

*Land opened for Selection.*—The several classes of ordinary Crown lands opened for selection during the year comprised an area of 261,932 acres, as shown in the tables, a large portion of this being lands reopened after forfeiture, surrender, and expiry of former tenancies. In addition to this, an area of 16 acres and 25 perches was disposed of under section 114 of "The Land Act, 1892," to three selectors; 1,045 acres 2 roods 20 perches, under section 115, to ten selectors; and 5 acres 2 roods 16 perches, to one purchaser, under section 117 of the said Act.

*Land to be opened.*—Regarding the land to be opened for the future, as I have before pointed out, there is now very little Crown land left suitable for close settlement, as no further low country can be taken from existing pastoral runs without rendering them unworkable by depriving them of absolutely necessary winter country. The areas to be dealt with during the present year are approximately as follows: 136,000 acres now open for selection in various localities, as per Land Guide; 12,000 acres to be notified under the optional system, chiefly in the Clutha, Maniatoto, and Vincent Counties, nearly 8,000 acres of which are forfeited and surrendered lands to be reopened; 40,000 acres of small grazing-runs in various localities, the greater portion being forfeited and surrendered lands to be reopened; 221,000 acres of pastoral lands, now in hand, and to fall in during the year, in Tuapeka and Vincent Counties; and 100,000 acres of pastoral lands, the licenses over which expire in 1901, and which have to be dealt with during the current financial year; making a grand total of about 509,000 acres of ordinary Crown lands to be dealt with during the year.

In my last year's report I alluded to the difficulties that were looming up in regard to the bush lands in the Catlin's, Woodland, and adjacent districts, arising from the want of proper road-communication, poverty of soil, and aftergrowth of bush-fern on the cleared land. During the year a large number of holdings have fallen in by way of surrender or forfeiture, and considerable reductions have been made in capital values when reopening the same, to endeavour as far as possible to mitigate the drawbacks under which the settlers in these places are labouring. It is hoped that with these concessions, and the gradual improvement now being made in the roads, that many of the selectors will be able to struggle through, and ultimately to establish themselves in profitable and permanent occupation of their holdings. Several of the members of the Land Board, with myself, visited these districts recently, and satisfied themselves as to the difficulties referred to, and of the necessity of giving every possible assistance to the settlers. It has been suggested that the extension of the Catlin's Railway to the Tahakopa Valley would be of immense advantage to these districts, as it would enable the settlers to dispose of much of their timber in the shape of sleepers, fencing, and building material at good value—timber that is now absolutely wasted and destroyed. In that way many of the holdings would be self-supporting while the settlers were clearing their land preparatory to grassing or cropping. The railway would doubtless be the best and surest method of opening up that part of the Otago Land District.

The prospects of the Otago Central district are much more hopeful for the ensuing season than they were at this time last year, winter feed promising to be more abundant to a considerable degree, which will be of great advantage both to sheep-farmers and agriculturists. There can be no doubt also that the opening of the Otago Central Railway as far as Ranfurly will be of considerable assistance to settlers.

*Swinburn Farm Homestead Block.*—As compared with last year there has been a falling-off in this settlement, the result, doubtless, of the bad seasons through which the settlers have had to pass during the last two or three years. Should, however, the next season be a favourable one, it is hoped that the prospects of the settlement will improve. Ranger Atkinson reports, "The settlers on this settlement are only just beginning to slowly recover from the disastrous droughts experienced there and elsewhere for the last three years. The crops consist principally of oats and turnips, which are far above the average, and the settlers hope to recover a little lee-way and have something over and above the rent this year. Several of the original settlers were unable to tide over the past bad seasons, and sold out to others better acquainted with the district and climate."

*Settlement Conditions and Rangers' Reports generally.*—The Rangers report that settlement on ordinary Crown lands has made very fair progress during the year; that the high prices ruling last year enabled many of the settlers to carry out much-needed improvements; that the present season promises to yield large returns; and that, although prices are expected to be low, the abundance of the harvest will compensate therefor. They also state that conditions as to residence and improvements have been, generally speaking, well complied with, the exception being on holdings of high and inferior country, in respect of which it is next to impossible to effect improvements to the full extent required by regulations. Besides the work of regular and routine inspection, the Rangers have furnished during the year some 419 special reports, 195 of these being accompanied by statutory declarations. From the tables it will also be seen that out of 728 holdings visited, covering an area of 190,111 acres, there were not more than 114 defaulters, sixty-eight of these being in respect of improvements, forty-four for non-residence, and two for other reasons. In relation also to these holdings, the value of required improvements is estimated at £41,312, the value of those actually effected being £86,100, an excess over requirements of £44,788. Ranger Mackenzie, stationed at Queenstown, reports with respect to his district that "the generally good harvest this year will enable many struggling settlers to get into a better position. A good deal has been done during the year in the way of improvements, and, on the whole, everything is in a healthier condition than last year." This may also be said to apply generally throughout the whole of this land district on the present occasion. As in previous years, Ranger Mackenzie has rendered valuable assistance in connection with surveys, in making plans for the local office, and in placing diagrams, &c., on mining titles.

*Martin's Bay.*—I attach a report by Ranger Mackenzie of a recent visit to the settlement at Martin's Bay, which may be of interest.

*State Forests.*—A large amount of work has been done in this district during the year in connection with the State forest nurseries already established, a full report of which is being forwarded by the Forester, Mr. H. J. Matthews.