

The average-sized selection is 666 acres, as against 338 acres for 1891. The increase in the size of the holdings may naturally be looked for, as no fresh land has been acquired by the Crown for years past, and the land fitted for small holdings consequently has become less and less, thus forcing the inferior land into the market, much of which can only be profitably held in large areas.

Forfeitures and surrenders have been four in number, and ten freeholds have been made; but, as the new selections during the year number forty-eight, the lessees have increased from 277 last year, holding 112,772 acres, with an annual rental of £4,583, to 312, with 139,667 acres, and a rental of £5,364.

Agricultural Leases.—No selections have been made—in fact, no land is held under this tenure in the district.

Village Settlements, Cash.—The selections for the year were four in number, of slightly over an acre each.

Village Settlements, Deferred Payment.—No fresh selections have been made; but, on the other hand, two, of 2 acres each, were forfeited, the sections in both cases having been abandoned. Fifty-three selectors are now in occupation of 656 acres.

Village Settlement, Perpetual Lease.—Two selections were made—one of a village section, the other of a small-farm lot. The total holdings under this head are eleven, containing 168 acres.

Village Homestead Special Settlement, Perpetual Lease.—No change has been made in the number of settlers, which stands at thirty-one, with 203 acres—an average of $6\frac{1}{2}$ acres each. There have been neither new selections nor forfeitures.

The two settlements are—Woodville, with its twenty-seven settlers, and the Puketitiri, with its four settlers. Unfortunately, I have been unable to visit this latter settlement yet; but, small though it is, it is reported to be well fulfilling its purpose, and the fact of two only of the settlers having asked for advances, is a corroboration of this statement.

The small settlement of Puketitiri, which is situated about thirty-seven miles inland of Napier in a westerly direction, was formed in March, 1888. Five settlers were in the first instance located there, on sections of 20 acres or thereabouts. Four of the lots are still held on this tenure, but only one of the original selectors is in possession, the other three being transferees.

Of the 91 acres held by these settlers 88 acres are in cultivation, and the value of the improvements made is £446 10s. Their indebtedness to the Crown is small, being but £83 on account of advances made, principally on houses. One of the settlers has planted an orchard containing 250 fruit trees, which appear to be thriving well.

Special Settlement Associations.—The only two in the district are those of Danevirke and Wai-pawa, both taken up on deferred payment in 1885. A total of 5,120 acres was selected; but since that date three sections, of 156 acres, became forfeited, and were taken up by other parties. In these settlements 999 acres have been made freehold to date, so that the area still held on deferred payment is 4,121 acres. My report on these settlements is given in Appendix II.

Application was made in January last for 2,800 acres of the Umutaoroa Block by the Liberal Small Farm Association, numbering fourteen members, which was accepted by the Government shortly afterwards. A surveyor was at once set to work to subdivide it into 200-acre sections; but as the land has not been formally allotted to the individual members, it does not appear in the Tabulated Statement K.

Homestead Lands.—There are none held under this tenure in the district.

Small Grazing-runs.—Forty-four are now in occupation, comprising 116,418 acres, being one less than last year; a small one, of 464 acres, having been surrendered by an elderly person, who found himself physically incapable of carrying out the conditions. It has since been offered on perpetual lease, and is now held under that tenure at double the former rental.

Pastoral Licenses.—There were no new transactions during the year, so that they stand as in previous returns—viz., twenty-two, containing 159,645 acres; from which £972 14s. 8d. in rents has been received this year. There are no arrears of rent.

Miscellaneous Leases and Licenses.—There are forty-two of these, embracing 3,978 acres, with a yearly rental of £308 12s. 11d., a rate of 1s. 6d. an acre. They are to a large extent yearly occupation-licenses of outlying pieces of ground which the Land Board does not deem it advisable to dispose of otherwise at present. Others are reserves not at present required for the purpose for which they were set aside.

Revenue.—The total received during the year from all sources is £18,706 15s. 7d. (including £256 18s. 3d. for endowments), the three principal items being—perpetual lease, £5,055 18s. 7d.; cash, £5,039 9s. 1d.; and deferred payment, £4,267 17s. 4d. That derived from perpetual lease is purely rent, whereas the cash represents not only cash sales, but £3,068 6s. of money received in the purchase of the freehold of land selected on perpetual lease.

Arrears of Payments.—These are comparatively few and small, as with an annual revenue of nearly £19,000, only £378 3s. 9d. remained unpaid on the 31st March. There are only four selectors with two half-yearly payments in arrear, amounting to £31 6s. 10d.; the remaining £346 16s. 11d. represents single half-yearly payments due last 1st January and 1st May, advance payments for the current half-year. Nearly all may be expected to be received in the next two months, as on the 31st December last, just prior to the January payments becoming due, the total arrears for the district under all systems was the small sum of £30 18s. 8d.

Improvements.—In the inspection of 129 holdings of first-class land but seventeen were found in arrear, and these not to any serious extent. Inclusive of the failures, the value of the improvements required by law was £14,100; those effected amounted in value to £27,505.

Sixty-three inspections of second-class land were made. None were found deficient in the improvements, and the value of those effected was £18,534, as against £9,875 required.