

settlement, however, is situated in the far North, on the west coast, and when the settlers were put upon it there were no roads within many miles, the only means of access being by a small steamer running to a little harbour about five miles distant from the settlement, to which everything required had to be carted on sledges. Other circumstances, such as its distance from markets, have militated against it, so that it would be unfair to select this conspicuous case of failure as an argument against the village settlement scheme applied under proper conditions. I have, however, briefly outlined the facts as I found them.

Accompanied by the the officer in charge of the special settlements in the Auckland District (Mr. H. P. Kavanagh), I inspected some typical villages in the vicinity of the railway from Auckland to the hot springs region of Te Aroha (115 miles), where is situated one of the best of the settlements. The settlers here, as in other parts of the district, have had the benefit of a reduction of one-fourth in the price of their land under a general system of revaluations. On the way to Te Aroha, for the first twenty-five or thirty miles from Auckland, the line passes over very fair grazing and agricultural land, occupied in small farms. Near to the Waikato River, and continuing for some distance, the country becomes poor, being generally covered with fern, and much of it being swampy. In many places where the surface growth on these swamps has been burnt the land has sunk, exposing large quantities of old timber, the remains of ancient forests. The land is mostly used for sheep-grazing, and in some cases cattle-breeding also is done. Having passed through one of the smaller settlements, we left the train at Waihoa and carefully inspected the special settlement at Te Aroha. Most of the land here is of the swampy character just referred to, but as it is drained it soon becomes well suited for grazing, whilst already one or two nice gardens are established. This settlement is specially well situated, being really a suburb of Te Aroha, which is supported by the gold-mining industry as well as by the growing traffic to the hot springs, whilst an extensive flax-mill in the neighbourhood increases the blockholder's opportunities for obtaining employment and for selling his produce. Thus the settlement appears to be making progress, and the degrees of that progression on the various blocks are an instructive illustration of the difference in individuals having the same opportunities to secure success. Some of the blocks are used to the best advantage, whilst upon others hardly anything is done. The areas vary from 10 to 50 acres, and the capital value from £1 10s. to £2 5s. per acre. Some of the houses upon which £20 has been advanced by the Government have cost more than £100, but the holders of the blocks have availed themselves of the grant both for the house and for the clearing of the land. It is a question whether the "advance" system was intended to meet cases such as this, in which the blockholders, who evidently have some capital, really take advantage of the opportunity of borrowing money from the Government at 5 per cent., a lower rate than that prevailing outside. These cases, however, are comparatively rare. On the other hand, in connection with this, as well as with some of the other settlements in the Auckland District, a plan not prescribed in the regulations is sometimes followed. Instead of advancing the full £20 allowed for a house, the department have, in instances in which the holder is content to live in a place costing less than that amount, made up the balance in gifts of fruit-trees. Altogether the observations made at this settlement were specially interesting.

This concluded my personal inspection of the village homestead special settlements in New Zealand. Returning to Auckland on the 25th February, I left on my return journey, and arrived in Adelaide on the 7th March.

#### A SUMMARY OF OBSERVATIONS.

*Origin and Suspension of the System in New Zealand.*—It may succinctly be stated that the village homestead special settlement system was begun as a relief measure to absorb the unemployed workmen who had congregated in the towns. It was started in June, 1886, whilst the Hon. J. Ballance (the present Premier) was Minister of Lands. The scheme was taken up with a rush, and hundreds of people—many of them unsuitable—crowded upon land which was in some cases hurriedly and injudiciously selected. For the reasons set out more fully in the references to Auckland Land District, a great expense was incurred in connection with the settlements. When the Ministry with which Mr. Ballance was connected went out of office it was alleged that they had far exceeded the outlay authorised by Parliament upon the special village settlements. The Atkinson Government, who succeeded in 1887, honoured all the engagements made by their predecessors, but suspended the advances, which have not since been resumed, though I was assured by Mr. Ballance, the newly-appointed Premier, that he intends to restart the system in a thorough way. As it has been stated in discussion in our Parliament that Sir Harry Atkinson was strongly opposed to the establishment of these settlements, it seems only fair to mention that he emphatically denied the accuracy of the assertion. He said he had never opposed the system, but the abuse of it—the unauthorised expenditure, and the way in which that expenditure was incurred. The real extent of that outlay it is almost impossible to estimate, on account of the many complications involved. Relative to the alleged abuses of the system, I should add here that some of the gentlemen whom I interviewed, who had had special experience of the settlements, said that a number of the abandonments of the holdings by the original occupiers were due to the fact that when men were out of work they seized the opportunity offered by the advance to live in a cottage rent free whilst the pressure lasted, and then gave up the holding for more congenial occupations.

*Defects and Essentials to Success.*—Mr. Ballance stated confidently that, "Wherever proper conditions have been observed the scheme has been a success." Sir Harry Atkinson said, "Wherever these settlements are set down in reasonably small numbers, near to a market and to population, I think the special village homestead settlements are an unqualified success. If these conditions are not observed there may be abuse. Care should be taken not only in the selection of the locality, but also in the selection of the settlers. With such precautions I do not object to a small advance for a house, but the thing must be done with great caution. So far as I can judge, our experience has shown us that the settlements are a success on these conditions, and that the advance has assisted men who otherwise would not have been able to make a start. But I strongly emphasize the necessity of care in selecting the individual; otherwise a lot of men will go on the land in times of temporary pressure, and if they stay on it will do little or no good with it, and thus keep off better men, who might be grateful for their opportu-