

making applications for leases under this Act. The leases of two selectors were forfeited for not residing upon their holdings. As residence is the only condition of occupation that is required and can be enforced under the Act, it is necessary that it should be strictly complied with.

Timber.—A glance at the timber revenue will show that the year has been a particularly busy one in this industry. Many sawmill areas have been taken up; new men have entered the business, and new mills have been erected in various parts of the district. The old firms have also increased their plant, the result of all this being a decided increase in the output. I have again obtained an approximate estimate of the quantity cut during the year, and this I understand constitutes a record far in excess of any similar period since the industry started. Taking all the large and small mills, with an output of from 2,000,000 ft. to 80,000 ft., I find there are forty-two at work, cutting about 35,000,000 ft. for the year. Comparing this with the return of last year, it will be seen that there is an increase of upwards of 5,000,000 ft., which at the present price of timber represents only £10,000 in value. I need not point out what this means to the district, but will simply mention that the employes connected with sawmilling number about 573 men, besides those indirectly dependent on the industry. During the year a somewhat sharp rise in the price of timber has been decided on. This was partly owing to the excessive demand, and partly to the increased royalties under the new regulations, although it appeared to me the latter hardly justified the substantial advance in price made by the sawmillers. Those who held large areas under the old regulations will materially benefit by this, but those whose applications were granted under the new regulations to a limited extent only. I might, however, point out one distinct benefit gained by a few settlers in connection with the demand, in that they have been enabled to sell the milling timber on their land, getting cash for it, and the heavy timber cleared from their holdings.

General.—The Ranger's return shows that he has made 443 inspections during the year, and so far he finds that settlers are generally complying with the conditions of their occupation. He reports also "that the improvements are fairly and satisfactorily carried out, and are considerably above the requirements of the Act, chiefly consisting of buildings, fencing, and cultivation, and the crops of wheat and oats have been abundant almost everywhere, and as I travelled through the various districts I heard very few complaints." There will always be some settlers in default. The Land Board, however, discriminates in these cases as carefully as possible between the settler with good intentions, and doing good work, and others who apparently do not intend or care to succeed with their selections. In the latter case forfeiture has in many instances been decided on. I can here make a brief mention only to the revaluations under the surrender conditions of the Act. A number, in accordance with the circular sent out, asked that surrender should be accepted. These have all been carefully gone into by the Commission appointed for the purpose, and substantial reductions have been accorded. This will be an immense benefit to the poorer parts of the district, and should, I think, give settlers more interest in their work.

Lands under "The Land for Settlements Act, 1894."

There are three estates in this district held under the above Act, all of which were surveyed and partly dealt with during previous years. The position of each is as follows:—

Merrivale.—During the year the settlers on this estate have been busily employed in cultivating and improving their holdings. Good houses are being erected on many of the holdings; considerable areas are being again broken up, cropped, and laid down in grass paddocks, and an oat-crop has been taken off (preparatory to turnips and grass). These and other crops show an area under cultivation of about 1,487 acres. In order to assist the Ranger in regulating the future cropping of the estate I sent a surveyor to approximately measure the area under cultivation, so that it will now be an easy matter to ascertain the improvements effected, and prevent overcropping at the same time. The above does not show the only source from which settlers derive their incomes, as, in addition to this, many are still cutting the grasses which were laid down by the previous owners, and the results so far have been particularly good. The following is a quotation from the Ranger's report: "I find that the settlers on the whole are complying with the requirements of the Act in a very satisfactory manner. The past season has proved a good one; the crops have been good and grass has been plentiful. The result of the year has been very satisfactory; the crops on many of the selections have yielded 50 bushels of oats to the acre, and the majority of the settlers are pleased with their holdings. Considerable progress has been made during the past year in fencing, cultivation, and the erection of buildings. The improvements are considerably beyond the requirements of the Act." Although there are seven settlers in arrear with their rents, I would remark that of that number three have paid up since the close of the financial year, and I anticipate that the remaining four will pay as soon as the returns from their harvest sales come in.

Otahu.—Subsequent to the 31st March, 1898, about 2,748 acres have been selected, and the new settlers have made a good start with their improvements. Several paddocks have been laid down in grass and turnips, and the results have been good; others have been broken up, and will be cropped during the ensuing season. The one settler in arrear intends paying as soon as the transfer to him can be completed, which, owing to unforeseen circumstances, has been unavoidably delayed. The Ranger reports as follows: "Satisfactory progress has been made on this estate; the settlers are apparently well pleased with their holdings, and I feel confident that in a few years this estate will be a thorough success. So far satisfactory improvements have been made in the way of fencing and cultivation. The crops are light, owing to their being put in the ground very late in the season, but, on the whole, crops and grass look well, and time will improve the estate very much."

Beaumont.—Since the 31st March, 1898, four sections have been taken up. Settlers have not been in a position to give their properties a fair trial, although what has already been done in the way of cultivation has given good results. With one exception the settlers are vigorously carrying out the necessary improvements and cultivation, and I fully anticipate that the results will induce others during the current year to take up the greater part of the estate.

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