

The remainder of the area shown in the table as sold consists of excess area found on survey to exist in previously purchased lands.

Under the deferred-payment system the only alteration is the conversion of one holding of 22 acres into freehold.

The gradually diminishing number of holders under the perpetual-lease system has been still further decreased this year by the conversion of sixteen holdings, comprising 1,994 acres, into freehold, and one holding, comprising 58 acres, to the lease-in-perpetuity tenure. The area held under this system, which in 1893, ten years ago, was 80,219 acres, is now reduced to 4,278 acres.

Under the occupation-with-right-of-purchase system one section of 10 acres has been selected, and one of 75 acres has been converted into freehold, the licensee having selected to exercise his right immediately the law allowed him to do so.

The lease-in-perpetuity holdings (exclusive of land for settlements) have been increased by six selections, comprising 1,218 acres, and by the exchanges from the perpetual-lease class. The bulk of the selections under this tenure is of lands in the acquired estates.

Under the village-homestead and farm-homestead classes there is practically no change in the areas held, the principal difference being caused by exchanges from the perpetual-lease to the lease-in-perpetuity subdivisions.

The small grazing-run leases have been increased by the 9,584 acres of Crown lands offered in two runs with portions of the acquired Chamberlain Settlement, which provided the necessary homestead-sites and low-lying lands for the working of the higher country.

The number of pastoral licenses taken up during the year was nineteen, comprising 389,348 acres; but as these represented fresh leases, commencing on the 1st March, 1904, of runs at present held under license they do not alter the area held at the end of the year.

A number of miscellaneous leases of reserves, river-beds, and small areas of Crown lands were disposed of, but these were in a good many cases the redisposal of areas whereof the former leases had expired, so that the total area is not proportionately increased thereby.

*Collection of Revenue.*—The total revenue collected for the year, amounting to £121,604 13s. 8d., exceeds the receipts for any previous years, and represents an advance of £12,333 on the revenue of the preceding period. Against this it must be noted that £3,082 was received on account of pastoral-run leases sold during the year, as rents in advance for the half-year from the 1st March, 1904, leaving an actual increase of £9,251 on the previous year.

The total number of tenants in arrear with payments of rent on the 31st March, 1903, was 164, owing a sum of £2,823 0s. 1d., which is £1,009 9s. 10d. less than the previous year, out of a total number of 2,758 tenants paying an annual rental of £113,716 19s. 8d. The arrears thus represent 2½ per cent. of the annual rents of the district, as against 3½ per cent. on the 31st March, 1902, and 3 per cent. on the 31st March, 1901. Eighty-five per cent. of the tenants had paid all rents due in advance for the current period.

The amount of rebate granted during the year under the provisions of "The Crown Tenants' Rent Rebate Act, 1900," and "The Land for Settlements Consolidation Act, 1900," was £4,424 19s. 2d., granted to 1,290 tenants, the proportions under the different tenures being as follows: Deferred payment, seven tenants, £6 5s. 11d.; perpetual lease, thirty-nine tenants, £24 14s. 2d.; occupation with right of purchase, eleven tenants, £8 2s. 6d.; lease in perpetuity, 265 tenants, £488 12s. 2d.; special settlements, three tenants, £1 1s. 4d.; village settlements, 185 tenants, £58 5s. 10d.; land for settlements, 584 tenants, £3,214 4s. 2d.; Cheviot Estate, 196 tenants, £623 13s. 1d.: total, 1,290 tenants, £4,424 19s. 2d. The practice of previous years has been continued of allowing rebates on a uniform scale of 10 per cent. to all tenants who (not being in arrear) paid their rents within one month from due date.

*Transfers and Exchanges.*—The total number of leases held under settlement conditions which have been transferred during the year was 105, comprising an area of 35,598 acres 2 roods 2 perches, made up as follows: Lease in perpetuity (all classes), seventy-five leases, comprising 14,651 acres 3 roods 24 perches; village homestead (all classes), eighteen leases, comprising 292 acres and 28 perches; perpetual and farm-homestead leases, three leases, comprising 114 acres 2 roods; small grazing-runs (all classes), seven leases, comprising 16,132 acres 3 roods 30 perches; grazing-farms, 2 leases, comprising 4,407 acres: total, 105 leases, comprising 35,598 acres 2 roods 2 perches. The total number of leases exchanged from perpetual lease to lease in perpetuity was twenty-three, comprising an area of 759 acres 1 rood 14 perches.

*Forfeitures and Surrenders.*—The forfeitures in all classes during the year numbered sixteen, covering an area of 236 acres 1 rood 31 perches. The reasons for forfeiture may be grouped as follows: Non-compliance with building or residential conditions, ten, comprising 52 acres and 13 perches; non-compliance with other conditions, two, comprising 52 acres; non-payment of rent, four, comprising 132 acres 1 rood 18 perches. Eight out of the ten holdings forfeited for non-compliance with building conditions were situated at the Hammer Township, where an attempt was apparently being made to hold lands for speculative purposes without fulfilling improvement conditions.

Surrenders were accepted of fifteen holdings, comprising 9,969 acres and 28 perches, which may be grouped as follows: On the application of the lessee by reason of inability to fulfil conditions of residence and occupation, eight holdings, comprising 17 acres 1 rood 12 perches; on application of lessee for other reasons, four holdings, comprising 36 acres 2 roods; for purposes of subdivision, fresh leases being immediately issued, two holdings, comprising 215 acres 1 rood 16 perches; for purpose of being dealt with in conjunction with adjoining acquired land, one run, comprising 9,700 acres.

*Reserves.*—The area of land set apart during the year as reserves for various purposes was 569 acres and 25 perches, under the following heads: Recreation reserves at Otarama, Leithfield, and Wakanui, 106 acres 1 rood; show-ground at Cheviot, 5 acres; library-site at Morven (Waika-