

DEFERRED PAYMENT.

There are still 485 licenses under this tenure, representing 79,644 acres. As "The Land Act, 1892," barred further selections, except under the special circumstances prescribed by section 114, it is clear that as regards the village and ordinary rural lands this tenure must in the main disappear from the tables and reports about 1907, the licenses only running for a maximum of fourteen years; and as regards pastoral-deferred-payment licenses about the year 1913, as the term extends to thirty years from a date prior to November, 1884.

The revenue from this source is less by £1,775 than that of last year.

PERPETUAL LEASE.

There was no additional selection on this tenure, and, of course, none could have been made save under section 114 of "The Land Act, 1892," and then only under exceptional circumstances. This once important and extensive system is still represented by 831 holdings, aggregating 161,578 acres, and an annual rental of £6,236. The receipts from conversions to freeholds continued to fall, and dropped from £40,851 in the previous year to £27,250.

The leases provide for residential and improvement conditions; for personal *bond fide* compliance by the tenants; and confer the right for renewal after thirty years based on revaluations of land and improvements separately, and adjustment of rent; but as the right of acquiring the fee-simple exists, the result has been that 2,097 holdings, comprising 705,622 acres, and representing a value of £563,049, have already passed absolutely into the hands of the former lessees.

OCCUPATION WITH RIGHT OF PURCHASE.

Selections on the occupation-with-right-of-purchase system were 403, and are less by 44 in number, whilst the area of 118,557 acres shows a falling-off of 10,336 acres. Attention is drawn to the fact that the right of purchase conferred by section 156 of "The Land Act, 1892," upon selectors under the occupation-with-right-of-purchase system has been availed of for the first time since the initiation of this system, as the time limit of ten years prior to which the freehold could not be acquired has run out in many instances. It may therefore be expected that the falling-off in the amounts received for the purchase of freeholds under the perpetual-lease and deferred-payment systems will be partially counterbalanced by receipts under this head.

Judging from the number of transactions, this is a popular form of tenure. There are already 3,774 licensees under the Crown in occupation of 1,016,626 acres, returning an annual rental of £36,998. The tenure, as set forth in "The Land Act, 1892," provides for a lease for twenty-five years and payment of 5 per cent. on the capital value of the land, together with conditions as to improvements and residence (six years), *bond fide* personal occupation, and utilisation of the land; and also empowers the licensee to claim after ten years the freehold on payment of the capital value, or to convert his license to a lease in perpetuity. The right of purchase has been exercised in eleven cases, with an area of 3,470 acres, for which £2,485, the original capital value, has been paid to the Receivers of Land Revenue.

LEASE IN PERPETUITY.

The largest number of approved selections during the year under any tenure is 706 on the lease-in-perpetuity system. The area taken up amounts to 173,669 acres, showing an increase of 133 in number and 55,000 acres in area. These increases are doubtless due in some measure to the fact that considerable areas were thrown open on this tenure only, and not under the optional system of the Act.

I desire to explain that under this head are included all selections on the system, whether rural, village settlement, special-settlement associations, or improved farms, also those in the Cheviot and Land for Settlements estates.

This tenure is the rival of the foregoing system, and is subject to the same conditions as to improvements and residence (ten years), &c.; but the term of lease is 999 years without periodic valuations or adjustment of rental, which latter is 4 per cent. on the capital value of the land fixed at the date of selection. Additions to the number of leases under this system follow from conversions from the deferred-payment, perpetual-lease, occupation-with-right-of-purchase, small-grazing-run, and pastoral-license tenures. The total number of leases in perpetuity of Crown lands amounts to 3,569, covering 1,052,365 acres, yielding an