

disposed of as follows: Section 14 on lease in perpetuity at a capital value of £4 per acre, Section 15 on occupation with right of purchase at £3 7s. an acre, Section 16 on lease in perpetuity at £3 4s. 6d. an acre, and Section 17 on occupation with right of purchase at £4 an acre; these being the improved values, estimated to cover the cost of the improvements effected on the land.

In the case of Purakauiti No. 2, an area of 1,515 acres has been allotted to thirteen selectors, who have signed the agreements prescribed by the regulations, and are now engaged in clearing the land. Up to the 31st March the sum of £454 12s. 1d. had been paid to these selectors for bushfelling and other works, and the sum of £111 had been otherwise expended for grassing and incidental expenses, making a total of £565 12s. 1d.

At Puaho an area of 37½ acres 1 rood has been allotted to three settlers, and the total sum of £41 10s. expended thereon.

With respect to Heathfield, on the 31st March there were twenty-seven allotments held over 2,253 acres 3 roods 28 perches, of which 673 acres in Heathfield have been felled and 639 acres burned and sown; the selectors, with their wives and families, numbering 113 people, and the amounts paid to the selectors had been: For houses, £60; for bushfelling and other works, £2,602 12s. 3d.; the total amount expended in connection with the settlement being £3,210 17s. 3d. There are twenty houses in the settlement, and a considerable amount of fencing has been erected. The Inspector reports that the season has been an exceptionally good one for burning; that the young grass is in good condition, and that, if fairly stocked, there will be sufficient to keep a factory going. The schoolhouse is finished, and it is expected there will be an attendance of about forty children. Six of the selectors availed themselves of the privilege of obtaining advances from the Government towards erection of houses, to the extent of £10 each. It is proposed to extend this settlement by including another thousand acres to the west of the present site, and to divide this into twelve or fifteen sections, to accommodate as many.

In each of these cases the settlement is only in the preliminary stage, the final adjustments as to rentals and leases having yet to be made, when a sufficient amount of clearing, grassing, &c., has been effected. It is believed that the men to whom the allotments have been given will, in the majority of cases at all events, become good settlers.

Proposals have been made to establish an improved-farm settlement on portions of Blocks II. and VIII., Woodland District, which blocks have recently been surveyed for settlement. There can be no doubt that where suitable land is available for the purpose, and the money for clearing and improvements is judiciously expended, settlement can be largely promoted by this system, as it enables a man with little or no means to obtain a piece of improved land that is immediately reproductive.

SOUTHLAND.

There are two of these settlements now in operation in this district, carrying forty-two men, most of whom have wives and families.

The *Waikawa Settlement* has eighteen men on seventeen sections, and with their families number thirty-seven people; six very fair houses have been built, and three of the selectors have had advances of £10 each to assist them in building their houses; 177 acres were felled, and 153 acres burned and sown.

The *Papatotara Settlement*, across the Waiau River, has twenty men on fifteen sections, and was established about the same time as the one at Waikawa. There is a large amount of excellent timber in this settlement, and this has been reserved by the Crown, with the exception of what the selectors may require for their own use. 278 acres were felled, 218 burned, and 223 grassed. Advances for houses have been made to the amount of £50.

It would be premature as yet to express any opinion as to the success of these settlements, because the whole system will depend almost entirely on the individuals who hold the land. It may, however, be reasonably expected that if the settlers are industrious, and adapt themselves to the changing conditions of the country, and co-operate for their common welfare, there will be nothing to prevent their making comfortable homes for themselves. On the other hand, if they persist in keeping to the old practice of grazing a few stock and depending on Government aid, they will not succeed. Remarks on these matters, founded on observation and experience during forty years' residence in this colony, point out that what these settlers require to realise is that, starting as they do with practically nothing, it would be unreasonable for them to expect to make money, at any rate at first, and that they will have to work hard for the first few years simply to enable them to establish homes and to live.

Two more of these settlements are going to be established at once—one at Haldane, between Fortrose and Waikawa, and another in Seaward Bush, and there are already many applicants for each.

Haldane.—This settlement, which is situated about midway between Fortrose and Waikawa and fronting the coast, has been divided into twenty-five sections, which are to be allotted to the association on 1st proximo. The land is of very good quality, heavily timbered, and here also the timber will be reserved. Access is had by the Waikawa-Otara Road, which is now formed continuously from Fortrose to about half a mile beyond the settlement. There is also an alternative road along the coast leading to Waikawa on the east and Fortrose on the west.

Seaward Bush.—A number of sections are now being surveyed between Tisbury and Woodend, in the old worked-out sawmill areas, and within the next few weeks an association will be formed, and these sections allotted to applicants under the improved farm system.

It is considered that, although the land is not of the best quality, yet, from its proximity to Invercargill and the railway system, settlers should be able to make a good living for themselves by taking up fruit-growing gardening, pig- and-poultry raising, and other industries apart from mere grazing.