

SMALL GRAZING-RUNS.

Twelve holdings, covering an area of 21,430 acres, expired during the year, but were all renewed under the terms and conditions of their leases at advanced rentals in each instance. It was found that none of these areas was suitable for closer settlement. Only one new selection was made during the year, containing an area of 2,478 acres, and paying an annual rental of £298. Thirty-nine holdings, comprising an area of 131,481 acres 3 roods, and paying an annual rental of £1,936, were set apart under the provisions of "The National Endowment Act, 1907." Of thirteen leases expiring during the year, seven, comprising an area of 11,526 acres, have been offered to existing lessees for a further term of twenty-one years at greatly increased rentals, and six holdings, covering an area of 16,868 acres, are to be subdivided and offered for selection during the year under the optional system.

INSPECTION AND PROGRESS OF SETTLEMENTS.

The total number of inspections made by the Crown Lands Ranger for the Napier portion of the district was 622, including special inspections covering an area of 272,261 acres. The total value of improvements as required by the Act is £77,088, and the value of improvements effected £228,560. There were thirty defaulters for non-residence and forty-five for improvements. There were 1,724 souls residing on the properties inspected.

The Crown Lands Ranger for the Gisborne portion of the district reports that he inspected 237 holdings and made thirty-three special inspections. Altogether he made 270 inspections, comprising an area of 233,937 acres, on which he found 500 souls residing. The value of improvements required was £66,876, as against £304,058 actually effected. Thirty-two of the holdings inspected were defaulting for residence-conditions, and eight for improvements.

The very large value of improvements placed upon the holdings, and the very small proportion of defaulters for non-residence and improvements, emphasize the success which has attended Crown settlement in this district. Generally speaking, the district has progressed very satisfactorily.

REBATE OF RENT.

Rebate for prompt payment of rent amounting to £4,990 18s. 11d. was granted to 947 tenants. These figures show an increase over last year's returns of eighty-two selectors and £433 10s. 3d.

ARREARS OF RENTAL.

There are seventy-nine selectors in arrears with one or more payments amounting to £1,235 13s. 11d., comprising an area of 62,092 acres, being an increase of £981 15s. 1d. This is greatly due to the long dry season experienced throughout the district during the past summer, and also to the bush-fires occurring in various parts of the district.

FORFEITURES AND SURRENDERS.

There were seven forfeitures for non-compliance with conditions, comprising an area of 106 acres 1 rood and 4 perches.

Five surrenders were accepted, containing an area of 14,085 acres 2 roods and 13 perches.

TRANSFERS.

Owing to the high value of land and the prosperous condition of the country no less than 171 selectors transferred their holdings during the year, and twelve were refused by the Land Board.

DISPOSAL OF REMAINING CROWN LANDS.

A block of 10,000 acres, portions of the Waimarama, Waipuka, and Okaihau Blocks, situated about twenty to thirty miles from Hastings; and 9,641 acres, portion of Piripiri and Manawatu Blocks, adjoining Mangatera and Matamau Railway-stations, and only about three miles from Dannevirke; also 11,523 acres in Tuahu Survey District, near Waikaremoana, are now under survey, and will be ready for offering about the end of the year. 16,868 acres of small-grazing-run holdings will expire during the year, mostly in the Gisborne district; and it has been decided to subdivide these runs, and offer them under the optional system before the end of the financial year. Besides the foregoing there will be about 8,000 acres in the district that will be thrown open for selection during the year. I have very good reason to anticipate that all the land to be offered will be applied for, as there is such a demand for land in this district.

RESERVES, FORESTS, ETC.

Reserves with a total area of some 2,975 acres have been made and permanently gazetted, while 266,246 acres have been set aside under the National Endowment Act of last session. There have been 8,400 acres withdrawn from forest reserves in the Waikarara and Makaretu Survey Districts as being of no further use for the purpose for which they were reserved, and these lands will shortly be opened for selection.

BUSH-FIRES, ETC.

Owing to an exceptional period of drought extending over several months, settlers have been sorely tried in making provision for feeding and watering their stock, and, as an outcome of the exceptionally hot and dry season, certain portions of the district in the neighbourhood of Ormondville, Norsewood, and Dannevirke were subsequently devastated by extensive bush-fires, which caused considerable loss of stock, fences, and pasture, and in a few instances of buildings.

The Department issued instructions for assistance to be afforded those needing same, by providing them with grass-seed to resow their holdings, and allowing payment to be made therefor by instalments extending over a period of from one to four years; and a number of claims have been dealt with in that manner.

The bush-fires also spread over considerable tracts of Crown lands near Dannevirke which are being prepared for settlement, and these are also being resown with grass-seed. In connection with these fires there is a compensating phase of the question, which is that, although the damage done is very