If we deduct the forfeited licenses, nearly half the deferred-payment licensees in the village settlements have already paid up the full amount of the purchase-money and converted their holdings into freeholds; and, as only thirteen of the other half are more than one instalment in arrear, I can confidently assert that, with few exceptions, the whole of the selectors under this system—buying their land, as they do, at £48 per acre for the township and £3 to £15 per acre for the suburban and country land—will fulfil their obligations to the Crown, and convert their holdings into freeholds within the time allowed them by the Land Act, the majority doing so within five years; thus conclusively proving that, given fairly good land, these village settlers, even in the depressed times through which we are passing, when outside work is difficult to get, can, under the ordinary provisions of the Land Act, and without any special assistance to erect their houses, meet their engagements and secure suitable homes for their families, which are or will be their own freeholds.

Having thus shown the relative position of the two classes of village settlements in Canterbury up to the present time, both of which have been so far a success, it remains to be seen if the village-homestead special settlement settler will pay his rent after the land has been cropped once or twice, and ceases to yield a remunerative crop without being heavily manured or left in grass for a few years. The careful, industrious settlers, who have put down their land in grass before exhausting the ground, will, I have no doubt, pay their rents and make their holdings their home; but it is open for the improvident ones, after the land has been cropped a second time, to throw up their leases, in which case the land will revert in an impoverished state to the Crown. This appears to me to be the weak point in the leasehold tenure: time only will show whether or not this is a

groundless apprehension.

The ordinary village settlements on deferred payments, without any advances for building, have, without a doubt, proved most successful, and will yield to the Crown no less a sum than £22,408 for the 2,408 acres taken up to the present time, which gives an average of £9 6s. per acre, nearly half of which has already been paid; and of the balance, very few payments are, as I have stated, materially in arrear. But these settlements can only be carried on to a very limited extent, on a few reserves which it is proposed to devote to this purpose, as there is otherwise no Crown land remaining in Canterbury in a suitable position to place settlers of this class on; so that if it is to be carried on it must be on land specially repurchased from private owners for this purpose. This can, I believe, be successfully done; but the price charged to the settlers for small allotments would have to be made £2 or £3 per acre in excess of the amount paid for the land, to cover loss for roads, subdividing the property, and for loss from persons failing to comply with the conditions, of which there are sure to be some in every settlement, and for the loss in interest for a time, as some of the sections would not be immediately taken up.

One advantage of the ordinary deferred-payment system is that in five years the transaction is completed, the licensee gets his title, and the Crown Lands Department has no further trouble with him. Under the perpetual-lease system, collecting the rent, inspection, transfers, &c., will necessarily be a constant addition to the cost of working the department, and one that is out of all proportion to

the revenue derived.

JOHN H. BAKER, Commissioner of Crown Lands.