

*Territorial Revenue.*—The total revenue collected shows an increase of £876 over last year. Cash sales and land for settlements show substantial increases, whilst pastoral runs and rents of reserves show decreases, the other items remaining much about the same, the only new ones being £140 under the head of State forests and £15 Mining Districts Land Occupation Act.

*Arrears.*—Although somewhat larger than last year, the matter of arrears must still be regarded as very satisfactory. Of the five holders in arrear, four of them are settlers on the Blind River Estate; the other one is a small-grazing-run lessee, who, at the time of writing, is no longer in arrear.

*Reserves.*—4,826 acres were reserved this year, as against 843 acres last year, 20 acres being for school-sites, 50 acres for stock resting, and the remainder for scenic purposes. Included in the latter is the area at Ship Cove, Queen Charlotte Sound, the favourite anchorage and refitting place of Captain Cook. This historic spot is now protected by Act of Parliament, and the forest and vegetation are to be retained in their natural state.

*Number of Selectors.*—There are twenty-seven more selectors this year than there were last year, only three tenures—namely, deferred payment, perpetual lease, and pastoral runs—showing a decrease.

*Number of Crown Tenants.*—This table does not call for any special remarks, beyond that the lease-in-perpetuity system now claims by far the largest number of selectors, being nearly double that of the next highest—namely, pastoral runs.

*Land for Settlements.*—Blind River Estate: My predecessor's annual report for last year showed that 1,249 acres were still unlet on this estate. During the year one selector forfeited his holding, and four new selectors took up sections, amounting to 1,053 acres. There are now only two sections, containing 318 acres, unlet, and these have been applied for, but the applicant has not yet paid the half-year's rent and lease-fee. The Ranger reports that a large amount of improvements has been effected during the year. Most of the holdings are now enclosed, or nearly so, with substantial wire fences. There are seventy-one people now resident on the estate, and the lessees appear to be contented, and satisfied that they will make their holdings pay. The improvements consist of buildings, yards, &c., value £741; fencing, £907; and land broken up, £318; or a total of £1,966. The crops were as follow: Wheat, 249 acres; yield, 4,393 bushels: barley, 29 acres; yield, 461 bushels: peas, 107 acres; yield, 1,620 bushels: beans, 1 acre; yield, 10 bushels: oats for chaff, 83½ acres; yield, 104 tons: potatoes, 13½ acres; yield, 75 tons: onions, 26½ acres; yield uncertain: green crops, 43½ acres. The stock running on the land consists of: Sheep, 4,195; cattle, 62; horses, 46; and pigs, 15.

*Omaka Estate:* This estate, comprising 3,898 acres, mentioned in last year's report as having been acquired and subdivided, was thrown open to the public on the 24th June last. Two of the sections, containing 640 acres, were acquired by the vendor of the estate as a homestead selection, and the remaining twelve sections were keenly competed for; over a hundred and twenty applications being received. The land, though inferior in quality to the Blind River Estate, is more conveniently situated, and has been taken up by persons possessing more capital than those on the Blind River. The result is that already a large amount of improvements has been effected. Three comfortable dwellings have been erected, and most of the holdings enclosed with substantial wire fences. The population amounts to twenty-five, and the improvements are as follow: Buildings, value £457; fencing, £475 14s.; land broken up, £144: total, £1,076 14s. The crops consisted of—Oats for seed, 120 acres; yield, 1,086 bushels: oats for chaff, 85 acres; yield, 38 tons: peas, 2 acres; yield, 10 bushels: and turnips, 48 acres; yield uncertain. The stock on the land is as follows: Sheep, 961; cattle, 17; horses, 18; and pigs, 2.

In reference to the future settlement of the Crown lands, as mentioned in my remarks under "Pastoral Licenses," we have an area of 308,300 acres of pastoral runs, which, for various reasons, failed to find bidders at the recent auction-sale. Inquiries for some of these runs are constantly being made, and I have no doubt the greater part of them will be disposed of before long. Some 37,300 acres in the southern part of the district, between Kaikoura and the Conway, are being cut up into areas suitable for leases in perpetuity and small grazing-runs, and it is expected that the land will be available for selection about the end of June.

About 7,500 acres, portions of the late Kincaid Run, lying partly to the north of the Kaikoura suburban sections and partly on the left bank of the Hapuku River, will also be subdivided for settlement. A block of about 4,000 acres is now being cut up on the Woodbank and Shades Runs, and will shortly be open for selection.

On the north bank of the Wairau River there are some 28,000 acres, formerly forming portions of the Langley Dale and North Bank freeholds and leaseholds. A surveyor will start on these blocks in a few weeks, and they will be put into the market as soon as possible.

There are some other large areas over which the former lessees have obtained temporary grazing licenses, pending negotiations for exchange of freeholds for Crown lands. As it is uncertain, however, whether and when these exchanges will be effected, it would perhaps be unsafe to anticipate any dealings with these lands during the current year.

I append a summary of Rangers' reports for the year, from which it will be seen that the value of improvements made is over double that of the requirements.

C. W. ADAMS,

Commissioner of Crown Lands.