

*Small Grazing-runs.*—In this district thirty-nine runs were laid off for disposal under this system. Twenty-two of these are now held, five were forfeited or surrendered, and the remainder were not taken up. Apparently, from the result, the system has not been a success here. This, so far as I can see, is to be accounted for by the land selected being unsuitable, and also by the fact that there does not appear to be the class of men in the district who desire to occupy land of this character under grazing-run conditions. Some of those now vacant will be grouped, while others should be again dealt with under ordinary pastoral-lease conditions.

*Mining Districts Land Occupation Act.*—There is nothing special to report under this system. Miners are somewhat anxious to still further curtail the compensation clause of the regulations, more especially in the immediate vicinity of gold-workings.

*Land for Settlements Act.*—Merrivale Estate: In reference to this, which is the only property acquired under the Act in this district, I would refer you to the reports by the Ranger and Road Inspector Williams. The latter has been intimately associated with the working of the estate since it has been acquired, so that his opinion is of considerable value.

Ranger Campbell reports as follows: "I have the honour to report that selections on this estate were made on the 20th December, 1895. The time of selection was so late in the season that none of the selectors had any crop; they had solely to depend on their grass for that year. This year I find the number of horses on the estate to be 107; cattle, 443; sheep, 8,257; other stock, 7: area in oats, 434 acres; in wheat, 48 acres; in turnips, 26 acres; in grass, 6,860 acres: fencing erected by the selectors, 4,122 chains, at 10s.: the value of the whole improvements made by the selectors, £3,907: county rates paid, £153 7s. 11d., and not a yard of road made by the county on the estate as yet. I find that, owing to the dry season, the crops and grass are not nearly as good as usual. I am glad to say it is very seldom that settlers have to complain of dry weather for any length of time in Southland, so that this year has been an exception to the rule. I have spoken to almost every selector on the estate, and I am glad to say that, with very few exceptions, they seem well pleased with their holdings."

Inspector Williams reports: "The Merrivale Estate, comprising nearly 10,000 acres, was purchased by the Government in April, 1895. The whole of the open lands had been ploughed and sown in grass by the original holders, so that the present holders of the sections had really no improvements to make beyond fencing their land before they received an actual return off their sections, which was undoubtedly a very great inducement for men of limited means to acquire good land, and, judging by the improvements made by the settlers up to date, the condition of the settlement undoubtedly points to success. A number of dwelling-houses have been erected, and others are in course of construction. The whole of the open land has been fenced, and a number of the bush sections have been fenced also. A blacksmith's shop has been built on the estate, and a school is shortly to be erected near the dairy-factory site. At present there are upwards of 159 people, including children, on the estate, and twelve months ago there was not a dozen. The settlement has been well provided with roads, and the principal rivers and creeks have been bridged. and in course of time a dairy factory will be erected. A number of settlers have done well for the first year. I know of one man supposed to have received £250 clear from sale of grass-seed off 50 acres of land."

*Timber.*—The sawmilling industry has not been pushed on with as much vigour during the year as during the preceding one. The best and most accessible timber having been nearly all cut, sawmillers find it necessary to go back further and further every year. This, of course, means increased haulage and consequent expense. Smaller timber, too, is now taken—timber which millers a few years ago deemed worthless. In many cases areas which were thought to be worked out, and were therefore abandoned, have been recently taken up again, and cut over a second time. During the year 4,348 acres of bush land, held under license by sawmillers, have been surrendered; eleven new licenses have been granted, seven over bush previously held in reserve, and four over new ground. If things have been quiet in the sawmilling line, the same cannot be said of the hewing and splitting business, no fewer than 170 special licenses having been issued during the year. Of this number, seventy-six were for sleepers, which the license-holders supplied to the Railway Department. The seventy-six licenses authorised the holders to cut 14,362 sleepers. The other ninety-four licenses issued were mostly to persons who make a business of supplying wood-merchants and householders with firewood, and settlers with fencing material. Very few applications for free permits under section 234 of "The Land Act, 1892," have been received, most of the bush in this district being classed as "State forests."

The following is a summary of Crown land surveyed, under survey, open for application before survey, or as pastoral runs:—

Southland County—				Acres.
Surveyed rural lands, mostly second-class, partly open and partly bush-clad, in areas from 20 to 1,500 acres	...	...	...	68,823
Village-homestead sections, mostly first-class lands, in areas from 1 to 20 acres	...	...	...	1,568
Town lands	...	...	...	303
Four small grazing-runs, mostly hilly, and carrying fairly good tussock and other grasses	...	...	...	15,400
Unsurveyed lands, now being prepared for settlement, mostly forest-country, but with fairly good soil	...	...	...	21,000
Carried forward	...	...	...	107,094