

The exchange of Ruangarehu, near Waipiro, consists in the transfer to Mr. J. N. Williams of four small isolated blocks of Crown land, in exchange for about an equal area of his freehold in one block, which is ready for occupation, and is situated on the Tologa-Waipiro inland track.

For workmen's homes and small farms near towns two properties were purchased and opened for lease, with rather disappointing results. The properties purchased last year, and offered for lease during the year, also failed in finding anything like full occupation.

There was a very great desire expressed by the representatives of labour that land should be acquired. At Dunedin, although the principle of providing land for workmen's homes was fully expressed, it was found that very few indeed would definitely state that they would themselves take up any land on the statutory terms if it were offered to them. I believe workmen find it more convenient to live near their work, and that few care to undertake the trouble or cost of living out of town, unless there are frequent rapid and cheap means of communication.

The following is a summary of the transactions under the Land for Settlements Acts to the 31st March, 1903 :—

	No.	Area. Acres.	Prime Cost. £
Purchased or exchanged and opened for selection	116	497,683	2,250,961
Paid for, but not opened for selection	...	6	42,990
Purchased, but not paid for nor opened	...	5	60,152
	127	600,825	2,675,487
Under negotiation	17	320,638	1,098,160

The income for the year amounts to £120,967, and the outlay for interest on money borrowed is £93,599. Other outlay is charged to capital. There are also 19,544 acres not yet let, valued at £3,401 yearly, and 8,338 acres taken up by roads and reserves, from which no revenue was derived.

The result of the year's operations shows a profit of £27,369. The accumulated and invested credit balance up to the end of the year is £117,546, besides uncollected rents, on the 31st March last, amounting to £10,489, but a considerable part of which has since been received. The arrears are principally in Taranaki, Hawke's Bay, Wellington, Marlborough, and Southland, the greatest being in Hawke's Bay; but three large estates account for more than half of the whole indebtedness.

The usual tables of statistics are attached.

I have, &c.,

A. BARRON,

Land Purchase Inspector,

Chairman of the Board of Land Purchase Commissioners.

The Right Hon. the Prime Minister.