

The forfeitures and surrenders during the year amounted to 186, covering an area of 25,885 acres, exclusive of fourteen small grazing-runs, containing 25,127 acres. These are caused by the inability of the selectors to comply with the conditions of their holding, such as residence, or non-compliance with the improvement clauses of the Act. These forfeited selections are very generally taken up again as soon as offered for reselection.

Including the small grazing-runs, but exclusive of endowments, there are on the books of the department 9,589 selectors, most of whose holdings require inspection during the year, and with whom an account is kept as to payment of rent, instalments, &c., all of which involve a large amount of correspondence during the year. To these have to be added the 1,266 pastoral tenants, making the number of accounts kept 10,855.

TRANSFERS.

The number of transfers of holdings approved by the Boards during the year was 499. In this number are included all systems of lands held on settlement conditions, the approval of the Board being necessary in all cases where the title is not freehold.

PASTORAL RUNS.

During the year 195 runs, with a gross area of 1,596,600 acres, situated principally in Nelson Canterbury, and Southland, have been disposed of by auction. Some of these are let for short periods, such as in cases where the country may possibly be required for other kinds of settlement during the next few years; others for terms of twenty-one years, where the nature of the country is such that it can never be utilised for other than pastoral pursuits. In some cases the runs let consist of odd pieces of country lying conveniently to other runs, and not suitable as runs by themselves, for want of lower country to work them from. It is not likely that any large areas of pastoral country will fall in for reletting during the next few years; consequently, little more revenue from this source is likely to arise. Some of the North Island runs, of which the Crown owns but few, have to be made, by clearing and improving, before they will carry much stock, so that this system of tenure is not a very popular one so far as the public estate is concerned. The number of runs disposed of last year is less by 80 than for the previous period.

There were forty-three small grazing-runs, containing 86,161 acres, giving an average of 2,003 acres each, let during the year, for a term of twenty one years; and, taking the whole of the colony, there are now 300 of these runs, with a total area of 554,396 acres, under lease.

SPECIAL-SETTLEMENT AND VILLAGE HOMESTEAD LANDS.

There were no new special-settlement associations formed during the past period, but an area of 90,840 acres is held on this tenure (deferred payment), with 913 selectors. These are principally in the Wellington District. Not more than half of these settlers are residing on their selections, as many of them take advantage of the "double improvement" clauses of the Act to postpone residence until their properties are more improved and communications better before taking their families on to the ground.

Of village homestead special settlements there are now 790 holdings, occupying 22,404 acres, and these are scattered in all parts of the colony, except the west coast of the South Island. Only ten fresh selections took place during the year. The greater number of the settlements are in Auckland and Canterbury, and, in order that some idea may be formed of the progress that has been made by the settlers in making homes for themselves under this system, the reports of the Village Stewards for those two districts are printed in the Appendix to this report. During the year the Hon. Mr. Copely, Minister of Lands for South Australia, visited New Zealand and saw a good many of these settlements. A summary of his report has already been placed before Parliament.

ARREARS.

The following figures show the state of the arrears due to the Crown for the past three years, including deferred-payment, perpetual-lease, small grazing-runs, and pastoral leases:—

31st March, 1889	...	...	...	3,862 selectors, owing £44,533
" 1890	...	...	...	3,755 " " £52,891
" 1891	...	...	...	3,548 " " £37,341

It will be observed that the number and the amount for the past period is less than it has been for some time. This is in a great measure due to the effect of "The Selectors' Lands Revaluation Act, 1889," under the provisions of which the revaluations do not take effect until all arrears to date on the basis of the new valuation are paid up. This being so, there should not be so large an amount as £37,341 outstanding, but it has frequently been pointed out that these are in great measure arrears only in a technical sense *e.g.*, the deferred-payment and perpetual-lease payments being due on the 1st January and 1st July each year, and being payable in advance, the selectors do not consider themselves in arrear if their payments are made within the six months period for which the rent or instalments is due. Small grazing-runs and pastoral rents are only due at the half-year ending the 1st day of March and September each year, so that many of the rents are only due thirty days before the date at which the accounts shown in this report are closed.

REVALUATIONS.

Under the provisions of "The Selectors' Lands Revaluation Act, 1889," the following holdings had been revalued and approved by the Minister up to the 31st March last:—

Deferred payment—1,298 holdings, 201,053 acres; decrease in valuation, £147,879 2s. 10d.
Perpetual lease—503 holdings, 61,464 acres; annual decrease in rent, £1,664 10s. 3d.

To the above may be added the figures relative to the endowment lands revalued:—

Deferred payment—50 holdings, 12,859 acres; decrease in valuation, £12,194 5s.
Perpetual lease—31 holdings, 7,213 acres; annual decrease in rent, £218 12s. 8d.