

*Lands offered and disposed of during Year.*—Those lands offered on the optional system comprised 9,692 acres of the Patua Block, on the north-western slopes of Mount Egmont, about half of which was disposed of; also 6,316 acres of scattered and forfeited sections; 3,190 acres of the Taumatamahoe Block, situate about fifty miles from Stratford, near main road to Auckland, none of which has as yet been applied for, but for which there are now inquiries; and 3,600 acres of forfeited sections in the Terrace End Special Settlement, near Strathmore, of which only one section of 400 acres remains unselected. The sections in the last-named block were grouped into areas of from 400 to 600 acres. The lands offered for cash comprised sections in the townships of Eltham, Stratford, and Waitara, the villages of Pukearuhe, Matapouri, Makaka, and Purangi, and the rural allotments of small areas. Of 640 sections offered at auction for cash, ninety-four were sold, mostly at upset prices. Some of the sales will appear in next year's returns, the balances of purchase-money not having been paid during the year. One section of 1 acre 3 roods, being a closed road, was sold under section 117 of the Act of 1892, for £17 10s. The amount received on incomplete cash-sales was £113 8s. Three persons did not complete their purchases, and forfeited their deposits, to the amount of £3 10s.

*Deferred-payment Lands.*—The number of freeholds this year is fifty-eight, against sixty-eight last year, with a proportionate decrease in area. There was no forfeitures or surrenders. The annual loss to revenue by the acquisition of freeholds is £670 13s. 5d.

*Perpetual-lease Lands.*—There are recorded thirty-six conversions to freehold, as against thirty-eight last year, the loss per annum in rentals being £363 12s. 4d. Two selectors converted their titles to lease in perpetuity, the annual rental under the former tenure being £76 12s. Only one selector forfeited his holding.

*Occupation with Right of Purchase.*—This system shows more than double the number of selections as against the figures given for last year, the area taken up being about 2,171 acres more. In one block opened in September, 1897, twenty-three out of twenty-seven sections were selected under this tenure. There were no forfeitures, and but two surrenders.

*Lease in Perpetuity.*—There were ten holdings in excess of last year's selections taken up this year, and a proportionate increase in area. Two perpetual-lease selectors converted their holdings to this tenure during the year, the annual rental payable under the new leases being £61 5s. 8d. Six surrenders and two forfeitures are recorded.

*Village-settlement Lands on Optional System.*—There is practically no demand here for small sections under this heading, and the number of dealings with the lands is very small. Three settlements have been opened in this district, two of which, with the exception of one section, are all held. In the remaining settlement only a few sections have been sold for cash.

*Special Settlements.*—On the 31st March, 1897, the number of selectors holding under this system was 252, of whom fifty-four were resident on their sections. No new settlements were taken up during the year. Forfeitures, for non-compliance with conditions of improvement or non-payment of rent, and by surrender, have reduced the number holding under lease-in-perpetuity tenure to 154; the area held to 29,654 acres 1 rood 7 perches, and the annual rental payable to £1,336 16s. 10d. The area originally taken up was 73,947 acres, by 376 selectors; and the decline in this system in this district is caused by persons having some six years ago taken up membership in the associations for purely speculative purposes, and through the land selected being in most instances fit only for occupation in large areas. This is proved by the fact that out of eleven sections of grouped areas opened on the 2nd March last only one now remains unselected. The want of access by road is another drawback, most of the blocks having been picked out in the heart of forest country, and considerably in advance of ordinary settlement. The money borrowed upon their security has had to be spent on roads to give access to them, leaving very little for roading the blocks themselves. There were sixty-seven forfeitures and thirty surrenders, most of them being of sections insufficient for occupation in small areas.

*Miscellaneous Leases.*—These comprise in most instances yearly tenancies of town lands, which have not been sold at public auction.

*Revenue.*—This was £1,516 less than that collected last year, but £5,220 in excess of the estimate, caused by a greater number of sections being made freehold than was anticipated. The estimate of revenue for this class must necessarily be of a purely speculative nature. The ordinary deferred-payment freeholds contributed £5,306 9s., and the village-settlement system on deferred payment brought in £240 4s. 7d. by the acquisition of the freehold of the remaining section held under that system on the 31st March, 1897. The revenue from lands disposed of under the optional system was about £651 in excess of last year's receipts, and that from special-settlement lands shows an increase of £330. I do not, however, anticipate any further increase in rentals from special-settlement lands for next year, as all the settlements on the books are already rent-paying. The improved-farm settlements will, I hope, show a better return next year, as more settlers will be liable for rent on the 1st January, 1899. The amount—£101 13s. 9d.—shown as "Miscellaneous" includes royalty on gravel taken from Crown lands, £50 15s. 6d.; the sale of lithos, tracings, &c., recoveries to Survey vote, making up the balance. The sales for cash, and the selections during the year under the various lease systems, realised £1,396 11s. 2d.

*Arrears.*—At the close of the 1897 financial year there were ninety selectors owing £721 3s. 7d., principally in the perpetual-lease and lease-in-perpetuity systems. This year there are 106 selectors owing £949 15s. 5d., there being slight decreases in the number of deferred-payment and perpetual-lease selectors, and an increase correspondingly with new selections on the optional system, with the special and improved-farm selectors that have come on the books as rent-paying.

*Lands reserved, alienated, &c.*—The reserves made were for the usual purposes, as provided by the Land Act, such as primary education, forest preservation, school-sites, &c. The lands alienated under Acts comprised for the most part some Native reserves in the Ngatimaru district, which were vested in the Public Trustee.

*Selectors on the Books.*—The total number at the close of the last year was 1,311. Of that number, ninety-five were converted to freeholds, while eighty-five new selections were taken up