

## MEMORANDUM for the Hon. JOHN MCKENZIE, Minister of Lands.

THE Otahu Estate, of 6,049 acres, the property of Messrs. Menzies and Batger, is situated in the Waiau Valley, Southland. It is in two parts. The larger area, of about 4,800 acres, is in the Waiau Plain; nearly all level. Fully one-half the area along the base of the ridges is fertile land, the remainder further out on the plain is thin and shingly. In laying out this land it would be advisable to run the sections across so as to include a portion of both classes of land in each section. This would imply that the areas would be about 500 acres each, and this would be advisable for the further reason that the farms would be eighteen to twenty-four miles from the Otautau Railway-station, and would be mixed farms depending mostly on stock. The Merton Stream, which runs through the property lengthwise, is liable to overflow when in flood; its channel requires widening and straightening at an estimated cost of £300. This might be left for the settlers to do provided a strip of reserve were left through the sections. There are about 200 acres of well-grown timber, and firewood in several clumps over the plain that will be a great aid to settlement.

The homestead consists of a good dwelling-house of eight or ten rooms, in good order; a woolshed and small stable, water-wheel, and thatched sheds, none of them of much value except the dwelling-house. In connection with the homestead several hundred acres have from time to time been under the plough, which are now mostly laid down in grass. At the time of inspection—13th February—a forty-acre field of oats was being cut by the reaper-and-binder—a very fair crop. About 150 acres of turnips were promising to be a good crop if they only had rain in time. The other part of the property, containing 1,250 acres, is situated from two to three miles north-east of the larger portion, on the Waiau Plain. It is up on the terrace on both sides of the upper part of the Merton Stream. With the exception of being fenced on two sides, it is in its natural state, crab-hole and with snow-tussock, requiring to be ploughed and worked to sweeten the soil, which is strong and good.

There are some well-cultivated farms close up to the boundaries of the Otahu Estate, and the Merrivale Settlement is almost alongside. The settlement of the Otahu Estate would be practically an extension of the Merrivale Settlement and of the settlement around the Limestone Gorge. It is desirable to extend the number of settlers in the Waiau Valley so as to have a community numerous enough to have dairy factories and other industries set going.

JAMES MCKERROW, Land Purchase Inspector.

Government Buildings, Wellington, 13th April, 1897.

For Cabinet.—J. MCKENZIE, 21st April, 1897.

In Cabinet.—26th April, 1897.—Purchase of 6,049 acres, at £1 5s. Approved.—A. WILLIS, Secretary.

The BOARD of LAND PURCHASE COMMISSIONERS to the Hon. the MINISTER of LANDS.

SIR,—

We, the members of the Board of Land Purchase Commissioners, appointed under "The Land for Settlements Act, 1894," for the Southland Land District, in compliance with the directions contained in your memorandum of the \_\_\_\_\_, have the honour to report, as regards the land mentioned in the schedule below,—

1. That the land is good and suitable for settlement in farms of 500 acres upwards.
2. That the Board believes there will be a demand for this class of land.
3. That the Board recommends the Government to acquire the land at a price of £1 5s. per acre.

JAMES MCKERROW, Chairman.

D. BARRON,

S. PERCY SMITH,  
ANDREW KINROSS.

Given under our hands, at Wellington, this 12th day of April, 1897.

The Hon. the Minister of Lands.

*Schedule.*

*Southland Land District.*—All that area containing 6,049 acres, more or less, known as Otahu Estate, offered by Messrs. Batger and Menzies.

REPORT on part of property offered by Messrs. Batger and Menzies, being part of their Otahu Estate, in the Waiau Survey District and Southland Land District. The land offered consists of Sections 5, 15, 9, 10, 13, 24, 1, 97 (P.R.), 17, 31, 2, 14, Waiau Survey District. Area, 4,799 acres and 29 perchès, or thereabouts:—

This property is situated on the flat terraces on the eastern side of the Waiau River, a few miles to the north of the ferry at Clifden, and at the south end adjoins part of the Merrivale Estate acquired by the Crown and cut up and let in farms of small areas. Its distance from Otautau Township and Railway-station is from twenty-two to twenty-five miles. The main road-line up the Waiau Valley passes through the property.

Hitherto this has been a pastoral district, portions of this property having been improved by cultivation of the best parts of the land, with the object of increasing its stock-carrying capacity. No industries except rabbit-trapping for their skins.

Flat terrace land, gravel formation; soil light, dry, and fertile over the greater portion; growing in its natural state, white-tussocks, fern, &c., and in parts large flax-bushes. The eastern boundary skirts the foot of the ridges. The portion through which the Merton Creek runs is the best of the land, being rich, fertile, strong land, capable of growing heavy crops and good grass; part of this is