

The cash sales and the perpetual-lease selections comprise lands situated principally in Ashburton and Geraldine Counties, which were available for selection with option of tenure under "The Land Act Amendment Act, 1887." The village-settlement sections purchased for cash are situated mainly in Geraldine; those taken up on deferred payments at Arowhenua. The village perpetual-lease lands are nearly all at Hinds. The village-homestead lots are at Mayfield, View Hill, and Southbridge. The farm-homestead association block, the first established in Canterbury, is situated at Medbury. The small grazing-runs comprise the Greta Peaks and Station Peaks lands; and the pastoral runs are made up of Black Forest and Stewart River Stations, and part of Pareora Station.

The foregoing table shows the year's transactions, the number of selectors who still appear on the registers, and the vast estate under occupation, as well as the substantial revenue derived therefrom. Whilst there has been a large falling-off in cash sales and in perpetual-lease selections, there has been an increase in the areas taken up on village homestead and small grazing-runs. As a consequence of the decreased cash sales, the revenue is less by £55,966 1s. 4d. than the amount collected during the year 1890-91. The cash sales for the current year will probably be insignificant.

*Lands held on Settlement Conditions, Deferred Payment, and Perpetual Lease.*—The number of selectors on the Land Office Register is 272, who occupy 107,470 acres in all. One of the most arduous and responsible duties which devolves upon the Land Board and staff is that of seeing that the selectors comply with the conditions of their licenses and leases by effecting the prescribed improvements, by taking up their residence on their holdings, unless exempted legally from the obligation, and that they work the same for their own sole use and benefit.

When I took charge last June the arrears of inspection, as reported to you on the 28th September, 1891, were very formidable; but I am glad to be able now to report that the Rangers and Acting-Rangers have inspected all but a few of the holdings. Many of the sections have been visited several times, and a large proportion at least twice, to insure compliance by defaulters with the Land Board's decision. The Ranger, Mr. Mussen, reports favourably on the generally satisfactory manner in which the deferred-payment settlers have carried out the conditions of their licenses. The peculiar circumstances of the pastoral deferred-payment selectors have been specially reported to you. As regards the perpetual-lease holdings, the Ranger's reports are not so favourable, by reason of the large number of those he had to report to the Land Board as having failed to comply with the provisions of the Land Acts. Mr. Mussen also effected 110 special inspections, and made eighty-five separate journeys, which occupied him 125 days. During the year he has made a thorough and exhaustive inspection of the North Canterbury holdings, and brought his matured experience to bear with great advantage to the department and settlers.

In South Canterbury Mr. Ranger Fussell, owing to press of other duties as Receiver of Land Revenue and Land Officer at Timaru, and more recently in consequence of an accident which has disabled him, has been unable to keep up with the inspections of selectors' holdings. By the united efforts of the Ranger, Mr. District Surveyor Broderick, Mr. Assistant-Surveyor Mathias, and Mr. J. E. March, who kindly volunteered his services, the arrears have been very greatly reduced, and will soon be quite overtaken. The Ranger's reports are generally favourable as regards progress of settlement. The facts have been laid before the Board, and all defaulters have been, or are being, dealt with. Though a large proportion of the selectors in Canterbury have complied satisfactorily, there are a number who are not occupying their selections, and who allow others to look after if not use them. I refer to the tendency in some cases for members of one family to hold several sections, and to increase their holdings by securing transfers of other selectors' lands. The Land Board are devoting a good deal of attention to the problem of how best to insure genuine settlement by women, boys, and girls who had become selectors, and where to draw the line so as to restrict the husband or father, as the case may be, in his operations in connection with such holdings strictly to the functions of an agent. The concessions extended under the provisions of the Land Acts to perpetual-lease holders—viz., (1) by which married women may select, (2) which allow selectors to reside on lands contiguous to their perpetual-lease holdings, and (3) which permit youths who are lessees to reside with their parents in any part of the provincial district—tend to avoidance of the real settlement conditions of the system. Moreover, it has been the practice in Canterbury to allow perpetual-lease selectors of open lands the privilege of exemption from residing on their holdings, provided they effected double cultivation and improvements. Practical experience has demonstrated that numbers of persons who have selected never intended to work the holdings themselves, and certainly never to make their homes thereon.

The Board had under consideration the cases of several selectors who had not improved or occupied their holdings as required by law. Forfeiture of the selectors' interests had to be resorted to in some instances, but in none was this done where the selector undertook to comply without delay. Whilst at all times willing to assist deserving and genuine settlers, and to make due allowance for misfortune or unforeseen difficulties, the Land Board are determined to enforce the law so as to bring about a healthy tone in connection with land transactions, and to prevent as far as possible speculative or dummy applications.

It may be proper to state here that the Land Board has experienced much difficulty in enforcing the provisions of the Act which relate to cultivation, improvements, and residence on deferred-payment and perpetual-lease lands, in consequence of its having been demonstrated in several instances that the lands were rough or broken, shingly or sandy and poor, and that no suitable building-sites were to be found on the holdings. Such practical difficulties point to the absolute necessity for the amendment of the Land Acts so as to allow Land Boards discretionary powers in special cases of this nature.

The amount of arrears due by selectors on the deferred-payment and perpetual-lease systems is more than it should be, and is increased by long-standing non-payments, amounting in one instance