

three years of the lease has run and certain improvements have been effected, allow the leaseholder to purchase should there be no objections served after public notification of the intention to purchase has been made. Up to this point the payments have all been rent. Should purchase be allowed, the leaseholder has then the pre-emption of the land, and he may either complete purchase by an immediate payment at the rate per acre fixed for rural land in the district, or he may take an exchange lease and come under the deferred-payment system for seven years, paying 3s. per acre per annum for that period. This was availed of during the year by 12 persons, representing 1,302 acres, and the operation stands thus: three years on agricultural lease at 2s. 6d. per acre, plus the extra 1s. 3d. paid with deposit=8s. 9d.; seven years at 3s.=£1 1s.: total payments, £1 9s. 9d.—time, ten years. By immediate payment 53 leaseholders, representing 7,137 acres, converted their leaseholds into freeholds, and in a similar manner more than 100,000 acres have been made freehold in the course of the last few years. While "The Crown Lands Sales Act, 1877," was in operation, so great a disparity existed between the price of land on agricultural lease and deferred payments, that there was a tendency to equalize matters by offering the best land in a block on deferred payments, and the inferior on agricultural lease. But, as the price of land on both systems is now brought nearly equal, there is less reason for this distinction. Large areas are open for selection on agricultural lease; but it is for the most part land of an inferior quality, the best portions having already been selected.

The homestead system is, by "The Land Act, 1877," made applicable to the land districts of Auckland and Westland only. It can hardly be said to be in operation in Westland, as, although 4,000 acres are open, only one or two selections have been made. In Auckland, 50 applicants selected 8,816 acres for the twelve months, and since the introduction of the system a total of 260 selectors have taken up 46,271 acres, or an average of 178 acres to each. But, as no one, unless representing a family or household, may select more than 75 or 50 acres, according to quality of land, and if under eighteen years from 30 to 20 acres, it is evident that in the high average of 178 acres to each selection there is a family represented by each selector. About 70,000 acres in various localities in Auckland are now open on this system, which requires no payment whatever for the land, the only cost to the selector being the cost of survey. On the fulfilment of conditions, which are, five years' residence, the erection of a house, and the cultivation of one-third of the selection if open land, and one-fifth if bush-land, the Crown grant is issued. There is a set towards this system at present, several selectors having gone up lately from Canterbury.

Village settlements.—This mode of acquiring Crown lands only came into operation on 1st January, 1880. It is essentially a system for the encouragement of thrifty settlers, who begin with a dwelling, and gradually create comfort around them. The maximum of land attainable is 50 acres. Sites for village settlements have been selected in nearly every land district; and in Auckland, Taranaki, Hawke's Bay, Canterbury, and Southland, surveyed lands aggregating 4,120 acres, surveyed into 601 sections, have been advertised open for selection. Unless the areas are under one acre each there is no auction, and on and after the day on which the land is advertised as open every section is open for purchase, by application at the Land Office of the district, at a fixed price until sold. If there is more than one applicant for the same section on the same day, the occupancy is determined by lot. Where the land is good, and valuable from position, as in the case of some of the village blocks now offered, it is manifest that it would soon be bought up on speculation, and the object of the village settlements frustrated, if no guarantee were taken of occupancy from the applicant. This is secured by bringing the small-farm allotments under the operation of the deferred-payment clauses of the Land Act. So that, virtually, each section is reserved for the settler who is first ready to occupy and improve it. Although hardly time has been given to get the system fairly into operation, and the time of application for all the 601 sections advertised has not yet arrived, 46 selectors in Canterbury and Hawke's Bay have already taken up 249 acres, in areas ranging from 1 to 15 acres each. Thirty-one of the selections were on deferred payments, and 15 on immediate payment. Agreeably to instructions, village sites of 150 to 300 acres each are now being selected every three or four miles along the main road-lines at convenient, well-watered spots in the Waimate Plains; and it is worthy of consideration whether this should not be done in all the best blocks of Crown lands as they are opened up by survey. It is a very small matter, apparently, making such reservations when the land is all a wilderness of fern or forest, but the importance and wisdom of it appear as the country gets settled, and sites are wanted for schools, churches, and homesteads for village tradesmen and others following in the wake of the settlers.

General.—The main object of all these modes of settlement is not revenue, but the improvement and occupation of the country. They are very expensive to work, and the question arises: Is the object fulfilled and the expense warranted? The reply must be in the affirmative. The evidence is to be found in the numerous homesteads and green spots that meet the traveller's eye as he traverses the extensive inland plains of the South or the forest districts of the North. Without the settlement conditions, these plains would still have been a sheep-walk, and the forests unfelled and without an inhabitant. It is quite true that, in the very encouragement so given to settlement by these systems, there is an element of danger in the temptation it places before some to enter into engagements which they possibly may not be able to fulfil. Yet, with the exception of about 200 settlers in the Otago and Southland Districts, who are in arrears about £9,000 in payments, there has hitherto been no difficulty in administering the system. Of the 200 it can be said there is no desire to shirk their engagements; but, in the eagerness to possess land two and three years ago, it was often run up at auction beyond its value. The unprecedentedly low prices for farm produce which have since prevailed has resulted in a deadlock to those settlers who relied on their produce paying working expenses and half-yearly instalments of the price of land as well. Many of them are not much in arrear and will pay up; but there are others who cannot. It would be unwise to visit on them the full rigour of the law, as though their misfortune was a fault. A much better plan will be to offer the land for public sale, and afford them the opportunity of getting value for their improvements should others purchase the land, and they have to retire from it.

Summarizing the results of all the settlement clauses, we had in New Zealand, on the 30th June last 3,160 selectors, holding 374,425 acres, and liable for an annual payment of £65,000.