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VILLAGE-HOMESTEAD SPECIAL-SETTLEMENT SYSTEM IN NEW ZEALAND

(REPORT ON THE), BY THE HON. W. COPLEY, M.L.C., COMMISSIONER OF CROWN LANDS,
SOUTH AUSTRALIA.

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PRELIMINARY.—OBJECT OF VISIT TO NEW ZEALAND.

I HAVE thought it desirable to supply, for public information, a somewhat extended account of my recent visit to New Zealand. The object of that visit was to inquire into the working of the village homestead special settlements, concerning which so many conflicting statements had been made in South Australia. As a good deal of public attention had been directed to the subject, it was deemed advisable, both by the present and immediately-preceding Governments, that authentic information should be gathered upon the matter, and therefore, at the request of my colleagues, I decided to visit New Zealand, and not merely inspect groups of settlements which might be taken as fair types of the whole, but acquaint myself also with the general circumstances by which the settlers are surrounded. That seemed to me to be essential, so as to enable one to make a fair comparison with our own conditions in this colony. Moreover, I took the opportunity to converse with the settlers, with the Government officials, and with other gentlemen who had been specially interested in the special homestead settlements. A summary of their evidence is appended to this report, and embodied with that is a statement of my own conclusions upon the matter.

EXPLANATION OF VARIOUS VILLAGE SETTLEMENT SYSTEMS.

Before proceeding with a short statement of the observations made during the trip, I may explain for the sake of clearness that in New Zealand provision is made for three special forms of settlement on small holdings. The first is designed to promote the establishment of what are called "Village Homestead Special Settlement Associations," the purpose being to allow any association of persons not fewer than twelve to select blocks of land adjacent to each other, and to hold them on perpetual lease at stated periods, with revaluation. Another form is called the "Farm Homestead Special Settlement on Perpetual Lease." These, however, call for no special comment, and are merely mentioned to prevent confusion with the principal subject of my investigations—the system which provides for village homestead special settlements. Shortly epitomizing the conditions under which lands in these special settlements were selected, it may be stated that the tenure is a perpetual lease, and the first term is for thirty years with the right of renewal for subsequent terms of twenty-one years on revaluation, the right of acquiring the freehold being, however, withheld. No charge is made for lease excepting 10s. for registration. The rental is 5 per cent. upon the capital value, which must not be less than £1 per acre. No allotment must exceed 50 acres, and married applicants are preferred to unmarried. Advances are made to the settlers as follows: £20 towards the erection of a dwelling-house, £1 5s. per acre for under-scrubbing and bush-felling, and £1 5s. per acre for burning, grassing, fencing, and other improvements. These advances are made only on areas to the extent of 20 acres—that is to say, that, whilst the holder of a smaller area might enjoy the advance in respect to all his holding, the holder of a block larger than 20 acres would not receive the concession beyond the 20-acre limit. The maximum of the advance is therefore £70. Where there is no bush or clearing the advance is limited to £20 for the erection of the house. The dwelling-house must be erected within six months of the date of selection, except in the case of bush-lands, when the erection may be delayed, but only until after the first burn; but no advances are made upon the houses until they are ready for occupation. The burn is the burning of the timber after the first clearing of the land. Interest on the advances is charged at the rate of 5 per cent. per annum, payable half-yearly, and no provision is made for repaying the principal. Each selector must live on the land (though that condition has been relaxed in a few special cases, which are mentioned later on), and within two years must cultivate 1 acre, and in four years half the remainder of his section. Permanent improvements are defined, as fencing the land with timber or other durable materials, not being a brush fence, or breaking it up and laying it down in English or other cultivated grass, or breaking

up and planting, or sowing root or other crops therein; and in the case of bush-lands, the felling and clearing of timber and sowing of grass. No person who has an interest in any land of more than an acre in extent in the colony is eligible as a selector under these regulations. A selector can only hold one section, and cannot subdivide or sublet it, though he may transfer it with the consent of the Commissioner of Crown Lands for his district. It may be as well to explain here that the Commissioner of Crown lands, under the New Zealand system, is a Civil servant. The colony is divided into ten provincial land districts, viz: Southland, Otago, Canterbury, Westland, Marlborough, Nelson, Wellington, Hawke's Bay, Taranaki, and Auckland, and each of these is in charge of a Commissioner of Crown Lands. The Commissioner has also power to forfeit a settler's interest in a village homestead block upon non-compliance with the conditions of the law.

