

Many of these reserves are well situated for the growing of cereals, potatoes, and peas, and the restrictions as to cropping having been suspended during the war, the tenants have endeavoured to assist in meeting the demand for food crops, and every encouragement has been given to them to do so.

The farms situated on Banks Peninsula are nearly all devoted to dairying, cattle-raising, and cocksfoot-growing, and those on the plains to mixed farming, and those near to the foot of the hills to sheep-grazing.

Generally the tenants have given satisfaction in the working of their holdings.

In South Canterbury the education reserves are on much the same footing as the older settlements, and on the whole the lessees have farmed their holdings well.

Cheviot Estate.—Twenty-seven Cheviot grazing-runs, after a term of twenty-one years, expired on the 29th February, 1916, and as it was not considered expedient in December, 1914, to deal with their future disposal, owing to the uncertainty of values at the commencement of the war, it was decided to give the lessees of these grazing-farms an extension of one year, bringing them up to February, 1917. The necessary legislation was enacted to give effect to this. They all accepted, with the exception of one, whose holding has been subdivided, one section being available for reoffering. In anticipation of the expiry of these grazing-farms in 1917, it has been decided to offer renewals to twenty-four tenants. Two grazing-farms are to be subdivided, and one is to be reoffered.

All the buildings and other improvements on the grazing-farms and agricultural holdings are maintained in a satisfactory condition, the lessees' interests in the farms now exceeding in value those of the Crown.

The results of their work during the past year have varied considerably: some of the crops gave a profit, others, chiefly for the reason of the absence of winter and early spring rains, were poor. The grass-grub was also in evidence. Some of the wheat was frosted, and the threshing returns were low in consequence. The pastures on the grazing-farms, especially where the holdings had been laid down in English grasses, suffered by the dry season. The native grasses stood better. There were good rains in February, and subsequently gave the pastures a chance to recover, and winter feed is assured. The high values obtained for wheat somewhat equalized matters financially.

Departmental.—During the year there were twelve ordinary and five special meetings of the Land Board held.

OTAGO.

(ROBERT T. SADD, Commissioner of Crown Lands.)

During the year ending the 31st March, 1916, two of the largest pastoral runs in Otago were subdivided and offered for selection—viz., the Omarama Runs, containing 140,695 acres, subdivided into ten runs, the successful applicants for which have made good progress in fencing, stocking, and building, and are all well satisfied with their holdings; and the Benmore Runs, containing 240,166 acres, subdivided into nine small grazing-runs, disposed of by ballot, and twelve pastoral runs put up to public auction with residence conditions. There were a very great number of applications for the small grazing-runs, and five out of the nine went to members of the Expeditionary Forces. The competition for the pastoral runs was keen, the prices realized being from 50 per cent. to 100 per cent. above the upset. One of these was obtained by a soldier at the front.

An area of 12,170 acres on Omarama, and 12,179 on Benmore, has been set apart for afforestation purposes, and the land is admirably adapted for this purpose. Pending planting operations these areas are being let at good rentals on temporary licenses. In addition a condition is attached to the pastoral runs on the University Endowment, Benmore, requiring the licensees to plant and maintain certain areas during the currency of the license.

On Benmore Runs an area of 23,000 acres in fifteen holdings, consisting of the best part of the cultivated land, has been set apart for discharged soldiers.

The Galloway Runs, containing 130,000 acres, have been subdivided into five runs. The freehold lands and improvements have been purchased by the Crown, and it was deemed advisable to include the greater part of these, especially about 400 acres at Little Valley, in the runs under the provisions of the Land for Settlements Act to provide suitable homestead-sites and paddocks for three of the runs.

Approximately 1,200 acres on Galloway Flat, and 2,500 acres along the road to Ida Valley, have been kept back for close settlement: the former will be irrigated by the Manuherikia irrigation scheme, and the latter from the Manorburn Dam just completed. A race belonging to the Crown is already available for the latter. These two areas will be subdivided at an early date, the surveyor being now on the ground. Owing to the want of water for irrigation the 7,000 acres of Earnsleugh Run surrendered last year has not yet been settled, but the surveys of this are well in hand. One of the Puketoi Runs—21,360 acres in eight subdivisions—is being offered for ballot in April.

The surveys of three large pastoral runs, known as the "Dasher," "Kyeburn," and "Mount Burk," are in progress to be ready for ballot on the expiry of the present licenses.

With the exception of the Crown tenants in northern Otago, where a long and severe drought has been experienced, the settlers have done very well indeed owing to the high prices obtainable