No fires have been reported during the year, though there are within the reserved forests several areas where fire has occurred during previous years—notably, in the Puhipuhi Forest, where the fire ran through a large area some years ago, and in which the timber is fast depreciating in value. It has been found impossible up to the present time to deal with this dead timber, owing to the difficulty of getting it to market; nor can it be utilised until the railway in course of construction from Whangarei northwards has advanced further towards the forest. It is a question, however, whether, when that time arrives, it will not be too late, so far as the scorched timber is concerned. A portion of the Tairua State forest, which contains a great deal of kauri, was also burnt some time ago. It is proposed to deal with this by sale shortly, if possible. In all cases it would be wise to deal with the kauri timber growing outside the State forests before it gets burnt, a danger to which, from its inflammable nature, it is very liable. The Auckland Land Board has acted wisely in this respect, and has sold the land wherever the kauri is in isolated clumps, for in such cases it is almost impossible to prevent fires or depredations. In many cases the ordinary Crown lands, not included in the State forests, contain valuable timber, and where there are means of utilising this, it should be dealt with prior to disposing of such lands for settlement. There is no doubt that in several cases the growing timber is the most valuable crop the land will ever bear.

"LAND FOR SETTLEMENTS ACT, 1892."

A special report on the dealings under this Act has been prepared, so it will only be necessary here to summarise briefly the year's proceedings. The offers of estates numbered 102, covering a total area of 913,266 acres, but the great majority of these cases had to be declined, because, however suitable for some form of settlement, they contained land which could not be divided into farms so small as the limit allowed under the Act—namely, 320 acres. In other cases the lands had on them large homesteads and equipments suitable for working large estates, or were in districts where the Crown already possessed lands available for settlement. Many of the properties offered were well suited for division into a number of holdings, but, still, not into 320-acre farms.

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The Board of Land Purchase Commissioners held twenty-two meetings in various parts of the colony to consider cases referred to them, which resulted in ten properties being recommended for purchase, five of which have been bought, and one other is on the eve of completion. In four cases the owners declined the offers made to them. The five estates purchased contained 9,113 acres and 14 perches, and the total cost to date, including purchase, survey, administration, roads complete and to be completed, is £39,117 12s. 10d. In three out of the five estates all the farms have been let; in one case two, and in the other ten, remain on hand at present, but will no doubt be let soon, especially as the roadworks to give access are approaching completion. The total rental for which the lands are let to date is bringing in a return of 4.57 per cent. on the whole, whilst those cases in which the whole of the farms are let are paying over $5\frac{1}{2}$ per cent. When all the lands are let the return will be 5.8 per cent. on expenditure.

There can be no question that, if there were power to increase the sizes of the holdings to suit the country offered, many very desirable estates could be acquired, in which the greater part would be suitable for small farms, with a certain proportion which could be utilised as grazing-farms in moderate sizes.

THE CHEVIOT ESTATE.

This estate, consisting of 84,755 acres, was acquired from the trustees of the late Hon. William Robinson for the sum of £260,220 on the 19th April, 1893.

Immediately upon obtaining possession instructions were given to the Chief Surveyor of Canterbury, into whose land district the estate was brought by Order in Council on the 21st February, 1893, to divide the country into small runs in such a way as to make the best use of the fences. Tenders were invited, and the pastoral lands were at once leased for eleven months and the agricultural land for six months—in all, 83,000 acres—to eight tenants. The mansion and other houses and grounds were also let, the whole bringing in a revenue of £8,862 per annum.

During the currency of these leases surveyors were engaged in laying out the country for settlement, and making engineering surveys of the roads required to be formed.

The first section of the property was offered for selection on the 13th and 17th November, 1893, and consisted of 33,474 acres, principally agricultural land, of which 12,460 acres were offered for lease in perpetuity; 1,554 acres were offered on village-settlement conditions, also for lease in perpetuity; 2,518 acres were offered as grazing-farms for twenty-one years' lease; 11,853 acres rural land were offered for sale for cash; and 33 sections of town land were offered also for cash. The Cheviot House Block, of 5,000 acres, was also offered for cash at this time.

The result of this first sale was that 13,500 acres were leased in perpetuity, at an annual rent of £3,616; 2,518 acres were leased for twenty-one years, at a rent of £426 per annum; 1,270 acres were sold for cash, and on terms, realising a present payment of £3,855, and leaving £3,855 payable within five years, bearing 5 per cent. interest. Thirty-three sections of town land were disposed of, realising £825. The Mansion House Block was not then sold.

The pastoral tenants who were in occupation continued to occupy and pay a fair rent for the land not disposed of, and in the meantime a further area was surveyed for selection.

The second sale was held on the 10th and 15th January, 1894, and consisted of 10,791 acres of agricultural land only, which were offered in sections of from 90 to 550 acres each, on lease in perpetuity. The Mansion House Block, of 5,000 acres, was also again offered for cash at the former upset price of £25,000, but with certain slight alterations in its boundaries.

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The result of this second sale was that 10,460 acres were leased in perpetuity for £2,867 per annum, and that 5,000 acres, with the mansion and other buildings, were sold for £25,000 cash.

The third area opened for selection consisted of 42,214 acres, mainly grazing-farms, and was offered on the 5th and 6th March, 1894.

Of this area, 27,713 acres were offered for twenty-one years' lease, and 14,501 acres for cash.