

*Summary of Land taken up.*—The total area selected during the year has been 11,945 acres, by forty-six selectors, the favourite tenure being lease in perpetuity. Deferred payment and perpetual leases are fast disappearing from our books. Out of about one thousand original deferred-payment licensees, only forty-seven now remain, the others having acquired their freehold, and of those holding the greater part will probably acquire theirs during this year. Out of 375 perpetual lessees only 151 remain, the others having generally completed the final purchase of their holdings. The total number of tenants now on our books, including all tenures, is 703, an increase of fifty-nine over last year, and representing an annual rental of £11,500.

*Cash Sales.*—Only one sale has been made, this being a small section in the Ormondville Township, containing 1 acre 2 roods 26 perches.

*Deferred Payments.*—Eighteen licensees have acquired their freeholds, leaving thirty-five now on our books, holding 6,948 acres.

*Perpetual Leases.*—Twenty-five holders have completed purchase, and six have exchanged their tenure to lease in perpetuity. One section of 165 acres has been forfeited, and one of 200 acres surrendered.

*Occupation with Right of Purchase.*—Under this system 2,423 acres have been taken up by nine selectors, principally in the Waikopiro Block. There have been no forfeitures or surrenders.

*Lease in Perpetuity.*—4,173½ acres have been selected, by seven selectors, 1,200 acres being in the Motu district, and the balance in the Pohue, Norsewood, and Takapau districts. There have been no surrenders or forfeitures.

*Village Settlements.*—Nine selectors have taken up 51 acres 2 roods 4 perches, mostly in the Whetukura Village, two being for cash, one under the occupation-with-right-of-purchase tenure, and six under lease in perpetuity. Seven settlers have acquired their freeholds, and there has been one forfeiture of an acre allotment.

*Village-homestead Special Settlements.*—We have two settlements of this class—Woodville and Puketitiri. Woodville is a very flourishing settlement. All the settlers—twenty-seven in number—are residing with their families, ten of whom are original selectors from 1886. They have all houses, orchards, paddocks, &c., and have effected improvements to the value of £5,240. The total number of persons residing in the village is 143, and the Crown Lands Ranger reports that they are getting on in a very satisfactory manner, the orchards particularly looking very well. The total advances made to the selectors up to the 31st March last was £764, out of which £257 has been repaid. The Puketitiri Settlement is a small one of 92 acres, held by only four settlers, of whom three are residing and one is non-resident. Ninety acres have been put into cultivation, the total advances made to the settlers being £83.

*Special Settlement Associations.*—Of these we have four—viz., Waipawa, Dannevirke, the Liberal, and Ruahine. In Waipawa and Dannevirke, taken up in 1886, all save six settlers have acquired their freeholds. In the Liberal Association, formed in 1891, out of the fourteen original holders, twelve have forfeited or surrendered, and the remaining two have transferred their holdings; so that none of the original selectors are now in the block. In the Ruahine Settlement, owing to the want of road-communication, none of the selectors are residing, but a considerable area of bush has been felled and sown. The road now under construction will open up communication with the block, and enable settlers to get on to their sections with their wives and families.

*Small Grazing-runs.*—Only one run has been taken up, by a Mr. St. Leger. It contains 5,000 acres, and is situated in the Hangaroa district. It was a part of a large pastoral run formerly held by Mr. St. Leger, which was subdivided into two, and loaded with the improvements effected by him.

*Pastoral Runs.*—Three runs have been taken up during the year, containing 19,075 acres; and one of 7,069 acres has been forfeited.

*Miscellaneous Leases.*—Under this heading we have seventy-one miscellaneous leases and temporary licenses from year to year, covering an area of 4,886½ acres, bringing in an annual rental of £442 17s. 4d. This is a very useful class of lease, for it enables us to utilise waste Crown lands until they are required for settlement.

*Revenue.*—There is a decrease in the territorial revenue, but it is counterbalanced by an increase in revenue derived from lands leased under the Land for Settlements Acts, the gross total being £21,363 5s. 5d., as against £22,048 2s. 8d. last year. With the large blocks of good country which I hope will be thrown open for selection during this year, there is every prospect of the revenue being largely increased.

*Arrears.*—Considering the number of selectors on our books the arrears are not large, for out of 703 holders only eleven are defaulters, and the arrears only amount to £80 6s. 10d., and these will probably be paid in a few weeks, as some of them have had a slight extension of time granted to them to pay up, and will probably pay their arrears before the time has expired. Generally speaking, I think the way that the Crown tenants within the Hawke's Bay District pay their rents is very creditable. We have no trouble in collecting them, and I am glad to say that up to the present we have had no occasion to go to the law-courts to recover them.

*Improvements.*—Throughout the district the improvements effected are very satisfactory. Inspections to the number of 347 have been made by the Crown Lands Rangers, who report that only twenty-eight settlers are behindhand with their improvements, and these not to any great extent. The total value of improvements effected is £124,829 13s. 9d., as against £34,114 2s. 7d. required by the Land Acts, thus showing that improvements to the amount of £90,715 11s. 2d. have been made in excess of what was necessary.

*Land for Settlements.*—Three blocks have been disposed of under the Land for Settlements Acts—namely, Raureka, Elsthorpe, and Waimarie Settlements. Raureka, a fine block of agricultural land, is situated near Hastings, and was thrown open for selection this year. All the sections were taken up, there being twenty selectors, holding an area of 416 acres and 38 perches, bringing