

that view and partly with the idea of purchasing some of the freeholds still intermixed with the Crown lands, arrangements have been made whereby negotiations may be entered on at any time for further consolidations or purchases as circumstances may warrant; meanwhile the above area has been reserved for settlement to meet the demand for land which is said to exist in the Kaikoura and Wairau districts. In that part of the Wairau known as North Bank, included within a proclaimed goldfield, care was taken to conserve the mining interests, and to further them by special agreement in respect of facilities for water-supply and tail-races through freehold lands.

The amendment of the Act passed 16th October, 1896, gives the Land Boards somewhat of the power and discretion that would be exercised by a private landlord in similar circumstances, of selecting from the applicants for land those who, from experience and the possession of adequate means, would be most likely to prove satisfactory tenants, and maintain without deterioration the improved lands they are placed in possession of. This power of discrimination reduces very much the chances of the ballot placing valuable lands in the hands of those who, from want of the above qualifications, while doing no good for themselves, would most certainly deteriorate the property of the State.

The other provisions of the Amendment Act which may be noticed are the authority to acquire low-lying lands for homestead-sites for the working of any neighbouring high-lying or high pastoral land, and the acquiring of land for workmen's homes. With regard to procuring homestead-sites, two applications were made to the department to negotiate for suitable land for that purpose, but only in one case was the negotiation successful; in the other the price asked by the owner of the land was higher than the applicant was willing to pay rent on at 5 per cent. on the capital cost, as required by the Act.

Considerable attention has been given to the obtaining of land for workmen's homes, especially in the vicinity of the four principal population centres—viz., Auckland, Wellington, Christchurch, and Dunedin—but so far with little result, the owners of suitable land either refusing to sell, or, if willing, asking prices too high in the opinion of the Land Purchase Board for tenants to pay a rental of 5 per cent. on.

It is further recognised that if the scheme of settling workmen on land a few miles from their daily work is to be successful it is imperative that the land be selected near to the railway-lines, where the times of the ordinary train-services can be made to suit the convenience of the men travelling to and from their work and their homes.

It will be necessary to extend the operations of the Act beyond the limit of the 31st March, 1899, as now fixed, if the negotiations for the acquisition of certain large estates under offer are to be gone on with, otherwise some of these negotiations must be dropped, and no further business entered on that cannot be completed by that date.

Appended hereto is the information as above supplied given in a tabular form, viz. :—

Table A.—Return of all lands offered to the Government, and how dealt with, from the 1st April, 1896, to the 31st March, 1897.

Table B.—Return of lands recommended for purchase by the Board of Land Purchase Commissioners to the 31st March, 1897.

Table C.—Statement of lands acquired to the 31st March, 1897.

Report of the Surveyor-General on the "condition and settlement" of lands acquired.

I have, &c.,

JAMES MCKERROW,
Chairman of Board of Land Purchase Commissioners
and Land Purchase Inspector.

The Hon. John McKenzie, Minister of Lands.