

*Table E, Perpetual-lease Lands.*—The freeholds obtained are twelve in excess of last year, the yearly decrease in revenue being £357 19s. 8d. Of the surrenders shown in the table, twenty-two, comprising 4,498 acres, are of sections in the Mangamingi Block, which were valued too high, and the settlers are being allowed to surrender, with a view to the lands being opened under the Act of 1892 at reduced rentals. The revenue will lose about £155 yearly by the conversion. Five sections, containing 1,252 acres, were converted to lease in perpetuity.

*Table F, Occupation with Right of Purchase.*—The area selected is more than double that taken up last year. Two blocks of land in small areas, adjoining the Mount Egmont Forest Reserve, were taken up on the day they were opened for selection with great competition. There is a fair division of applications for this and the lease-in-perpetuity system.

*Table G, Lease in Perpetuity.*—The area selected this year is about 3,000 acres less than last year, although the number of selectors is more. Six selectors under deferred payment and perpetual lease converted 1,746 acres to this system, the number of conversions being double that of last year.

*Table I, Village Settlement for Cash.*—The Punehu Village, on the Eltham-Opunake Road, was opened for selection, and eight sections were taken up under this tenure; also one in Tarata Village and two in Kaponga, the latter bringing high prices at auction.

*Table J, Village Settlement on Deferred Payment.*—This item is a gradually-decreasing quantity, there being only five left on the books now. Two freeholds, containing 100 acres, were obtained during the year, the amount received being £89 11s. 1d.

*Table L, Village Settlement with Right of Purchase.*—The area of 13 acres 1 rood, selected during the year, comprises seventeen sections in the Punehu Village, which was opened for sale in April, 1894. Only one section remains open for selection.

*Table M, Village Settlement on Lease in Perpetuity.*—The lands disposed of are situate in the Punehu Village, two sections, and six sections in the Matapouri Village, on the Waitotara, about twenty-eight miles and a half up that river.

*Table O, Special Settlements.*—The only new selection was the Ross Association, for 1,912 acres in the southwest corner of the Taumatamahoe Block, on the Ohura Road, there being twelve persons in the association. The road is a continuation of the East Road from Stratford, and a dray can be driven to the block. The association selected their own surveyor, paid the fees, and the ballot took place here on the 30th November, 1894. The Nelson Block, which appeared on last year's return, was forfeited for non-payment of survey-fees. The ballot for the Moanatairi Block took place at the Thames on the 14th September, 1894, the number of selectors being fifteen. One section reverts to the Crown for non-payment of survey-fees, and will be reoffered for selection with other forfeited sections. The Eltham Association balloted at Eltham on the 17th September, 1894, two sections being drawn for by the Crown. The ballot for the Terrace End Association took place at Palmerston North on the 8th November, 1894, forty-eight persons out of the fifty-one selecting sections in that block. Payments of rent have been received from the Milsom, Tanner, Oxford, and Lepperton settlers, mostly from the latter; the Tanner settlers are not paying up promptly. Out of a total of ninety-six who are required to pay, only thirty-three have made any payments, and, from what I can learn, there are not many of the Oxford men who will keep their sections. Residence on these four blocks is not necessary until the 1st January, 1897. Eighteen have forfeited their sections, and the number is daily increasing. So far as actual settlement is concerned, the Lepperton, Tanner, Ross, and Moanatairi Associations are the most successful, and the Milsom fairly so. The payment of survey-fees at the time of selection (as in the case of the Ross and the Moanatairi Blocks) is a good guarantee in the matter of *bona fides* of selection, and the retention of holdings. Eighty acres have been felled and grassed on the Ross, Moanatairi, and Terrace End Blocks, taken up during the year. The three blocks under survey will be ready for ballot this year.

*Table Q, Small Grazing-runs.*—The only lands opened for selection this year under the above heading were 3,974 acres, comprising two forfeited runs; the smaller one was redisposed of. The conditions of improvement are being carried out very satisfactorily. No further inspection since last report has been made, it not being due until January next. Seven are residing, the others are resident within the limit of ten miles allowed by the Act under which they hold. There have been no forfeitures during the year. Payments of rent under this system are very regular.

*Table S, Miscellaneous Leases and Licenses.*—A timber license was granted by the Land Board to Messrs. Henn Brothers and Willy over some of the sections in the Ngairi Block, and which has now expired. The miscellaneous leases are mostly yearly tenancies in town lands. Two more subdivisions of the Eltham-Opunake Railway Reserve were leased during the year.

*Table T, Revenue.*—The amount received is £2,520 in excess of last year's revenue, and £5,021 in excess of the estimate, accounted for by the number of deferred-payment and perpetual leases made freehold. The deferred-payment lands contribute more than one-half of the total amount received, most of the money being for the acquisition of freeholds. The perpetual leases made freehold show a decided increase on last year. The amount received from special-settlement lands is only about one-third of what is due. Naval and military scrip to the value of £90 was received and exercised. The time for exercising such scrip lapsed on the 31st March last.

*Table U, Arrears of Rent.*—The total amount of arrears at the end of the financial year was nearly one-half less than the amount for the corresponding period last year, although the number of selectors has only decreased by about one-fourth. The most substantial decrease is in the deferred-payment class, the number in arrear being fifty-six less than last year. Most of the arrears are on lands selected during previous years.

*Table V, Area reserved, &c.*—The principal reservations are for forest scenery at the White Cliffs, near Pukearuhe, and along the Matamateonga Range, the latter more on account of the water-supply of the district round about; the balance includes the usual reserves for primary education,