

of grain, the settlers are very much restricted to the cultivation of grasses and their products. Nearly all the settlers either have interests in mining ventures or other business, or are actually engaged in mining a portion of their time. The settling of the country, in the sense of farming it and engaging in nothing else, has very few representatives. The occupation of this part of the colony may, therefore, be said to depend almost entirely on its mining development, and settlement can only progress accordingly, and is necessarily slow

On the Otago gold fields there have been many transactions in Crown lands, and some accession of settlers under the leasing of runs, the sale of pastoral and agricultural deferred-payment lands, and of agricultural leaseholders either completing the purchase of their leasehold, or exchanging their leases and coming under the deferred-payment system, by which they are enabled to exchange a rent of 2s. 6d a year for payment of 3s. a year. This is deemed an instalment of the price of the fee-simple of the land, which in the case of exchange leases is fixed at 21s. an acre; seven years, therefore, under exchange lease, completes the purchase.

The future disposal of the Otago runs, the leases of which expire in March, 1883, will require to be carefully watched in the interests of gold-mining; for it would be very easy, even after making considerable mining reserves, so to hamper alluvial mining with the rights arising under freehold property as to virtually put a stop to mining. The conflict of interests between the freeholders and miners at Maerewhenua gold field is a telling case in point. The same difficulty has arisen in other localities. The fifty or sixty miners who have Hindon as a centre, notwithstanding large mining reserves were made in their favour, have so strongly represented to the Otago Land Board the injury that might accrue to them from the further sale of land on Hindon Hundred that more than 10,000 acres of it is withheld from sale or application. But for this prohibition it would all have been purchased on immediate and deferred payments, the land being good, and only from eight to fifteen miles from Outram Railway Station by a good road, constructed last year under the Government scheme of "opening up lands before sale." With the object of giving the miners at Hindon an opportunity of attaching themselves to the soil, a village settlement of 430 acres of excellent land, surveyed into sections of from ten to twenty acres, is now open to their selection.

DEPARTMENTAL.

I have again, as in former years, to acknowledge the assistance of the Secretary of the Treasury, Mr Gavin, and of Mr Seed, Secretary of Customs, in furnishing the returns of revenue and gold export appended to this report; also the assistance of Mr Wakefield in the compilation of the other statistical information and collection of reports.

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