

universal failure to comply on the part of holders of the small lots of from 10 to 20 acres, while, on the contrary, the larger holders are for the most part complying, and likely to do well with their holdings. In view of these facts, the conclusion appears to be justified that the alleged demand for small holdings in the country districts is not a genuine one, and would be better resisted, in the interests of successful settlement. Of the suburban settlements near Christchurch, the oldest—Roimata—presents a very prosperous and satisfactory result. The Braco, Wharenui, and Otarakaro Settlements, which are not so easily accessible from the city, are more backward, the first-named, which has a large proportion of 1-acre lots, being the least successful, while the Otarakaro Block, in which the holdings are larger, has gone ahead most rapidly.

*Blocks to be offered in 1898-99.*—The only block at present available for disposal during the ensuing year is the Pawaho Hamlet, situated at Heathcote Valley, between Christchurch and Lyttelton. This is to be offered on workmen's-homes conditions.

The following is a summary of Rangers' reports for the year ended the 31st March, 1898:—

All the settlers in Pareora complying satisfactorily except three, the death of the lessee accounting for one of these. Settlement fairly prosperous, but settlers complain of areas being too small.

All the lessees of Studholme Junction are in occupation and complying satisfactorily.

Ten out of the twelve lessees of Kapua have fulfilled all requirements thoroughly, the remaining two not complying, and may have to be forfeited.

Twelve out of fourteen settlers in Rosebrook have complied fully. In the case of one forfeited holding reselected, the first year's tenancy has not expired. One lessee is not complying satisfactorily. Improvements very good.

Otaio Settlement is improving, and likely to be successful. One holder only is not satisfactorily resident.

In Kereta two holders fully complied, and very satisfactory; one lessee's first year's tenancy not yet expired; one lessee not yet permanently resident.

Both sections in Epworth were forfeited and reselected during the year. First year's tenancy not yet expired.

In the Patoa and The Peaks all but three of these holders are resident on original selections in the adjacent Peaks Village Settlement, and are improving their position by means of the extended holdings. Though the land is light, the settlement is on the whole satisfactory.

In Ashley Gorge Crown lands one holder has not yet built, owing to losses sustained in the Oxford Bush fires; one is occasionally resident; all the others are complying satisfactorily.

All the holders in Roimata are in residence save one, who has had exemption on account of misfortune. The settlement shows a very highly improved value, and is in a flourishing condition.

Braco Settlement is somewhat out of the way, and the holdings too small. It has improved during the year, but cannot yet be reported as thoroughly satisfactory.

The large holdings in Highbank are generally very successful, and satisfactory compliance is being effected. The small holdings are not so satisfactory, the value of improvements effected being low and residence uncertain. In the case of ten sections forfeited and reselected during the year, residence is not yet due.

Orakipaoa Settlement is for the most part held by persons resident in the neighbouring suburban settlement of Arowhenua, Temuka, who reside there under authority of special regulation, the holdings being too small to draw them away from the centre of population. The soil is good, and if the holdings were larger it would be likely to prove a successful settlement; but those who have complied complain that the areas are too small to be satisfactorily worked.

In Wharenui good progress was being made, and, although the settlement has gone off slowly, there seems every prospect of its being ultimately successful.

The first year's tenancy of Otarakaro had not fully expired at the 31st March, 1898, but six out of the seven holders had complied with all requirements.

In Waiapi the requirements for first year, which had not fully expired, would be £232 4s. The tenants of the large holdings, five in number, have all settled on the land, and are complying. Of the ten small holders, two only have complied; the remaining eight have effected very little improvements, and are not at all satisfactory.

In Rakitairi the required improvements, when the first year expired, would be £525 16s. 10d. Of the holders of large allotments, eight have fully complied, two are living in tents on their holdings, and three have not complied. Of the eleven small holders, nine have failed to comply, and are unsatisfactory.

In Albury the requirements at the end of first year, which had not fully expired in any case, would be £1,871 7s. 7d. In addition to the twenty-eight who were permanently residing on their own sections, sixteen others were partially resident in tents, or on other sections in the settlement. Crops have in a large number of cases been poor, which has probably thrown the settlement back; but the Ranger considers it likely to prove a very successful estate.

The requisite improvements in Marawiti at the end of the first year in May would be £374 7s. 11d. Of the eight large holdings all but one have settled on the land and are complying. Three of the small holders have taken up their residence, and seem likely to make good homesteads, though they find the holdings small for maintenance.

The first year's occupation of Horsley Downs will not expire till June, when improvements to the value of about £506 would be required. A very satisfactory extent of compliance is already disclosed.

Possession of Hekeao Settlement was only given on the 1st April, 1898.

*Arrears of Rents.*—The arrears of rents due at the 31st March, 1898, amount to £1,258 8s. 1d., out of a total annual rent-roll from the Crown estate within the district of £76,293 18s. 9d., or