

In the eastern portion of the land district, there are 432 lessees, holding 98,794 acres; and of this area 49,734 acres are brought into profitable use, the improvements thereon being valued at £56,969. The Waikawa District holds the greatest number of Crown tenants—viz., 82, holding 23,968 acres, and having 8,605 acres in use, with improvements valued at £16,138. A large proportion of the area held is bush land, a good deal of it having been recently selected. There are four sawmills around Waikawa Harbour, which give employment to a number of men—settlers and others. There is no dairy factory in operation in this survey district. In Winton Hundred there are 51 tenants, holding 5,075 acres, having 1,109 acres in profitable use, and improvements valued at £2,462. A considerable area of this land is bush and of recent selection, but the soil is good, and there is a good future before the settlers in this locality. Oteramika Hundred is of a totally different character to the two preceding districts, the land in it being chiefly open, low-lying, and very wet and swampy; and a general drainage system is much required in it for the advantage of the numerous lessees who have taken up holdings there. There are 42 Crown tenants at Oteramika, holding 13,059 acres, 2,785 acres of which are in profitable use, and the improvements are valued at £3,897. The settlers here are continually crying out for road access. In the Hokonui Survey District there are 33 lessees, holding 10,291 acres, of which 8,459 acres are in use, and have upon them improvements to the value of £6,941. The land is mostly open, and is used for grazing and cultivation. The four survey districts named are a fair sample of the general characteristics of the eastern portion of the land district, so far as Crown tenants are concerned. On the whole, the lessees in the southern part of the portion under review are doing as well as can be expected from the character of their holdings, those occupying the smaller bush sections and small holdings generally being employed in sawmills and road and railway works; and those having open and larger holdings being occupied in grazing and dairying. In the northern part of the eastern portion the land is mostly open, and the lessees are mostly occupied in cultivation, grazing, and mining. I may mention that in the eastern portion of this district, so far as I can ascertain, there are 17 dairy factories, 11 of which make cheese only, 3 make butter and cheese, and 3 butter only; there are also 8 skimming-factories or creameries. The flax-milling industry has also assumed large proportions in this portion of the district, there being no less than thirty-six mills scattered throughout it. These industries, while not established by Crown tenants, no doubt in many cases directly benefit them.

In the western portion of this land district there are 240 Crown lessees, holding 74,937 acres, of which 53,387 acres have been brought into profitable use, and the improvements thereon are valued at £57,891.

The Longwood Survey District has, in this portion, the largest number of tenants, there being 65, holding 13,444 acres, of which but 3,975 acres are returned as in profitable use, while the value of improvements thereon is £14,640. The land held is mostly bush, but the improvements made on the areas cleared are good and substantial. The settlers in the Longwood Survey District are mostly engaged in mining, sawmilling, and grazing, and some are employed on the road and railway works. The Waiau Survey District has 52 Crown tenants, holding 15,150 acres, of which 10,878 acres are in profitable use, and the value of improvements thereon is £9,566. A considerable proportion of the land held is open, the balance being bush land. In the Lillburn Survey District 19 tenants hold 15,038 acres, of which 12,247 acres are in use, and upon which are improvements valued at £10,330; land principally open. The greater portion of the land held by Crown tenants in the other survey districts in this western portion is open land, and used chiefly for grazing and stock-raising. The settlers in this portion of the land district are generally in more prosperous circumstances than those in the eastern, the land being of a better character, and employment more plentiful. There are 5 cheese-factories and 3 skimming-factories in this part of the land district, and 11 flax-mills.

Stewart Island.—In this county there are 26 Crown lessees, holding 3,923 acres, of which but 240 acres have been brought into profitable use; the value of improvements made thereon is £2,905. The backward state of settlement here is due greatly to the isolated condition of the settlers in the past, the want of sufficient employment, the fact that all the land opened for settlement was covered with dense bush (which, owing to the humidity of the climate, is continually wet), and the difficulty of obtaining a good burn over felled-bush land. Sawmilling and fishing are the principal means of subsistence of the lessees. There are four sawmills on the island. With greater facilities of communication in the near future, and the increase of the tourist traffic, I have no doubt but that the condition of the settlers there will be bettered, and they will be in a position to make substantial improvements and better homes for themselves.

LANDS PROPOSED TO BE OPENED.

During the ensuing financial year it is proposed to place in the market for the first time and offer for selection the following blocks: viz., 2,095 acres, containing 9 sections, in Blocks I, III, and X, Alton District, on lease in perpetuity; 800 acres, embracing 7 sections, in Block X, Invercargill Hundred, on the optional system; 2,000 acres, embracing 20 sections, and 1,100 acres, containing 16 sections, in Blocks XXIII and XXIV, Invercargill Hundred respectively, on the optional system; and also 9 acres in Block X, Lindhurst Hundred, Edendale Settlement, on the lease-in-perpetuity system, containing 11 sections, a subdivision of part of the Village Reserve of Brydone, adjacent to the new railway-station of that name.

It is also intended to push on, with my limited staff, the survey of some 6,000 acres in Blocks I, II, V, VII, X, and XI, Longwood District, and about 3,000 acres in Blocks XVII and XVIII, Jacob's River Hundred; and should any of these blocks be completed in time they will also be placed in the market on lease in perpetuity only, as the land is all within a mining district.