

*Village Settlements.*—There are twenty-five selectors, holding 417 acres. Twenty-two of these selectors reside on their holdings; 289 acres are laid down in pasture or cultivated. The value of the improvements is £1,587.

*Pastoral Runs.*—There were three runs taken up, the area being 14,280 acres. One run expired, and four were exchanged to lease in perpetuity. The total area now held is 994,998 acres, and the number of tenants is eighty.

*Small Grazing-runs.*—There were thirteen new selectors under this tenure, with a total area of 55,185 acres. Three of these, holding 28,350 acres, surrendered their leases. The total area now in occupation is 156,437 acres, held by 103 selectors.

*Miscellaneous Leases and Licenses.*—Fifteen new leases were issued, comprising 3,770 acres. This includes five timber licenses and three flax licenses.

*Lease in Perpetuity, Land for Settlements.*—One selector took up 935 acres on the Blind River Estate, making a total of 138 holders, with an area of 35,684 acres.

*Small Grazing-runs, Land for Settlements.*—Five selectors took up 5,655 acres, but two of these surrendered 1,569 acres, making a total of 16,147 acres now held by nine holders.

*Miscellaneous Leases, Land for Settlements.*—Four of these leases, embracing 12,914 acres, were taken up during the year. This includes the North Bank Estate of 12,838 acres, temporarily leased in one block.

*Arrears.*—Sixty selectors are in arrears with their rent, the amount owing being £2,467 18s. 6d. Of these, only thirteen, owing £189 18. 11d., reside on ordinary Crown land; the remainder are tenants on the various estates acquired under the Land for Settlements Act. The season was a poor one for settlers depending entirely on fat sheep and wool for profit. A long spell of dry weather was experienced during the spring and early summer, and to a considerable extent the crops were also affected by the drought. Although the sum in arrears is a large one, there is little doubt but that it will be considerably reduced later on in the year.

*Land for Future Settlement.*—The principal areas to be opened for disposal during the coming year are the Birch Hill Block of about 80,000 acres, the Kaiuma Block of 3,000 acres, and the surrendered small grazing-runs on the Waipapa Block, amounting to 29,920 acres.

#### *Progress and Condition of Settlers.*

The holdings, under lease in perpetuity and occupation with right of purchase, are stocked mainly with sheep, and some horses, cattle, and pigs for domestic purposes. Most of these settlers are now devoting their attention to dairying, for which some of the land is adapted. Fair progress has been made by these tenants, especially in the Kaikoura District, and they appear generally contented; their chief complaints being in some cases bad roads and want of access to their holdings. Their time is mostly occupied in falling, clearing, and grassing their land, in fencing, and farming pursuits generally, and they depend for their incomes mostly on mutton and wool, supplemented by flax-cutting, carting, contracting, shepherding, &c. With reasonable market-values maintaining, fair prospects may be confidently looked forward to. There are 103 small grazing-runs, comprising 156,437 acres of purely pastoral country, ranging up to 5,000 ft. The open portions, growing tussock and other native grasses, will carry an average of one sheep to two acres. The bush country when cleared will easily carry a sheep to the acre. The success of this class of tenure is very marked in the Hundalee District, where substantial homesteads and good roads indicate prosperity. The lessees are in most cases experienced sheep-farmers, and are themselves employers of labour.

#### *Land under the Land for Settlements Acts.*

Mr. Buckhurst, Crown Lands Ranger, reports as follows:—

*Blind River Estate.*—Opened for selection in 1895. Every section of this estate is now occupied, and, although the past season has been most trying to the settlers through the long drought in the spring and summer, the arrears of rent have fallen from £1,051 in 1900 to £266 in 1902. In consequence of the dry weather, lambs and wethers were not in fit condition for disposal to the freezing company at the time of the year when profits from that source can be expected. The area under crop was small—80 acres under grain-crop and about 320 acres under root-crops, much of which gave poor returns. Approximately, 400 acres has been laid down in grass this autumn; the settlers have signified their intention to depend more on returns from pasturing stock than from cropping. Some tenants have constructed dams for the conservation of water for the use of stock during the dry season, and, as the formation of the surface allows this to be done at a moderate outlay, the past difficulty of finding the animals in water during dry seasons should in the future be minimised. There are no defaulters under the residential conditions of the leases. The total number of souls residing is seventy-one, on sixteen holdings, ranging from 100 acres to 935 acres. The value of improvements required to be done to comply with the law is £3,069; those effected, £5,420; showing an excess of £2,351. This will be deemed satisfactory when it is considered that most of the lessees are six and seven years in occupation, when the full amount of improvements demanded have to be done by the tenants. The grass laid down by the Department on Section 26 has done very well; the mixture of seed adopted, which included Chewing's fescue and *Poa pratensis*, appears suitable for this climate. The school has a roll-number of twenty-eight, and is in a satisfactory state. The roads keep in good order. The efforts that have been made to combat the rabbit pest have met with success; still there are a few remaining. The tenants seem earnestly endeavouring to make the best of their land, and profit by the experience gained in past years in working this dry country.