

The miscellaneous allotments offered during the year include the following: In the Tarawahi Hamlet, close to Christchurch, two forfeited lots, 1 acre and 35 perches, reopened; also ten lots, totalling 10 acres and 23 perches, being the unselected allotments, grouped into larger areas. In the Tamai Hamlet, Woolston, two allotments, each half an acre. In the Kaimahi Settlement, Papanui, one allotment, 5 acres. In the Puhuka Hamlet, near Timaru, one allotment, 5 acres. In the Maytown Settlement, near Waimate, one allotment, 43 acres 1 rood 2 perches.

*Land for Future Disposal.*—At the end of the year negotiations had been concluded for the acquisition from Messrs. Wharton and Co. of about 32,726 acres of the Highfield Estate, situated close to Waiau, in the Amuri district. This area is to be hereafter known as the Annan Settlement. The survey of the property has been commenced, is being pushed on with all possible expedition, and it is hoped that the land will be opened for selection in the latter end of September or October next.

Negotiations were also proceeding for the acquisition from the New Zealand and Australian Land Company (Limited) of the Levels Estate, comprising about 38,247 acres, near Timaru. These have since been brought to a successful issue, and arrangements made to take over the property at the 31st March, 1904, about which time the land will be offered for selection.

*Payment of Rents.*—The total amount of revenue collected during the year on land-for-settlements estates under all tenures was £47,234 6s. 11d. The total amount of arrears of rent due at the 31st March, 1903, was £1,682 4s. 1d., owing by eighty-three tenants, out of a total annual rental of £48,150 6s. 2d., payable by 917 tenants. The arrears therefore represent 3½ per cent. of the annual rental, and are £1,013 15s. 10d. less than the arrears at the same date in 1902, an evidence of the general prosperity of the settlements. The deficit belongs principally to the High-bank and South Canterbury settlements. In a few cases the lessees have not yet been able to overtake the arrears caused by losses experienced in the floods of 1902, and in general the lateness of the harvest has delayed them in realising on their crops.

*Transfers, Forfeitures, and Surrenders.*—The total number of transfers of land-for-settlements holdings completed during the year was fifty-eight, representing an area of 13,531 acres and 2 perches, made up as follows: Lease in perpetuity, fifty-four transfers, comprising 6,913 acres 3 roods 12 perches; small grazing-run, four transfers, comprising 6,617 acres 1 rood 30 perches. The forfeitures and surrenders during the year numbered thirteen, comprising a total area of 237 acres 3 roods 30 perches. Two leases, covering an area of 45 acres and 2 perches, were forfeited for non-compliance with residence and occupation conditions; and in the case of a third holder of one acre, non-payment of rent was an additional reason. Surrenders of eight leases, comprising 17 acres 1 rood 12 perches, were accepted at the request of the lessees, who found themselves unable to fulfil the conditions of residence and improvements. One lease of 2 roods was surrendered, owing to the lessee's removal from the district; and one of 174 acres and 16 perches for the purpose of subdivision, fresh leases being immediately issued without loss of rent.

*Pareora No. 1 Settlement* (near St. Andrew's).—Established January, 1894. Twenty-eight holders, of whom twenty-four reside on their own holdings, and three on sections held by relatives in the settlement. The number of souls is eighty-nine. Value of improvements effected, £2,376 14s. 6d., against £1,109 0s. 7d. required. There is not much alteration in this settlement, the improvements being already in excess of requirements, and the holdings not large enough to encourage further expenditure. With the exception of two cases of rather unsatisfactory residence, the holders are residing and complying satisfactorily.

*Studholme Junction Settlement.*—Established January, 1894. Four holders, three of whom reside on their own sections, and one, by permission, on his wife's adjoining section. The number of souls is thirteen. Value of improvements effected, £444 8s., against £214 7s. 10d. required. The holdings are well kept, and the lessees are residing and complying satisfactorily.

*Kapua Settlement* (near Waimate).—Established March, 1894. Eleven holders, representing a population of thirty-eight souls. The value of improvements effected is £1,590 5s., against £977 8s. 9d. required. This being one of the oldest settlements, there is little change, but all the lessees have fully complied with requirements as to residence and improvements, and are keeping their holdings in good order, although there is still a tendency to indulge in the risky practice of cropping the low-lying portions of the settlement, which are liable to be flooded.

*Rosebrook Settlement* (near Timaru).—Established June, 1895. Fourteen holders, of whom thirteen reside on their own sections, and one on his wife's holding in the settlement. There is a population of sixty-six souls on the settlement. The value of improvements effected is £2,172 13s. 6d., against £988 15s. 3d. required. The improvements and residence are very satisfactory. Crops have been good, and some of the tenants are commencing dairying.

*Otaio Settlement* (near St. Andrew's).—Established June, 1895. There are nine holders, with a population of forty souls. The value of improvements effected is £1,390 5s. 6d., against £692 6s. 1d. required. With the exception of the cases of two sections held by single men, where the value of improvements is deficient, all the settlers are complying satisfactorily, and have good comfortable homesteads and improvements. Some of the lessees are turning their attention to fruit-growing.

*The Peaks and Patoa Settlements* (near the Hurunui River, North Canterbury).—Established 1895. Sixteen holders, one of whom, with a family of ten souls, resides upon his holding. Two other holders in the Patoa Settlement reside upon small adjacent freeholds, and the other thirteen holders reside on their original village-homestead selections in the vicinity, and, owing to this and the inferior quality of the land, are unable to expend the required amount in improvements on their leaseholds, which are used almost exclusively for grazing. The total value of improvements effected is £2,672, against £2,979 17s. 9d. required.

*Roimata Settlement* (close to Christchurch).—Established August, 1895. Twenty-six holders, all of whom, representing a population of 119 souls, reside in the settlement. The value of