

leniently with the selectors in giving them time to pay, in consideration of adverse circumstances stated by the lessees; but a point has been reached at which no further latitude can be given, and the lessees must be made to see that if they desire to continue in their holdings they must pay their rents. The condition of each settlement is as hereunder stated.

*Merrivale Settlement.*—Situated in the Waiau district, containing 9,998 acres, divided into forty-seven allotments, was opened to selection in December, 1895. The whole area available for leasing, 9,474 acres, is held by forty-seven selectors. Thirty-nine houses have been erected, in which 155 persons reside. Only one selector is not residing, and seven are residing on adjoining sections. The total value of improvements effected is £8,302, the value required being £7,703. The area under cultivation is 1,059 acres, oats and turnips being the crops grown, the balance of area being in grass or bush. Most of the settlers live by dairying. The arrears of rent on this settlement are larger than they have been in any previous year, the cause being that owing to the unfavourable season in 1901–2 some of the crops were a failure, and the lessees were unable to pay their rents; and the past season has also been a very wet and cold one, and the lessees have again suffered loss. The arrears amount to £343 17s. 8d., owing by eleven selectors. Notwithstanding this, I am of opinion that if the lessees in arrear are not unduly pressed they will recover their position. I consider the prospects and future of this settlement very good, as the land is generally superior, the class of tenants residing on it is very good, and there is now one creamery and one dairy factory in full operations on or near the settlement. With all these combined benefits, I think the future prospects of the settlement are excellent. The Ranger reports as follows: "There are forty-seven selectors on the Merrivale Settlement. With the exception of one, they are complying with the residential conditions of lease. The selectors have made substantial improvements in the way of buildings, fencing, and grass-sowing. There is a dairy factory and creamery on the settlement, also a school. The settlers on this estate are on the whole progressive and industrious. Very few of the selectors go in for sheep, but almost the whole of them send milk to the factories. As far as I could see, all the selectors are doing remarkably well; their progress, industry, condition, and prospects are very good. Complaints are few. I am under the impression that the Merrivale Settlement will doubtless prove the best in Southland."

*Otahu Settlement.*—Situated in the Waiau district, containing 6,153 acres, was first opened to selection in November, 1897, divided into thirteen allotments, eleven of which were subsequently grouped into five allotments. 3,567 acres is held on lease in perpetuity by four selectors, all of whom are residing. The remainder of the estate is held on grazing license by three persons. In all nine people live on the settlement. The value of the improvements effected by the four leaseholders is £890, the required value being £259. One selector is in arrear for the amount of £45 8s. 10d. The total area under cultivation is 250 acres, upon which oats and turnips are grown by the selectors for the purposes only of fattening stock. Farming proper in this settlement is carried on on a very small scale, owing to the rather inferior and very light quality of the soil, which does not appear to stand cropping nor to retain grasses when sown down; it is also a considerable distance from railway communication. I do not think the future prospects of this settlement are at all encouraging. The Ranger reports: "There are seven selectors on this settlement. They are making very good improvements in the way of buildings, fencing, ploughing, and grass-sowing. The land is of very inferior quality, oat-crops yielding only from 10 to 15 bushels per acre, but, strange to say, the land gives good crops of turnips if sown in October. The land will not hold English grasses, therefore is useless for dairying purposes. Although a dairy factory is quite close to the estate it is of no value to the settlers. Considering the quality of the land the selectors are making fair progress; they are industrious. The land is not suitable for small areas, only a few patches of it being suitable for cropping purposes, and unless the land is irrigated the prospects of the selectors are very poor; progress fair, prospects poor. I may note that there is a sawmill on the estate, which gives employment to a few and supplies timber to the surrounding settlers, also railway-sleepers. This settlement requires nursing."

*Baumont Settlement.*—Situated in the Wairaki district, containing 4,484 acres, was opened to selection in January, 1898, divided into fourteen allotments. Of these, six, containing 2,282 acres, are held on lease in perpetuity by six selectors, four of whom have built and are residing, and the other two live adjoining. Thirteen persons live on the settlement. The improvements effected are valued at £1,067, while the value required is £339. The area under cultivation is 387 acres, being in oats and turnips, as the tenants live principally by keeping sheep and a few cattle. Three allotments, containing 578 acres, are held on grazing license, and it has been found most difficult to get the unselected allotments taken up even for grazing purposes, owing to the very sour, wet, and poor nature and quality of the land, and the expense which would have to be incurred in fencing so as to keep the stock in. Four selectors are in arrear with rent amounting to £177 6s. 5d. The Ranger reports as follows: "There are nine selectors on this settlement. The area for cropping is very limited, being only a small strip along the banks of the river. With the exception of this small strip, the land is of very inferior quality, the soil is cold, sour, and wet, and is not at all suitable for cropping, unless a large amount of money is spent. No doubt time and money would improve the settlement, but unfortunately the selectors have little or no money. Four of the selectors have made fair progress in the way of buildings, ploughing, and fencing, and so far are industrious. The prospects and conditions of the selectors are poor. Beaumont settlement requires nursing for some considerable time before any profitable returns may be expected."

*Ringway Settlement.*—Situated in the Aparima and Jacob's River Hundred, containing 2,253 acres, divided into seven allotments, was opened in December, 1901, when all the allotments were selected. A dwelling has been erected on each of the six allotments upon which no house previously existed, and all the selectors are residing. In all there are fifteen persons on the settlement. None of the lessees are in arrear with rent. The value of improvements effected by the lessees is £1,122, the required improvements being £203. In this settlement mixed farming