SUSPENSION OF VILLAGE HOMESTEAD SPECIAL SETTLEMENTS.

These conditions began to operate in June, 1886, when the Hon. J. Ballance was Minister of Lands, and were suspended in a short time by the Atkinson Government, under the circumstances which are stated elsewhere. It is understood, however, that the Ballance Government, who have lately resumed office, are favourably considering the question of extending the system upon a reorganized basis. When the scheme was discontinued such parts of the land set aside for it as had not been taken up under it were offered under the other conditions of village settlement holdings. Such holdings as were either abandoned or forfeited were also in most cases dealt with under other conditions. These facts cause a little complication in estimating the extent and effect of the scheme, but the figures which I have quoted were obtained from official sources, and are as near to absolute accuracy as it is possible to make them.

NARRATIVE OF THE VISIT.

Southland District.

I left Adelaide on the 19th January, sailed from Melbourne on the 20th January, and, having called at Hobart in the meantime, arrived at the Bluff (Campbelltown) on Sunday evening, the 25th January. The Bluff is the southernmost point of the Middle Island, New Zealand, and, with Stewart's Island, at the other side of Foveaux Strait, is included in the Land District of Southland. The Bluff is the point whence the produce of Southland is exported. The meat-freezing works are close to the jetty, and the growing trade in this industry has had the effect of materially improving the prosperity of the surrounding district, especially by stimulating stock-raising. The land between the Bluff and Invercargill, a distance of seventeen miles, is generally swampy and poor. At Invercargill the central land-office for the district is situated, and here, as in all other land districts which were visited, opportunity was taken to closely question the principal officers and obtain statistics in reference to the special subject of inquiry. The Commissioner of Crown lands (Mr. J. Spence) was absent at Wellington at the time of the visit, but the Receiver of Land Revenue (Mr. J. S. Royds) and the Crown Lands Ranger (Mr. H. G. Mussen) supplied all necessary information. This district is not specially favourable for the village settlement system, there being a scarcity of available Crown lands. Several very small settlements were, however, started, the principal being Seaward Bush, about three miles from Invercargill. Here there are some forty settlers who are entitled to the advance system, having applied prior to its discontinuance. The price paid for the land is about £5 per acre, and the soil is officially described as generally very fair. The largest of the blocks is a little over 33 acres, but few of them are more than 10 acres. Some of the houses, upon which £20 was advanced, cost about £27 or £28. This money was paid on the certificate of the Ranger, who in this district seems to take a strong personal interest in the system. As the experiment is so small, it is hardly necessary to go into particulars in reference to it, beyond stating that the settlement seems to have reasonable prospects of success. The Ranger stated that many of the men who now live on the blocks had no money to commence with, and that the Commissioner of Crown Lands allowed them to give orders for the materials for the house to local merchants, who generally were willing to run the risk of the men putting up the cottages, and thus securing for them payment from the Government. The houses of the settlers in this district, as well as practically throughout the whole colony, are of wooden material, and therefore cheaper than a building of more durable substance would be. The land here is chiefly devoted to grazing a cow or two for the supply of the family with milk, besides perhaps a little for sale. The land is also used for growing vegetables for the house and root crops for the cattle. The coldness of the climate, however, with other considerations, makes this district hardly suitable for anything like an extensive operation of the system. The holders cannot, for instance, grow fruit, and a number of other things which would ripen in a warmer climate would not ripen here. The average cereal yield of this and the adjoining district of Otago (combined) is—wheat, about 29 bushels; oats, about 26 bushels; and barley, about 30 bushels. The mean annual rainfall of the Southland District is 43·674in. The Ranger stated that in one way the system is specially appreciated here, because it provides a man with a home (free from rent) in which he has an opportunity of using his spare time. That is a matter of some consequence in a district where work is somewhat spasmodic during the winter season. The holders are chiefly labourers in the sawmills and other places, and in winter they all have a very slack time. When some of the settlements were opened inadequate access was provided, and the Government made special arrangements with the settlers by which they constructed roads, both for their own convenience and for the general benefit of the community, and the work was done at a somewhat lower rate than would have had to be paid under ordinary conditions. Some of the holders of these special settlement blocks are women; but a man is not allowed to take one block and his wife another.

