

about 1.6 per cent. of the total, which may, I think, be regarded as satisfactory considering the extremely dry season which has been experienced throughout the district.

*Transfers, Surrenders, and Exchanges.*—During the year transfers have been completed of seventy-nine holdings occupied under settlement conditions, comprising a total area of 18,549 acres. The principal numbers are as follows: Thirteen perpetual leases, 413 acres 2 roods 32 perches; twenty-one village-homestead leases, 784 acres 3 roods 9 perches; and forty leases in perpetuity, 9,670 acres 2 roods 16 perches. The number of exchanges dealt with during the year shows a very marked falling-off compared with previous years. Fifteen perpetual leases and one deferred-payment license, aggregating 466 acres, have been exchanged for leases in perpetuity. Reference has already been made to the resale of lands which had been surrendered in the South Canterbury District. A few other cases of a similar nature are now under consideration. It must be admitted that the position of some of these tenants has been one of considerable hardship, confined as they have been to comparatively small areas of purely pastoral country, necessarily difficult and expensive to work, liable both to the incursions of the rabbits and the severity of winter storms, and deprived of low-lying lands for wintering stock or growing feed.

*Mining.*—The reported discovery of opals at Mount Peel created for a short time a brisk demand for prospecting licenses in that locality, and led to the taking-up of nine claims, comprising 233 acres, for the purpose of working the stone. These claims are situated at an elevation of between 3,000 ft. and 4,000 ft. above sea-level, and, if proved to be workable, must of necessity remain closed for a good part of the year. A gold-mining claim has also been taken up on the sea-beach near the mouth of Lake Ellesmere, and this locality has, for the purpose, been placed under the control of the Warden of the Otago Mining District.

*Forests.*—It is with much regret that I have to record a further diminution this year of the already limited areas of bush land in this district. The fires which raged during January last in North Canterbury, especially near Oxford, destroyed a large area of bush which, while perhaps not very valuable from a commercial point of view, nevertheless possessed a large value for climatic and water-supply purposes. It is to be feared that settlers in such localities are too eager to see the country made available for pastoral occupation, and do not sufficiently realise the very serious effect which the wholesale destruction of forest may have upon the rainfall and the formation of the country. The drought which has been experienced during this year has proved the necessity to the Canterbury plains of some provision for irrigation, in view of which it is of the utmost importance that all our available sources of water-supply should be protected by all possible means. Towards this end a healthy public opinion on the subject throughout the district would do much, and so long as afforestation remains comparatively neglected a strict preservation of natural timber is a prime necessity.

*Crown Lands Ranger's Reports.*—A tabulated statement is appended showing the results of the Ranger's inspections of settlement holdings during the year. The holdings at Cheviot and on acquired blocks will be referred to elsewhere, and of other holdings it may be said that the reports generally disclose a very satisfactory extent of compliance with the conditions of occupation. Many of the settlers have suffered considerably from the dryness of the season and consequent failure of crops and pasture, but, notwithstanding this, their obligations have been well fulfilled. As I noted in last year's report, the limited area of many of the holdings, especially in village settlements, is the greatest drawback to successful occupation, and more satisfactory results are always noticeable in the few cases where it is found practicable to permit enlargements of holdings. The table furnished cannot, of course, by any means be taken as representing the amount of work performed by the Rangers, who have been compelled to leave undone some of the less urgent, albeit very necessary, portions of the duties assigned to them. Canterbury has a larger number of holdings requiring close and careful inspection and attention to detail than any other district, and a Ranger could very usefully be employed solely on the Cheviot and land-for-settlement blocks, which require an amount of attention in regard to cropping conditions, &c., sufficient to fully engage one man.

*Cheviot Estate.*—The lands offered during the year for occupation on the Cheviot Estate comprised—three small lots, totalling 85 acres 3 roods 34 perches, on lease in perpetuity; five blocks, aggregating 238 acres 1 rood 10 perches, on temporary pastoral occupation; forty-seven town and village lots, of a total area of 40 acres and 19 perches; and fifteen grazing-farms, comprising 811 acres and 9 perches. All the foregoing were disposed of with the exception of a number of the town and village lots, for which there was only a small demand. The fifteen grazing-farms, forming parts of the Spotswood, Phœbe, Mina, and Domett Village Blocks, situated along the line of the railway reserve, met with very keen demand, 319 applications being received for the fifteen farms. In November and December last Mr. Ranger Ward visited and thoroughly inspected the estate, and he reports that he found the settlers as a whole complying very completely and satisfactorily with the requirements of their leases. The prevailing drought affected the crops, especially on the down lands, but on the flats near the Waiau River they were good, while settlers whose lands were adapted more for grazing, and could carry sufficient number of stock, did well. The villagers were aided very much by the Hundalee-Kaikoura roadworks, on which a number of them were employed, and the supply of milk to the dairy factory enabled them to make profitable use of their holdings. Generally the estate shows a very prosperous and successful condition.

*Lands for Disposal during 1898-1899.*—Outside of acquired lands, the only areas likely to be placed in the market will be a few pastoral runs, the present leases of which will expire early in 1900, and such other lands as revert to the Crown by forfeiture or surrender. In regard to many of the small forfeited lots, which are only calculated to attract local demand, I would point out that district offices might with great advantage be allowed, at the discretion of the Land Board or Commissioner, to reoffer the lots promptly by local advertisement only. Most of these lands carry improvements which deteriorate rapidly when no one is in occupation, and the delay necessarily