

of forfeitures, expiries, and surrenders, there are now current 239, the same number as before; area 4,520,055 acres, an increase of 10,779 acres; annual rental £28,953 17s. 2d., a decrease of £481 4s. These figures include an area of 954 acres held under two pastoral licenses under the Land for Settlements Act, at £121 13s. per annum. There are in addition two pastoral-endowment runs over an area of 25,590 acres, at £460 10s. per annum. The average annual rentals per acre of the three divisions of these runs are as follows: Ordinary Crown lands, 1-53d.; land for settlements, 2s. 6-6d.; endowments, 4-3d. The receipts for the year were: Ordinary Crown lands, £30,246 17s. 8d.; land for settlements, £122 2s. 9d.; endowments, £460 10s.: total, £30,829 10s. 5d., a total increase over the previous year of £1,497 12s. 8d.

Miscellaneous Licenses.—The greater proportion of these licenses are now held under the 116th section of "The Land Act, 1892," the provisions of which continue to work satisfactorily in securing the occupation of considerable areas of the Crown that would otherwise entail expense to the State for keeping down rabbits, noxious weeds, &c. As many of these holdings are likely to be kept on by the licensees for a number of years, I think it would be advisable to so far modify the conditions under which they are held as to permit cultivation to some extent where desired, in which event in many cases a larger rental could possibly be obtained. There are now 612 licenses over an area of 89,298 acres at an annual rental of £1,245 12s., as against 589 with an area of 77,789 acres at an annual rental of £1,112 3s. 11d. at 31st March, 1902. The gross receipts for the year for ordinary Crown lands and land for settlements, £1,595 5s. 2d.; endowments, £33 17s. 6d.: total, £1,629 2s. 8d.

Special-settlement Associations.

The only settlement block coming under this heading is the Swinburn Farm-homestead Block, no longer, however, worked as an association or under the association rules, but held practically as ordinary Crown lands under the lease-in-perpetuity tenure. It remains in much the same condition as last year, being occupied by fourteen selectors, with a total area of 2,765 acres, at an annual rental of £121 2s. 4d. The Ranger's report states that very few of the original holders now remain on the block. The land being of dry nature cannot be profitably worked without a good rainfall. The late season has in this respect been unusually favourable, and good yields have resulted. Mixed farming is carried on, and the various holdings are well stocked and cultivated; and so long as the seasons are favourable the areas are sufficiently large to maintain the settlers and their families. There are twelve houses on the block, with thirty-eight persons resident, the value of the improvements being £1,876.

General as to Settlement Conditions, Settlers' Progress, &c.

With the exception of the southern portion of this district, it may be said that the settlers generally throughout Otago have had a successful and prosperous year; and, even in the south, there is a probability, I think, of things not turning out so badly as at one time feared. The spring of the year was unfavourable, and crops were late in starting, but the latter part of the season has been much more hopeful; and, as will be seen from the Rangers' reports, there have been instances of extra good yields. Turnip-crops are fair and grass abundant, promising good feed for stock during the winter. The settlement conditions are upon the whole well complied with, and in many cases much more than the actual requirements in the way of improvements have been effected. There are, however, in this district a number of cases in which, owing to the character of the land, it is not possible for the settlers to profitably expend the full amount required by the regulations, and consequently the discretion of the Land Board in dealing with such cases has to be called into exercise. From the Rangers' inspections it is seen that the required value of improvements in a total number of 662 cases, covering an area of 118,814 acres, was £52,599, and that the value of those actually made was £108,869, being more than double the actual requirements.

The meagre success, or, perhaps, more correctly speaking, the comparative failure, of most of the village settlements, both ordinary and special, as stated by the Rangers, is matter for regret, but the fact is nevertheless evident to those who have been in the districts affected and watched their progress. The following is the joint report of the Rangers under this head:—

"In the southern parts of Otago the settlers are having a very anxious time, on account of the wet and broken season. The spring of this year was unfavourable to farming operations, thus making the harvest also very much later than usual. Grain-crops, generally speaking, are very fair, and the turnip-crops very good. Owing to the lateness of the spring many lambs were lost, and the percentage of lambs this year must therefore be smaller than in preceding years. Good prices still continue, however, and the prospects of the mixed farmer are fairly bright. Numerous dairy factories have been erected during the past year, and the dairying industry is making rapid strides. In the bush districts very little progress has been made during the past year. A few more factories have been erected, however, and the prospects of the settlers adjacent considerably brightened. Many of the worst roads have been improved, and the prices of cattle well maintained. The conditions of the various leases have been well complied with.

"The past season, though so late generally, has given fair treatment to Central and North Otago. The settlers were late in getting in their various crops, and the early part of the season was dry. About the first week in December, however, the drought broke up and splendid rains fell, giving the crops invaluable assistance and abundance of feed for stock. During the summer months, and, in fact, during the ordinary harvest months, heavy rains continued, and this, with the persistent absence of any steady period of dry weather, caused farmers to fear that all would be lost. Harvesting operations in the past generally began in North Otago about the middle of January, and were usually over about the end of February. This year, however, harvesting was very late, but, notwithstanding the somewhat erratic nature of the season, most of the grain-crops