

extensive reservation, but the country within the suggested boundaries is excessively rugged, and I may say quite unfit for pastoral purposes, owing to its high altitude and inaccessibility, and any rents that might accrue from it in this direction certainly would be very small in comparison to what might be derived therefrom from tourists and others were it stocked with big game, &c.; and, moreover, the native flora and fauna would be preserved, which is very desirable.

The following is a description of the proposed reserve, viz.: Bounded towards the north by the John O'Groats River, towards the east by a line running due south through Mount Eglinton to Eglinton River, then by said river to its junction with Lake Te Anau, thence by the east bank of Lake Te Anau to its outlet (Waiau River), thence by the west bank of the Waiau River to its junction with Lake Manapouri, thence by the eastern bank of Lake Manapouri to the Waiau River where it leaves the lake, thence by a straight line to north-east end of Monowai Lake, thence by south bank of said lake to a point which meets a line running due north and south through Goldie's Hill from the north boundary of Rowallan district, thence due west along said Rowallan district boundary to Lake Hauroko, thence by east bank of said lake to outlet of Wairaurahiri, thence by west bank of Hauroko Lake in a northerly direction to the north boundary of Waitutu district, thence by a due west line along said boundary and north boundary of Hakapoua district to Preservation Inlet, thence by the east bank of the said inlet to Puysegur Point, and thence by the Tasman Sea and coast-line in a northerly direction to the starting-point—viz., mouth of John O'Groats River—including the islands met with along the said coast. The accompanying lithograph shows the proposed reserve.

When time permits I propose to investigate and further consider what lands in this district it is desirable to reserve for scenic and kindred purposes.

*Revision of "Land Guide."*—In pursuance of the intention expressed in my last annual report to have the values of the bulk of the rural land then open to selection in the Southland "Land Guide" revised, I submitted the matter to the Land Board, which recognised the necessity for such action, and appointed members of the Board and Crown Lands Rangers to inspect and revalue the lands in the several survey districts. With the exception of a few isolated sections the whole of the lands referred to were revalued, and the prairie values reduced from 25 to 50 per cent., and following up these revaluations 54,162 acres were scheduled for reoffering between the 15th October, 1902, and 31st March, 1903. The area of such revalued land reopened before the 31st March, 1903, was 2,538 acres, of which but 696 acres was selected. The remainder of these revalued areas will be reoffered before the end of June next.

*Revenue.*—The gross revenue received during the year was £20,390 3s. 6d., being £2,605 3s. 6d. in excess of the estimated revenue, but £4,093 17s. 11d. less than the amount received during the year 1901–2. This decrease is due to a falling-off in the receipts from deferred-payment and perpetual-lease selectors, to the fact that no new lands were offered for selection, and that a large proportion of the lands open to selection is of very poor quality. The reason for the smallness of the area of the new selections taken up during the year, and the comparatively few applicants for holdings for the purpose of farming, is that during the financial year ending 31st March, 1903, a very large area of open land in this district has been placed in the market and disposed of by commercial firms doing business in this town. Having observed in the course of the year frequent sales of farms mentioned in the newspapers, I obtained from a few of the firms here some information regarding the farms sold, and find that five firms alone have disposed of 101 farms or holdings ranging from 10 to over 1,000 acres, the total area sold being over 95,000 acres. These lands are mostly subdivisions of estates and large farms, and are sold for cash or on terms; and it would appear that the best and most desirable class of settlers, those with experience and cash, do not seek to obtain lands from the Crown, but evidently prefer to obtain freehold lands in other quarters.

*Cash Lands.*—The operations in cash lands were limited, there having been but five selections of rural land, amounting to 260 acres; three purchases of land under section 114 of "The Land Act, 1892," of a total area of 25 acres; and fourteen purchasers bought 24 acres of town and suburban lands at auction: making a total of twenty-two purchasers, who purchased 310 acres and 12 perches for £635 2s. 1d.

*Deferred-payment Lands.*—The total area now held under this system is 13,670 acres, the number of licensees being sixty-two. Nine holdings of an area of 1,543 acres were made freehold during the year, and one holding of 72 acres was forfeited. Only four selectors, holding 352 acres, are in arrear to the amount of £9 10s. 2d. The decrease in area held as compared with last year is 1,615 acres.

*Perpetual-lease Lands.*—The net area of rural land held under perpetual lease is 15,088 acres, distributed amongst eighty-four lessees. The freehold of 858 acres was acquired by five lessees. Two lessees, holding 207 acres, exchanged to lease in perpetuity. Three leases were forfeited, which covered an area of 281 acres. Only three lessees were in arrear at the end of the financial year, for rents amounting to £30 11s. 10d., the area held by them being 1,000 acres. The decrease in area held as compared with last year is 1,346 acres.

*Occupation with Right of Purchase.*—Under this system twenty-eight selections were made, covering an area of 6,516 acres, the net area now held being 50,378 acres, and the number of selectors 239, showing an increase of 5,918 acres and twenty-three selectors over last year. The number of forfeitures was five; area forfeited, 597 acres. Eighteen lessees, holding 3,018 acres, are in arrear to the amount of £52 19s. 6d.

*Lease in Perpetuity, Ordinary.*—Thirteen selections, comprising 2,086 acres, were made under this system, the net area held at close of financial year being 69,279 acres. This area shows a decrease of 4,566 acres as compared with last year; but the number of selectors now holding is 234, an increase of five over last year. Seventeen selectors, holding 5,717 acres, are in arrear to