

I have had occasion to draw attention in previous reports to the fact that it is almost impossible to provide Crown lands of sufficiently good quality for the establishment of village settlements. The conditions which I consider necessary for this class of settlement are land of good quality, allotted in suitable areas, in localities where the villagers could find a ready market for their labour and produce. Where these conditions have not prevailed it will be observed that the reports of the Commissioners and Rangers show that the villagers have had to go away from their homes seeking employment, and that they are unable to work their holdings to the best advantage; but, on the other hand, settlements in the Wellington and Canterbury Land Districts, which fortunately comprise the bulk of the sections held under this system, have made excellent progress, and the settlements have served admirably the purpose for which they were established, and those persons who were able to take advantage of the system have been greatly benefited, inasmuch as they and their families have comfortable homes, they obtain profitable employment upon their holdings, and derive great assistance and gain from the returns therefrom. A report by the Superintendent of Village Settlements will be found in the appendices, accompanied by tables and comparisons of a most interesting nature. Full particulars will be found therein as to the villages, population, and the improvements, &c., all of which will be found to prove that on the whole great success has attended this system.

*Special-settlement Associations (Table 14).*

This one-time favourite system is not much in vogue because of the lack of suitable lands. The desire is occasionally manifested by persons with community of interests to obtain blocks of land upon which to establish themselves; but the scarcity of Crown lands compels the Government to refuse to sanction preference where so many are in need of holdings. The exception is represented by 4 selections of 729 acres during the year, 3 of these being in the Auckland and 1 in the Wellington District. The number of freeholds acquired for the period is 7, and since the introduction of the system 921 holdings, embracing a gross area of 91,347 acres. There remain 646 tenants on this system, and the total area of their holdings is about 118,000 acres, the annual rental thereon being £6,067.

Settlements under this heading are now, generally speaking, surrounded by holdings on other tenures, and their identity is more or less merged in the latter, consequently questions relating to improvements, progress, and prospects of the settlements will be dealt with in the paragraph relating to this phase of settlement.

*Homestead System (Table 15).*

Prior to the passing of "The Land Act, 1892," the Land Boards were empowered to approve of individual applications for Crown lands to the extent of 50 acres of first-class or 75 acres of second-class land, whilst smaller areas were allotted to children. Families could thus secure a maximum of 200 acres of first- or 300 acres of second-class land. The selections were subject to conditions as to improvements and residence, which, if complied with, entitled the selectors to free grants of the lands comprised in their holdings.

One selector acquired the freehold of 30 acres during the year. The registers show that there only remain two selectors (in the Otago District), holding 158 acres in all. Those who acquired the fee-simple since the commencement of the system number 522, aggregating 80,274 acres.

It has been suggested that the system might be revived and applied to the Auckland District, so as to encourage gum-diggers and others to establish more permanent homes and give their attention to farming and grazing.

*Improved-farm Settlements (Table 32).*

There was greatly increased activity in settlement under this heading, in consequence of the decision of the Government that special consideration should be given to the claims of the co-operative workers engaged upon the North Island Main Trunk Railway Line and the contiguous roadworks.

The steps taken to give effect to the Government's decision will be found outlined in last year's report. An examination was made of all Crown lands in the colony, when it was ascertained that none were to be found in the South Island suitable for subdivision into holdings of 200 acres, and the reports received from the several Commissioners of Crown Lands in the North Island demonstrated that no settlement of this class could be established upon Crown lands in Hawke's Bay.