

petual-lease holders, eighty-three have fully complied as to residence; only four were unsatisfactory tenants.

The small grazing-run holders had amply complied in respect to improvements; but the residence conditions had not been adhered to. Special circumstances tended to this unsatisfactory state of affairs: such as inaccessibility of the rough and high lands, which constitute the bulk of the runs, and their remoteness from schools.

The village settlements at Waimate and Studholme show great improvement, and the residence conditions are likely to be generally complied with shortly, but a few defaulters may require more rigorous treatment. Want of means, as might be supposed, was the main bar to compliance with the regulations.

The village-homestead special settlements in South Canterbury comprise eleven distinct villages, and sixty-eight holdings: fifty-two of the original selectors remain, and sixty-seven of the present holders reside on their sections; they have spent £5,374 on improvements.

The deferred-payment suburban holdings are satisfactorily held and occupied, save in three instances.

Mr. O'Callaghan mentions that 16,363 acres were selected on the lease-in-perpetuity system, and in doing so refers to the excessive amount of improvements required of selectors under this tenure.

Reviewing the Rangers' reports, it is fair to conclude that the conditions of settlement, except in the special circumstances indicated, have been satisfactorily complied with. These special cases will be again considered. It appears evident, also, that some slight modifications in the Land Acts are required to enable the Land Board to deal equitably and in a reasonable manner with selectors who hold inferior land. It will be noticed that neither of the Rangers deal with the pastoral runs; the reason for this is that though they both hold specific instructions to inspect and report periodically on this class of holding, pressure of other duties has prevented them from doing so. They must, however, find time next season to attend to this duty, otherwise the services of the Rabbit and Sheep Inspectors might be utilised, if approved by the Chief Inspector of Stock.

*Revaluations.*—Applications for revaluation and reduction of the value of selectors' holdings were not numerous; the principal cases comprised the village land at Studholme Junction, on land acquired by exchange for Mr. Tripp's run; the village land near Ashburton; and the Rosedale Village. Most of the applications were barred by law, but reductions were granted to the Rosedale villagers, whose rents were reduced from 10s. to 7s. an acre; one other case is still under consideration.

*Naval and Military Settlers' Claims.*—The only duty performed in connection with these claims was the winding-up of a few undetermined cases.

*"Thirds" and "Fourths."*—The large amount of clerical work involved in issuing quarterly schedules of sections, showing "thirds" and "fourths" accrued, and procuring proposals from the local bodies for the expenditure of the amounts, is a serious tax upon the time of the officials of the Lands Department and the local bodies. To obviate this, and avoid unnecessary friction and inconvenience, I have long endeavoured to procure from the local bodies proposals for the construction of road and other works beneficial to each holding, which would absorb not only the accrued but also "thirds" and "fourths" to accrue. The Rangers were instructed to confer with the clerks to the local bodies, so as to bring the matter to a conclusion. Success has attended our efforts in several instances; but as yet some of the Road Boards have failed to furnish fair and satisfactory proposals. Those which have complied will henceforth receive quarterly from the Receiver of Land Revenue the amounts payable to them without further trouble or delay. Schedules and particulars on this subject accompany the Survey Report.

*Change of Tenure.*—Inquiries were made by selectors under the former Land Acts to exchange their leases or licenses for leases in perpetuity. The actual exchanges comprised (1) perpetual lease, and (2) deferred-payment holdings. As previously remarked, the lease-in-perpetuity system is much favoured by the people, who appreciate the exceedingly liberal terms which the system offers them.

*Forfeitures.*—The Land Board enforced forfeiture of selectors' interests for non-compliance with the conditions of improvement, or for non-payment of instalments in the case of eight selectors on settlement conditions, and cancelled several licenses of small reserves on which the rent was long overdue.

*Lands for Future Disposal.*—The remnants of former sales enumerated in the Land Guide, the balance of the Lake Ellesmere Reserve, portions of the Cheviot Estate, and a few small blocks, constitute the only areas of land which remain for sale or selection. These will prove wholly inadequate to meet the probable demand, which appears to me to be augmented by the low price of cereals, causing dearth of employment for labourers, contractors, and their teams and plant. There is apparently a large number of men of this class who seek small lots on farm holdings. If provision can be made to meet their requirements, so that they can settle upon good land, I cannot conceive any proposal more conducive to the welfare of the selectors and the colony. The utilisation of these men's labour and appliances in mixed farming would be an immense gain to the colony. Dairy-farming alone offers an unlimited field for all.

*Departmental.*—The past year was an exceptionally busy one, the ordinary land business being supplemented by that connected with the acquisition, management, leasing, valuation, advertising, and disposal of the Cheviot Estate. The work connected with the latter alone would almost have sufficed to keep the staff occupied. If the transaction had been dealt with by a company, a large, extra, and special staff would have been engaged. The only addition to the clerical staff comprised two clerks, one appointed in April, 1893, and the other in February, 1894. The consequence was that the Canterbury Land Office was overtaxed throughout, and a tremendous