I travelled through the centre of the Southland District to obtain an idea of the general condition of the country. The distance to the foot of the mountains in the north is about fifty miles. About eight miles from Invercargill is the special village settlement of Makarewa; but this is on a much smaller scale than even that of Seaward Bush. The intermediate land is generally very good. Much of it has been thickly covered with bush, which has been cleared, with a large amount of labour. There does not seem to be a great area under cereals, and those that are grown are principally oats,

as the country is too cold and wet to allow wheat to properly ripen. The principal industry is sheep-grazing for fattening purposes in connection with the frozen-meat export. The land has been sown with English grasses, and very large areas are occupied by turnips for winter feed. Some winters are very severe, checking the growth of grass, and making it necessary that root crops should be grown for use during the coldest months. One notices here the fact, which especially engages attention throughout New Zealand, that the frozen-meat trade must have had a very great effect upon the industries of the country. Long-wool and crossbred sheep are here most generally used. I noticed also a feature which prevails throughout New Zealand, and which peculiarly impresses the Australian visitor—that is, the extremely large number of rivers and smaller watercourses which run in every direction, and which are mostly fed from the snowy mountains. Another noteworthy thing is the spread of the English white-clover along the roadsides, and almost everywhere where a little soil can be seen. In other places the red-clover grows in rich profusion, having been some years ago fructified by the importation of the bumble-bee. At Lumsden, fifty miles from Invercargill and thirty-seven miles from Kingston, which is the terminal point of the railway upon which I travelled, the mountain-range is practically entered. The country there is comparatively poor, the hills being covered in most cases with light fern and a little grass. In these districts large areas are held for sheep-stations, merino being generally the breed reared for the growth of wool, as the country is not suited for fattening purposes. The lessees of the sheep-runs have suffered immense losses here through devastation wrought by rabbits. Some of the leases held have been abandoned, and leaseholders have been ruined. The difficulty of coping with the rabbit-pest is intensified on account of the rough nature of the country and the very plentiful supply of water. The work of rabbit-destruction in such a country as this is very much more arduous than in our own colony. The rabbits, however, have been considerably reduced in number, principally by the use of phosphorized oats distributed in the winter. Laws have also been enacted making the destruction of the pest compulsory upon the landowners and lessees.

Otago District.

