In any scheme of subdivision the question of boundaries arises. In the larger areas natural boundaries will usually be obtained, in part at least; but, in the smaller, fencing will have to be resorted to. If the holdings were laid off in long, narrow sections, the cost of fencing would be out of proportion to the value of the land enclosed. If laid off in squares, the cost of boundary fencing would be the least possible per acre; but, say the areas were laid off twice the depth to the width, then that would give for the three-miles depth an area of 2,880, and for the ten-miles depth 32,000 acres. It is not intended, of course, that the country is to be laid off in a series of rectangles over the rugged mountain surface, but the illustration shows that necessarily the areas must vary much, and be comparatively large, even in the smallest subdivision practicable.

A settler with a hill-farm of 2,880 acres in the Strath-Taieri District ought to do very well. The natural grasses carry a sheep to the two acres in that locality, and although the surface of the country is much encumbered at places with the outcrop of the schist rocks, yet a considerable area is improvable by the hill-side plough, and the carrying capacity of the country could be very much increased.

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If this Strath-Taieri country, and other similar areas under 3,000 feet, were subdivided into sections of from 2,000 to 5,000 acres, and offered in selected sections on pastoral deferred payments, on immediate payments, and on lease, settlers would have an opportunity of acquiring properties in the manner and of a size suitable to their circumstances and ideas.

Applying the same general system of subdivision throughout, the areas would, as already stated, vary from 2,000 or 3,000 up to 30,000 or 40,000 acres. It would be practicable to have sections under 5,000 acres laid off in the vicinity of most of the interior townships, each section with sufficient level

land for homestead purposes.

The system of combining arable with pastoral lands in what may be termed "hill farming" is the only one by which any large body of small settlers can hope to succeed in the interior of Otago. It is quite true that a few settlers here and there are engaged in raising grain, but, as the market is purely local and very limited, there can be but very little expansion of settlement on that basis. The time may come when, with railway communication opened up with the coast, grain will be grown extensively on these inland grassy plains, but it is not yet. The settlers find they need grazing ground as an auxiliary to grain-growing, and many have been the expedients to secure this boon with a view of superseding the commonages, which are unsatisfactory to settlers, and often quite beyond their reach on account of distance. It would be well to give these little groups of settlers already referred to an opportunity of adding to their properties in their own locality. This could be done by including their block of 2,500 or 3,000 acres within a hundred of (say) three or four times that area. For instance, take the Hawea Flat, where there have been three small blocks, of about 2,500 acres each, opened at different times. A hundred might be declared, including the unoccupied flats along the Hawea and Clutha Rivers, and, taking in the mountain faces behind, up to the summit of Grandview Range.

This locality is selected for illustration because it is the most remote agricultural settlement in Otago, being nearly 200 miles from the coast by a practicable road, and 35 miles from a commonage. Excellent crops of grain are grown there by the few settlers, but they ought to have the opportunity not only of expansion, but of adding to their number so as to form a community sufficiently numerous to allow of the establishment of church, school, and other social advantages. There are other small

groups of settlers to which the same remarks apply in measure.

In apportioning the country in large and small runs and hundreds in the manner proposed, we may reckon on a considerable increase of population. This suggests the necessity of carefully selecting sites for towns and village settlements, and making reserves of the lignite deposits. As the country is entirely destitute of indigenous growing timber, it would be wise to make a few plantation reserves. The Lake County Council has recognized the need of making provision for future wants in this respect by establishing a plantation in the Cardrona Valley. Care must also be taken not to hamper the gold-mining industry in any way by selling any land proved or even supposed to be payably auriferous. The gold-miners require a great scope of country, and they have an instinctive aversion to the sale of Crown lands. By putting all such country under pastoral lease the miner and settler never come in collision.

Putting these remarks in a short compass, they are,—(1.) That the agricultural blocks which have been opened from time to time, are, where practicable, to be included in a larger area, and declared a hundred. (2.) The fact having been established that fully one-half of the country consists of mountain slopes above 2,000 feet of altitude, and that the homesteads and winter country, to enable the higher country to be held, must be on a lower level, it follows that each run must combine both high and low country. (3.) Having regard to practicable fencing-lines or natural boundaries, the runs are to be laid off in the proportion of the depth being about twice the breadth. (4.) The operation of No. 3 will result in a large number of runs being laid off in areas under 5,000 acres each, of a number of about 10,000 acres, and in the highest country of probably a less number from 20,000 to 30,000 acres, or, in a few cases, even a greater area. Runs under 5,000 acres to be offered on pastoral deferred-payment, on immediate payment, and on lease. All other runs on lease for ten years under the provisions of "The Land Act, 1877." (5) Reserves to be made of the Otago Central Railway line as surveyed, of coal areas, of roads, of towns, village, and plantation sites.

Tracings of the topographical maps are being prepared on which the agricultural and mining settlements, pre-emptive rights, roads, and altitudes will be shown; also the approximate boundaries of proposed hundreds and runs in relative position. The areas to be leased can generally be marked off on the topographical maps with sufficient accuracy in relation to streams, ridges, and other natural features, so as not to require further survey. But the areas that are to be offered for sale, either on immediate or deferred payment, will require to be surveyed and marked on the ground.

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As these areas need not, nor indeed should, be offered for sale until within a short time of giving possession in March, 1883, there will be ample time left after the present winter is over within which

to conduct the surveys.

James McKerrow, Secretary for Crown Lands.