

current financial year, and about 41,000 acres of pastoral lands under licenses expiring 1st March, 1900, which will also be dealt with as provided by the Land Act at the end of the present year. The principal township lands to be offered are the new Townships of Ranfurly and Komako, in Otago Central.

With regard to the bush lands in Catlin's, Woodland, and adjoining districts, I regret very much to have to state that the experience of the settlers is showing that in many parts the soil is not what it was expected to be. It has been found that it will not hold the grass that has been laid down, and, this being almost the only thing the selectors have got to look to, the failure in that respect is very disappointing. Bush fern appears to take the place of the cleared bush and to cover the ground, choking everything else out. In consequence of this, coupled with the difficulties in the matter of roads, the great labour of clearing, and the wet character of the climate, the prospects of many of the settlers in these localities are, I fear, rather gloomy. That they will have great difficulty in paying their way and holding on to their sections is a certainty, and it will not be surprising if some of them have to succumb. Compared with settlers on open land their lot is a hard one, and every consideration compatible with the interests of the State should be accorded to them.

*Lands under Land for Settlements Act.*

No additional estates have been acquired in this district since the date of my last report, although, as you are aware, several very good ones under offer have been inspected, but no final decision has been arrived at up to the present time. Of those acquired last year, three have been offered for selection during the past twelve months. The number of applications received during the year under the Land for Settlements Act was 999, of which ninety-one were successful. Three new estates previously purchased were disposed of during the year—namely: (1) Makareao Extension, being a further portion of the late Colonel Kitchener's Waihemo Grange property; (2) Momona, in the Maungatua and West Taieri Survey Districts, purchased from Mr. William Thomson, of Green Island; and (3) Tokarahi, purchased from Mr. A. A. McMaster. It is to be regretted that, in consequence of the unprecedented dryness of the season, the settlers on the last-named estate have had so bad a start. Many of them, having spent a greater portion of their means in improvements, find it difficult to meet their engagements and to pay their rents. Of course, all the estates in the northern part of Otago have suffered more or less from drought; but as they, particularly Maerewhenua, had a very favourable season to begin with, the selectors therein are in a better position than those of Tokarahi to bear the losses sustained through the scanty yield of the late harvest. As particulars of the disposal of the three estates just mentioned were given in my last annual report, I will now take the several estates under the Land for Settlements Acts in the order of purchase and as they appear in the returns, summarising and explaining the transactions in each case separately.

*Pomahaka Estate.*—The Crown Lands Ranger reports that considerable progress has been made on this estate during the past year in the erection of buildings, fencing, and cultivation, and that both cereal and root crops have done remarkably well notwithstanding the somewhat late and backward character of the season in that part of the district. Up to the present only one selector has threshed out his crop, which has yielded 45 bushels of oats per acre. The Ranger also states that with few exceptions the settlers are doing very well. An area of 1,039 acres and 24 perches previously abandoned has been reallocated during the year to three selectors, leaving now unlet four sections with an aggregate area of 1,225 acres and 12 perches. Three of these sections, however, were withdrawn from sale in order to have portions of them sown with turnips as an exposition of the quality of the land. This resulted in an excellent crop, which was sold by tender, to be eaten off by the end of August, for the sum of £380, equal to a little over £1 12s. an acre—a sum that, with the recovery for the value of fencing when the land is reopened for selection, will more than cover the expense incurred; while the test has proved that, with proper management, the Pomahaka Downs Estate can be made to yield fair returns and may be successfully farmed. The four unlet sections are to be reopened for selection in August, with possession on the 1st September, when it is confidently anticipated they will all be taken up. From the returns it will be seen that the value of improvements effected by lessees has increased by £955, and the total area cultivated by 721 acres. The total receipts for the year were £741 18s. 10d., the total annual rental at the present time being £1,013 1s. for 6,013 acres 3 roods 8 perches, held by twenty-three selectors, exclusive of 326 acres 1 rood held under two temporary licenses at £6 per annum. The settlers who are in arrear with their rents are expected to reduce the bulk of their indebtedness as soon as they have realised upon their crops. It will be noticed that there has been an increase in the area of reserves during the year of 11 acres 2 roods 4 perches for school and road purposes. Nineteen houses have been erected on the estate, and there are sixty-nine souls resident.

*Te-ana-raki Estate.*—This settlement has suffered from the severe drought, the crops having been almost a complete failure. Most of the settlers are, however, struggling to maintain their holdings, and are fulfilling their obligations to the best of their ability. An area of 10 acres and 2 perches, in two small allotments, is at present unlet, having been forfeited by the original selector. The value of improvements effected remains about the same as last year, while the cultivation is somewhat less, owing to the dryness of the season. There are eighteen houses on the estate, and fifty-six souls resident. The receipts for the year amounted to £288 14s. 3d., being in excess of the present annual rental by £16 6s. 9d.

*Tahawai Estate.*—There is little or no change to call for special attention in this settlement. The settlers have the advantage of a good water-supply, and appear to be doing well. The improvements and cultivation are about the same as before. Receipts, £32 19s.; present annual rental, £35 14s. 4d. Houses, 8; number of souls resident, 19.

*Maerewhenua Estate.*—The year's transactions on this estate show that eight selectors took up 522 acres 1 rood 24 perches, while there were eight forfeited and surrendered over 352 acres 2 roods