The northern limit of the Southland District is defined by the angle of Lake Wakatipu. Thence I went through the heart of the country to Dunedin, which is the centre of the Land District of Otago. The Dunedin line branches off from Lumsden, and Gore (still in Southland) is the next settlement of consequence. Between the two points the small special settlement of Hokonui is situated. Between Gore and Lumsden is a large area which is generally used for sheep-rearing, the principal agricultural operation, apart from the growth of root crops, being apparently the cultivation of oats upon a comparatively small scale. As the country improves near Gore one notices larger crops and closer settlement. A good deal of dairying is carried on in this part of the district, both by factories and privately by the farmers. Gore is a thriving place, the junction of railways giving it communication between Dunedin and Invercargill; but no special settlements have been adopted there yet. The area between Gore and Dunedin is mostly very fine land, which, generally speaking, is carefully cultivated. The industries pursued seem to be particularly dairying and sheep-breeding. The lowest value of the land is estimated at about £5 per acre, and the estimates vary, often going as high as £15. From Balclutha (on the extensive Clutha River), in whose vicinity there is a small special village settlement, to near Dunedin, the railway passes over some of the best land in Otago, especially along the Taieri River. The prominent feature along the line was Lake Waiholā, between which and the mountains to the west is a plain three or four miles wide, with crops of wheat yielding as high as 60 bushels, and of oats as high as 80 bushels per acre. A good deal of dairying also is done. In this neighbourhood I saw the first crops of wheat, which were beautifully clean, and would probably give about 30 to 35 bushels per acre. I was informed that some of the land upon which these crops grow is priced by the owners at £15 per acre. The value of wheat at the time of my visit was about 3s. 6d. per bushel. The prevailing industries are still sheep-grazing and dairying. A few miles before Dunedin is reached the country becomes rougher, and one notices very little cultivation. It seems to be a peculiar characteristic of New Zealand that the land is either quite open and clear or else covered with dense bush, made almost unpassable by the thickness of the undergrowth. There is practically no lightly-timbered country in the whole colony. This fact should be borne in mind in connection with the conditions which are given above for the clearing of scrub in the settlements. We have practically no South Australian scrub lands in such thickly-timbered areas as are described in New Zealand as bush-land. Dunedin is evidently a thriving city, and it has fine buildings, picturesque surroundings, and an air of permanent prosperity. It is the centre for the cheese-making and other dairying industries in the Otago District. Very little has been done with the special village settlements in Otago; but in the course of interviews with Mr. J. P. Maitland (Commissioner of Crown lands) I obtained some figures in reference to the extent of the operations, which are, generally speaking, conducted on very fair land. The number of sections opened under the village homestead special settlement system is 314, the area being 6,674 acres approximately. This land was proclaimed under the system in 1886-87, and in 1888 the balance unapplied for was withdrawn and reopened under other conditions. One hundred and twenty-four sections were taken up, the area varying from 5 to 50 acres, and the total being nearly 1,780 acres. The advances paid up to the end of 1890 amounted to £1,270. Fifty-one sections were forfeited or abandoned, these representing 864 acres, or nearly half the total. These forfeited sections were not taken up again under the special village homestead system, on account of the suspension previously alluded to. In explanation of the number of forfeitures and abandonments it should be mentioned that in several cases special settlements were opened (in proximity to new railway-lines in course of construction. Holdings were taken up by men engaged upon the lines and houses were erected; but as soon as the progress of the contract compelled the men to work at a considerable distance from those holdings they abandoned them. In a large proportion of the cases the original applicants whose applications were granted did not go upon the land at all. The district hardly provides a fair experiment for the

system, as it is mostly bush-covered, and does not allow of the selection of sites for the settlement in localities where settlers may readily obtain work.

From Dunedin to Timaru the railway generally keeps close to the sea, and for a considerable part of the distance the country is rough and hilly with only small patches of cultivation. Near Palmerston, forty-one miles from Dunedin, the prospect opens out, and there are some good fields of wheat. The oat-crops were poor owing to the unusually dry season. Around Oamaru, seventy-eight miles from Dunedin and 152 miles from Christchurch, the land is of excellent quality, stretching from the sea to the hills. This district is celebrated alike for the special qualities of its building-stone, and for its prolific yield of superior varieties of potatoes, large fields of which can be seen from the railway-line. At the port of Oamaru a breakwater has been formed by the Harbour Board. Large freezing-works have been established, and steamers call for the direct export of the meat to England, some of the vessels carrying as many as 50,000 carcasses in their cold-chambers. A little distance north of Oamaru the country becomes very level, consisting of fine pasture-land, used generally for sheep-grazing. Between this and Timaru, the Waitaki River, a very large stream, is crossed. This forms the boundary of the Land Districts of Canterbury and Otago, and the fertile alluvium is occupied by crops of potatoes and fields of cereals.

Canterbury District.

