

in the north were saved. Record grain-yields have been the rule, and, as good prices are obtainable, settlers have done very well. In pastoral pursuits the nature of the season was also a serious drawback. Early lambing was unsuccessful, owing to the cold weather and the scarcity of early feed. There was a heavier death-rate than usual, but the prices for lambs and for both store and fat stock were well maintained.

"Generally speaking, the past year has been a good one for the farming community in North and Central Otago. The foregoing remarks apply to settlers under the small-grazing-run, lease-in-perpetuity, and occupation-with-right-of-purchase systems. With regard to the village homesteads and special settlements, the conditions of those in South Otago and those in North Otago being somewhat different, it might be advisable to divide the report so as to treat each part of the land district separately.

"Taking South Otago first, the small settlements have not been a success. Some seven or eight of these settlements were made in the bush country, but, with one or two exceptions, these have been practically deserted. While Government money was being spent in road-making, &c., small settlement was fairly prosperous, and some improvements were effected on the various holdings; but as soon as that expenditure ceased the lessees found their holdings too small and too poor to make a living on them alone, hence they were obliged to leave them. One of the bush settlements—that in Block VIII., Glenomaru—has been very successful, chiefly owing to the fact that it is both near Owaka, where work is obtainable, and near the Catlin's Estuary, where some of the settlers make a living by fishing. In the Tapanui district fair progress has been made. The settlers on the small settlements are well satisfied, and outside work is fairly plentiful.

"In Central and North Otago, with one exception—that of Sutton—the small settlements have not been successful. This is, to some extent at least, owing to the smallness of the areas and the poor quality of the soil. The Sutton Settlement has been very successful. Here the land is good, and a dairy factory has been erected within easy distance.

"Speaking generally, these settlements in Otago, except in isolated instances, have not made much progress. Where the land is very good and where outside employment is plentiful the position is satisfactory, but otherwise the position is reversed. The occupations of the settlers are varied according to the district. In bush settlements they are mostly employed in fishing and sawmilling, while a little attention is also given to dairying. In the others the dairy industry gives the principal occupation, and labour with the surrounding larger landowners is often obtainable. Cultivation, except for gardening or for growing winter feed, is not largely carried on—most of the holdings have been laid down in permanent grasses. In the cases of lands having been surveyed for village homesteads and not now occupied, it might be advisable to open the sections under the optional system, especially where there is no reasonable expectation of selection under the village-homestead system.

"In Otago there is only one settlement under the special-settlement regulations—that in Block VII., Swinburn—and it has not been a great success in the past, owing to dry seasons. All the sections are occupied, but of the original selectors very few are now remaining. The land is of a dry nature, and without a good rainfall is not capable of producing many crops. This year, however, has been favourable, and heavy crops are the result. The settlers are chiefly mixed farmers, each keeping a number of sheep and cattle, and also cultivating part of his holding each year. This settlement is at present in a satisfactory condition, and, given a sufficient rainfall, should be quite successful in the future. The various holdings are well stocked and well cultivated, and as each holding contains sufficient area the various lessees are enabled to live on their farms."

The Ranger at Queenstown reports as follows:—

"As a whole the conditions are being fairly well complied with. The number of non-residents are much fewer this year, several having built on their land. A considerable number have a large area of rough mountain land in their holdings that can scarcely be improved, and four or five have swampy land which is unsuitable for building on, or even doing much with in the way of improvements. Some reside on adjoining sections or work the land from their homesteads. In the Hawea and Tarras districts generally the crops have been very poor, through want of rain in the early part of the season, many of the fields being scarcely worth reaping. As a whole, however, throughout this district, from an agricultural point of view, things are fairly bright, and the pastoral tenants or runholders are in a prosperous condition, through having few losses in stock and good prices for wool."

*Preservation of Bush, Scenery, &c.*—This is a matter that has been brought into perhaps more than usual prominence of late, and every effort is being made to conserve as much as possible useful timber for sawmilling and other purposes, and also the many beauty-spots which are to be found in various parts of this district, and which afford special attractiveness to tourists and others. I subjoin extracts from reports on this subject by Rangers Mackenzie of Queenstown, and McDougall of Pembroke. The former states with regard to his district as follows: "With reference to this district generally, I may state that every care is taken to preserve the beauty of the scenery. What I have most to contend against is fires, sometimes from the runs adjoining the bush reserves when firing the fern. I think if a man was put on in spring to burn the fern round the edges of the bush it would to a certain extent prevent bush-burning. Fires also originate at times in the centre of the bush, which are difficult of detection. Although reserves have been made including all bush on the margin of the lake and all places of interest in this district, I still feel inclined to recommend the reserving of the bush on Mount Alfred situated south of Trig. K, as there is always a danger when bushmen are allowed to cut in it. Respecting Queenstown, the improvement now going on in the park, and the road made to the top of Queenstown Hill, will be a source of attraction to tourists, while the road now being constructed up the lake-side to Moke Lake will be