

or implying the handing over of the selectors to the money-lenders. Rather than that, it will be very much better for the selector who finds that his resources cannot maintain the double operation of settling down on land and paying for the freehold at the same time in annual 10-per-cent. instalments, that the Government should come to the rescue by giving him the option of a perpetual lease, the rent of which would be redetermined at recurring periods, the first rent to be a certain percentage on the price per acre originally offered by him. In this way substantial relief would be afforded the struggling selectors, who would still retain the land as much for all time as though they held on freehold.

#### CROWN LANDS HELD ON PASTORAL LEASE OR LICENSE.

A reference to Table No. 6 will show that from 1,020 runs, comprising an area of 12,028,966 acres, a rent of £182,880 3s. 4d. was received for the twelve months ended the 31st March last. This sum is one-half greater than ever was received in any one year before from the same source. The increase is due entirely to the reletting of 173 runs in Otago, covering an area of 2,195,197 acres, realizing an annual rent of £68,844, or 7½d. per acre, or fully three times what the same country was let at formerly on an assessment of 7d. a sheep. It should be pointed out that on the area relet, two rents were paid last year in consequence of the rent on the new licenses being paid a year in advance. The £68,844 will therefore not be paid again until the 1st March, 1884, so that next year's returns will not include that sum, but in place of it five-twelfths will be due on the 1st October next, on the old assessment, being for the period between the 1st October, 1882, and the 1st March, 1883. There will, however, be several other receipts that will help to make good the deficiency. In terms of section 114 of "The Land Act, 1877," an area of about 1,650,000 acres of pastoral country held in 47 runs in Otago will have to be dealt with not later than the end of February, 1883. This country is not so valuable as what was offered and sold in February last; a great deal of it lies at a high altitude. The assessment paid last year was £9,620, or nearly 1½d. an acre. When again relet it will bring considerably more no doubt, but it cannot be expected to reach the high average of 7½d. an acre, obtained as already mentioned. In Southland there is an area of 161,000 acres held in 14 runs, which will also have to be dealt with soon; this is presently let at 2d. per acre.

In Marlborough land district the 70 runs which comprise about 1,000,000 acres are now entering on the second term of fourteen years, with rents raised from 1d. to 2d. an acre. As this will soon be accomplished for all the runs, the pastoral rents from Marlborough will then be about £8,000 a year.

At a sale of pastoral leases in Nelson on the 31st May, 1882, an area of 171,900 acres was offered on lease for ten years in 20 runs. Nineteen runs, comprising 156,400 acres, were let for an annual rental of £1,453 3s. 4d., or very nearly 2½d. an acre. Similarly in Southland Land District 23 runs, aggregating 172,450 acres, were offered by public auction for a term of ten years on the 14th June last, at an upset price of 2d. per acre. All were sold at the upset price excepting four, which were relet respectively at 2½d., 3½d., 4d. and 5d. per acre. In both land districts these runs were almost all on country high and back lying, the low country in front having been made freehold long ago by the lessees of the runs. There was therefore very little competition in either case. The main reason why the Otago runs fetched such high rents is, that on account of the auriferous nature of the country and of the system of having to pay for extinction of grazing right whenever a block was taken for settlement, there was very great circumspection exercised in choosing it, and as survey invariably preceded selection, no applicant had ever the chance of shutting up the back or hill country by securing a monopoly of the valleys. As a consequence of this careful husbanding there has been low country left to work the high, and the colony has at the present moment, in the interior of Otago, a pastoral estate yielding a rent of about £100,000 a year, and an area of over 300,000 acres of open country withheld from the runs and available for settlement in March next.

As a guide to the future reletting of runs it may be well to summarize the facts with regard to the reletting of the Otago runs in February last. Sixty-seven runs were cut up into 173 runs, and offered on license from five to ten years; a few were for a less term, but generally they were from five to ten years, with the right reserved of taking any land for sale on giving twelve month's notice. No compensation at the end of the term is allowed for fencing or other improvements made during the currency of the license, but there is the right of pre-emption over 320 acres, subject to approval of the Land Board. The country under the old leases is held till the 1st March, 1883, by forty-one lessees, and the 173 new licenses beginning on that date are held by forty-eight, of whom thirty-seven are the old lessees. It could not well be otherwise but that the old lessees would get the greater part of the country again, for five or seven years is much too short a period to make it worth while entering on so large an enterprise as the stocking of a run, erection of buildings, fences, eradication of rabbit pest, and so on, even if the tenure were secure, which it is not. The old lessees, therefore, already well established with their stock and other arrangements in full working order, could manifestly afford to give much more rent for a short period than a new tenant. Another circumstance that favoured the old lessees was the subdivision of the higher mountainous country into rather too many runs. As it may seem absurd to state that a run of say 15,000 or 20,000 acres is too small a subdivision, it is necessary to explain that in country rising to elevations of five and six thousand feet on the summit of the ridges, the question to be settled in putting a value on the run is not how many acres does it contain, but how many sheep can be wintered on it. With narrow valleys and gorges it is easy to see that it requires a large area of country to be included to furnish the required quantity of low country to maintain such a flock of sheep as will pay. To insure, therefore, that on reletting runs there may be more equality of conditions between those who desire to take them up, the following points should be observed:—

1. Each run should be of a size suitable to the features of the country in which it is situate.
2. The tenure should be secure, and for fourteen years.
3. Compensation within certain limits—say three years' rental—should be allowed at the end of the term for fences and buildings.
4. No pre-emptive rights should be allowed, as the selection of a pre-emptive right in some cases might absorb the site most suitable for homestead purposes, and so mar the future value and working of the run when it comes again to be relet.