At Timaru, 131 miles from Dunedin, and ninety-one miles from Christchurch, a large and extensive breakwater has been erected to facilitate the shipment of the produce of the back-country. Several extensive roller flour-mills have been established in the town, which is the outlet of one of the most fertile wheat-producing areas in New Zealand. Frozen meat is also exported hence. In the District of Canterbury the average rainfall at the central point (Christchurch) is 25·774in. Here the first experiment on anything like an extensive scale has been made with the village homestead special settlements. The Crown Lands Ranger for the district, Mr. J. E. March, who had been despatched by the Commissioner of Crown Lands at Christchurch, met the party here and travelled for several days with us. During the time he accompanied me he supplied me with much valuable information, and I wish to express my special appreciation of Mr. March's energetic efforts to give the fullest possible opportunity for inspection of the different settlements. Mr. March has had extensive experience of the system, and is an enthusiastic believer in it, if it be conducted under proper conditions. From Timaru we drove to Beaconsfield, a few miles to the south-west. The pleasantly undulating country over which we passed was splendidly suited to agriculture. The ground was covered with verdure, and the landscape was varied by heavy fields of wheat, oats, potatoes, and turnips. Turnips are used as winter feed for stock, of which large numbers appear to be kept. There seemed to be an air of lasting prosperity about the homesteads and farms in this portion of the colony, and the picturesqueness of the locality has been enhanced by the planting of thick clumps of trees, a work undertaken by the County Council and by farmers. The trees have thriven, and greatly add to the attractiveness of the plains, which were originally bare and treeless. At Beaconsfield I inspected the settlement, which has an area of 392 acres. This land is not held under the special "advance" conditions, but under the ordinary village settlement regulations, which are somewhat analogous to our own homestead block system. I inspected a number of the places, and conversed with the occupiers. Some of the blocks are used to the best advantage, with the result that the persons upon them, who were previously mostly labourers without capital, are possessed of a comfortable home. Other blocks are almost as unimproved as they were on the day when they were taken up. In this and other places the difference between individuals with practically the same circumstances is clearly shown. This settlement was opened in 1883, and it has now thirty-two settlers, the areas held by them varying from 5 acres to 20 acres, and the average price paid per acre being £12, though some blocks go as high as £15. Some of the land is used for grazing only, whilst other parts of it are applied to the growing of fruit and vegetables. Most of the produce is used to help in the support of the family, the remainder being, if possible, sold. Some few of the people who apply themselves to the task of improving their blocks seem to be doing fairly well by dint of hard work. Returning to Timaru, we went by train to Temuka, about 11 miles distant, and thence drove through the principal of the village settlements, beginning at Arowhenua, three miles from Temuka. The history of this village settlement is specially interesting. During the years 1873 and 1874 a very large number of immigrants were introduced into the district, and all public buildings were taken up for their accommodation. A good proportion of the men were at Temuka, and the Hon. Mr. Rolleston, who was then Superintendent of Immigration, adopted a plan which resulted in the establishment of Arowhenua. The reserve (now known as the Arowhenua Village Settlement) was surveyed into quarter and half-acre sections. The men were placed under the charge of two foremen (who had a thorough knowledge of sod work), and under their direction a number of sod cottages were erected by the men working in a body. No man knew what place he would occupy until after they were all finished, when lots were drawn and the huts apportioned accordingly. These huts cost the Government about £10 each. The men were allowed to live in them for three years, the first year rent free, and at a rental of 2s. per week for the two following years. The rent was duly paid, and the men continued to occupy the cottages after the two years had expired, paying rent at the same rate during that period. Steps were then taken to allow the settlers to acquire the freehold on which their huts stood. The price fixed for the land was £30 per acre, payment extending over a period of five years. Most of the original huts have now disappeared, and many of the settlers have sold out and taken up larger blocks of land. A number of the blocks have been used for fruit- and vegetable-growing, and a thriving village has been formed. The immediate drawback, however, is over-production. In some cases (I was informed by the settlers) the fruit dropped off their trees last year, because they could not get rid of it by sale. The object of this settlement was not so much to enable the men to live on the produce of the land as to provide a home for them, and the houses naturally seem to be appreciated by them. In this neighbourhood there are half a dozen blocks of an acre each, occupied under the special village settlement conditions. Some of the land is of first-class quality, with streams running through it. The capital value of the blocks is fixed at £30 per acre, or £1 10s. per acre rent, in addition to the

