

31st March, 1882, and the annual report of the Mount Ida Water-race Trust, and statement of accounts, will be found at Paper No. 22 in the appendix.

#### SETTLEMENT ON GOLD FIELDS.

On the Thames Gold Fields 20 applications for agricultural leases and 63 applications for residence sites have been dealt with during the year, and at the new Te Aroha Gold Field 6 applications for residence sites and 57 applications for business licenses have been made. On the Nelson South-west Gold Fields a considerable number of agricultural leases have been renewed during the year under "The Gold Fields Act 1866 Amendment Act, 1873," which entitles the lessee to the freehold of the land without further payment at the expiration of seven years from the date of renewal, provided that the conditions of the lease have been complied with.

On the Otago Gold Fields, during the year, agricultural leaseholders, under "The Mines Act, 1877," have largely taken advantage of the right to purchase after three years' holding, conferred by section 49 of the Act; and, as one of the conditions of purchase is that at least one-half of the land shall have been planted, cultivated, or otherwise improved, it will be seen that settlement upon the Otago Gold Fields is still going on apace. Several blocks on the deferred-payment system have also been taken up and settled upon, and in the recent disposal of the Otago runs an area of about 250,000 acres within the gold fields has been withheld from lease, and is now being surveyed and opened up by roads and bridges preparatory to being offered for settlement next Summer. While this is satisfactory from the settler's point of view, great care will have to be exercised to leave ample outlets for the tailings and other requirements pertaining to the mining industry. The re-letting of over 2,000,000 acres within the limits of the Otago Gold Fields in no way hampers the miner's privileges with respect to prospecting or working ground, bringing in water-races, or occupying land for residence; indeed the runholder and the miner can each occupy the same country without any collision of interests. It is the freeholder and miner who are in each other's way.

#### DEPARTMENTAL.

During the year, partly owing to alterations in the policy of the department, and to unusual activity in various transactions upon the gold fields, referred to in other parts of this report, the business of the department has increased. I have again to acknowledge the assistance of Mr. Wakefield, the Departmental Under-Secretary, in the compilation of this report, and of the statistical and other information, and for the collection of the Wardens' reports, contained in the appendix. I have also, as usual, to acknowledge the assistance of the Secretary to the Treasury, Mr. Gavin, and the Secretary of Customs, Mr. Seed, in furnishing the returns of revenue and of gold exported appended to this report.

JAMES MCKERROW.

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