

provide winter feed for stock. Generally the progress and present position of the lessees are satisfactory, and the improvements are far in excess of the requirements of the Act. There are thirty-four tenants out of 385 deficient with their improvements, but only to a small extent, and the majority have effected far more than required by law. A great number of the lessees own land on the flats, in conjunction with their leases, and thus find a difficulty in complying with residential conditions; some of the holdings are said to be too rough and isolated to live upon. The frontage freehold lands are cropped and utilised for dairying, and fruit-growing for export. The bulk of the tenants are working-men with little capital, who have to seek work outside their holdings, such as bush-felling, fencing, road-making, &c. The principal requirement is improved road access.

Marlborough.

During the year 445 inspections were made, and the reports show that improvements to the value of £128,852 had been effected, as against the value of £57,246 required. Thirteen selectors were defaulters as to improvement conditions, and forty-five for non-residence.

Westland.

The Commissioner reports steady progress, and general increase in the stability and comfort of the settlers, particularly in the Grey Valley. In the Arnold Valley the sawmill and stock-fattening industries have given to the district an impetus which is likely to be continuous. Between the Teremakau and Crooked Rivers the land has been successfully occupied for over thirty years; and the Poerua Estate, purchased under the Land for Settlements Act, is making steady progress. Over the large extent of country, variable in quality, from above the Kanieri River to the gorge of the Hokitika, and known as the Kokotahi and Kaitirangi Blocks, settlement is being determinedly carried on. South of Hokitika the country, being generally rugged and densely wooded, with here and there areas of good available agricultural land, is devoted to stock-raising and sawmilling; but wherever the land is carrying grass the spread of butter-factories adds to the wealth and comfort of settlers.

Canterbury.

In this district also the reports are mainly of a most satisfactory character. The usual complaint is made by some tenants as to the insufficiency of their holdings.

Otago.

Good progress is reported as having been made upon ordinary holdings under the Crown. The residential and improvement conditions have been well complied with, except in those districts where the rainfall is light and the lands are comparatively poor. It is satisfactory to record that the bush settlers in the district are working under improved conditions.

Southland.

During the year 270 holdings were inspected, disclosing the fact that improvements to the value of £25,890 had been effected where only £3,884 would have sufficed for the requirements of the Act. There were forty-two defaulters, twenty-four on account of deficiency of improvements, and eighteen on account of non-residence. The deferred-payment and perpetual-lease selectors are in a prosperous condition, and have as a rule made fully four times the required improvements. The selectors are all farming, except those on the small holdings in the village settlements. The farming is mixed, consisting of grazing, cropping, &c., according to the situation, character of land, and season. The farms are well stocked, and are served by roads passable in summer time. The leaseholders under the optional system of "The Land Act, 1892," are doing well, especially so in the western and north-western portions of the district; but in the eastern side of the district, particularly in the Waikawa Survey District, the progress of the settlers has not been so satisfactory owing to the wet, cold, and inferior quality of the land. In the western district the farms are mostly stocked with cattle, and the settlers are occupied in dairying pursuits and grazing. In cleared and suitable open land many of the lessees crop considerable areas in oats and root-crops. In the eastern part of the district the stock consists principally of sheep, except in the vicinity of dairy factories. A considerable proportion of the settlers on the smaller holdings raise pigs and poultry. The small grazing-run tenants are in a very satisfactory condition, all having effected improvements far beyond the requirements of the Act, and with a couple of exceptions are residing. The runs are well stocked with sheep, and most of the lessees cultivate a portion of their holdings for winter feed. As several of the systems of settlement are of special interest, it will be convenient to deal with them separately as follows:—

Improved Farms.

Under the provisions of this system, men who do not possess the necessary capital to take up and improve lands in the ordinary manner are selected and placed upon allotments of Crown lands, not exceeding 200 acres each, and are aided by advances from the Government to enable them to fell and burn off bush, scrub, &c., and to sow the areas with good pure grass-seed, and afterwards to erect dwellings, fences, &c., and establish gardens, &c. The Government advances to settlers are supplemented by employment and payment on public works, such as railway and road construction under the co-operative system long in vogue in this colony. This philanthropic work has been attended with the most satisfactory results when the fundamental conditions have been attended to. These, apart from the necessary personal characteristics of the individual, are: Good and suitable land, accessible to markets for labour and produce, schools, and other essential advantages. There are in all fifty-four settlements, distributed as fol-