

oldest of the three, but it has not exhibited any great progress. Tautari seems handicapped on account of distance from railway and the high price of some of the sections. Rewi has attracted little attention, and only one selection has been made.

In all the settlements referred to in the foregoing, operations are divided between dairying, agriculture, and stock-raising. Excellent returns have been obtained from cows on the dairy farms in the Matamata, and there has been a very satisfactory yield in the crops. In the Opouriao Settlement, also, the factories have had excellent seasons, and substantial crops have been produced.

One settlement, known as Teasdale, and situated near Te Awamutu, constitutes a class by itself. It is subdivided into small lots similar to suburban sections. When it is all occupied it will no doubt fulfil the purpose for which it was intended—that of residential sites.

The third class of settlement land consists of sections in the vicinity of Auckland, not quite close enough to be called suburban areas, but sufficiently near to permit lesssees to make their homes and yet come into the city if their employment is in town. They are known as “workmen’s homes,” and should not be confused with “workers’ dwellings.” The “dwellings” are built on small sections close to the city, under quite a different statute, and are intended purely as homes for workmen in a healthy locality and at a reasonable rent.

There are six of these hamlets, but two only can be considered successful. On these the selectors are engaged in market-gardening, fruit-growing, and poultry-farming, with considerable success. The absence of progress in the others is partly due to the quality of the land and partly to the fact that the areas are not sufficiently large to render the holdings self-supporting.

Notwithstanding the partial failure of the smaller classes of settlements to meet the purposes for which they were intended, in a criticism or review of the lands-for-settlements system the results must be gauged by settlement-land proper—that is, lots which have been disposed of in areas which constitute reasonably large farms that might be expected to be self-supporting. The success which has attended settlement on these areas is undoubted, and the tenure has been the means of helping many settlers to acquire farms which now return them a comfortable living. The estates which have not yet shown any indications of progress have been, as a rule, affected by conditions of an adverse nature which no statutory provision could provide against.

In regard to the financial position of the settlers, the returns show that, although there is an increase in the number of selectors on the books, there are fewer settlers in arrear this year than in the previous twelve months.

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HAWKE'S BAY.

The only new selections under this heading taken up during the year were eleven sections in the Raumati Settlement, some of which were withheld from selection at the time the settlement was opened pending the expiration of timber-cutting licenses; these have now been leased.

In dealing with this subject I find it necessary to divide the report into two parts—i.e., Hawke's Bay and Poverty Bay—as, owing to the nature of the country to the southward of Napier differing in some respects from that to the northward, the conditions of settlement differ to a certain extent.

In the southern portion of the district are to be found lands adapted to nearly every kind of farming, in some instances suitable and used for stock-raising purposes only, while others are suited for dairying, cropping, fruit-culture, &c.

In the first class may be mentioned the settlements of Argyll, Lindsay, Hatuma, and others, at which, at the present time, the abnormal growth of feed promises well for the winter season. Farm produce of all kinds is now harvested in large quantities, and can be procured at very reasonable prices.

In the smaller settlements, such as Mahora, Raureka, and Tomoana, dairying, fruit-growing, and mixed farming are the principal sources of income, and have yielded very satisfactory results for the year's labour. In these localities from 10 to 15 tons of potatoes to the acre is not an uncommon crop.

Bee-keeping and poultry farming are also on the increase, and promise, under careful and capable management, to be important items in the incomes of those settlers who follow them up.

At the Agricultural and Pastoral Society's biennial shows at Hastings our settlers are generally included amongst the prize-winners for exhibits of agricultural produce of various kinds.

The drawbacks generally experienced in new settlements with regard to schools have been ably met by the Education Department, as instanced at Mangatahi and Tamaki, where suitable school-buildings have been erected, and arrangements are now being made for one at Raumati.

The roads through the settlements are practically all formed, and for the most part metalled. The district generally is capable of further development in agricultural farming than is at present the case, which is apparently due to the comparatively easily derived profits from sheep-farming. Dairying is usually resorted to by the smaller settlers when wool and mutton are low in price.

In the Poverty Bay portion of the district there are now six settlements—namely, Pouparae, Waimare, Willows, Wigan, Te Arai, and Kakanakaia respectively—having an area of 27,405 acres, divided into 125 holdings, carrying a population of 456 persons. The value of the improvements required by the Act amount to £24,003 16s. 10d., whereas those effected are valued at £55,821 8s. 8d., which is most satisfactory evidence as to the energy and enterprise of the settlers. Included in the improvements are 202 buildings erected at a cost of £26,385. Many of the settlers in the Pouparae, Waimare, and Willows Settlements have to add to their incomes by casual work round the neighbourhood, their holdings being of insufficient area to entirely support them.