

sections would be taken up at once if thrown open for selection. Nearly all the land to the west of this block has been taken up already.

*Hokonui Block* (27,809 acres) and *Forest Hill Block* (850 acres) contain some good dairying and pastoral land, which would be leased if offered in areas of from 200 to 300 acres. Some of the sections contain good milling-timber, and sawmilling has been carried on there in the past. Patches of the timbered ridges have been burned, but undergrowth and weeds have sprung up. The surrounding lands are settled, and mixed farming is being carried on. The value of the land varies from £1 to £1 10s. an acre, and on the sections where good timber stands the value should rise to £2 10s. an acre. Amongst others, the Hedgehope Railway League impressed upon us the desirableness of throwing open these blocks for settlement by European selectors.

*Raymond's Gap* contains only 350 acres, and belongs to the Bates family, who are in occupation. The land is good, is within a few miles of Otautau, and is being improved. The names of the grantees, nine in number, have not yet been gazetted.

*Stewart Island Blocks*—*Lord's River* (8,725 acres), *Port Adventure* (9,340 acres), and *Toitoi River* (7,392 acres)—are not occupied at present. The land is broken, poorly timbered, and worth from 15s. to £1 an acre. The land if cleared and grassed would be suitable for depasturing cattle or sheep. There are three sawmills at work on Stewart Island, but it is not considered likely that there will be any demand for the bush on the Native reserves. There is, however, every probability of the land being taken up for pastoral purposes if open for selection in areas of 500 acres or upwards.

*Alton Block* lies from four to nine miles west of the Waiau River. Although regarded at one time as being beyond the confines of civilization, the construction of roads and the extension of the Orepuki Railway to the banks of the Waiau, have brought this block within a few miles of settlement and a flourishing sawmilling industry. The soil is fairly good, the land undulating, and on parts of the block there is good milling-timber. This will make good dairying-country when the timber has been cut off. One sawmiller has obtained leases of two sections, and it is considered that, were the timber areas thrown open for selection in this block, and in the Rowallan Block, which adjoins it on the west and is even better timbered, in areas of 1,000 to 1,500 acres, strong milling companies would be induced to take up the allotments, erect mills, and construct a light line of railway to give means of communication with the present railway terminus at Tuatapere.

*Rowallan Block* is farther west and more remote than the Alton, and, though it carries better timber, its soil is deemed inferior to that of the latter. The only means of communication at present is by way of the beach. The area of the Alton and Rowallan Blocks is 44,455 acres.

*Wairaurahiri Block* is still farther west, and lies about thirty-five miles from the Waiau. It contains an area of 10,886 acres, and comprises land running along the coast between the Wairaurahiri and Waitutu Rivers. There is some timber, but no means of getting it away, as there is no safe landing-place east of Price's boat-harbour. The soil is poor, growing mostly moss and manuka, and the land, which is valued at less than 5s. an acre, will not be readily taken up in the near future.

With respect to a strip of land running along the western bank of the Waiau and known as the *Waiau Reserve*, we took the evidence of those who proffered it. The ownership of this piece of land formed the subject of a petition to the House of Representatives, and a report by the Native Affairs Committee. As it was not set apart for landless Natives, we found that it did not come within the scope of our order of reference, and consequently we make no recommendation regarding it.

It was very strongly impressed upon us by the people in Southland that some practical way of utilizing those reserves upon which settlement is impinging should be devised, as at present the Native owners are deriving no benefit from the lands, and while the reserves are lying idle they are blocking the progress of the district. We attach hereto (in appendix marked "C") a letter which we received from the president and the secretary of the Hedgehope Railway League, which clearly sets forth the general views of the settlers on the subject. From