Village Homestead Special Settlement.—The only settlement of this character, which is at Mokihinui, has slightly retrograded during the past twelve months. In the year 1897–98 the reports showed general improvement, and I can only attribute the present want of progress to the facilities offered by the Mining Districts Land Occupation Act, which have been largely availed of in this locality, there having been as many as thirty-three selectors near Mokihinui. One less section is occupied, there are fewer souls on the land, and the improvements—owing to depreciation on about half of the holdings—have fallen in value from £1,279 to £1,175. Were the coal-mines formerly held by the Mokihinui Coal Company to resume working, this place would very likely revive again.

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Pastoral Runs.—The area returned as held under license—viz., 988,586 acres—is practically the same as last year, though the licenses are eight more in number, there having been sixteen new ones and eight expiries.

Westport Colliery Reserve.—This includes the whole of the business part of the Town of Westport, and the revenue received as rents is paid over to the Westport Harbour Board. Last year there were 224 tenants, but the number has been reduced to 201, with an annual rental of £791 5s. 4d. This reserve was originally cut up into town lots and taken up on twenty-one-year leases, but under the provisions of "The Westland and Nelson Coalfields Administration Act 1877 Amendment Act, 1893," the leases could be surrendered, and others for forty-two years substituted, excepting over such portions of the reserve as were formally set apart for railway purposes subsequent to the issue of the first leases. Full advantage has been taken of this privilege, and the present tenants, with one or two exceptions, hold on a forty-two years' term. During the year there have been twenty-nine expiries of old twenty-one-year leases, most of them within the railway reservation, and also eleven cancellations of abandoned leases, no rent having been paid on them for many years. Seventeen forty-two-year leases were issued, nine of which were sold at auction, the remainder in substitution of twenty-one-year leases. When the department took over the administration of the endowment two years ago the books showed considerably over £1,000 of rent in arrear. In last year's report it was stated that the arrears had been reduced to £600; they now stand at £99 5s.

Residence and Improvements.—Through there being no Crown Lands Ranger attached to the district, the inspections have unavoidably been few. The staff surveyors, when opportunity offered, visited and reported on cases, but the great bulk of the holdings have not been inspected this year. Seventy-four properties were visited, and, taken as a whole, the value of the improvements effected were found to be three times the amount required by law, notwithstanding that in nine cases they were deficient. There were twenty-four cases of non-residence—several of them, however, showed good reasons for not living on the land at the time—but, in consequence of the action taken by the Land Board, this state of things has improved since the date of the inspections.

Coal-mines.—The output of the Coalbrookdale and Granity Creek Coal-mines has largely increased, the amount of royalty that was paid being £7,002 19s. 10d., less dead-rent £1,358—i.e., £5,644 19s. 10d. on 208,118 tons. The Greymouth-Point Elizabeth Company has not yet succeeded in getting to work at the mine, as a portion of the railway-bridge over the Grey River was destroyed by a flood just as the work was drawing near completion. On account of the difficulties that have attended the preliminary work—chiefly the construction of a railway from Greymouth to the mine—the Government has permitted the rent owing to date—amounting to £1,780 14s.—to stand in abeyance. At the Mokihinui Mine work is at a standstill. The company went into liquidation a short time ago, and the lease and plant were sold by auction, but £752 arrears of rent have not yet been paid.

Forest Reserves.—Though no considerable extent of country has been set apart for this purpose during the year the matter has not been lost sight of, for a reserve has been made between Wangamoa and Croixelles Harbour; another is about to be proclaimed on the dividing range between Riwaka and Takaka; and it is further intended, as soon as the necessary survey is made, to set apart about thirteen miles of the beautifully wooded range, from 3,000 ft. to 4,000 ft. high, between Maungatapu and the Rai Saddle. The timbered country in this district—for the most part birch—is estimated at about 3,000,000 acres, a large proportion of which is unfit for settlement of any kind. The extensive topographical surveys that have lately been made will afford information for making judicious selections, and it is anticipated that during the coming year large reserves will be made of otherwise useless country (except perhaps for mining), with a view of preserving the forest from destruction.

Arrears.—Of the sum of £2,714 4s. 5d. that appears in Table 28 as arrears due to the Crown owing by seventy-four tenants, not less than £2,532 14s. belongs to the Greymouth-Point Elizabeth Coal Company and Mokihinui Coal Leases, as previously explained. With these exceptions, there has been a general all-round reduction of arrears. As before stated, in the Westport Colliery Reserve alone about £500 has been cleared off, but of the large number of tenants under the ordinary settlement conditions there are only twenty-two in arrear, to the extent of £43.

Revenue.—The revenue of the district from all sources, including royalties on timber cut on the Arnold River, which passed through the Receiver's books at Hokitika, amounted to £25,917 3s. 10d., showing an increase of £3,380 on the previous year. There will, however, be considerably less during the ensuing year, as the rents from runs and other tenures in the Amuri country, now attached to Canterbury, and one run to Marlborough, amount to £2,922 12s. 2d.

THOS. HUMPHRIES,

Commissioner of Crown Lands.