

and one forfeiture. The net area now held is 11,973 acres, the number of lessees being sixty-four. No arrears.

Occupation with Right of Purchase.—During the year twenty-seven selections were made under this tenure, the area selected being 5,543 acres. This is a considerable falling-off as compared with last year, when the selections numbered sixty-seven and the area selected 14,328 acres; but the difference is explained by the limited area opened on the optional system this year. It is to be remarked that of the land opened on the optional system during the year no selection was made on lease in perpetuity. There are now 324 selectors under this tenure, holding 72,029 acres, being an increase of six lessees and 364 acres over last year. Nine lessees are in arrear, to the amount of £35 2s.

Lease in Perpetuity (ordinary).—Thirty-two selections, covering an area of 8,685 acres, were made during the year, showing an increase of eleven selectors and 3,636 acres over last year. There were sixteen exchanges to lease in perpetuity from other tenures, comprising a total area of 2,915 acres. The total area now selected on this tenure is 97,995 acres, held by 337 lessees, giving an increase of 11,101 acres and forty-seven lessees over last year. Six lessees are in arrear for £34 16s. 10d.

Small Grazing-runs.—There has been no movement in this tenure during the year. There are nineteen lessees of ordinary small grazing-runs, holding 64,436 acres; two land-for-settlement small grazing-runs, area 2,808 acres; and three endowment runs, containing 10,450 acres. The Crown Lands Ranger reports that on the whole the lessees are complying well with the conditions of lease, are using the land chiefly for grazing, have made good and substantial improvements, and are in a prosperous condition. The improvements effected are £6,539 in excess of the required amount; but two lessees are in arrear to the amount of £18 8s. 7d.

Pastoral Runs.—Under this tenure ninety-two licensees hold 1,482,753 acres, none of the licensees being in arrear with rent.

The Classification Commissioners appointed to reclassify pastoral runs the licenses of which will expire on the 29th February, 1908, had to deal with ten licenses, which covered an area of 93,121 acres. Of these ten licenses, the Commissioners recommended that three be not reoffered as pastoral runs—two in the Nokomai Survey District (Runs 523 and 524, containing 1,991 acres), in order that they might be offered for selection on lease in perpetuity in four separate sections, as originally surveyed, upon the expiration of the licenses, there now being no objection from a mining point of view to this course; the third run, No. 491, Rowallan Survey District, containing 12,600 acres, will not be reoffered at all, as portion of it has been surveyed for landless Natives and the balance is high bush-clad country. From another run in the Oteramika Hundred 400 acres was deducted in order that this area might be leased on settlement tenure. Two licenses over adjoining land in the Wairaki district were grouped so that they would be held under one license; area, 12,300 acres. A somewhat extensive grouping of runs in the north-eastern portion of the district was recommended by the Classification Commissioners and given effect to, the circumstances being as follows: The licensees of two runs, Nos. 424 and 436, containing 56,200 acres, situated in the Otago Land District, and who also held two runs in the Southland District, Nos. 328 and 436A, containing 37,780 acres, all of which adjoin, applied to the Otago Land Board to group the four runs under one license, on the ground that they should be in one run, as most of them are summer country, impossible to work as a sheep-station unless all owned by one person. The Otago Land Board referred the application to the Southland Land Board, expressing the opinion that it would be advantageous to have the runs grouped as one run, but the Southland Board could not see its way to agree to the proposal. Subsequently, it being represented that it was considered doubtful that the two Otago runs would be taken up if not grouped, some of the land being very high country (from 4,000 ft. to 6,000 ft. above sea-level), as the Southland runs command the workable frontage and all the low winter country, and the Classification Commissioners for the Otago and Southland Land Districts having met at the homestead of the runs and discussed the subject, it was decided to group the four runs and include Block V, Wakaia, which was waste Crown land surrounded by the runs, the total area being 95,784 acres, the whole to be administered by the Southland Land Board. All the runs classified and reoffered were again taken up.

THE BUSH AND SWAMP CROWN LANDS SETTLEMENT ACT.

During the year under review 5,300 acres were opened for selection under this Act, 3,432 acres being heavy-bush land, 1,283 acres light-bush land, and 585 acres scrub land.

The selections made during the year were thirty-one, covering an area of 7,833 acres, comprising six heavy-bush land, 1,815 acres; nineteen light-bush land, 4,278 acres; four scrub land, 1,427 acres; and two swamp land, 313 acres.

The total selectors under this Act now number 104, the area held being 23,600 acres, showing an increase over last year of twenty selectors and 4,985 acres.

The Crown Lands Ranger has inspected the holdings of seventy-seven selectors, who lease a total area of 18,155 acres, and have been in occupation for one or two complete years, and reported that twenty-two of those holding two years and sixteen of those holding one year are residing, although in most cases residence is not due, the land being bush-clad. The total value of the improvements effected is £2,861 9s., being £1,907 10s. in excess of the required value. About twenty selectors have not effected the required improvements, and these shall have my attention shortly; in some cases want of road access is the difficulty. Upon the whole, the operation of "The Bush and Swamp Crown Lands Settlement Act, 1903," in this district must be considered to be fairly successful.

REMISSIONS OF RENT.

The amount remitted on ordinary Crown lands was £32 11s. 9d., to two lessees; and to one lessee under the Land for Settlements Act the sum of £61 3s. 2d. was remitted.