

inspections and valuations of Crown lands, small grazing-runs under the Land Act, 1885, timber, stock, gravel, and forest reserves, non-compliance with conditions of leases, &c.; altogether, with 171 reports on leases held under land-for-settlement conditions, making a total of 419 inspections during the year, covering an area of 188,720 acres. Included in the above miscellaneous reports are six small grazing-runs the leases of which will expire during the coming year. The total area of these was 10,153 acres.

There is very little agricultural farming in this district. All the Crown tenants devote their energies to wool-growing and the raising and fattening of stock.

The price of wool has been well maintained from a vendor's point of view, but there has been a shortage of close on 20 per cent. in the weight of wool clipped. This is accounted for principally by the climatic conditions of the past year. At the end of March and the beginning of April last year this district experienced heavy floods, followed by a wet winter, and a dry summer, which was almost a drought in Poverty Bay. Things were beginning to look rather serious when the weather broke early in February. As the ground at this time was very dry and warm, the rain brought on a great flush of feed at such a rate that there is not much nourishment in it for fattening purposes. All the stock at the present time are looking very well, and the prospect for the coming year is favourable in every way. There is plenty of feed everywhere, and the turnip crops are looking splendid. The only trouble now is, with so much feed, for the settlers to get sufficient stock. There is a large shortage of cattle at the present time, and between twenty and thirty thousand more could be easily carried. The dry summer indirectly did much good, as it enabled the bush settlers to obtain good burns, and clear up ground that in previous years they could not burn on account of wet weather. It also did a lot of good on the open grass lands, for, there being a shortage of feed, all the paddocks were thoroughly cleaned up of rank grass and rubbish. When the rain came it meant that we had a second spring with all new grass.

The lambing throughout the district has not been so good as in some previous years. This is put down principally to the nasal bot or face eczema affecting some of the rams.

Generally speaking, this has not been a good season for fattening stock, but the prices have been very good, especially beef, which has realized 21s. per hundredweight all through the season. This works out at an average of about £8 per head. Fat lambs brought from 4½d. to 4½d. per pound, which works out at about 11s. 6d. or 12s. 6d. for a five-months lamb, and fat sheep brought up to 15s. per head.

Besides the two freezing-works at Gisborne, another freezing-works was opened at Tokomaru Bay on the 24th January. This will be a great boon to the surrounding district, and do away with the loss in weight and knocking about sustained by fat stock travelling down the coast, and bring all the rich grazing-lands along the coast into the fat-lamb trade. On account of the isolation, the freezing-works are the salvation of the Poverty Bay District.

The Crown Lands Ranger for the southern portion of the district reports that, judging by the results of inspections of 568 holdings, comprising land-for-settlement lands, cash selections, occupation-with-right-of-purchase holdings, national-endowment lands, pastoral runs, special-settlement and village-homestead allotments, the settlers are prospering and in good heart. The improvement clause in the pastoral-run system has increased, and will increase, the demand for this class of tenure.

The Government have expended a considerable sum during the year in protective works on the Waipawa River bank in Lindsay Settlement; and on Tongoro Settlement a sum of money has been spent in snagging Te Ngaru Stream, with the object of clearing the channel and allowing the escape of flood-water, which was gradually becoming blocked by willow trunks and branches.

Lands opened up during the year in the Tahoraite, Makaretu, and Wakarara Survey Districts met with a keen demand, and are now occupied for the most part by a genuine class of settler.

The Education Department have as usual assisted materially in the progress of settlement by the establishment of schools at Ruaroa, Titree Point, and Makaretu South. Arrangements are also being made for a new school at Maharakeke to supply the wants of Hatuma Settlement and the neighbourhood. Speaking generally, land-settlement in Hawke's Bay is in a most satisfactory condition.

ARREARS OF RENT.

The total amount of arrears of rent is very much less than it has been for some years. Exclusive of the current half-yearly instalments, the arrears amount to £339 3s. 7d., owing by sixteen tenants.

FORFEITURES AND SURRENDERS.

There were six forfeitures for non-compliance with conditions, and six surrenders, during the year, which is a very small proportion considering that there are 1,630 holdings on the books.

TRANSFERS.

The Land Board has been very careful, in dealing with cases of applications to transfer, to see that the incoming tenants are in every way suitable for carrying out the conditions of the lease. The Board approved of 140 applications and rejected seven.

PURCHASE OF FREE-SIMPLE.

Owing to the prosperous condition of some of the Crown tenants, thirty-two took advantage of this privilege and paid for the freehold of their holdings, thereby increasing the revenue for the year to the extent of £15,783 17s. 3d.