

MARLBOROUGH.

Cash Lands.—This area represents 775 acres 2 roods 29 perches purchased at auction, one section of 102 acres pre-emptive right, and 580 acres and 1 perch taken up under the optional system.

Deferred Payment.—Of the three holdings taken up during the year, one is at Kaikoura and two in the Pelorus. One holding of 50 acres has been transferred, and one forfeited.

Perpetual Lease.—The two holdings taken up this year, averaging 525 acres each, are in different bays in the Pelorus Sound, and were selected by the owners of the adjoining lands.

Lease in Perpetuity and Occupation with Right of Purchase.—Three holdings in three different localities (one lease in perpetuity and two occupation with right of purchase) have been actually taken up, but as the leases have not yet been issued they are not included in this year's tables.

Special-settlement Associations.—A block of 3,000 acres has been surveyed for the Ronga Valley Special-settlement Association of fifteen members, formed under the regulations of the 15th February, 1891; but the sections have not been ballotted for at present, pending the approval of the valuation of the land; consequently this table is a *nil* one.

Small Grazing-runs.—Of the seven runs taken up this year, six are in the Pelorus Sound and one in the Waitohi Valley. Four runs, containing 2,707 acres, were transferred during the year.

Pastoral Runs.—The return shows only one run as having been taken up. Nine other runs have been applied for and approved of, but have not yet been submitted to auction.

Miscellaneous Leases and Licenses.—The small rents (£4 10s.) set down for the fourteen licenses issued during the year is accounted for by the fact that twelve of these licenses were for timber and flax-cutting, the revenue being derived from tithes and royalties. The remaining two are leases of reserves, one in the Town of Picton, and one in the Waitohi Valley.

Arrears.—Of the £81 4s. 3d. of arrears, £17 15s. 1d. has since been paid, and I anticipate getting the greater portion of the balance shortly.

Reserves, &c.—Of the 50 acres 1 rood reserved, 12 acres 1 rood, in the Town of Havelock, was reserved for a quarry, and 38 acres was reserved at Kaikoura for a public recreation-ground, and vested in the Mount Fyffe Domain Board.

Settlement Conditions.—The Ranger's report shows that the deferred-payment and perpetual-lease settlers, with very few exceptions, have far exceeded the improvements required, and all are making the best use of their holdings. In the Pelorus Sound, where the land was set apart specially for them, the deferred-payment regulations have been most successful, the settlers being indebted to them for the comfortable homes they now possess. The settlers generally in other parts of the district are also in advance with their improvements. The land at Kaikoura taken up under these regulations is capable of very little improvement, being chiefly the sections left after the land was picked over by cash-purchasers.

With regard to the small grazing-runs, the clearing of the land goes on with increased rapidity, and the demand for land under this tenure during last year was largely in excess of any previous year, and continues to increase. This appears to be due to the easy terms on which the runs are held, and to the fact that the department bears the cost of survey.

As regards the probable future of the lands in this district, there remains about 630,000 acres of Crown land still to be dealt with, inclusive of mountain-tops. About two-thirds of this consist of bush-clad hills and narrow valleys in the Sounds, and the northern part of the district. In addition, there are about 900,000 acres of pastoral runs, the leases of most of which will expire in 1896. This is practically all open pastoral country, lying in the middle and southern part of the district, and will have to be dealt with by the department as the runs fall in. Over a large portion of this country the topographical information at hand is so meagre that no definite conclusion can be arrived at at present as to the probable area likely to be available for settlement in future.

HENRY G. CLARK,

Commissioner of Crown Lands.

NELSON.

Summary.—The land disposed of during the year amounts to 17,797 acres 1 rood 5 perches, showing an increase of 4,805 acres over last year, and a continually-increasing area since the year 1889-90, when it stood at 9,322 acres. The area open for selection on the 31st March was 241,807 acres of Crown lands outside the Midland Railway Company's area of selection. It is entirely second-class lands, mountainous, and covered almost entirely with birch forest, which, when cleared, burnt, and the soil sown with grasses, makes good pasturage. The number of selectors was 125, an increase of thirty-six this year.

Lands sold for Cash.—The business done is slightly increased in area over last year, the number of selectors being thirty-seven; amount purchased, 7,007 acres 2 roods 29 perches; the average size of areas, 189 acres.

Lands sold under Deferred Payments.—The number of selectors in this class shows an increase, the area taken up amounting to 6,761 acres 3 roods 30 perches, by sixty-two selectors. Six leases were cancelled by the Land Board for non-payment of rent. The selections made were principally under Appendix C of "The Land Act, 1885." Previously to the coming into operation of "The Land Act, 1892," on the 1st November of that year, the above form of deferred-payment lease, with Crown grant after fourteen yearly payments, and no improvement conditions, was for some years the tenure under which most of the Nelson lands were disposed of, being mountainous bush-lands of poor quality, the timber being principally birch, excepting in limestone country. During the past five months, in which the Land Act of 1892 has been in operation, there has not been sufficient time to say how the new conditions of tenure under the present Act will affect settlement. Under the Act of 1885 in operation, together with Appendix C regulations, up to the