

settlers are now applying to exchange their leases in perpetuity to renewable lease under revaluation, as permitted by section 191 of "The Land Act, 1908"; two of the exchanges have already been completed, and have afforded the tenants a considerable reduction of rent, and other applications of the same nature are now being dealt with.

In the mid Canterbury district, from the Rakaia River to Temuka, the reports on the settlements are of a uniformly satisfactory character, disclosing excellent compliance with conditions both of residence and improvements, the holdings, which are used principally for agriculture and mixed farming, being well worked, and the tenants generally prosperous and contented.

The Ranger for the South Canterbury district states that the past season has proved to be one of the best experienced. Grain crops have yielded well, root crops are beyond the average, and there is abundance of feed. The settlers generally are doing well, possessing comfortable dwellings and well-laid-out homesteads and gardens, evincing the prosperity that has attended the settlement of a good class of tenantry on the excellent farming country of South Canterbury. The settlers generally practise mixed farming, accompanied by dairying in localities where creameries have been established; they pay attention to the cleaning of their lands, observe a good system of cropping, and keep their holdings generally in excellent order. On many of the larger sections especially, even on the older established settlements, the lessees continue to add excellent and valuable permanent improvements, and, although in a few cases the value effected is not up to the amount required by the terms of the leases, these are principally cases in which the sixth year of occupation (requiring the maximum value of improvements) has recently expired, and the lessees will no doubt before long bring their values up to the required standard. The Ranger notes that in many of the settlements the settlers, as their circumstances improve, are taking a greater interest in the planting of fruit and shelter trees. In some of the older settlements there is a decrease in the number of souls resident, due to the fact that a number of children have grown up and gone out to work, some of them having been successful in ballots for Crown lands in other districts.

As regards the small settlements in the vicinity of Christchurch, the Ranger's reports show that these are generally in a very satisfactory condition. Most of the sections are in a high state of cultivation, and in many cases the settlers carry on market-gardening and fruit-culture. Very comfortable little homes, displaying a fair amount of artistic taste, have been created on many of these small allotments, which have enabled artisans, small tradesmen, gardeners, and others to establish themselves on convenient holdings in the neighbourhood of the city at very moderate rents. The satisfactory results achieved generally on these settlements appear to fully warrant an extension of the system of providing suburban holdings of small areas for the artisan and labouring people near to the chief centres of population.

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## OTAGO.

During the year two new settlements were disposed of—viz., Meadowbank, on the 22nd April, 1908; and Kauroo Hill, on the 8th March, 1909. The two estates comprised a leasing area of 23,497 acres, of which 23,272 acres was selected on renewable lease and the balance on miscellaneous license, the whole being subdivided into forty farms.

The settlers holding land under the Land for Settlements Act in Otago are, speaking generally, making steady and satisfactory progress. In the early part of last year the settlers, especially in North Otago, were under the disadvantage of suffering from a very severe and prolonged drought, which made their prospects anything but bright. The land was baked and dry, making ploughing very difficult in anything but stubble land, it being almost impossible to make any headway in lea land, the consequence being that there was not in North Otago a large area sown in winter wheat. In July climatic conditions underwent a complete change, nearly all of Otago, as well as Canterbury and elsewhere, being visited by a perfect deluge of rain on the low country and by heavy snow on the ranges and throughout the interior, which lasted for three days and resulted in heavy floods, which did a considerable amount of damage on the low-lying lands to both crops and fences. At the time, the damage done looked bad enough, and no doubt in some cases the land will take years to recover, but in many cases the vast amount of good which was undoubtedly done by the thorough soaking will in a great measure compensate for the damage done. In South Otago the drought of the earlier part of the year was not so apparent, and, although the land was unusually dry for that time of the year, farming operations were carried on without the difficulty experienced in the north. After the rain large areas of land were broken up and sown in grain, and root crops have, on the average, produced fair yields, while later on the grass came away well and provided abundance of feed. The wheat-crop in North Otago has not been so heavy, being quite 10 bushels below the average of former years, but the price, being a good payable one, will to some extent make up for the deficient yield. The oat-crop has been fairly good, although not up to the average of past years; and prices for this crop are very low, being hardly payable when taking into consideration the high price paid for seed and the difficulties and price of labour.

The root crops are, on the whole, good. In South Otago, on the other hand, the crops both in wheat and oats generally have been very good, and the yield should be well up to the average of former years. The root crops have been generally good, and will provide plenty of feed well into the coming year. The fine rains of the winter and the growth of feed following in the spring have