

perpetual leases are nearly all situated at Waimate and Studholme Junction, in the former Educational Reserves Nos. 1126, 1128, and 1178, now named Wainono and Nukuroa Village Settlements, and which reserves were secured in exchange for Pastoral Run No. 5 under the provisions of "The Educational Endowments and Reserves Act, 1891." The village homestead special-settlement selections comprise areas in the Leeston, Springs, Orari, Geraldine, and Waitaki Survey Districts. The special-settlement association sections were allotted as extensions to the Hinds village settlers, except one section at Medbury. The small grazing-runs include two at Mount Somers and one at Alford Forest. The pastoral runs comprise areas at the head of Lake Wanaka, runs in the Midland Railway Company's area, and a run near Lake Heron.

*Lands held on Settlement Conditions.*—From the foregoing it will be gathered that the sales and selections during the year were very limited; but it is satisfactory to note, notwithstanding, that the number of new holdings reached the respectable total of 171, the number of selectors on the registers being 823, exclusive of a large number of miscellaneous leases and licenses, particulars of which will be found in last year's report, where, also, I have recorded my opinions on the then existing conditions of the settlers, and the manner in which the conditions of the Land Acts were being carried out. The position of matters in these respects at this time last year caused much anxiety and trouble by reason of the excessive number of inspections in arrear, and the unsatisfactory way in which many of the selectors were working their holdings; but now I am in a position to advise you that the Ranger's reports disclose a healthier and more satisfactory state of affairs.

The arrears of inspections have been overtaken. Mr. Mussen, in North Canterbury, has furnished a report on every holding in his district. He reports that the selections, as regards conditions of occupation and improvements, "are in a very satisfactory state, there being very few evasions of the Land Act, and nothing like a case of dummyism has come under my notice." He made on an average at least two inspections of each village homestead perpetual-lease selection; 131 special inspections; he reported on 148 cash holdings; and made, in addition, a large number of inspections in the Rangitata District in reference to the water-supply grants.

The following summary is taken from Mr. Mussen's reports: Deferred-payment sections—Fifty-six settlers; area, 3,713 acres; cultivated area, 2,533 acres; value of buildings, £2,580; value of fencing, £1,826; value of grass, &c., £1,076; horses, 95; cattle, 99; sheep, 1,650; pigs, 36. Perpetual-lease sections—140 settlers; area, 25,755 acres; cultivated area, 8,804 acres; value of buildings, £3,085; value of fencing, £6,531; grass and other improvements, £2,992; horses, 308; cattle, 260; sheep, 10,230; pigs, 32.

The general result shows that the 196 holdings comprise 29,468 acres; the cultivated area is 11,337 acres; the improvements are valued at 12s. 3d. per acre; and the gross live-stock amounts to 403 horses, 359 cattle, 11,880 sheep, and 68 pigs.

Mr. Mussen comments most favourably on the village settlements: 105 villagers hold 3,725 acres, of which 3,123 acres are cultivated; the buildings are valued at £3,707, fencing at £1,993, cultivation at £1,096; the settlers possess 180 horses, 321 cattle, 995 sheep, and 98 pigs. Mr. Mussen remarks on the inferior character of the lands in many instances, of their isolation and remoteness, the scarcity of work, of the smallness of the holdings, tendency to overcrop, of the boon conferred by the water-supply paid for by the Government at Chertsey, Mayfield, and Rakaia, of the industry and general fitness of the great majority of the selectors. Mr. Mussen insists strongly on the necessity for extension of holdings, and of the great advantages which would accrue to the settlements in the event of creameries being established. Notwithstanding all the drawbacks and difficulties, he reports as to the general success of the village settlements.

In South Canterbury, Mr. Fussell, who retired, after long and faithful service, was succeeded last January by Mr. A. P. O'Callaghan. The latter and Mr. March, who also kindly gave much time and attention to the duty, have overtaken the arrears of inspections.

Mr. O'Callaghan reports that, on considering the reports of all inspections made during the year, the conditions of settlements appear generally very satisfactory. Only eight deferred-payment selectors had not complied with the requirements of the Act. Of the perpetual-lease holders, only twenty-nine had not complied: many under this head could not do so in consequence of the unsuitable character of the lands. Selectors are generally anxious to cultivate all available lands. He reports generally favourably on small grazing-runs. He is fully convinced of the success of the village homestead special-settlement system in South Canterbury. Most of the settlers are carrying out the requirements of their leases in a very satisfactory manner, as instanced by the large amount of improvements, and the fact that only £257 arrears are due by sixty-six selectors. There are, he states, but few instances of failure. In regard to the Waimate and Studholme Junction Settlements, Mr. O'Callaghan reports that good progress has been made, and that the settlers are now displaying much energy in improving their holdings. We may safely conclude from this additional testimony that the village-settlement scheme is an inestimable boon to the community. I am of opinion that the system should be extended, even though the extension should result in apparent loss to the Government.

There is nothing to add to last year's report in regard to pastoral and miscellaneous licenses.

*Arrears of Payments.*—Special and continuous attention has been devoted to the collection of arrears of payments, and I am in a position to report that the results, as may be gathered from the tables, are most satisfactory.

*Revenue.*—The estimate of revenue has been amply realised.

*Cheviot.*—The acquisition of the Cheviot Estate under the Land and Income Assessment Acts, and the inclusion thereof in the Canterbury Land District, adds a fine block of 85,000 acres to the area of settlement-lands. Surveyors are now at work upon the settlement surveys, in view of the proposal to open 37,000 acres for selection in the spring, and the balance of the estate next autumn.

The business connected with the taking-over of the property and making arrangements for its temporary occupation has necessitated a good deal of attention, and involved much labour and active supervision.