

from five to ten acres each, which will become the abodes of country tradesmen, and the homes of men who take jobs at fencing, harvesting, road making, and other country work. The land is opened generally on the suburban deferred-payment system—that is, the payments extend over five years, and improvements to the value of £10 an acre have to be made, and the occupation of each holding as the home of the selector is compulsory. Each settler can only have one section, and, in the event of two or more persons applying for the same section on the same day, the occupation is determined by lot. Under these conditions speculation in village allotments is effectually prevented, and, although always open for application, they are virtually retained until wanted by settlers who are ready to occupy and improve them. During the year, 259 persons have taken up 2,095 acres on this system, or an average of about eight acres to each. These selections have been made in the Land Districts of Hawke's Bay, West Coast (North Island), Canterbury, and Southland. In Canterbury the village-settlement system has succeeded remarkably well. Regarding it, the Commissioner of Crown Lands, Mr. Marshman, reports: "One hundred and twenty-eight deferred-payment licenses were issued under the village-settlement clauses of 'The Land Act, 1879.' The areas varied from one acre to five acres or thereabouts, and the price per acre from £5 to £10, payable in five years. The area held in this way on the 31st March, 1881, was about 350 acres, and the annual sum payable thereon £630. These village settlements have served a useful purpose. A considerable number of poor men have by this means been able to obtain a bit of land, who would probably not have got it otherwise. The majority are already living on their holdings, and most of the others have enclosed and cultivated them. There are no instalments of purchase-money in arrear on any of the deferred payment lands."

The village settlement of South Rakaia exemplifies very well the advantages pertaining to this mode of settlement. A block of 653 acres, held in reserve there by the Provincial Government, was opened on this system in May, 1880, in five-acre sections. Upwards of 20 have been taken up, fenced in, and cultivated, and there is now a house and family on each. Several shoemakers, carpenters, and fencers have established themselves there, and there is a soap and candle factory which has already made a name for the excellence of its products beyond the locality by its exhibits at Industrial Exhibitions. There are other reserves at Orari, Temuka, Waimakariri Bridge, at Winchester, and other places along the railway lines in Canterbury, which have come in remarkably well for village settlements, and are being occupied and settled on in a very satisfactory manner. There are also strips of valuable land, two and three chains wide, along parts of the railway lines both in Canterbury and Otago, that would be suitable for this class of settlement.

It is of the greatest importance to have reserves made for village settlements at suitable spots in all new districts, and to adhere to the residential terms as a condition of their occupation, so that as the district gets filled up there will still remain sections of a few acres each open for the occupation of thrifty settlers who engage in fencing, harvesting, road making, and other district work, and who have odd times on hand that they can beneficially employ in working on their own places.

There are at the date of this report an aggregate of 1362 sections, from $\frac{1}{4}$ to 50 acres each, open for selection on the village-settlement conditions, in thirty-two districts; on deferred payments, 153,400 acres, in 710 sections; on agricultural lease, about 400,000 acres, of which 42,034 acres are surveyed into 402 sections; on homestead, 70,000 acres, in twenty-seven blocks, open for selection. All the surveyed sections are mapped and published, and lithographed plans are obtainable at the land offices of the various districts in which they are situated.

FORESTS.

547,785 acres of forest, on hill tops and at the sources of streams, have been reserved under the 144th section of "The Land Act, 1877," not so much with the intention of conserving the bush, as of preventing the drying up of springs and streams from exposure to sun and wind. The conservancy of the Crown lands forests, in the interests of the future supply of timbers to the colony, is a question of great importance, and in Part V. of the Land Act there are ample administrative powers conferred on Government for the purpose. But, in the absence of any wanton destruction in the forests, it has not yet been deemed necessary to frame any very stringent conditions regulating the cutting and removing timber, which, for their due observance, would require a considerable staff of forest officials, whose maintenance would necessarily be a charge on the timber industry. Moreover, a system of forest conservancy, such as would be applicable in densely populated countries where timber is scarce and very valuable, would be out of place in a colony such as New Zealand, where our efforts are so largely directed to make clearings for the settler in the forest districts, and where the value of timber is solely what it costs to prepare it for market. The timber or trees as they stand in the forest are really of very little market value. In the Manawatu District alone, this winter, there may be on the Kairanga and Kiwitea Blocks, recently sold by Government, and on the Manchester and other private blocks, an aggregate of 10,000 acres of forest in course of being fallen. In Taranaki, and other bush districts, the same destructive process is in operation, and it is certainly a matter for regret to see the beautiful rimu and other valuable timbers fallen and burned off like so much rubbish.

The most effectual way of utilizing and conserving the forests of the country would be to induce a rise in the price of timber. But the conservancy would not be promoted by any artificial rise occasioned by impost or tax, indeed, this would be likely to have the contrary effect, as