

(2) not so much Crown land disposed of as estimated; and (3) a considerable number of forfeitures and surrenders. I may now add, as a further reason, the very severe drought in the northern part of this land district, and the continued drought in Central Otago. As a matter of course, the effect of the dry weather has been not only to greatly diminish the crops, but in many cases to render them a complete failure, thus crippling the resources of the settlers to such an extent as to make it extremely difficult for many of them to meet their liabilities and pay their rent. As confirmatory of the severity of the drought, it may be mentioned that many springs and watercourses became completely dried up that were never known to be so before. This is particularly disheartening in the face of the high prices now generally ruling for cereals and other products of the soil. In Central Otago especially I fear that, should the next season prove as disastrous as the past, many of the selectors will have great difficulty in holding on to their selections.

Arrears of Rent.—It may be fittingly stated at this point that the arrears of rent due at 31st March by all classes of settlers, including those under the Land for Settlement Acts, amounted to £2,318 0s. 2d., owing by 209 tenants, holding 193,958 acres 1 rood 16 perches, being an increase over the previous year by £138 7s. 5d. in amount, twenty-three in number of holders, and 115,661 acres in area. This area, however, is in rough pastoral lands. It must be admitted that this increase is exceedingly small, taking into consideration the effect of the dry season and the increased number of tenants on the books of the department.

Transfers, Surrenders, and Forfeitures.—The following table shows the transactions in transfers, surrenders, and forfeitures during the year, the total being one more in number and 143 acres more in area than the previous year. The forfeitures show an increase of twenty-nine in number and 78,309 acres in area, the greater portion of this area being pastoral country and small grazing-runs. Of the seventy-nine forfeitures, thirty-five were for non-fulfilment of improvement or residence conditions and forty-four for non-payment of rent.

SUMMARY of TRANSFERS, SURRENDERS, and FORFEITURES during the Year 1897–98.

Tenure.	Transfers.			Surrenders (including Exchanges).			Forfeitures.			Totals.		
	Num- ber.	Area.		Num- ber.	Area.		Num- ber.	Area.		Num- ber.	Area.	
		A.	R. P.		A.	R. P.		A.	R. P.		A.	R. P.
Deferred payments ..	3	380	0 18	2	489	1 0	1	5	3 20	6	875	0 38
Perpetual lease ..	17	2,976	2 28	22	4,360	2 29	12	4,213	2 15	51	11,550	3 32
Occupation with right of purchase	5	772	0 37	3	125	2 17	11	1,613	0 2	19	2,510	3 16
Lease in perpetuity ..	14	4,165	0 35	8	4,460	1 14	13	4,391	0 9	35	13,016	2 18
Land for settlements ..	9	1,854	2 30	8	275	1 6	18	530	0 7	35	2,660	0 3
Village settlement, lease in perpetuity	3	16	2 14	..	..	..	7	138	0 0	10	154	2 14
Village - homestead special settlement	5	114	3 31	..	..	..	1	42	2 32	6	157	2 23
Farm-homestead association	1	182	2 16	..	..	..	..	..	..	1	182	2 16
Improved-farm settlements ..	..	..	..	1	86	1 14	8	563	3 36	9	650	1 10
Small grazing-runs ..	8	14,413	1 0	2	7,981	1 5	4	9,777	2 17	14	32,172	0 22
Pastoral licenses ..	2	18,590	0 0	3	149,269	3 30	1	66,440	0 0	6	234,299	3 30
Occupation leases ..	2	80	3 13	1	30	2 23	1	56	2 0	4	167	3 36
Miscellaneous ..	6	2,602	2 3	..	..	..	2	20	1 22	8	2,622	3 25
	75	46,149	2 25	50	167,079	1 18	79	87,792	3 0	204	301,021	3 3

Land opened for Selection.—The tables show that, apart from the land opened under the Land for Settlements Act, there were 372,389 acres opened for sale or selection during the year, being 59,755 acres less than during the previous year. Apart from this, an area of 188 acres was disposed of under section 114 of "The Land Act, 1892," an area of 5,969 acres under section 115, and 5 acres 2 roods 23 perches under section 117. For the land opened for selection 892 applications were received, 124 of these being successful. This does not include the applications under the Land for Settlements Acts, which are given in a separate report. As regards the opening of Crown lands in the future, it may not be considered out of place here if I draw attention to the fact that there is now, comparatively speaking, very little land in the Otago District that can be brought into the market for close settlement, especially in the central districts. It is evident beyond question that what has already been taken off the pastoral country has very materially lessened the value of the remains for pastoral purposes, and that if any further low country were taken from them it would certainly result in a very large quantity of inferior land being thrown on the hands of the Crown, also the cost of rabbiting, which would be a heavy charge on the revenues of the colony. Nor do I think, as a general rule, it is advisable to cut up any of the back pastoral country into small grazing-runs, for the experience of the past has shown that, owing to drought and the rabbit-pest, small areas of purely pastoral land do not pay, and sooner or later have to be thrown up and reoffered at greatly reduced rentals, and in larger areas where possible. There is a considerable area of expired, surrendered, and forfeited land—approximately, some 6,400 acres—in various districts about to be reoffered, but the principal new lands in prospect for the present year are as follows: 770 acres, part of Run 334A, Lower Wanaka District; 2,038 acres, Block XIV., Rimu District; 1,700 acres at Roy's Peninsula, Wanaka District; 5,500 acres in Blocks VII. and X., Tautuku District; 2,900 acres of Run 219, Maniototo. There are also about 35,000 acres of pastoral lands, chiefly in the northern districts, at present held under temporary licenses expiring 1st March, 1899, which will be dealt with before the close of the