

*Village Homestead Settlement.*—With the object of finding a way to enable such of the unemployed in towns as were willing to go to the country to occupy land an opportunity of doing so, it was not only necessary to open land on very easy terms, but also to recognize that for the first year, at least, substantial aid would have to be given as well. Regulations were accordingly issued, offering £20 to each settler towards the erection of a house, and £2 10s. per acre in bush land for felling, clearing, grassing, and fencing, up to twenty acres. Advances to be made as the work proceeds, and to bear interest at the rate of 5 per cent. Up to the 31st March, a period of nine months since the opening of the first land on the system, 896 persons have taken up 28,780 acres, or an average of about thirty-two acres each. These are all over the colony, but the greater number are in the districts north of Auckland. One important element of success in the ordinary village and small-farm settlements has been their location in settled districts, where employment could be had at certain seasons of the year from the farmers around. The settlements in the North are not well situated in this respect, but in the gumfields adjacent the settlers have a bank to draw on when necessary. This class of settlers, beginning without means, and many of them having but little knowledge of country-work, will have an up-hill task for a few years, but, with industry and frugality, plenty and comfort will begin to gather around their homestead as the land gets cleared and in crop, and there is grass for the cow. In the colonies the habit of dealing with large areas begets in some a sort of contempt for small holdings. This feeling has led many a settler in the eager desire to add field to field to go beyond his depth, ending in embarrassment and ruin; while a more cautious neighbour, concentrating his energies on a limited area, which he could handle well, has attained to a position of substantial comfort and independence. With the growing of garden, orchard, and sub-tropical fruits, dairy-produce and poultry, the out-turn of a few acres is a large income. In the matter of small holdings it is interesting to note that in Great Britain, according to the returns obtained for the Agricultural Department, Privy Council Office, the number of agricultural holdings over one acre in extent in June, 1886, was 532,343, of which 368,691, or 69 per cent., were under fifty acres in area, the average being thirteen acres. In New Zealand the census returns for March, 1885, issued by the Registrar-General in a Supplement to the *New Zealand Gazette* No. 52, the number of holdings over one acre in extent is given as 36,485, of which 16,679, or 45 per cent., are under fifty acres, the average being sixteen acres. A comparison of the same statistics also shows that, while only one person in every sixty in Great Britain is a holder of an acre or more of land, the proportion in New Zealand is one to sixteen, with the distinction that in Great Britain the land is mostly on leasehold, while in New Zealand it is mostly freehold.

*Homestead.*—The giving of land free, without any payment except the cost of survey, on the condition of personal residence and the improvement of a definite portion of the land within the first five years of occupation, was prior to the passing of "The Land Act, 1885," confined to the Land Districts of Auckland and Westland. By that law the system was extended to each of the ten land districts of the colony, the area which may be set aside being limited to 3,000 acres a year for each district. Any one over eighteen years of age not already possessing land can obtain fifty acres, and the members of a family or household can obtain 200 acres in one lot. Blocks have been opened for selection in the Auckland, Westland, Otago, and Southland Districts. During the year twenty-seven selections, covering 4,117 acres, were made in Auckland, and twenty-two in Otago, covering 2,860 acres.

*Small Grazing Runs.*—Since the introduction of this system in January, 1886, an area of 168,485 acres has been taken up by 102 lessees to the 31st March last, of which sixty-eight leases, representing 105,857 acres, were let during the year at rents varying from 3d. to 1s. 8d. per acre, the average being 7d. The long and secure tenure, the right to cultivate as well as pasture the land, and the other advantages pertaining to this mode of settlement, render it peculiarly well adapted to hilly country, where the greater portion of holdings must be kept in pasture. The maximum area which may be included in a small grazing run being fixed at 5,000 acres affords considerable scope in adapting the size of the runs to the nature of the country: the full size in rough, steep country, and a less area—it may be only a few hundred acres—where a considerable proportion of the land can be brought under the plough. There are large areas in the North Island to which this system is peculiarly well adapted. Of the country taken up on this system during the year, forty-four runs, comprising an area of 58,357 acres in scrub and bush, have been let at an average of about 5d. per acre, which but for this system would have remained unoccupied.

*Crown Lands held on Pastoral Lease or License.*—During the year 111 runs, comprising an area of 895,136 acres, were leased at rentals varying from  $\frac{1}{2}$ d. to 3d. per acre. Of these, seventeen runs, aggregating 23,794 acres, comprise the belt of sandhills along the coast-line between Waitotara and Rangitikei, in the Wellington District. This country is of no great value in itself; but the land-owners behind it saw that, unless means were taken to preserve and nurse the natural vegetation, the sand would encroach on their farms. The land was not worth purchase at £1 per acre, and the law would not have permitted its being sold for less. The sandhills were therefore divided off so as to give each proprietor the opportunity of securing, on pastoral lease for twenty-one years, the portion in front of his land. This has been effected at a rent of 1 $\frac{1}{2}$ d. per acre, to the satisfaction of those most interested in preventing the spread of the sand. The other runs leased are chiefly in Otago and Canterbury, where, in the high back country of the Lake Districts, there are frequent surrenders and releases of country taking place.

Notwithstanding these changes, the number of leases, the area leased, and the receipts from year to year have been nearly alike for the last three years. On the 31st March, 1887, there were 1,236 leases, covering an area of 11,006,557 acres, yielding a revenue of £170,596, being £3,500 more than the previous year, and the largest amount ever received for rent in one year, except in 1882, when the revenue was increased by the rents paid a year in advance at the sale of the leases of a large number of the most valuable runs in Otago. The rents have come in very well upon the whole for