

The Highfield Estate (32,726 acres), near Waiau, in the Amuri district, and Levels Estate, (38,247 acres), near Timaru, which are being acquired for close settlement, will be offered during the year under the Land for Settlements Acts.

In this connection, I may note that the existing leases of five small grazing-runs situated in North Canterbury, between the Waipara and Hurunui Rivers, will expire on the 31st August, 1904, and the arrangements for reletting the same will be taken in hand this year. The present lessees are, however, entitled to a renewal of their leases for a further term of twenty-one years at the valuations fixed by the Land Board, and, unless they decline to accept the same, these lands will not come into the market for public disposal.

Departmental.—During the year thirty-seven ordinary and special meetings of the Land Board were held, including special meetings at Culverden, Rakaia, Timaru, and Waimate in connection with the disposal of acquired estates in those localities. The work of the Board in dealing with these acquired lands, and the enforcement of conditions relating thereto, is becoming so arduous and responsible that, whilst recognising and appreciating very fully the wise experience and sound judgment of Messrs. Pringle and Sealy in dealing with these cases, yet I am glad to have the further co-operation of Messrs. John Allan and James Stevenson, who have been recently appointed.

The total number of statutory applications lodged during the year was 570, of which 134 were granted. These now form, however, but a very small proportion of the work of the Board, as, with the steadily augmenting number of tenants, the applications for transfer, for special consideration in regard to fulfilment of conditions, payment of rent, &c., are an ever-increasing quantity.

The recorded inward and outward correspondence, returns, rent notices, &c., during the year numbered 16,290, and the number of sale plans, pamphlets, &c., distributed total about 6,000. In the Receiver of Land Revenue's office, besides the revenue for the year, amounting to £121,604 13s. 8d. (for which 4,960 receipts were issued), a sum of £31,673 4s. 1d. was passed through the Deposit Account, on which 1,290 receipts, cheques, and refund vouchers were drawn; and in the Local Bodies' Deposit Account a sum of £3,192 17s. 9d. was paid in, and £3,386 14s. 10d. paid out to local bodies. In the Accountant's office 344 vouchers, for a sum of £2,472 10s. 2d. were drawn on the imprest account, and 372 vouchers, representing a total sum of £72,056 0s. 3d., were passed through for pre-audit and payment.

It will be evident from the several reports now submitted that the business this year has been exceptionally heavy, and, as it has been carried on with a lessened staff, great praise is due to the officers for their strenuous and unremitting efforts to try and keep pace with it.

In my report last year mention was made of my intention, by visiting, to make myself personally acquainted with the numerous settlements and the district generally. In this I have been so far successful as to visit every holding in twenty-five settlements, and partially treat fourteen others in the same manner. I have been much struck with the general prosperity of the settlers, their hopefulness and satisfaction with their circumstances, complaints of any kind being very rare indeed. Personal interviews appear to be much appreciated, and many difficulties and misapprehensions that settlers were labouring under were removed, while my advice and explanation on various matters connected with the land laws and the settlers' tenancies seemed very acceptable. Opportunities of acquiring a general knowledge of the district have been afforded me through having, as one of the Run Classification Commissioners, inspected twenty-eight runs spread over the country from the Bealey to the Waitaki; and also the inspection of nineteen properties in various parts of the district offered to the Government for settlement purposes. In connection with these I attended four meetings of the Land Purchase Board, two of which were held in Wellington. Several weeks of my time were also taken up attending the sittings in Wellington of the Representation Commission, which, with the journeys previously mentioned, involved a large amount of travelling.

Village Settlements.

It will be of interest to trace the rise, development and success of this system of land-settlement in Canterbury from its institution in 1880 by the late Hon. W. Rolleston, the then Minister of Lands.

The deferred-payment system was the form of tenure then introduced, and its application produced a very large amount of *bonâ fide* settlement, and enabled many workmen and farm-labourers to make comfortable homes. The two largest settlements were established adjacent to the Township of South Rakaia, where the areas ranged from 1 to 6 acres, and the Township of Temuka, where the sections were quarter- and half-acres. That the operation of this system was extended over a wide area may be shown from the fact that settlements were established at Medbury (areas from 40 to 50 acres), Springfield (areas 1 to 2 acres), Horndon (Darfield, 3 to 20 acres), Arundel (1 to 5 acres), Orari (two settlements, a suburban one in which holdings averaged 1 acre, and a rural one where they ranged from 5 to 18 acres), Fairlie Creek (1 to 5 acres), Adair (near Timaru, 5 to 24 acres), Waimate (1 to 15 acres), besides other smaller places. Practically the whole of these have long since been converted into freeholds, but the fact that approximately some 510 holdings were selected under this system shows what a wide sphere of usefulness it filled in its time.

In 1886 it was superseded by the village-homestead special-settlement perpetual-lease system, introduced by the late Hon. John Ballance. Hampered as this was by the fact that the free-selection system originally in vogue in this district had left the Crown nothing but lands of generally inferior character, it nevertheless attained an enormous measure of success, settling a number of people on the land, though, perhaps, in a humble manner, yet to their manifest advantage, at the same time assisting to relieve the congestion in the towns: for during the years 1886 and 1887 twenty-three settlements were thrown open for application, the areas varying, according to position and quality of the land, from 1 to 10 acres in the case of suburban holdings,