

It may appear at first sight as though the introduction of this system, especially in the Otago Crown lands proper, has not been a success; but it has to be explained that these selectors are bound to residence and improvement-conditions, and, as such, they will in most cases be the first to break the solitude of the respective blocks within which their selections lie. Moreover, all these lands lie a long way inland, and will not come within range of the railway-system for years at the earliest. But, as already mentioned, the great point in successful settlement is to get a few hardy pioneers to take root: they are soon followed by others. The introduction of the deferred-payment system in the Middle Island in 1873, as noted in last year's report, had a much less auspicious reception, and yet in ten years it has grown to the great dimensions already detailed. So in like manner will the perpetual-leasing system develop into a great system as its provisions become better known. The men who have the courage to go out and subdue the wilderness do not jump at novelties: they consider well what they are about, and look on all sides; and this system is now under that process of discrimination in the minds of many intending settlers.

The mode of obtaining land under the perpetual-leasing system is by public tender, instead of by public auction, so that the selector is free from the excitement of the auction-room, and can calmly and deliberately determine in his own mind what the land is worth to him. Under this mode the selector virtually becomes the assessor of the land he is to occupy. By section 64 of "The Land Act 1877 Amendment Act, 1882," the Land Boards are empowered to apply the system of tender in place of that of auction whenever there is more than one application for the same section on the same day. The Land Board of Otago has adopted the tender-system for deciding contested deferred-payment applications, and has also had experience of it in the perpetual-lease applications. The Commissioner has testified to the satisfaction which the tender-system has given to the public so far as tried. It gives a great deal more office-work, and is attended with delays in the case of sections over-applied for, which would not occur under the auction-system, where the matter is decided in a few minutes by the bids of the interested applicants. But these are very minor objections when set against the advantages claimed for the system of tender.

CROWN LANDS HELD ON PASTORAL LEASE OR LICENSE.

There were several considerable sales of leases of runs during the twelve months ending the 31st March last in the Nelson, Southland, and Otago Land Districts. These sales, together with the more extensive lease sales of the previous year, dispose for a time of any further dealings on a large scale with the pastoral country. The runs sold last year were mostly on high back-lying country, and did not fetch the high rents which the better country brought at the sale of Otago runs in February, 1882. Table No. 5 shows that 160 pastoral licenses (leases) were issued for 1,681,760 acres. Enumerating the principal sales they are as follows:—

	Number of Runs offered.	Area in Acres.	Number of Runs sold.	Area in Acres.	Rental.		
					£	s.	d.
Nelson—							
May 31, 1882 ...	20	171,900	19	156,400	1,453	3	4, or 2½d. an acre.
Southland—							
June 14, 1882 ...	23	182,627	23	182,627	1,608	0	0, or 2½d. an acre.
Dec. 20, 1882 ...	21	128,238	17	113,630	1,033	0	0, or 2½d. an acre.
Feb. 28, 1883 ...	5	26,408	1	6,550	54	11	8, or 2d. an acre.
Otago—							
Aug. 31, 1882 ...	7	74,170	7	74,170	787	12	6, or 2½d. an acre.
„ 31, „ ...	3	37,308	3	37,308	2,410	0	0, or 15½d. an acre.*
„ 31, „ ...	10	195,440	10	195,440	5,595	0	0, or 7d. an acre.†
Jan. 19, 1883 ...	1	53,480	1	53,480	25	0	0, or 1d. an acre.
Feb. 27, 1883 ...	67	1,508,720	50	1,033,370	17,340	0	0, or 4d. an acre.
Apr. 24, 1883 ...	—	—	8	228,690	1,389	0	0, or 1½d. an acre.

The large area of 475,350 acres was passed in at the sale in Otago on the 27th February, and again the same area was passed in at the sale of the 24th April. All this country is to the west of the lakes, and much of it is above the bush-line, running back into the snow and ice-fields. It was originally taken up in some cases by the adjacent runholders as a precaution against any one coming in behind them, and, in other cases, to have the excellent summer-pasture for a few months to work in with the lower country; but the severe losses in stock from unexpected snow-storms, the difficulties of mustering, and the liability under the Rabbit Act, have caused the abandonment for the present of this large area. Another evil, which some of the runholders in the Lake District complain of, is the attacks of the kea or mountain-parrot on their flocks. The bird is said to fasten on to the back of the sheep, and with its bill peck through the skin to the kidney-fat. Very few of the sheep attacked survive this operation, and the losses in some flocks in a year from this cause alone are stated at from 5 to 10 per cent.

Notwithstanding these drawbacks the country to a considerable extent will be taken up again, probably in larger areas than before, and for a term of fourteen or twenty-one years. It would also much promote the disposal of this country if, after it had once been offered by auction, it remained open for application at the upset price. Under the law as it now is it can only be purchased at auction after thirty days' notice. The consequence is that, after a failure to sell, the Board usually allows some months to elapse before offering the country again. In this way the opportunities of taking up the country are uncertain, few and far between. So much vacant country imposes a heavy responsibility on the Government in poisoning the rabbits along the margin abutting on occupied country. Fortunately a good deal of it is so shut in by lakes and fiords and bush that it can be left alone to the unmolested occupation of nature's tenants without a grudge.

* Dunedin High School Endowment, Strath-Taieri, and Wyndham.
Otago School Commissioners, Waikaia, Te Anau, and Wairaki Districts.