

The following figures, in classified form, show the reasons for forfeiture or surrender :—
During the year 299 leases were forfeited and 269 leases surrendered.

The reasons for forfeiture were :—

Non-payment of rent	...	...	...	...	162 leases.
Contravention of Act	...	...	...	...	14 "
Non-compliance with conditions	...	...	...	...	81 "
Non-execution of leases	...	...	...	...	20 "
Various other reasons	...	...	...	...	22 "
					<hr/> 299 "

Of these, 136 sections were opened for reselection and seventy-two sections have been selected during the year.

The reasons for surrender were :—

Because the rent was considered by tenant to be too high, and in order that a revaluation be made	...	...	...	...	198 leases.
As tenants could not comply with conditions	...	...	...	...	14 "
As tenants no longer required the sections	...	...	...	...	16 "
Poor or unsuitable land	...	...	...	...	9 "
Insufficient money	...	...	...	...	6 "
Sections too small	...	...	...	...	4 "
Illness and other reasons	...	...	...	...	22 "
					<hr/> 269 "

During the year 206 of the sections were again offered, and 165 sections have been selected.

IMPROVED FARMS.

There are now in existence fifty improved-farm settlements (including additions to old ones), extending from Auckland to Southland, with a total area of 76,069 acres, originally selected by 749 settlers, averaging 101 acres each. The bulk of these settlements are in Taranaki and Wellington. On the 31st March there were 499 settlers in occupation, with 1,974 persons resident, the area occupied by the settlers above being 53,319 acres. The area within the settlements that had been felled was 24,943 acres, whilst the area grassed was 23,673. Over 7,000 head of cattle were running on the farms. The total amount paid to the selectors for clearing, grassing, &c., amounted to £64,786, whilst the value of improvements on the land was £95,394. The rent and interest received last year was £2,552. The success attending this class of settlement, so far, is very varied. In the Auckland District they do not appear to be flourishing, whilst in Taranaki, Hawke's Bay, and Wellington a large proportion of the settlements show every prospect of becoming self-supporting, especially where dairy factories have been established. In Otago and Southland it is much the same. It can scarcely be said at present that some of the settlements have advanced beyond the experimental stage. Under favourable circumstances as to position, soil, &c., the improved-farm settlements offer to industrious settlers a chance of making homes for themselves that in liberality of conditions has never been equalled in this colony.

VILLAGE SETTLEMENTS.

This term includes a series of small allotments which are laid out in connection with the larger farms, and are intended to provide homes for settlers who must depend for subsistence on employment obtained in the neighbourhood for part of their time. The villages form useful adjuncts to settlement operations carried on on a larger scale, by supplying labour, and at the same time admit of the formation of homes in the hands of freeholders, or as Crown tenants. As the limit of size varies from fractions of an acre to 100 acres, the wants of a numerous class are met by this system. The meed of success attending on this class of settlement is very considerable, and as it has been in force for many years it may be pronounced a success, as the statistics prove. Whilst this is quite true as a general statement, some settlements which have been injudicially chosen as to locality and quality of soil have in a great measure failed. The tenure varies from freehold to lease in perpetuity.

During the last year eighty-four new selections took place, covering an area of 1,784 acres, the rental—in the case of leased lands—amounting to £185 per annum. Since the inception of the village-settlement scheme many years ago, 2,958 settlers have acquired the freehold of their allotments, which cover an area of 19,786 acres. The total cash received from these settlements to date is £83,550, and at the 31st March last there were, excluding the freeholders just mentioned, 1,828 settlers holding, out of which number 1,239 were resident. The Government has advanced for houses, bushfelling, grassing, &c., a sum of £25,816, and £2,917 out of that sum has been returned; the rest is carrying interest. The large sum of £153,195 represents the value of improvements on the lands. At the date of the returns there were 211 settlers in arrear with their payments, the amount owing being £1,400, whilst the forfeitures for non-compliance with conditions amounted to twenty-eight. In the north the village settlers who were placed on lands not selected by the department are gradually exchanging the tenure of their lands to lease in perpetuity, under which system, and in the circumstances of the case, there are some advantages over those of the ordinary village settlement.

PASTORAL RUNS, SMALL GRAZING-RUNS, AND GRAZING-FARMS.

The dealings under the above headings last year were somewhat less in number than for the preceding period, though the area leased is larger. There were 204 runs and grazing-farms disposed of, with an area of 1,174,940 acres, the bulk of which is in Otago—i.e., the greater area—but Westland shows the greatest number, the reason for which is that the pastoral tenure is practically the only one allowable within the territory covered by the Midland Railway Proclamation.