

quent failure of crops. The late season having proved so favourable, efforts are being made to recover the amounts due, and there seems every probability that these amounts will be received at an early date.

Forfeitures and Surrenders.—The total number of forfeitures and surrenders during the year amounted to 124, with an area of 39,493 acres, as against a total the previous year of 166 holdings, and an area of 307,131 acres. In the greater number of cases of forfeited or surrendered holdings the lands have been reopened at reduced capital values, more particularly in the bush districts of Catlin's, Rimu, Tautuku, Woodland, &c.

Transfers and Exchanges.—Of transfers there have been 115, with an area of 205,857 acres: exchanges to lease in perpetuity, 13; area, 4,732 acres. In 1898–99 the numbers and areas were: Transfers, 83; area, 39,902 acres: exchanges to lease in perpetuity, 17; area, 4,641 acres: thus showing a considerable increase in transfers during the past year, especially in the area transferred, the increase being chiefly in pastoral country under small-grazing-run leases and pastoral licenses.

Land opened for Selection.—The total area of land opened for selection during the year under the several classes of tenure amounted to 406,762 acres, as against 261,932 acres during the previous year. As a matter of course, the greater portion of this area comprised land reopened after surrender, forfeiture, or expiry of lease or license. A total area of 1,362 acres was also disposed of during the year under sections 114, 115, and 117 of "The Land Act, 1892," and section 13 of "The Land Act Amendment Act, 1895." I may here mention that there does not appear to be at the present time so great a demand for land as in previous years, although for good farming land, such as is offered under the Land for Settlements Act, there is still a considerable number of inquiries. No doubt the larger amount of employment provided in various ways in connection with the extraordinary and widely expanding gold-dredging industry accounts, in some measure at least, for the less eager demand for agricultural land. The wants of intending settlers have also been to a great extent met by the estates which have already been opened under the Land for Settlements Act.

Land to be opened.—With the exception of any lands that may be dealt with under the Land for Settlements Act, selections during the ensuing twelve months will be almost wholly limited to lands already in the market and not yet taken up, together with such other lands as may be reopened after surrender, forfeiture, or expiry. It is estimated approximately that the following areas will be dealt with, viz.: 130,500 acres of pastoral land, the licenses of which expire in 1902; 155,500 acres of similar land, the temporary licenses of which expire in 1901; and 22,918 acres of pastoral land passed in at the last run-sale. Most of these areas will probably be again offered as pastoral runs, with a small proportion as small grazing-runs. There is also 115,848 acres of rural land at present open for selection, chiefly under the optional system, in various districts, as shown in the Land Guide.

Settlement Conditions and Rangers' Reports.—The Rangers' reports show that the settlement conditions under which the Crown tenants hold their leases are being very satisfactorily complied with. In some instances, owing to the rough nature of the land leased, the conditions have not been strictly complied with. In respect, however, of the 688 properties visited, comprising a total area of 117,437 acres, the value of the improvements required to be made was £39,033, while the value of the improvements actually effected amounted to £73,106, an excess of £34,073 above requirements. Speaking generally, the position of settlers has very much improved during the last year, owing partly to the fact that the season has been a good one, and partly because the ruling prices for sheep and wool have been so high. The crops, taking them all round, will yield above the average of previous years, and though prices for cereals, &c., do not promise to be high, it is expected that the extra yields will make good the deficiency. In the bush districts of Catlin's, Woodland, Glenomaru, Rimu, and Tautuku the settlers appear to be in better spirits than they were, and the *bonâ fide* settlers in those districts have made good progress during the year. Many who took up bush sections never really intended to become permanent settlers, but such are being gradually weeded out, and selectors of a better class are taking their places. One of the most prominent grievances of the bush settler was the bad roads, but every year now sees a marked improvement in this matter, and the principal roads are now in fair order. Dairy factories are also in operation in nearly all the larger centres of settlement, and sawmilling has become a very important industry. The extension of the Catlin's River Railway is still looked forward to as a desideratum for advancing settlement in the district referred to.

State Forests.—The Chief Forester, Mr. Henry Matthews, has already forwarded to you full reports of his operations during the year. These will show, I think, that considerable success has so far attended the efforts made to propagate useful timber- and forest-trees, such as will in after years prove a valuable asset to the public estate, and an incalculable benefit to the community.

Land for Settlements Act.

The year's operations include two new estates—viz., Janefield, in the Taieri district, and Elderslie, in North Otago.

Janefield.—This settlement was opened on the 15th September last, the area for selection being 143 acres 2 roods 37 perches. Of this an area of 131 acres 2 roods 37 perches has been taken up by twenty selectors at an annual rental of £256 9s., leaving 12 acres at present unlet, divided into four allotments of 3 acres each. In respect of this settlement the Ranger reports that, although it is only a few months since it was opened, there are already nine houses erected thereon, with thirty souls resident; that there is timber for buildings on two other sections; and that other selectors are also about to build at an early date. Those already on the settlement are said to be well pleased with their selections, and are making substantial improvements.