

The rebate of 10 per cent. granted for punctual payment of rents was secured during the year by 3,841 tenants, the aggregate amount of the rebates being £5,001 19s. 5d. The number of tenants who received the rebate shows a decrease of 130 on that of the previous year, but the aggregate amount is £572 greater, due, no doubt, to the higher rents now accruing from recent selections as the result of the general increase of land-values.

The arrears of rent owing at the close of the year amounted to £2,992 13s. 8d., owing by 309 tenants occupying an area of 182,921 acres 2 roods 37 perches. This represents, as regards the number of tenants, a little over 4 per cent. of the total, while as regards the amount owing it is barely $3\frac{1}{2}$ per cent. of the annual rent-roll of the district.

CONVERSIONS OF TENURE.

The only transactions during the year under this head consist of eleven exchanges, all but one of which were from the mining district land occupation and Hauraki pastoral lease tenures to renewable lease, the total area being 2,712 acres and 34 perches. No doubt more of such exchanges would be effected but for the fact that in many cases the road-access to the holdings is at present defective, and applications to exchange to the improved tenure cannot be entertained until this defect is remedied.

ACQUISITION OF FREEHOLD.

In respect of the various tenures under which Crown tenants have the right of acquiring the freehold—namely, the deferred-payment, perpetual-lease, occupation-with-right-of-purchase, and lease-in-perpetuity tenures—the number of tenants who acquired the freehold during the year was 161, holding an area of 42,238 acres. This shows a very marked increase over the corresponding figures for the preceding year, which were 104 tenants holding an area of 29,354 acres. Most of the increase is, of course, under the occupation-with-right-of-purchase tenure.

TRANSFERS.

The total number of transfers approved by the Land Board during the year was 674, the principal tenures contributing to this total being—Occupation with right of purchase, 276; lease in perpetuity, 225; education reserves, 58; and renewable leases, 50. Thirty-two applications for transfer were declined. The keen demands by *bona fide* selectors for Crown land, which renders necessary careful scrutiny of applicants desiring to select in the first instance from the Crown, necessitates also full investigation of all applications for transfer, in order to ensure as far as possible that there shall be neither undue aggregation nor absorption of Crown leaseholds into adjoining properties; while a speculative value against the incoming tenant has also to be considered and dealt with. The general increase of land-values is emphasized in many cases by the large sums paid by way of goodwill over and above even the vendor's own estimate of the value of improvements. Such cases are most noticeable under the occupation-with-right-of-purchase system, where the guaranteed right to acquire the freehold at the original capital value enables the transferor to obtain a considerable proportion of the increased value by way of goodwill. It is noticeable also that large goodwills are obtainable for the transfer of subdivisions of holdings which were originally designed for village settlements in the neighbourhood of small centres of population, but which, by the unexpected growth of these centres, have now come within the suburban radius, and command large values for residential purposes. In these cases the Crown lessee is often able to secure an "unearned increment" which has been lost to the State, although this circumstance would not justify any steps being taken that would prevent the legitimate development of the neighbourhood. It may be noted also that with improved means of communication and the development of the dairy industry, rural holders find it advantageous to subdivide and dispose of portions of their holdings, thus placing additional settlers on the land, and securing greater improvement and more productive and profitable use.

On analysing the applications for transfer, it is found that a very large proportion of the incoming tenants are from other districts; these men are taking advantage of the lower values of the northern lands, thus bringing in outside capital and experienced settlers, useful and valuable to the working of Auckland lands.

FORFEITURES.

The total number of holdings forfeited and surrendered has been 132, representing an area of 97,923 acres. This, however, includes two pastoral runs of 71,857 acres, the remaining area being 26,066 acres. In the previous year, when no large pastoral areas were forfeited, the area was 50,103 acres; so that there has really been a considerable decrease of area. In many cases forfeiture is effected at the selector's own request, a fruitful source of this being the selection of Crown lands without prior personal inspection. Afterwards, when the selector goes to inspect his newly-acquired property, he finds that it does not come up to his expectations, or is not the class of land he anticipated, or the locality or difficulties of transport promise to make the task of breaking-in a new area more arduous than he is prepared to undertake, and he applies to be relieved of an ill-chosen bargain. It cannot be too often emphasized that the practice of selecting lands without previous inspection is an extremely inadvisable one, and likely in the majority of cases to lead to disappointment and monetary loss.

EDUCATION RESERVES.

At the beginning of the year the Land Board took over the control of the education-endowment reserves throughout the district, which have hitherto been controlled by the School Commissioners. The total area of these endowments in the district is 126,346 acres, of which 83,321 acres are let at a rental of £4,236 per annum. Arrangements are being made to have the unlet areas offered for lease,