

"*Purakauiti and Puaho Improved-farm Settlements (Block IX., Woodland Survey District).*—These two settlements are located in the same block. Neither of them has made much progress during the year, being badly situated for dairying purposes. Grazing is the only industry at present, and that is carried out on a very small scale owing to the settlers' want of means. There are twelve sections occupied by ten settlers, and seven vacant sections, the occupied area being 1,605 acres, 436 of which are grassed. A small amount of bushfelling has been done during the year, and other improvements effected, such as logging, gardening, and fencing. Many of the settlers were employed on roadworks on or near the block for short periods, but owing to the cessation of roadworks for a time the settlers have had to seek work outside the district, which has prevented them doing as much as they would have done in improving their holdings had they been employed in the district. There are, in all, thirty-one persons residing and ninety-two head of stock depasturing on the settlement.

"*Waipati Improved-farm Settlement.*—While this settlement has not made any very noticeable or marked advancement during the year, it has held its position against a somewhat unfavourable season. There is every reason to believe that it will slowly forge ahead. Winter feed for stock is a much-felt want, there being but little cultivation attempted yet, owing to the stumps and fallen timber which cumber the ground on nearly all of the sections, and which only time combined with much labour will remedy. Stock has increased on this settlement, nine of the settlers being milk-suppliers to the local cheese-factory, with a prospect of better results next season. Most of the settlers realise that dairying must henceforth be their staple industry, and, although they are at present in somewhat straitened circumstances, with a prospect of rents falling due at an early date, they are in hopes of tiding them over with the assistance of work being given them on the main roads of the district. There are seventeen sections, occupied by a population of eighty-one persons, the area held being 2,649 acres, of which 1,114 acres is in grass, carrying 423 head of cattle.

"*Rimu, Block XV., Improved-farm Settlement.*—This settlement is progressing as well as can be expected, considering its isolated position, which is a decided bar to its more rapid advancement. The pushing-on of the railway to Tahakopa will be the means of making it a success, by bringing it within reach and giving the settlers a market for the timber and produce, which is at present unsaleable. All the sections on this block are occupied by eleven settlers, several of whom have two sections, the total area being 1,523 acres, and the number of residents fifty-eight. There is 566 acres in grass, and there are 210 head of cattle thereon. The only source of income is from butter-making and stock-raising, which, with the small amount of roadwork they have had lately, enables the settlers to struggle along.

"*Heathfield Improved-farm Settlement.*—This was the first co-operative settlement in this district, having been initiated and controlled for several years by the Southland office, and afterwards placed under the control of the Otago District. It has not been so successful as might have been expected, in consequence of having had to contend with many natural hindrances, some of which are: the block being too remote from a trading centre; the open and also the bush-covered land of inferior quality, the latter for the most part heavily timbered and interspersed with moss mounds; and, lastly, the majority of the settlers themselves being inexperienced men at bushwork, as evinced by the way the bush was felled, being little more than underscrubbed, and not carried out in a way to secure that desired result—an effective burn. The summer seasons, too, having been often continuously wet, spoiled all chance of getting even a scorch of fire through the scanty felled bush, with the result that the native scrub and quick-growing mokomoko obtained a firm hold and entire possession, choking any patches of grass which may have been sown, and thus rendering the major portion of the earlier felling worse than when in its primeval state, inasmuch as the second growth is denser and more thickly interlaced with lawyer-vines.

"The bush that has been felled, burned, and sown at a later period is not so badly done, more timber being felled and better burns secured thereby. At the same time it is not entirely satisfactory as a grass-growing area in sustaining stock. The grass is pulpy, and wanting that firmness and substance of quality of grass grown in a drier climate. Stock, particularly milking-cows, puff up on this grass during the abundance of its growth for a few months in summer, and as quickly fall off in condition, especially if any sudden severity of weather sets in, which makes a noticeable difference in quantity and quality of the milk-supply. It is these apparently small failings which depress the settler, whose whole income is his daily earnings. The settlers, having made a home here; are holding on, doing the best they possibly can with the knowledge gained during their several years' struggle, hoping to overcome the adverse conditions; and there is a possibility that the fittest will, with the exercise of indomitable perseverance and energy, succeed in time. The area occupied at present is 1,687 acres, with about 639 acres in grass, grazing 396 head of cattle, the number of the settlers being fifteen, with families numbering in all ninety-four persons."

From the foregoing remarks of the Inspector some little idea of the very poor circumstances and the difficulties in which these struggling settlers are placed may be gathered, a condition of things which I can bear personal testimony to, having visited the settlements during the year. That visit has left a much less favourable impression on my mind with regard to these settlements than when I reported last year. The hope that I then expressed of having something more advanced and definite to record has not, therefore, been realised.

Land for Settlements.

Pomahaka.—I have to express regret that this estate is still in an unsatisfactory condition as regards the area unlet. Out of the unlet area given in last year's report—namely, 4,124 acres—only 884 acres has since been taken up, there now being 3,550 acres still unoccupied, a further forfeiture having been declared during the year. The number of settlers at present in occupation is seventeen; the area occupied, 3,705 acres 1 rood 25 perches, at an annual rental of £633 18s. 4d.