TRANSFERS, FORFEITURES, AND SURRENDERS.

Transfers were registered and completed of ninety-nine leases in perpetuity, comprising an area of 13,720 acres and 27 perches, and of eight small grazing-runs with an area of 14,566 acres 3 roods 31 perches. In some of the settlements which have acquired a specially favourable reputation, the prices paid by the incoming tenants appear to show a large amount for goodwill alone, apart from the value of improvements, &c., effected by the previous tenants.

A surrender was accepted, at the request of the tenant, of a lease in perpetuity of 462 acres (which has since been reselected); and two leases in perpetuity of quarter-acre township allotments were forfeited for breach of conditions.

CONDITION OF ESTABLISHED SETTLEMENTS.

The detail reports received from the Crown Lands Rangers upon the forty-eight settlements within the district continue to emphasize the satisfactory results already disclosed concerning the working of the land-for-settlements system. So far as compliance with the statutory requirements of the leases is concerned, it may be said at once that the percentage of defaulters is very small indeed, and only in very rare cases does the default prove to be of a serious character. The majority of the cases are those in which the lessees fail to bring their improvements up to the required amount within the statutory period; but the lessees nearly always show themselves anxious to effect complete compliance as soon as possible. It is noticeable also that as tenants' circumstances permit, existing buildings are either enlarged or replaced by new buildings of an improved character, and more attention is paid to tree-planting, and as a whole the general appearance of most of the settlements is found to compare very favourably indeed with the surrounding freehold properties. As regards the cultivation conditions of the leases, these are generally well observed. A very large amount of good work is done by the tenants in cleaning and improving their lands, which are generally carefully and prudently farmed. The two dry seasons which have been experienced have caused the failure of much newly sown pasture, and judicious relaxation of the cultivation conditions will be necessary to assist the lessees in regrassing these lands. Probably the severest sufferers from the dry seasons are the tenants on the recently established Morice and Kinloch Settlements, near Little River, Banks Peninsula: these have encountered very unfavourable circumstances at the beginning of their career as Crown tenants, and may be found to need some consideration to enable them to tide over their difficulties.

The general condition of the small suburban settlements near Christchurch and Timaru continues satisfactory, and many very comfortable little homes have been established upon them. Amongst the tenants on the workmen's homes allotments, it is found that the necessities of their employment sometimes compel them to remove for a time to another locality, and in such cases a tenant will seek for leave of absence with permission to sublet, so as to retain the home to which he hopes to return; this, however, is a tendency that needs careful watching, as it is no part of the settlements policy that Crown tenants should in their turn become landlords, save under special circumstances and for strictly limited periods.

Appended are notes upon the condition of the various settlements:-

1. Pareora No. 1 Settlement (near St. Andrew's, Waimate County).—Established January, 1894. Area purchased, 620 acres 2 roods 13 perches. There are twenty-eight holdings occupied, and the population is 110 souls residing in twenty-four houses. During the past season 147 acres were in grain-crops, 95 acres in green and root crops, and 347 acres in cultivated grasses; and the stock included 179 head of cattle, 41 horses, and 65 pigs. The total value of improvements required is £1,144 5s. 2d., and the value effected £2,958 Os. 6d. The tenants are all complying satisfactorily, and have established good homes on their small areas.

2. Studholme Junction Settlement (near Studholme Junction, Waimate County).—Established January, 1894. Area purchased, 109 acres and 7 perches. There are four sections occupied, and the number of souls is ten, residing in two houses, the other two sections being held by settlers living close by. The area under cultivation last season consisted of 43 acres in grain-crops, and 52 acres were in cultivated grasses. The stock comprised 26 head of cattle, 12 horses, and 6 pigs. The value of improvements required is £214 7s. 10d., and the value effected £586 2s. The holdings are in good

order, and the conditions satisfactorily fulfilled.

3. Kapua Settlement (near Waimate, Waimate County).—Established March, 1894. Area purchased, 574 acres 1 rood 22 perches. Twelve sections are occupied, each having a separate dwellinghouse, and the total number of souls is forty-three. The stock on the settlement consist of 149 head of cattle, 33 horses, and 40 pigs; and the cultivated area comprised 205 acres in grain-crops, 42 acres in green or root crops, and 301 acres in artificial grasses. The value of improvements required is £977 8s. 9d., and the value effected £1,918 5s. The settlement is in a satisfactory condition, the tenants apparently doing well, and most of them supplying milk to an adjacent creamery.

4. Rosebrook Settlement (near Timaru, Levels County).—Established June, 1895. Area purchased, 600 acres 1 rood 8 perches. There are fourteen sections occupied, thirteen dwellinghouses, and a resident population of sixty-nine souls. During the past season the crops grown included 193 acres in grain, and 71 acres in green and root crops, and 285 acres were in cultivated grasses; the stock carried were 54 sheep, 102 head of cattle, 68 horses, and 68 pigs. The value of improvements required is £1,061 16s. 4d., and the value effected £2,396 3s. 6d. The holdings are in good order, and the crops have been fairly satisfactory, but the tenants have suffered from shortage of water, as there has not been sufficient rainfall to fill the dams during the past two years.

5. Otaio Settlement (near St. Andrew's, Waimate County). — Established June, 1895. The area purchased was 373 acres 3 roods 14 perches, on which there are nine settlers, with eight dwelling-houses, inhabited by forty souls. The stock on the settlement comprise 120 sheep, 54 cattle, 23 horses,