

amount to £13,882, whereas the value of those effected by the selectors was £29,477, showing a surplus of £15,595. There were only seven defaulters as to residence, and five as to improvements. It will thus be seen that the conditions of the Land Act in these respects have been amply complied with, except in the twelve instances noted; especially is this the case with resident selectors, who have the incentive of improving, embellishing, and making their homes comfortable, and their holdings productive and remunerative. For the great majority of non-residents the time rapidly approaches when they should be living on their holdings. Many find this the crucial test, as they have to relinquish business and occupations in settled districts, and give up other homes. This difficulty has been the cause in the past of so many farm-homestead selectors surrendering or forfeiting their sections. Others have voluntarily taken up the abandoned holdings, and have proved by their personal occupation, improvement, and stocking thereof their thorough fitness for and earnestness in pioneer settlement. A large area of bush has been felled, especially in the Makuri and Mount Cerberus districts. The settlers generally were fortunate in securing good burns, but those on and adjacent to the Puketoi Range were unsatisfactory. Reports to hand state that the holdings which suffered most from the "bush fires" in the summer of 1898 have a luxuriant growth of grass. The past season was wet, and unfavourable for harvesting operations, but, on the other hand, the growth of grass in the Forty-mile Bush districts has been abundant to an unprecedented degree. The output of milk is expected to be a record, and the price of stock more favourable to the settler. With regard to the special and farm-homestead settlements, Mr. Kavanagh's report divides them into two classes—viz.: (1) Those which are situated conveniently to main roads and railways and are well served and opened up by dray-roads; and (2) settlements which are remote from centres of population, and in addition are only accessible by means of indifferent dray-roads or horse-tracks. The settlements in class 1 may be described generally as being examples of industry and thrift, supported and prospering mainly by dairying; whilst class 2 comprises settlers struggling, under great difficulties, drawbacks, and hardships, to bring their holdings into profitable occupation, although they have not as yet received any return for their outlay. The residents on the latter complain of incomplete and indifferent roads, and the inconvenience caused by their absentee neighbours. On the subject of the village settlements in his district, Mr. Kavanagh reports satisfactory progress in Pongaroa, where the local school had to be enlarged; a public hall has also been erected. At Rakaunui also the villagers have improved their extended holdings, and a cheese-factory is contemplated. The Mangamarama settlers, who engage in dairying, have well-improved holdings and are doing well, only one out of twenty-four being non-resident. In Mangatainoka, twenty-three out of twenty-seven are resident, and as the settlement is contiguous to creameries, railway, and good roads, it is still progressing. At Makuri thirteen villagers out of seventeen are complying satisfactorily, and are actively engaged on their holdings, adjacent farms, and roads. The small villages of Paa Creek, Mangaone, Makairo, Upper Makuri, and Tutaekara are occupied by industrious settlers and their families, but the holdings are rather small. The most important of the villages are those at Pahiatua, comprising seventy-nine holdings and 993 acres, on which all but six selectors are resident; these settlements are splendidly situated adjacent to the railway, main roads, dairy, school, and other public institutions. They combine dairying, fruit-growing, and farming pursuits generally with their trades and other business. These villagers appear anxious still to secure the freehold of their lots, and many claim the right to sublet their sections in part or whole.

Mr. Lundius, Ranger for the northern and western districts, has furnished the usual annual reports and returns, showing that he made 483 inspections and special reports, comprising the following holdings: Deferred payment, 3; perpetual lease, 21; small grazing-runs, 2; lease in perpetuity, 54; occupation with right of purchase, 126; farm homestead, 70; village homestead, lease in perpetuity, 69; land for settlements, 28; miscellaneous, 110: total, 483. The gross area of the holdings equal 90,703 acres, upon which the requirements of the Land Act are: Cultivations, 1,679 acres; other improvements, £18,844; which have been largely exceeded owing to the industry and energy of the settlers, who have brought 11,476 acres into cultivation at a cost of £31,606, and erected houses, fencing, &c., to the value of £19,908, representing a total expenditure on improvements of £51,514, and showing a surplus over requirements of £31,323. There were only thirty-two settlers in default as to their improvements, to the extent in all of £852, whilst twenty-nine selectors had not complied with the residential conditions. It should be noted that 167 settlers were actually residing on their holdings, whereas only 104 were required by law to do so. About five-sixths of the defaulters are to be found amongst the occupation-with-right-of-purchase free selectors and the farm-homestead settlers. The Ranger reports that the occupation-with-right-of-purchase and lease-in-perpetuity selectors have made good progress, especially in the Pukeokahu, Hautapu, and Kawatau-Rangitikei districts, where the settlers appear to possess sufficient capital to effect improvements. Large areas of bush were being felled, and this notwithstanding the inevitable delay which has occurred in the opening-up of these districts by roads. The lands taken up in other parts of the northern district under the above systems are reported to have been improved satisfactorily. With regard to the farm-homestead settlements, the reports indicate, as usual, that all those settlements which are remote from centres of population, and labour under the disadvantage of being only served by tracks or partly formed roads, are still in the undeveloped and unremunerative stage. Amongst settlements of this class may be mentioned the Malton, Wanganui United West, Clifton No. 2, Marton Nos. 3 and 4. It is but right to call attention to the fact that in some of these settlements forfeited sections have been allotted to and are occupied by settlers, many of whom have made substantial improvements, and are evidently determined to establish homes in the back country. The Ranger points out, on the other hand, that the farm homesteads which have been opened up to a reasonable extent by roads, and which are situated in the vicinity of dairy factories and creameries, have made excellent progress, and are well established, supporting industrious producers. Under this category fall the Waimarino, Wanganui United East, and Clifton No. 1. A large proportion of the other