

Much of this land is of second-class quality; indeed, if the lands acquired under the Land for Settlements Acts are excluded, it may be said to be, in a general way, all second-class land, the fact being that the Crown owns no large areas of first-class land available for settlement. It has been the case for some years that the lands available for selectors consist of rough, hilly, forest-clad country, requiring large expenditure for clearing and grassing before any return can be obtained, and which is difficult of access. Large sums are spent annually in constructing roads to and through these lands, but the work is in its nature slow, whilst the amount to be done is enormous.

A considerable area of land is under survey at the present time prior to being thrown open for selection, the principal localities being: In Auckland, the Tokatoka Swamp, and the Opuatia districts; in Hawke's Bay, some considerable areas of good land in the Forty-mile Bush; in Taranaki, a good block near the Egmont Forest Reserve, and considerable areas in the inland districts; in Wellington, some additional areas in the Awarua County, as also in the Upper Whanganui districts, and in the Wairarapa country.

In Marlborough some 37,300 acres of excellent country to the south of Kaikoura ought to be open for selection in September, and about 28,000 acres of second-class land on the north bank of the Waiau, in the same district. In Canterbury the lands to be dealt with are mostly those acquired under the Land for Settlements Acts. In Otago there will be further areas prepared in the Tautuku Forest, and smaller areas in other parts.

The amount of land granted to the Midland Railway Company during last year was 119,054 acres, for which provisional titles had been issued previously. This makes a total acreage now granted to the company of 191,155 acres.

FORFEITURES AND SURRENDERS.

As has already been stated, a considerable number of forfeitures took place during the last year, through want of compliance with the conditions under which the lands were taken up. They amount in all to 493 cases, covering an area of 211,502 acres, the rental of which was £3,047 6s. 1d. Included in these amounts are twelve pastoral runs, covering 126,938 acres. The principal items that go to make up the total are: Special-settlement associations, 133 cases, covering an area of 26,296 acres; and improved-farm selections, numbering 115 cases, comprising 10,392 acres. Of the special-settlement-association cases forty-three were in the Taranaki District and eighty in the Wellington District, where the bulk of the association blocks are situated. It has been pointed out before that in the eagerness to obtain lands, through the facilities offered by the association system, many people joined them who were unfitted either by capacity or monetary means to carry out the obligations they undertook when becoming members. Many also were actuated, no doubt, by the belief that money was to be made by selling out to others at a profit. The Land Boards, whilst using a wise discretion in the cases where they saw that *bona fide* efforts were being made to settle on the lands, have invariably exercised their powers of forfeiture where it was found no attempt at compliance with the law had been made. Again, with respect to the improved-farm settlements, it is undoubtedly the case that many people took up land under this system not at all in the spirit in which the regulations were intended, but rather with the view of obtaining employment in the improvement of the lands and concurrent road-works. Therefore, directly the employment ceases, even for a time, having no heart in the matter, they make default, and their holdings are forfeited. The final result of the forfeitures is that, as a rule, the lands are reselected by those who are better able to comply with the law, and who have a better chance of succeeding in the end.

IMPROVED-FARM SETTLEMENTS.

This system of occupation of land, as authorised by "The Lands Improvement and Native Lands Acquisition Act, 1894," has been fully explained in previous reports, but, in brief, it is intended to settle people on the lands who would otherwise have little chance of so doing. Blocks of land are chosen on which groups of people are settled, the Government advancing the cost of clearing up to certain limits, and assistance is also given in house-building—the total cost so advanced being made a charge on the lands, and the interest on advances becoming a part of the rent. During the year forty-five additional selectors were allotted lands, with an area of 4,881 acres, and, in addition, arrangements have been made for the location of 205 other persons, to occupy 19,303 acres, but, as these last are only in the initiatory stages, they do not appear in this year's tables. At the date of last year's report thirty-nine settlements had been formed, covering an area of 63,597 acres, one of which, in Taranaki District, was subsequently cancelled. During the year five new settlements were started, the number of selectors being forty-five, which makes a total to date of forty-three settlements, covering a total area of 70,196 acres, held by 646 selectors (exclusive of those in the preliminary stage). The amounts advanced up to the 31st March last were: For houses, &c., £2,918 8s. 11d.; for bushfelling and other works, £33,174 4s. 2d.; or a total of £36,092 13s. 1d.; whilst the value of the improvements on the lands was (including the above figures) £49,690 0s. 8d. There were at the same date 1,229 persons living on the lands, and the area cleared and in grass was 9,724 acres. The length of roads formed in connection with these settlements was 145½ miles.

It has already been pointed out that there have been 115 cases of forfeiture in this class of settlement for default of the conditions of residence and improvement, and the reasons have been indicated. It is much too soon to say what will be the ultimate success, but from the indications at present it is clear that amongst those who have taken up the lands there are a large number who evidently intend to settle down, and will do their best to make permanent homes for themselves. The system has been the means of withdrawing from the ranks of the unemployed a considerable number of people who probably for the first time in their lives experience some hope of becoming landowners. It is cheering to behold in some of these settlements what has been done, as, for instance, in the Whanga-momona Valley, in inland Taranaki, where a continuous strip of settlement now extends for some ten miles along the main road-line,