interest on the advance. At length we reached Orari, which is eighteen miles from Timaru. In this place there are eleven settlers, and the blocks are 5 acres each, the rent being 7s. per acre; but the soil is not so good as that of Arowhenua. A few of the holders seem to be doing very well with their land, and amongst other things I was shown a crop of oats which yielded 50 bushels to the acre this year, and had done the same last year. From Orari we proceeded by train to Ashburton, which is 178 miles from Dunedin and fifty-two miles from Christchurch. Next day I was driven over the various village homestead special settlements in this locality, the first being suburban to and named after the town of Ashburton. In the special settlement suburban to this place there are only half a dozen settlers, and the blocks are 20 acres each. The rent paid is 5s. per acre. I also called at Dromore, Chertsey, and several other small settlements, some under special and some under ordinary conditions. In a number of them the land is inferior and dry, and in some cases the rent is as low as 2s. per acre. The occupiers do not seem to have the advantage of a conveniently adjacent market, and they are not able to do much with their land except to grow wheat and oats. The blocks in this inferior country are larger, some being 40 acres in extent. These are all on the great Canterbury Plains, and the comparative scarcity of water was felt by the occupiers of the newer settlements until the County Council gave a water-supply at a nominal cost, varying from 3d. per acre per annum, by bringing down a number of water-races from the main channels, which are filled by springs and snow waters in the hills. The water is not, however, allowed to be used in the ordinary way for irrigation. The current must not be diverted, but the landholder may dip from the race. The land is in a bleak exposed position, and the wind blows over it sometimes with tremendous force. To modify the severity of the blasts thick hedges have been grown, and extensive areas have been planted with trees by the County Council. From Orari we drove as far as Rakaiia, and having inspected that settlement there, which consists of eight settlers, holding 16 acres each, at a rent of 10s. per acre, I took the train for Christchurch. Arriving there on the 4th of February I was met by Mr. J. H. Baker, Commissioner of Crown Lands for Canterbury, who cordially assisted me in accomplishing the object of my mission. Speaking generally of the system, Mr. Baker said, in a special report which was furnished to the New Zealand Government some time ago, that most of the land set aside for the blocks in the Canterbury District was not sufficiently good for continuous heavy crops; and it might be a question whether the settlers who did not lay down perennial grasses would not leave their holdings when they found the land to be impoverished, the Government consequently getting back the land in a worse state than it had been in before. That was indicated as a possible objection to the leasehold system. Of the lessees, a number were children who had taken up land adjoining the holdings of their parents, and in their case the residence conditions had been suspended for three years. In one place some of the lessees, where the land was likely to be flooded, had been allowed to live on the neighbouring land. I also found during my inspections that in a few instances applications for the special settlement blocks had been granted to crippled people—men, for instance, having only one arm or leg; but in these cases the family helped the father to develop the block. In other cases the husband had died, and his widow and family continued in occupation, the saving of rent being an important consideration; and the children assisted to cultivate the land, so as to comply with the conditions. Throughout a liberal interpretation has evidently been placed upon the Act in this district, and the same remark applies to some extent in all the others. Summarising the voluminous information supplied in reference to the Canterbury District, which is the centre of the special settlement system in Middle Island, it may be stated that the holdings are not on bush-land, and therefore, as no clearing has to be done, the advance to the settlers is limited to £20 for the dwelling-house. Advances have been made in this district in 113 cases. Forty-eight blocks have been forfeited, and twenty-nine of them taken up by other applicants. The interest has been regularly paid, the arrears on the 31st December last being only £102 12s. 3d., which is, moreover, greater than the real sum in arrear, as opportunities had not then been given for the collection of all outstanding amounts, which are either sent to the local offices or given to an official when he calls. As previously stated, in the special settlement system no provision is made for the repayment of the advance, interest upon the principal being required by the Government at 5 per cent. in perpetuity. Some of the Canterbury settlers, however, agreed, in special cases, to repay the amount by instalments of £5 per annum, after four years from the date of the advance; but there is no provision in the law by which the loans could be recovered. The earliest settlement in this district was formed in July, 1886, and the latest in May, 1887. Altogether there are 173 settlers; the largest number in any one settlement under the advance conditions being seventeen; whilst there are two settlements having only four settlers each, and others having only three, two, or one. The blocks vary from 1 acre to 50 acres, the smaller figure applying only to Arowhenua. The largest total area for a village under the special conditions is 790 acres (at Hinds), and the smallest 6 acres (at Arowhenua). Several of the settlement areas are over 500 acres, and a fair number are under 50 acres. The highest price paid for the land is at Arowhenua—viz., £1 10s. per acre, equal to £30 capital value, to which is to be added the interest on the cost of the house. The lowest is 1s. per acre, equal to a capital value of £1 per acre, which is the price fixed at Oxford. In a great many cases the rent is 2s. per acre, and the highest (next to the £1 10s. at Arowhenua, which is quite exceptional) is 10s. The total amount advanced upon the settlements in Canterbury is £2,260, the rent paid to the end of last December amounting to £1,795, and the interest to £279. The total of interest and rent received by the Government was thus £2,075. (A detailed return relative to the operation of the system in this district is embodied in the Appendices.) In company with the Commissioner for Crown Lands for Canterbury (Mr. Baker), I took opportunity before leaving the Christchurch District to visit the Canterbury College and School of Agriculture at Lincoln, about fourteen miles by railway from the city. The road over which we drove between the two points is crossed by numerous water-races, and the College is in a picturesque situation. The institution is under the control of a board of governors, and has a staff of lecturers in agriculture, chemistry (general and physiological), physics, natural science, veterinary science, mathematics, land-surveying, and book-keeping; and of course examiners in agriculture make periodical visits. The institution is supported by endowments of land, students' fees, and the profits

