only three lots, containing 1 acre 2 roods, were quitted. The result is that the leases disposed of comprise forty-five lots, and an area of 108 acres 2 roods 22 perches. The expenses of survey and administration having been made a first charge upon the rentals reduces the annual payments to the Native owners to very small figures; and, as there are 211 registered owners of the Pipiriki Township, holding 1,020 shares, some only owning a quarter-share, several individual dividends amount to an insignificant amount, and considerable difficulty will be experienced by the Commissioner of Crown Lands in finding the owners, and paying each his rental. A third township—that of Potaka—is about to be established. It is situated on the North Island Main Trunk Railway, near Taihape.

*Forest Conservation.*—The Land Board had this subject frequently under consideration, and, with the concurrence of the members, I drew up a report, compiled schedules illustrated by a plan, which were submitted for your consideration on the 13th October, 1898. The report was also laid before the Land Board. In substance it dealt with the following points: (1) The area of the Crown lands in the Wellington Land District; (2) the area of forest lands already conserved; (3) the insufficiency of existing reservations; (4) objects generally of forest conservation; (5) proposed resumption or acquisition of forest lands; (6) proposals for systematic and general conservation of forests in the Wellington District, and especially the localities and areas thereof; (7) the general objects to be kept in view; (8) objections and difficulties to be overcome; (9) necessary precautions to be taken, &c.; (10) the financial and general aspect of the proposals. The Board were pleased to give a general approval to the whole scheme, and desire to arouse public interest in order that prompt steps may be taken to deal with the whole subject in a wise and practical manner.

*Forfeitures.*—The Land Board, after full consideration, reluctantly forfeited the interests of 118 selectors, chiefly amongst the special settlements and the lease-in-perpetuity settlements. The principal causes were accumulation of arrears, reluctance to expend money in effecting improvements upon rough, remote, inaccessible, or unattractive holdings. Full inquiry was made in each case, the forfeiture frequently being made with the concurrence of the tenant.

*Surrenders.*—The five surrenders comprise three cases in which the selectors, finding their selections unsuitable, were allowed to abandon them, and two reserve licenses relinquished by the holders.

*Arrears.*—There were 131 defaulters in this respect who were indebted to the Crown for at least the preceding half-year's rent; their holdings comprise 31,260 acres, and the amount due was £1,594 0s. 2d., which represents about one-nineteenth of the total annual rental. This shows relatively a more satisfactory financial position than in previous years. The chief items making up the amount fall upon the special-settlement, occupation-with-right-of-purchase, small grazing-run, lease-in-perpetuity, and perpetual-lease systems. The collection of the annual rental involves an immense amount of correspondence. By order of the Land Board notice after notice has to be sent to many of the tenants, and even threats of forfeiture have reluctantly to be resorted to before they can be induced to pay their instalments. During the past year the Board granted extensions of time to 342 tenants, owing £3,269 9s. 8d. In addition to these, a large number of applications for slight extensions of time were granted. Great trouble and inconvenience have resulted from the fact that numbers of tenants neither pay nor reply to the numerous notices issued by the Board.

*Revenue.*—This subject has already been touched upon, but it may be of interest to mention that it is composed of the following items: Cash sales, £3,734 15s. 6d.; deferred payments made freehold, £1,067 16s. 6d.; perpetual lease made freehold, £31,723 5s. 9d.; rentals, £29,172 10s. 8d.; survey-fees, £1,195 16s. 4d.; royalty on timber, £2,163 1s. 4d.; miscellaneous fees and deposits, £1,035 13s. 7d.; total, £70,092 19s. 8d. It is allotted as follows: Territorial revenue, £37,865 6s. 6d.; "thirds" and "fourths," £10,799 13s. 11d.; loans to local bodies, £6,384 14s. 7d.; endowments, £740 7s. 4d.; North Island Main Trunk Railway, £11,198 10s. 2d.; Land for Settlements Account, £169 18s. 9d.; State Forest Account, £1,978 19s. 6d.; Crown grant fees, £291 6s. 6d.; miscellaneous, £413 3s. 7d.; Native Township Account, £250 18s. 10d.; total, £70,092 19s. 8d.

*Condition and Progress of Settlements.*—During the last financial year the Crown Lands Rangers inspected 875 holdings, comprising 185,544 acres, and report that though only improvements to the value of £44,818 were required at the hands of the selectors, the latter had expended £127,453 in bushfelling, grassing, fencing, building, &c. There were fifty-one defaulters as to improvements, and fifty-two non-residents, who were called upon to explain their non-compliance; they, however, have since complied, or will be compelled to do so. As statutory inspections were not required of numerous settlements it is only possible to report in a general manner in such cases.

Mr. Kavanagh, who is Ranger for North Wairarapa, returns 586 valuations and reports, including twenty-eight deferred-payment and perpetual-lease, twenty-eight occupation-with-right-of-purchase, seventy-four lease-in-perpetuity, thirty-one farm-homestead, and fifty-nine village-homestead holdings, containing a total area of 37,345 acres. The required improvements