

stock consists of 371 cattle, 97 horses, 780 sheep, and 188 pigs; total, 1,436. One settler, with an area of 71 acres and 24 perches is in arrear to the extent of £49 12s. 11d.

*Willows Settlement.*—A settlement in Poverty Bay, about four miles from Gisborne. It was purchased from the Bank of New Zealand, and opened for selection in March, 1899. The total area purchased—viz., 775 acres 1 rood 36 perches—is held by twenty-two tenants, who pay an annual rent of £758 10s. 2d. The improvements effected are valued at £3,427 4s., as against £716 16s. 2d. required by the Act. The number of houses on the settlement is seventeen, valued at £1,600; and there are eighty-one persons living on the land, which is an increase of twenty-one in the population since last year. Dairying is the chief industry. The stock consists of 250 cattle, 54 horses, 306 sheep, and 70 pigs; total, 680. An area of 131 acres 2 roods is under crop, principally oats, barley, pumpkins, and potatoes. Two sections on this settlement were forfeited, reopened, and reselected during the year. One selector, with an area of 35 acres and 2 perches, is in arrear to the extent of £12 11s. 4d.

*Hatuma Settlement.*—This settlement, which is situated near Waipukurau, was placed in the market in April, 1901, and all selected. The total area acquired is 26,522 acres 3 roods 20 perches. An area of 649 acres 1 rood 2 perches is occupied by roads and reserves unlet, and the balance, 25,873 acres 2 roods 18 perches, is held by sixty-two tenants, at an annual rental of £7,841 10s. 10d. There are fifty-three buildings on the settlement, valued at £6,727, and 172 persons are residing. An area of 1,124 acres is under crop, principally rape, turnips, oats, and kohlrabi, a species of turnip largely grown in the South Island, which appears to do remarkably well where it has been tried on the settlement. There are fifty-nine tenants who should reside on the land, and of this number forty-seven have effected residence. The stock consists of 41,121 sheep, 903 cattle, 188 horses, and 66 pigs; total, 42,278. The improvements effected are valued at £18,103 18s., as against £8,564 5s. 8d. required by the Act. Besides the acreage shown as being in crop a considerable area is ploughed with the intention of laying down in permanent pasture. Forty-two tenants, holding an area of 18,976 acres 2 roods, are in arrear to the extent of £3,372 6s. 7d., and reference has already been made to the Hatuma arrear-list in the early part of the report under the heading "Number of Tenants and Arrears of Rent."

*Manga-a-toro Settlement.*—This settlement, which is situated near Dannevirke, was purchased from the Assets Realisation Board, and opened for selection in January, 1902. During the year four selections, with an area of 3,573 acres, and an annual rental of £641 8s. 8d., were made. This now makes a total of twenty-five tenants, holding an area of 18,647 acres, and paying an annual rental of £4,563 2s. 6d. An area of 775 acres is unlet, but has been applied for since the close of the financial year; therefore the whole of the estate is disposed of with the exception of an area of 159 acres 3 roods 12 perches, which is occupied by roads, reserves, &c. There are eighteen houses on the settlement, valued at £1,950, and fifty-seven persons residing. An area of 290 acres 1 rood is under crop, principally oats. The improvements effected are valued at £6,450 1s. 9d., as against £3,018 1s. 8d. required by the Act. The stock consists of 27,969 sheep, 283 cattle, and 48 horses; total, 28,300. The occupations of the settlers are of a pastoral nature. There are no arrears of rent.

*Kumeroa Settlement.*—This settlement, which contains 3,774 acres 2 roods 38 perches, was acquired under the compulsory provisions of the Land for Settlements Acts from Mr. Thomas Crosse, and placed in the market in May, 1902. It is situated about six miles from Woodville, and is accessible by a good metalled road. During the year an area of 3,019 acres was selected by fourteen tenants, at an annual rent of £1,425 9s. 10d. An area of 3 acres has been sold for cash under section 64 of "The Land for Settlements Consolidation Act, 1900," for a site for a dairy factory, and the purchase-money (£30) paid. An area of 726 acres is unlet, and the balance of the settlement (26 acres 2 roods 38 perches) is occupied by roads, reserves, &c. Although the time for effecting certain improvements has not expired, I have had an inspection made for the purpose of this report, and I am pleased to be able to state that very satisfactory progress has been made. Ten houses have been erected at a value of £1,155, and there are forty-eight persons residing. The improvements effected are valued at £2,118 9s. 6d., as against £696 1s. 6d. required by the Act when the leases have been twelve months in existence. Ten settlers have already effected residence, and the other four are making arrangements to comply with the residence condition. Little or no cropping has been done, and dairying is the chief industry. There are two creameries within easy distance, one on the settlement, and the other on land adjacent thereto, both of which appear to be well supplied. The stock consists of 4,210 sheep, 414 cattle, 24 horses, and 63 pigs; total, 4,711. There are no arrears of rent.

*Forest Gate Settlement.*—This settlement, which is situated close to Ongaonga, was acquired under the compulsory provisions of the Land for Settlements Acts from the trustees of the late Colonel Herrick's estate. It contains 8,822 acres and 13 perches, and was opened for application on the 19th May, 1902. During the year an area of 8,756 acres 3 roods 38 perches was selected by twenty-nine selectors, at an annual rental of £2,602 10s. 8d. One surrender was accepted; therefore the area unselected is 81 acres 2 roods 13 perches, and the number of tenants twenty-eight, holding an area of 8,714 acres 1 rood 38 perches, who pay an annual rental of £2,587 17s. 6d. The remainder of the settlement, 26 acres and 2 perches, is occupied by roads, reserves, &c. This settlement is on the same footing as Kumeroa, in so far as it has not been held for twelve months; but I have had an inspection made, and very good progress has been reported. An area of 962 acres is under crop, principally oats and turnips. There are eighteen houses on the land, valued at £1,435, and sixty-one persons are residing. The total improvements effected are valued at £4,164 1s. 7d., as against £1,237 10s. 11d. required by the Act before the end of May, 1903. The stock consists of 10,480 sheep, 281 cattle, 96 horses, and 17 pigs; total, 10,874. One of the most up-to-date butter-factories in the North Island has recently been erected at Ongaonga, and it is anticipated that the dairying industry will greatly increase in this settlement. A proposed