35 C.—1.

are making very good improvements, and appear to be doing well. The number of souls upon the settlement is ten, and the value of improvements effected £3,487 18s. 3d., against £2,144 2s. 2d. required.

Lyndon No. 1 Settlement (near Waiau, North Canterbury).—Established March, 1901. Eight holders, six of whom are in residence, and represent thirty souls settled upon the estate. The value of improvements effected is £3,126 9s. 4d., against £421 8s. 10d. required. A good body of settlers is located here, and an excellent start has been made.

Kohika Settlement (near Otaio, South Canterbury).—Established May, 1901. Sixteen holders seven of whom have built good houses and taken up their permanent residence on their holdings, and seven others are living on their holdings in tents or travelling huts, but have not yet effected many improvements. One holder has done nothing on his section. No improvements were actually due, as the first year has not expired, but the value effected is £2,365 1s. The number of souls living upon the settlement is forty. The improvements which have been put on are of a good and substantial character, and the settlement promises to be a successful one.

Raincliff Settlement (near Fairlie).—Established June, 1901. One holder, a single young woman, residence by whom is not yet due; but two brothers are living on the section, and preparing to build a larger dwellinghouse. The value of improvements on the land is £210 11s. 1d., consisting principally of the improvements belonging to the land at the time of disposal.

Tarawahi Hamlet (close to Christchurch).—Established June, 1901. Residences and improvements are not yet due in any cases, but six out of the twelve holders are already occupying their holdings, with twenty-one souls, and others are commencing improvements. The value of improvements effected is £730.

Pulnika Hamlet (close to Timaru).—Established July, 1901. Six holders. In no case has the first year's tenancy expired, but two of the lessees have erected good dwellinghouses, and are complying satisfactorily, and others are preparing to comply. The number of souls in residence is five, and the value of improvements effected £329 2s. 3d.

Kaimahi Settlement (at Papanui, near Christchurch).—Established October, 1901. Although residence and improvements are not yet due, a good start has been made, and seven out of the twelve holders are already in residential occupation. The number of souls is seventeen, and the value of improvements effected £856.

Kapuatohe Hamlet (at Belfast, near Christchurch).—Established October, 1901. Four holders, one of whom, the lessee of the homestead section, has entered into occupation. The improvements on his section, consisting principally of the original homestead buildings, are valued at £262. The other holdings have only recently been selected.

Rapuwai Settlement (near Pleasant Point).—Established December, 1901. Five holders. This settlement is only about four months old, but three of the holders are already in residence, and are complying satisfactorily. The number of souls is four, and the value of improvements is £1,107 17s., the bulk of these having belonged to the land at the date of disposal.

THOMAS HUMPHRIES, Commissioner of Crown Lands.

OTAGO.

In regard to transactions in ordinary Crown lands there has been little or nothing of an exceptional character to relate. The volume of business has been much the same as during the previous year, and I am glad to be able to report that there has been no shrinkage in revenue. The system of rebates inaugurated last year has been continued, with, I think, satisfactory results. The respective amounts granted under the different tenures will be given under the heading "Rebates." I regret that this year's harvest has been in a number of places throughout this district a rather unfavourable one, in consequence of the abnormal wet weather that has prevailed for several months past. In the early part of the season there was promise of fairly good crops throughout the district, but owing to excessive moisture many of them must have suffered great deterioration in value, while in some cases the wheat-crops in particular will, I fear, have become almost ruined. And, although prices for most kinds of produce except wool are good, the quantities for disposal will be very much limited, and it may be expected that many of our Crown tenants will be crippled in their finances during the current year, in consequence of which the State will necessarily have to be somewhat lenient by giving them time in which to pay their rents. In my last year's report it was my duty to record the fact of the very severe damage sustained by many settlers in the northern portion of Otago, which led to the provisions of section 53 of "The Land for Settlements Consolidation Act, 1900," being availed of to give a measure of relief to a number of tenants on the Maerewhenua Estate. The required amounts, totalling £599 16s. 9d., were duly appropriated by Parliament, and have since been credited to the Land for Settlements Account.

The following is a tabulated statement of the year's transactions, of area at present held, and of revenue received under the several tenures during the year. The gross totals in this summary, as compared with those of the previous year, show a decrease of fifty-eight in the number of transactions, but an increase of thirty-two in number of holdings at the 31st March, and in area of 106,082 acres, while the revenue shows an increase of £3,574 1s. 11d.