

*Analysis of Holdings taken up.*—This shows the areas of selections to vary from 51 to 250 acres, and the sections under this column are principally special-settlement and improved-farm settlement lands, the sections in the former averaging 200 acres, and in the latter 100 acres. There are very few inquiries for sections over 250 acres. The lease-in-perpetuity system has been the most sought after, as was the case last year. The special-settlement and improved-farm lands are all taken up on the lease-in-perpetuity system.

*Cash Sales.*—The town lands disposed of are situate in Stratford and the Villages of Tongaporutu and Purangi. At the sale of the Stratford sections, held on the 10th ultimo, twenty-two sections, comprising 5 acres 1 rood 21 perches, were sold, mostly at upset prices, for £380 10s., of which £172 has been received. Five sections in the Village of Tongaporutu and one suburban section in the same locality were disposed of at upset prices on 24th February last—10 acres 2 roods, for £67 10s.; also one section in Purangi Village, for £15, upset price.

*Deferred-payment Lands.*—The number of holdings capitalised and converted to freehold has fallen off considerably during the year, the amount received for freeholds being £7,653 12s. 1d., or about £3,000 less than the preceding year. The yearly decrease in revenue by the acquisition of freeholds is £927 16s. 8d.

*Perpetual-lease Lands.*—Thirty-eight selectors converted their lands to freehold and one to lease in perpetuity during the year, the area of the latter being 315 acres, and the annual loss in this class of revenue is £15 15s. The yearly decrease in revenue by the acquisition of freeholds is £381 2s. 6d.; the number of freeholds is slightly less than last year.

*Occupation with Right of Purchase.*—The number of selectors is seven less than last year, but the area taken up is slightly more. The selections comprised for the most part sections forfeited and reopened for selection under the optional conditions of the Land Act of 1892. There have been only two surrenders and forfeitures during the year out of eighty-nine selectors.

*Lease in Perpetuity.*—There have been only twenty-three selections and exchanges, as against forty-one last year, the area taken up being about 2,000 acres less. Only three surrenders and forfeitures have to be recorded out of 123 selectors. One small-run holder converted 517 acres to this system, the annual rental under lease in perpetuity being now £20 13s. 8d.; and one perpetual-lease selector converted 315 acres, the annual rental under lease in perpetuity being now £12 12s.

*Special Settlements.*—The Moeawatea Association balloted for forty-eight sections, comprising 9,616 acres, on the 19th September, 1896, seven sections of the block being drawn for the Crown. The members elected to work under the Land Act of 1892, instead of remaining under the regulations of 1891. This settlement is situate on the south-east side of the Matemateaonga Range, and comprises broken and precipitous country; it is reported unfit for occupation in 200-acre sections. The total amount of rent received during the year from lands held under this system is £532 18s. 4d. Personal residence is compulsory as from the 1st January last on the Milsom, Tanner, Oxford, and Lepperton Settlements, and the condition has been fairly complied with. The forty-three forfeitures are for non-improvement, and the twenty-three surrenders are mostly in cases where the selectors find on inspection of the land that it is unworkable in such small areas as 200 acres. The Kaitangiwhenua Block, which was returned last year as not balloted for, was abandoned by the association, most of its members having been taken to fill the places of those in preceding associations who had resigned their membership.

*Miscellaneous Leases.*—These comprised small areas in the Towns of Stratford, Opunake, Manaia, and Waitara, let on a yearly tenancy terminable at three months' notice, with the exception of those in Opunake, which have been let for a term of seven years, with a view to eradication of gorse on the Crown lands. They also comprised a portion of the railway reserve through the Ngaire Block; a cemetery reserve at Purangi, on the Waitara River, on which the gorse has also to be kept down; and a ford reserve on the Manganui Stream, where it intersects the Junction Road. The sum of £6 10s. 8d. was recovered for timber taken from the Ngaire Block.

*Statement of Revenue received.*—This is £8,262 2s. 4d. less than was received last year, and about £4,000 short of the estimated revenue, caused by a considerable falling-off in the lands converted into freehold. I attribute this to the fact that settlers now mortgage their leases and licenses to the Advances to Settlers Office, instead of acquiring the freehold as formerly. Three-fifths of the amount received this year came from lands made freehold. The receipts from lands held on the optional system are proportionate to the new selections. Of the amount received for transfer, &c., fees, nearly £100 is made up from deposits of 10s. per member forfeited by special settlers. The amount recovered for expenses of the Ranger in resuming possession of forfeited lands is £4 5s. 7s., and survey office fees, sale of lithographs, &c., amounted to £43 7s. 7d. The sum of £17 5s. 3d. has been received from the sale of timber and grass-seed on improved-farm settlements, and will be credited to the settlers in reduction of capital values. A refund of £11 2s. 9d. was made to Lands Improvement Vote No. 118, overpayments for bushfelling, and £18 7s. 6d. for cost of felling done by department on frontage of a forfeited section on Rawhitiroa Road, to allow the road to dry, and which was afterwards repaid by the selector of the land. The sum of £160 3s. 2d. was recovered for survey liens.

*Summary of Arrears.*—These compare favourably with last year's figures, being about £300 below them, the only increase being in the lease-in-perpetuity system, where the figures are doubled. Special efforts have been made during the year to reduce the amount in arrear, and the result is fairly satisfactory, considering what the arrears have been in past years. The special settlements have not paid up well; some of the Tanner and Milsom settlers are three payments behind. The Terrace End, Eltham, and Ross settlers that remain on the books do not commence paying until the 1st July next, the balance of the Moanataiari Association on the 1st January, 1899, the Mangaehu and Llewellyn Associations on the 1st January, 1898, the Whenuakura, 1st July, 1898, and the