

lands disposed of for cash were two purchases under "The McLean Land Act, 1891," by Mr. George McLean, and a vacant section in the Patea district which had been taken possession of by an adjoining holder, he becoming the purchaser at the auction.

*Deferred-payment Lands.*—The area selected comprises two sections of 244 acres, under section 114 of "The Land Act, 1892," the annual instalments being £18 16s. 10d., and two conversions from perpetual lease, the area being 414 acres and the annual instalments £58 8s. 9d. The revenue, however, shows an increase of over £500 on last year's figures, caused by an increase on last year in the area of freeholds obtained, the excess being 1,330 acres, and the amount received for freeholds £8,314 5s. 6d. Several licenses expired at the end of last December, and all selectors, except one, have paid up the capitalised value. The decrease in the number of capitalisations on last year's figures is thirty. The yearly loss in instalments through the acquisition of freeholds is £1,116 14s. 2d.

*Occupation with Right of Purchase.*—The number of new selections is about the same as last year, but the area shows a decrease of 2,659 acres. If more land could have been put in the market there is no doubt that the number of selections would have been increased. Only one selection was forfeited.

*Lease in Perpetuity.*—The area taken up this year shows a very large increase on last year's transactions. 2,720 acres of the unsurveyed block at the back of Waverley and Patea were taken up during the year under this system.

*Special Settlements.*—Of the fourteen associations only three have not been touched as regards survey: the Nelson settlers have not yet paid their fees for survey. The Kaitieke Block, shown in last year's return, has, by a resolution of the Land Board and subsequent approval of the Government, been converted in part into a forest reserve (*i.e.*, the area of 6,000 acres running along the Matemateaonga Range), as the land applied for was totally unfit for settlement in small areas. All those which have been surveyed and balloted for will come under "The Land Act, 1892," instead of remaining under the regulations issued under the Act of 1885, and it is expected that the remainder will follow suit. Three of the associations, the Whenuakura, Moeawatea, and Kaitangiwhenua, have increased their membership from 53 to 55, as provided for when they first applied for the land. Four of the Moanatairi members did not pay their survey fees, and will therefore disappear from the association.

At present only two selectors have given up their sections, but the test of the scheme will be, when they are called upon to pay their rents and the inspections of improvements become due. I know that several of the Milsom, Tanner, Oxford, Lepperton, and Gatton selectors have commenced improvements, but until the time arrives for the Ranger to visit the sections nothing definite can be reported.

*Small Grazing-runs.*—No lands were opened for selection under this heading. I think it probable that there will be a portion of the Rawhitiroa Block, now under survey, opened under it during the coming year. The present holders are carrying out their conditions very satisfactorily. The required improvements at date amount to £417, and 2,255 acres have been put under grass, at a value of £4,510, and other improvements, such as fencing, &c., have been effected, to the value of £855. Seven are residing, the balance residing within the limit of ten miles allowed by the Act. It was found that two selectors could not fulfil the residential conditions, and their runs were therefore forfeited.

*Revenue.*—The total revenue received is £1,544 in excess of last year, but it must be borne in mind that the number of deferred-payment selectors (this system contributing more than one-half of the revenue) is getting smaller every year. The receipts show a surplus of £3,515 on the estimates for the year. The large sum of £1,550 was received in scrip exercised in the purchase of lands held under deferred payment and perpetual lease. This, if received in cash, would of course have made a further credit.

*Arrears of Rent.*—Under deferred payment the number of selectors in arrear is 119, perpetual lease 25, and other systems all slightly less than last year, except the small runs, which show an increase of 2. These rents, however, were only due on the 1st March last. Of the special-settlement arrears I would mention that the rents became due on the 1st January, 1893, and are not really collectable until the 1st January, 1895, as, according to the regulations under which the lands were selected, they can be added to the capital value or paid off in the interim, at the option of the selector. After allowing for these 95 special settlers owing £1,398 8s. 6d., the total number in arrear shows a decrease on last year of 145 selectors and of £559 in the amount due.

*Improvements.*—The reports of the Crown Lands Ranger show that 331 sections were inspected, comprising an area of 53,348 acres of first-class and 33,781 acres of second-class land. The area of first-class land required under cultivation was 5,234 acres, and the value of improvements required on second-class lands was £3,367.

The total area grassed is 21,355 acres, at a value of £42,176; and additional improvements, such as felling, fencing, and buildings, to the value of £17,503. The total number residing is 168, and the number of defaulters 30, or only one-tenth of the total number inspected. A large number of special inspections for the purposes of transfer and completion of purchase were made.

*Probable Future of Crown Lands.*—The area of Crown lands at present available for selection is, roughly, 415,000 acres. Included in this area are the following blocks, purchased by the Crown from the Natives during the year: Part Taumatamahoe Block, 82,670 acres; Waikaukau, 4,579 acres; Taurangi, 10,000 acres; Waiaraia, 12,360 acres; Te Ngaire, 7,500 acres.

I would draw attention to the necessity for further purchases of Native land in this district during the coming season, such as the Mohakatino-Parininihi, and portions of the Whitianga, Maraekowhai, and Taumatamahoe Blocks.

If negotiations cannot soon be entered into for the purchase of these lands there is no doubt but that they will pass into the hands of private individuals, who are both active and successful in their efforts to purchase.