

ninety-six freehold titles acquired during the year, for an area of 36,867 acres 2 roods 6 perches, the capital value being £32,903 2s. 9d. This is an increase of twenty-one titles for 6,020 acres over last year. The increase is probably caused by the near expiration of the time during which these titles can be made freehold, and the necessity for lessees to obtain freehold titles to raise money, by way of mortgage, to effect further improvements, stock the land, &c. There were six forfeitures of 705 acres and 20 perches under this tenure during the year.

Rural Lands opened under "The Land Act, 1892."—The principal new blocks opened during the past financial year were a small one at Waikanae, containing 3,528 acres, about half of which has been taken up; one block immediately south of the Kawatau River, containing 4,500 acres, out of which 3,000 acres have been selected; two blocks in the Waimarino, containing about 10,300 acres, one-fourth of which has been taken up. The other lands opened were remnants of blocks which had been previously opened under the former Land Acts.

A large block of 44,000 acres, in the Upper Waimarino country, was ready to be opened for selection, but I deemed it best to keep it back until next season, to allow the road, which has been laid out, connecting it with the Waimarino-Taumarunui Road, to be first formed, so that intending selectors could get on the land to view it before applying. This land is so far away from any market it will only be taken up gradually by young men who are not afraid to grapple with the hardships settlers have to contend with who act as pioneers in the first settlement of the back-country.

There is now a great dearth of land suitable for immediate settlement in this district, and a large number of the sons of the early settlers, who have the means and are ready to take up land, cannot find it in such situations as will enable them to turn their capital to profitable account. The blocks which will be ready to be opened shortly at Awarua will meet this demand to some extent. A description of these will appear under new country to be opened in the forthcoming season.

The land taken up during the past year was either selected on occupation with right of purchase or under lease in perpetuity, as follows:—

Occupation with Right of Purchase.—Thirty-six selections were made during the year, of an area of 9,506 acres, bearing an annual rental of £493 3s., and the interests of three selectors in 1,873 acres were forfeited.

Lease in Perpetuity.—Twenty-six selectors took up 8,490 acres during the year, the annual rental being £355 10s. 2d., and there were four exchanges from other systems of an area of 705 acres and 20 perches, the annual rental being £43 3s. 2d. There are now eighty-two selectors on the books, holding 27,253 acres at an annual rental of £1,212. There were only eighteen selectors in arrear on the 31st March last for £118 13s. 8d.

Village-settlement Lands.

Under Lease in Perpetuity.—On this system, which is practically a continuation of the village-homestead special-settlement system, there were ninety selections, of 2,105 acres and 1 perch, at an annual rental of £693 0s. 4d. There were four forfeitures, of 182 acres, during the year, and the total area now held amounts to 2,352 acres 2 roods 23 perches, by one hundred and ten persons, the annual rental being £680 9s. 10d., twenty-five of these being in arrears with £137 16s. 1d.

During the year, four large and one smaller new village settlements were started, the principal being the Horowhenua, Rakanui, Pongaroa, and Mangaweka Settlements. In all of them the sections, which ranged from five acres to a hundred acres each, were keenly contested for, and five times the area would readily have been taken up if there had been suitable land to offer the would-be village settlers.

Village Homestead Special Settlements under the old Regulations.—There are 186 selectors on the books, holding 2,421 acres and 31 perches, at an annual rental and interest on advances of £415 5s. 6d. The interests of nineteen lessees in 182 acres 2 roods 31 perches, were forfeited during the year. A sum of £90 was advanced for houses the total advances made to the 31st March last being £6,551. The arrears amounted to £670 0s. 9d., owing by 147 selectors. The improvements effected on the land held under this system amount to £20,950.

Special Settlement Associations comprise the following systems—viz., land selected on the deferred-payment conditions, under the special-settlement regulations of the 5th December, 1885; farm-homestead associations, under the regulations of the 15th December, 1891 (both of which have been repealed); and special settlement associations, under sections 162, &c., of "The Land Act, 1892."

Under the first system there are still 336 selectors, in fourteen associations, holding 33,629 acres 2 roods 34 perches. The number of selectors residing on the land is 171, representing an area of 16,711 acres and 7 perches; the others are making double improvements in lieu of residence. There were 123 freehold titles acquired during the year, for 12,131 acres 1 rood 9 perches. There were 163 persons in arrear with their instalments, amounting to £1,011 9s. 7d.

The sixth year's improvements have in all these original associations now fallen due, and as they include, in addition to the one-fifth of the land required to be in grass, £1 per acre to be spent on the gross area of the holding, a good number of the settlers have not yet fully complied with these conditions of their licenses; but, when they are residing on the land, the Land Board has given them time to comply with the Act. It is only in cases where the association settler is not residing that the Board presses for the full improvements required by the Land Act to be completed promptly.

Taken as a whole, very substantial improvements have been made on the land taken up by these associations, though, in a large number of cases, not by the original selectors, but by the persons to whom they have transferred the land. The regulations allowed transfers in these original associations to be granted too easily before any improvements had been made. In many cases the first improvements were in reality made and paid for by the transferee, though ostensibly