

As regards new settlements in the South Canterbury district which were adversely reported on last season, these now show a decided improvement, and there are better hopes of their ultimate success.

C. R. POLLEN,
Commissioner of Crown Lands.

OTAGO.

On the whole, the settlers holding land under the Lands for Settlement Act in Otago have had a fairly successful year. The old-established settlements are now in a prosperous condition, and the future prospects of the settlers are bright, and they are well satisfied with their conditions.

The wet and cold weather in the late autumn and early spring had a bad effect on grain-growing operations, particularly in southern Otago. In northern Otago these weather-conditions also affected the returns to a great extent, but the yields were fair. In Central Otago an excellent season was experienced; in fact, the best since settlement began in this locality.

Fruitgrowing is becoming quite an industry in this district, and wonderful development has taken place in the last five or six years, and production will further increase to a large extent, especially when the irrigation schemes now contemplated are available.

In northern Otago cropping for grain is giving place to a large extent to feed-growing, to prepare sheep and lambs for freezing, and large up-to-date works have just been erected close to Oamaru at a cost of £70,000 to deal more effectively with the increasing number of fat stock supplied from this district.

During the year two new settlements—Clareview and Te Puke—were opened for selection, and after keen competition the whole area was taken up.

The settlers on the Conical Hills, selected in April, 1912, are having a hard struggle, but the advent of a few good seasons would put them on a good footing, and ensure the future prosperity of this settlement.

The Otanomomo Settlement has not been long in existence, and there are still a number of vacant sections, but these may go when the roads are formed.

The Duncan and Matakanui Settlements are not in a very satisfactory position, owing to the neglected state of the former when purchased, it being practically overgrown with gorse from the hedges. The latter consists of only three sections, two of which are generally poor and dry.

The above are the exceptions to the general success of the settlements, but as long as the present prices for stock and wool are maintained these settlers will hold their own.

ROBT. T. SADD,
Commissioner of Crown Lands.

SOUTHLAND.

Four new settlements were acquired and opened for selection under renewable lease during the year, as follows: Ardlussa, six sections, three selected; Fortification Hill, six sections, five selected; Knowsley Park, nine sections, four selected; Waiarikiki, eight sections, three selected. From the above it will be seen that there was not a great demand for sections, the probable reason for the non-selection of many of them being the stringency of the money-market and the abnormally high price ruling for stock, which practically prohibited many intending selectors from lodging applications. Since the end of the financial year some of the sections have been selected, and I fully anticipate that the remainder will all be taken up before springtime. The total number of tenants under the Land for Settlements Act is now 298, holding an area of 68,168 acres, and paying an annual rent of £14,958.

As an illustration of the benefits to be derived from closer settlement in this district I quote the following figures: Value of improvements effected, £123,294; number of dwellings, 262; number of souls, 1,166; area under cultivation, 12,452 acres; area under grass one year old and over, 31,439 acres; area under new grass, 4,464 acres; number of horses, 1,597; sheep, 42,589; cattle, 7,902; pigs, 809.

The tenants, as a rule, still continue to carry out the conditions of their leases in a satisfactory manner, and most of them are in a good position in every way.

G. H. M. McCLURE,
Commissioner of Crown Lands.