

mentioned, well kept. One holding in this settlement has been forfeited during the year, by reason of persistent overcropping on the part of the lessee in defiance of oft-repeated warnings.

*Horsley Down Settlement* (near Waikari, North Canterbury).—Established May, 1897. Twenty-six holders, twenty-three of whom reside on their own holdings, two others on adjacent leaseholds, and the third leasehold is occupied as a church-site. The number of souls on the settlement is eighty-four. The value of improvements effected is £10,872, against £5,220 10s. 1d. required. Satisfactory compliance is being effected in all cases. The holdings are used principally for grazing, the amount of cropping being limited owing to the prevalence of north-west winds.

*Hekeao Settlement* (near Mount Somers).—Established March, 1898. Sixteen holders, one of whom has recently died, and one is continually away from his holding; but, with these exceptions, all are residing and complying satisfactorily. The number of souls is fifty-two; and the value of improvements effected is £3,451 12s. 6d., against £626 0s. 2d. required. The holdings are very well improved and kept in good order. Crops have been very good, and a movement has been started to secure the erection of a creamery in the settlement.

*Pawaiko Hamlet* (at Heathcote Valley, between Christchurch and Lyttelton).—Established April, 1898. Twenty-six holders, of whom twenty-one are in residence and complying satisfactorily. The number of souls is seventy-four; and the value of improvements effected £2,897, against £690 required. Most of the sections are residentially occupied in a satisfactory manner, are well worked, and kept in good order, being used for grazing or small gardening. The exceptions are the steeper hillside sections, upon which it appears impossible to secure satisfactory occupation.

*Tamai Hamlet* (at Woolston, close to Christchurch).—Established June, 1899. Thirty-nine holders, thirty-five of whom are residing, and four have not yet complied. The population of the hamlet is 132 souls; and the value of improvements effected £3,633, against £1,140 required. Residence and value of improvements effected are generally satisfactory; but in a few cases residence is only partial, and value of improvements not up to requirements, and the holdings are not worked as well as they should be. The settlement is low-lying, and in heavy rains the flood-water gets away slowly.

*Waikakahi Settlement* (between the Waihao and Waitaki Rivers, South Canterbury).—Established March, 1899. In the rural portion of the settlement, disposed of in 1899, there are 139 holders, of whom 132 are in residence upon their own holdings, and seven are exempt by reason of residence upon adjacent village-homestead selections. The population of this portion of the settlement is 566 souls. The value of improvements required £19,310 1s. 8d., and the value effected £51,982 6s. 11d. The settlement has made good progress during the year. The holdings are, in nearly every case, kept in good order, and the compliance with residence and improvement conditions is very satisfactory. The yield of crops has been exceedingly good, feed is plentiful, and the output of fat stock has increased very largely since the establishment of the settlement.

In the Morven Township there are twenty-one holders. Residence and improvements are not compulsory under the terms of the leases, but improvements to the value of £3,674 16s. have been effected. These include two large stores, one having a seed-cleaning plant, butcher's shop, and bakery. There is also a creamery, and several private houses and workshops, and a considerable amount of business is done. The population of the township is twenty-six souls.

On the small lots near Morven, which were disposed of during the year, four holders have built and entered into residence, with seven souls, and the value of improvements effected is £495 8s. On the other holdings practically nothing has been done except to crop the ground, and the Board is taking action to enforce compliance.

*Pareora No. 2 Settlement* (near St. Andrew's).—Established March, 1900. There are thirty-three holders, and a population of 171 souls. The value of improvements effected is £11,095 17s. 3d., against £3,622 11s. 4d. required. In one case residence is not yet of a thoroughly permanent character; but in other cases very satisfactory compliance is being effected, and the year has seen a considerable general improvement in the settlement. Crops, with the exception of turnips, have been good, and feed is plentiful.

*Punaroa Settlement* (near Fairlie).—Established April, 1900. Seventeen holders, fifteen of whom have fully complied, but the other two have only partially fulfilled requirements. The population of the settlement is sixty-six; and the value of improvements £5,973 11s. 1d., against £1,804 9s. 6d. required. The majority of the tenants are progressing satisfactorily; but the smaller holders complain of being unable to get work near at hand, so that they have to go away from home, and the holdings are not so well attended to. A creamery has recently been started at Fairlie, and this should help the settlers to better their position. The crops have been good, and the holdings are well kept.

*Rautawiri Settlement* (near Winchester).—Established April, 1900. Six holders, all of whom are residing and complying satisfactorily. The number of souls is twenty-four. The value of improvements effected is £649 10s., against £132 17s. 8d. required. The settlement has made fair progress. The lessees are cleaning the land, but have not as yet obtained much return. The settlement is, however, conveniently situated for obtaining outside employment when required.

*Papaka Settlement* (near Pleasant Point).—Established April, 1900. Nine holders, eight of whom, with thirty souls, are residing in the settlement. The value of improvements effected is £2,887 18s., against £900 10s. required. With one exception the lessees are residing and complying satisfactorily, and maintaining their holdings in good order. They have had a good harvest, feed is plentiful, and the holdings are with two exceptions of sufficient size and quality to maintain the lessees, and keep them employed.

*Takitu Settlement* (between Glenavy and Hakataramea, near the Waitaki River).—Established March, 1900. Number of holders, five; population, twenty-one; value of improvements effected £4,048 8s. 3d., against £2,425 3s. 8d. required. This settlement is making good progress. The lessees are all residing and complying, are adding considerably to the value of their improvements