

to £257. It is proposed to wind up these cases, and by judicious application of the capitalisation principle, and by enforcing the law, to bring about a more satisfactory state of affairs. The Land Board have not been inattentive to this business.

*Village Settlements.*—The ordinary village settlements comprise 183 selections, and an area of 2,364 acres on the deferred-payment and perpetual-lease system; and under the village-homestead regulations, they number 172 selections, covering an area of 5,532 acres. All but a very limited number of the holdings were inspected during the year. Mr. Mussen thoroughly inspected all in his district at least twice; and Mr. J. E. March visited nearly all those in South Canterbury. It is satisfactory to be in a position to report that these villages, although located on land of by no means superior quality, and in some instances on poor land, are, generally speaking, firmly established and progressing well. The villagers, as a rule, speak contentedly as to their condition and hopefully as to their prospects. Their homes and surroundings indicate in numerous instances material advancement and prosperity. I can testify from my own inspections and knowledge as to the great boon the system has proved to the class of men who have availed themselves of its advantages.

One of our most out-of-the-way villages has been recognised as requiring special consideration and assistance because the villagers have unusual difficulties and drawbacks to contend against, amongst which may be specified—(1) the land is by no means of first-class quality, and is remote from towns; (2) the adjacent country is held in large runs, which means sparse population, scarce employment, and difficulty in sale of produce; (3) the cost of living is greatly enhanced owing to the increased expense of carriage by rail and road; (4) loss of time in going far afield to look for work, and thereby being unable to apply their spare hours in labour on their selections. Nevertheless these very villagers are said by an adjacent farmer “to have had little or nothing when they started, and now they all have cattle and good crops. They are an industrious, honest set of men, with a good hold of the land, and are getting on well.” This opinion is very reassuring, as the difficulties which surround these villagers have caused me some anxiety, as I wish, naturally, to see them succeed. The majority of the settlers at all the villages to whom I have spoken, not excepting even those high up under the ranges, assure me, as before stated, that they are getting on well. These assurances were given in a manly confident manner, which left no room for doubt even if the men’s appearance and surroundings were not sufficiently convincing. There are, of course, exceptions—some have met with misfortune, experienced grievous loss or sickness; some are not men of the right class or trade, and are not adapted to struggle successfully under, to them, novel circumstances. There is a general desire expressed for extension of holdings, which I take to be indicative of general advancement, expansion of ideas, and in many cases improved financial position. This should be given effect to wherever practicable, though I doubt whether it should be done irrespective of the villagers’ capabilities and means; but in the case of men of energy, thrift, and necessary experience there can be no doubt that the application of the extended-holding system would tend to improve their position, and elevate them into the ranks of the small farmers. In forming new settlements it would be advisable to arrange the subdivisions so as to provide for the future expansion of the holdings of those who by self-denial and established position have proved their capabilities to utilise additional land.

The arrears of payments, which were very large on the 31st March last, are being reduced. The wet season has retarded harvest operations and delayed sales of crops, and consequently payment of rents; but the Land Board is using fair and firm means to enforce payment.

I have to draw attention to the necessity for providing the sums which I have set down in the road estimates to aid villagers to obtain better road-access and water by means of races. The Government will be secured by the additional value given to the holdings. To encourage self-reliance, the principle of granting pound for pound might advantageously be applied. In any case, the villagers should pay a percentage on the amount advanced by the Crown.

Before leaving this subject of village settlements, I cordially approve (and always have done) of the proposal to extend the application of the system among freeholds in settled districts. In the knowledge that labourers have to pay an average of 5s. a week house-rent, which is £13 a year, it can be demonstrated that it would be safe for the Crown to repurchase the best agricultural lands in favourable localities for the location of men of the *right* stamp on small plots—not farms—of a capital value not exceeding £200, unless the lessee had sufficient means of his own to put on permanent improvements of proportionate value. Years ago provision was made (“The Land Act, 1885,” section 168) for the establishment of village settlements by the acquisition of freehold lands; and, though it appeared to me at the time to be capable of application to the circumstances of labourers and others near Petone and Te Aro, nothing definite was accomplished. Now, more than ever, the time appears opportune for wise legislation and careful administration to effect the more general settlement of the people on the lands. Is it necessary to point out that by placing suitable men on such an improved footing they would feel that the land was virtually their own; the selectors would, as owners, acquire rights, responsibilities, and advantages which would tend to make them better men and citizens. The other manifest advantages it is needless to enlarge upon.

*Small Grazing-runs.*—The thirty-one runs comprise 79,305 acres in two divisions of leases—(1) those at Teviotdale and Black Hills which were exchanged from pastoral deferred-payment tenure for titles under this system, and the original selections on the southern Station Peaks country; (2) the recent selections on Greta Peaks and on the northern Station Peaks lands. The latter division may be dismissed with the remark that the selectors have yet to accomplish the real work of occupation and settlement. As regards the prior selections, you will find in the elaborate reports which have been prepared for your information that, though all the lessees had at the date of the Ranger’s inspection effected the requisite improvements, several were non-resident. Former Land Boards had condoned this shortcoming as regards a few runs which were so rugged as not to provide homestead sites. In the case of a few of the runs on the Station Peaks the present Land Board is endeavour-