

been obtained for the construction of tracks up the above two rivers, and the survey will be made after the winter. Chiefly limestone country, well adapted for sheep when felled and grassed.

Matiri-Owen Block (about 8,000 acres), situated on the right-hand branch of the Matiri River. National-endowment land. Instructions have been given to the surveyor to make a rough survey, in order to obtain a loan to road the block. The country is quite equal to the land which has all been selected in the Matiri Valley.

Gowan Block (about 4,000 acres), situated in the valley of the Gowan River, the outlet of Lake Rotorua into the Buller River. National-endowment land. A bridle-track has been constructed for four miles up the Gowan from the main coach-road down the Buller, and a track cut through the bush the balance of the way to the outlet of the lake, connecting with bridle-track to Braeburn Settlement. Instructions are being issued for the survey of this block.

In addition, there are about 4,000 acres in the Upper Mokihinui Valley, 4,000 acres of cut-out milling-timber lands in the Oparara district, and other smaller blocks it is proposed to have surveyed as soon as surveyors are available.

INSPECTION BY CROWN LANDS RANGERS.

During the year the total number of inspections made in the northern part of the district amounted to 184, containing an area of 72,636 acres. The improvements required by the Act amounted to £23,676 13s. 11d., and the value of those effected to £48,837. On the leases inspected there are seventy-two defaulters, thirty-three being for non-residence, twenty for improvements, and nineteen for both improvements and residence. Twenty-eight lessees are still exempt by the Land Act, and twenty by the Land Board.

In the Buller County the inspections made number 106, containing an area of 24,635 acres, on which, in the aggregate, improvements were made exceeding the requirements fourfold, and the number of defaulters not numerous nor to any great extent. In addition to the above inspections, a great amount of work has been done for the Warden, consisting of numerous inspections and reports on mining privileges; this work takes up fully one-sixth of the Ranger's time.

Owing to excessive rainfall this season, there have been few good burns of the bush felled; but in spite of the drawbacks of a wet climate, want of road-construction, and the fact that many of the settlers have to work away from home to obtain means to live and clear their land, the progress of settlement is satisfactory.

The Crown Lands Ranger stationed at Reefton reports that he made 290 inspections of Crown leases. 190 on ordinary Crown lands, and 100 on national-endowment areas; the total area included in these inspections was 80,736 acres, the improvements required by the Act £16,251 18s. 6d., and the improvements effected £17,212 3s. There is only one defaulter for non-residence, and four for non-residence and improvements. In addition, a large number of inspections and reports were supplied to the Land Board and the Warden. The season generally was bad for farming owing to the excessive rainfall all through the spring and summer.

CROWN TENANTS' IMPROVEMENTS.

Generally, the improvements are being carried out in a satisfactory manner, but not nearly so much bush was felled this year as last; approximately, 10,000 acres have been felled, but owing to the exceptionally wet season very few good burns have been obtained, and in some places on the west coast it was almost impossible to burn the felled bush.

TENURES.

The bulk of the lands selected are either on renewable lease or pastoral license, as only a small portion of the eastern part of the district is offered on the optional tenure, the balance being either in a mining district or within the national-endowment area.

ARREARS.

The arrears due amount to £1,576 18s. 9d., and of this amount £589 8s. 3d. is on land for settlements. The arrears on national endowment amount to £366; all of these, however, are settlers not long established, and making rapid strides in the improvement of their holdings. The £589 8s. 3d. owing on land for settlements is due to the settlers having had a hard struggle to make their selections reproductive; they are now beginning to reap the benefit of their industry, and I anticipate all these arrears being liquidated during the ensuing year. It was not advisable to press these selectors unduly for their rent, as the improvements they have made constitute good security for the debt.

The arrears for coal and timber royalties are large, and in the case of one large coal company amount to £5,400. This revenue belongs to the Westport Harbour Board, and it has been decided by that body to give the company two years to pay up, on certain conditions. The arrears on education-reserves leases are being gradually reduced.

THE DAIRY INDUSTRY.

This important industry is steadily growing and proving a great help to the struggling settlers on bush farms; the greatest advance is in the Murchison and Takaka districts. The new Takaka factory erected last year is one of the most up-to-date plants in the Dominion, and owing to the surrounding country being rich limestone land the business is increasing in every way; there are now 101 suppliers milking 1,200 cows, with an increase of 20 tons of butter on last year's output. The Murchison factory is also showing marked improvement, the output being 70 tons last season, an increase of 14 tons on the previous one; there are forty-five suppliers, an increase of eleven on last year.