

Arrears.—The arrears due on the 31st March—£27 5s. 10d.—were, with the exception of one deferred payment—£8 11s. 6d.—and one small grazing-run—£5 3s. 5d.—paid by the end of April.

Lands Reserved, &c.—Of the 56 acres 2 roods 31 perches returned as reserved, four acres were reserved as a landing-place at Pipi Beach; 46 acres 2 roods at Waitaria, Pelorus Sound, as a resting-place for stock; and 6 acres and 31 perches as a reserve for aboriginal natives at Kaikoura.

Selectors on the Books.—No special remarks to make on this table.

Endowments.—No endowment lands have been dealt with during the year.

General Summary of Lands sold or selected during the Year, and Revenue in each Case.—Summarising the results of the year's transactions, these were—

System.	Number of Purchasers or Selectors.	Area.	Total Payments during the Year.				Total.
			Current Transactions.		Past Transactions.		
		A. R. P.	£	s. d.	£	s. d.	£ s. d.
Cash land	3	196 1 0	94	12 7	94 12 7
Deferred payment	3	781 1 10	11	16 11	178	12 9	190 9 8
Perpetual lease.. . . .	3	594 0 0	7	18 3	38	9 4	46 7 7
Village settlement on deferred payment	3	30 0 16	3	19 8	5	5 0	9 4 8
Village homestead special settlements	1	5 0 0	0	7 6	26	7 0	26 14 6
Small grazing-runs	4	1,410 0 0	21	5 2	171	8 4	192 13 6

No scrip received during the year.

Settlement Lands.—With one exception all the deferred-payment holders have fully satisfied the requirements of the Land Act, some having far exceeded what is prescribed by the regulations; and the few holders under the perpetual-lease regulations are complying with the conditions.

The conditions of the small grazing-runs are being more than fully carried out. Owing to the peculiar configuration of the Sounds this system seems to be most suitable to this class of country, and the easy terms on which the runs are held no doubt materially influences people in settling on such rough bush-country, comparatively isolated from communication with more settled districts except by water.

Pastoral Licenses.—Of the nineteen pastoral licenses issued during the year, occupied by eighteen holders, fifteen consist of rough bush-hills taken up by the owners or occupiers of the adjoining lands. They are let for a term of ten years under "The Land Act, 1885." The other three licenses are partly open and partly bush, also let for the same term.

Under these licenses there is no adequate provision for compensation for improvements beyond five times the annual rent. Some of the licensees have applied to the Land Board asking to be allowed to exchange their licenses for a longer tenure, and one that would better secure to them their improvements, and the Board passed a resolution suggesting that the Minister's attention should be specially called to the case then before them, with a view to some future alteration in the Act which may more equitably deal with such cases.

Timber Industry.—There are now only five mills at work in this district, four of which are working irregularly for local consumption. Mr. Brownlee's mill at Havelock is the principal one cutting timber for export. This mill turned out over 2,000,000ft. last year, and another saw-bench has been recently added, which will increase the output fifty per cent. Shortly they will have another bench at work; the mill will then be capable of cutting about 5,000,000 superficial feet per annum.

A further impetus is expected to be given to this industry by the proposal to utilise the timber in the Rai and tributary valleys before being thrown open for settlement, in connection with the extension of Messrs. Brownlee's tram-line up the Rai Valley. With that object in view, two members of the Land Board are about to inspect the forests, and report upon a scheme to carry out this object.

HENRY G. CLARK,
Commissioner of Crown Lands.

NELSON.

Summary of Lands taken up.—The amount of land taken up during the past year was 12,992 acres, showing a gradual increase in area during the past three years. The year ending the 31st March, 1891, was an abnormal period, owing to the completion of purchase of 13,600 acres of leases in the Amuri District, held under "The Waste Lands Act, 1874." Deducting this area from the total area for that year of 23,808 acres 1 rood 30 perches, leaves 10,208 acres 1 rood 30 perches as the area taken up under ordinary conditions. The amended return for the purpose of showing the progress of settlement in this district during the past two years will stand thus, viz. :—

Period.	Increase.		
	A.	R. P.	A. R. P.
1889-90	9,321	3 12	..
1890-91	10,208	1 30	886 2 18
1891-92	12,992	0 4	2,783 2 14

Analysis of Holdings.—There is but little difference in the number of selectors who have taken up holdings during the past year and the year previous. The applicants for deferred-payment leases under the provisions of Appendix C of "The Land Act, 1885," are at present the most numerous