

Occupation with Right of Purchase.—Three selections of 934 acres were made under this system in the Waiho District. This class of selection is now practically barred in nearly all parts of this goldfield. The total area now leased is 16,845 acres, by ninety-six holders.

Lease in Perpetuity.—There are eighty-three selectors, occupying 14,857 acres, under this system on the books, and fourteen of these took up their holdings during the year. The main total includes twenty-one farmers who occupy 3,657 acres on the Poerua and Kokatahi Estates under the Land for Settlements Act.

Pastoral Runs.—There are 126 lessees occupying 612,835 acres, as against 577,638 acres held by eighty-one tenants last year; of these, sixty-six lease small areas under the 219th section of the Act, which, being in the immediate vicinity of gold-workings, are at present not obtainable under the optional system.

Miscellaneous Leases.—These comprise for the most part leases of reserves all over the district, and small areas of Crown lands adjoining gold-workings; they are issued under the 116th section of "The Land Act, 1892," for a renewable yearly term, and may be resumed at short notice if mining interests demand. The area amounts to 29,456 acres, divided amongst 176 lessees.

Crown Lands Forests.—The timber industry is steadily progressing, as shown by the following summary of the Crown Lands Ranger's reports: The number of sawmills on Crown lands is twenty, and on freeholds fourteen, or thirty-four in all; the timber cut on Crown lands amounts to 6,432,098 ft., and on mining and education reserves is 2,535,630 ft.; of silver-pine sleepers, 133,693 were "passed"; there are now fully five hundred hands employed either at the sawmills or as sleeper and firewood cutters.

Flax Licenses.—All available flax in this district has been lately taken up. Already there are three mills in full swing, employing over ninety hands; and, as fifteen other leases have been recently granted by the Land Board on condition that mills are erected within a reasonable time, a very large expansion may be expected at an early date.

Payments to Local Bodies.—Four proposals by the Westland and Grey County Councils for the expenditure of "thirds" were submitted to and approved by the Land Board, representing a disbursement of £167 7s. 9d.

Condition and Prospects of Settlements.

Variable weather has been experienced during the year. The winter was remarkably mild and open, and stock did very well, but the spring was exceedingly cold and wet, and there was virtually no growth until November, while the summer and autumn have been very moist and chilly. Still, although root-crops have been backward and uneven, yet a larger quantity than usual of hay has been safely stacked, and there has been a better yield of butter. The establishment of butter-factories has largely augmented the incomes of the settlers, and this is evident in the material improvement of their holdings, stock, and equipment, while it has given a great impetus to the reclamation and prosperous settlement of the adjoining forest and swamp lands, which heretofore were looked upon as unprofitable country. In the older settled districts great improvements in the manner of farming are evident. These will soon conduce to more prosperity, and form valuable models for the younger farmers. In the more recent settlements it is most pleasing to witness the energetic efforts to convert this tangled wilderness into pasture. Better and more thorough methods are now adopted, and all over the coast considerable areas are being rapidly laid down in grass, substantially fenced, and good homesteads erected.

The lands in the river straths when cleared of bush grow abundance of root-crops, especially turnips, which are much used for fattening purposes. The even and moist temperature encourages the almost uninterrupted growth of grass and clover, which are very luxuriant and favour stock-raising. Oats are also grown abundantly for local consumption, and for the most part are cut into chaff. All over the coastal lands, along the slopes of the lower hills and in the bottoms of the valleys, large herds of cattle are raised and fattened on the dense undergrowth of the forest. An increasing number of horses are also bred, and find ready sale. Year by year the imports of potatoes, fruits, butter, and fat stock are decreasing, owing to increased local production. Large drafts of store cattle and sheep are still procured from Nelson and Canterbury, but in a few years all the stock required will be raised locally.

The gold- and coal-miners, as well as the sawmill and flax-mill hands, who are located in various places, constitute valuable local consumers for the neighbouring farmers; and, as the markets here are the best in the colony, there is every indication of a prosperous future for the settlers in this district.

To meet the increasing demand, schedules have been sent forward of eight blocks of unsurveyed rural land for selection under lease in perpetuity amounting to 17,210 acres, and distributed mainly over the central districts. Lists and plans of twenty-nine runs, aggregating 539,640 acres, have also been prepared, virtually covering the whole of the lands which can possibly be set apart for pastoral purposes. These two classes of Crown lands will be open for application—the settlement blocks on the 26th May, and the runs on the 14th May next. Notices have also been given to runholders of intention to resume numerous other lands for settlement purposes, and various blocks are being subdivided in Teremakau, Kokatahi, Waitaha, and Wanganui Valleys, which will be placed on the market at an early date. Other farming country will afterwards be cut up and offered as speedily as possible. In the northern and central districts there are numbers of reserves for townships, &c., which were set apart in early days for special and, in those times, important purposes. The conditions under which these reserves were gazetted are altogether altered now, and it is proposed to consider the question of lifting the reservation.

Some years ago a number of mining reserves were very wisely located, covering large areas of lands, in the vicinity of the different gold-workings. The miners were thus carefully safeguarded