

*Lands offered and disposed of during Year.*—The returns disclose a substantial increase in the lands disposed of as against last year's transactions, there being fifty-nine more selections, and an increased area of 9,129 acres after deducting the figures for the conversion to freehold of the deferred payment and perpetual lease. A very large area, however, was placed in the market, no less than 87,641 acres being opened for selection as against 23,322 acres last year, consequent upon a large and comprehensive scheme of roading being provided for, and if sufficient funds are provided it should enable every settler to reach his holding at least by a horse-road. This made with lands already opened a total of 143,865 acres available. Nearly half of the area opened, 34,969 acres, comprised a large tract of mixed pastoral country embracing the valleys of the headwaters of the Waitara River, which will be to a great extent served by the Moki Road, when opened, and the Ohura Road at present opened for dray traffic though not metalled. The smaller and more accessible of the sections were selected on the day of opening, and inquiries have since been made for some of the remaining lots.

Another block, 20,427 acres, which was opened lies in the valleys of the Ohura, Mangaroa, and branch rivers, forty-five lots being opened under the lease-in-perpetuity tenure, owing to the prevalence of coal outcrops in the locality. The block is seventy-six miles from Stratford, and eighteen miles and a half from Ongarue, and comprises first- and second-class pastoral country. There was a great demand for the smaller lots, and all the sections offered, with the exception of ten, were selected on the day of opening. At the present date only seven remain unselected. (In addition to this, in the same locality 3,004 acres were opened and taken up on the improved-farm conditions.)

A block of 20,192 acres in the Opaku and Omona Survey Districts, comprising seventeen lots of second-class pastoral country, situated at the headwaters of the Whenuakura River and on the Patea River, was also put in the market, but only four selections have been made, probably owing to the difficulty of access. The land, however, is adapted to pastoral pursuits, cattle-raising, &c., and when cleared should carry an average quantity of sheep and cattle.

The balance of the lands opened comprised scattered areas in different parts of the district.

*Revenue.*—The revenue received was £2,968 less than last year, being, however, £645 more than the estimated receipts; but it is satisfactory to note that the receipts from rents of lands held under the lease-in-perpetuity and occupation-with-right-of-purchase tenures are steadily increasing, and a few years will, in all probability, see the revenue a gradually increasing one. It must be borne in mind, however, that some of the selectors under the license with right of purchase whose ten-year limit will expire during the year will most likely in the course of a year or two take advantage of the option, and of course the receipts from this source will materially add to the annual revenue. The principal disbursements from revenue are as follows: "Thirds" and "fourths" to local bodies, £3,481 5s. 2d.; Government loans to local bodies, £5,180 13s. 6d.; North Island Main Trunk Railway Account, £847 13s. 6d.; land for settlements, £1,190 0s. 5d.; total, £10,699 12s. 7d. It will also be observed that the number of selectors on the books has increased by seventy-six, and the area held by 19,317 acres.

There are now only forty-four selectors holding under the deferred-payment and perpetual-lease systems, and if they convert to freehold at the ordinary rate of past years there will be none left on the books in a few years.

*Cash Sales.*—Only two rural allotments were sold under Part III. of the Act, and these were the results of ballots. Other sales comprised sections in the Township of Waitara, the Villages of Mangaehu, Puniwhakau, Pukearuhe, and Rehu, and the remaining sections in Purangi, Stratford, and Ohawe; three allotments under section 117 of the Act, two sites for dairy factories, and one site for store and post-office.

*Forfeitures, Surrenders, &c.*—There were twelve forfeitures and two surrenders—nine of lands held under occupation with right of purchase, four under lease in perpetuity, and one small grazing-run—the total area being 13,026 acres, against nineteen selectors and 6,261 acres last year. The forfeitures were in consequence of breaches of the provisions of the Land Acts having been committed, and the surrenders were voluntary. I think a great number of the forfeitures arose through the selection of lands by persons without first satisfying themselves that the lands were suitable for their requirements; also at the time they were selected there was a very keen demand for land of all classes in this district, and it is probable that the selections were made by persons who found later on that they had not the means to comply with the conditions. In several cases it was made apparent to the Land Board that speculation was at the bottom of these transactions, and in these cases the lands were at once forfeited as a matter of principle.

*Arrears of Rent.*—Notwithstanding the increased number of selectors the amount due by selectors is only £788, as compared with £931 last year, and there are 110 selectors in arrear, being four more than in the previous year.

Of course, a good deal of judgment has to be exercised in pressing for payments of rent. A great deal of the arrears can be accounted for by the initiatory struggles the poorer settlers often have to make, even for a bare existence, before any actual returns come in as a result of their labours. These are not pressed unnecessarily, although at the same time their indebtedness is kept prominently before them.

*Reservations.*—During the year an area of 3,273 acres 2 roods 22 perches has been reserved under the provisions of the Land Acts for the purposes of public schools and halls, primary education, sites of public and municipal buildings, scenery preservation, cemeteries, quarries, &c., and a further area of 6,765 acres 2 roods 5 perches has been surveyed, and will be forwarded for gazetting shortly for various purposes; of this area, 5,881 acres is for forest preservation. Special attention, as directed by your circulars, is being given to forest and scenery preservation, and although no extensive reservations have been gazetted this year they are being kept well in view.