of the farm. The building, which is a very fine structure, is intended to accommodate forty-five pupils, though there were forty-seven at the time of my visit, the reduction of the fees having increased the attendance. The fee, which was formerly £65 per year, is now £40. All the pupils have separate bedrooms and all other necessary conveniences. The College is also well furnished with lecture-rooms, laboratories, &c. The farming implements are of a very complete character, and include Wolseley shearing-machines, dairying mechanism of the most modern kinds, and all other apparatus necessary for giving the students a good general idea of the farming industry in all its branches. About twenty cows are kept, and a good deal of sheep-grazing is done. The land is of the best class, and grows heavy crops of cereals and green fodder, such as English grasses and clover, as well as turnips and other root crops. The area of the land is 660 acres, and it is subdivided into a number of small paddocks, every one of which has running water passing alongside it, either from springs or from the local water-races. The establishment is under the charge of Mr. W. E. Ivey, who appears to have special capacity for the position he holds. Mr. Ivey showed me all over the farm, and explained the operations conducted there.

Westland District.

I next visited the Westland District, which adjoins Canterbury and skirts the West Coast of New Zealand. The first thirty-eight miles of the journey from Christchurch is done by railway, the present terminus of the line being Springfield. For the greater part of this distance the train traverses the great Canterbury Plain, which showed signs of the drought that has affected it this year—a season which was reputed to be the driest known since the settlement of this part of the colony. All the way through the Land Districts of Canterbury and Westland the track crosses and recrosses a numerous succession of rivers and mountains. The scenery, which is of a most beautiful and diversified character, includes the famous Otira Gorge. Opportunities were given during this trip (154 miles) for observing the hydraulic gold-mining operations at Kumara and adjacent places in the Hokitika district. The country near the West Coast is generally densely covered with bush. The soil is very poor, and quite unsuited for agricultural purposes upon any scale worth mentioning. In addition to the poorness of the land, the rainfall is exceedingly heavy, averaging more than 112 inches. At Hokitika is stationed Mr. G. Mueller, Commissioner of Crown Lands for Westland. That gentleman supplied much interesting information in reference to the working of the land-laws. In his company I was driven by Mr. John Marks to Kanieri, which is closely adjacent to Hokitika, and has attracted attention as one of the centres of gold-dredging operations. Thence we proceeded to Kokatahi, about twelve miles from Hokitika, having during this short journey to cross and recross many streams, swollen by the melting of the snow upon the mountains which surround this spot on all sides but the coast. The object in visiting Kokatahi was to inspect a settlement occupied by eight holders of Crown grants given under clauses made specially applicable to Westland District in the Act of 1885. The system is that of the homesteads already referred to, under which a free grant of land is given without any payment except the cost of the survey. The area dealt with under these conditions varies according to locality. In Westland a person eighteen years of age or more may select 50 acres, and a person less than eighteen may select 20 acres; but the total area available by any one family or number of persons occupying one household must not exceed 200 acres. Five years' residence is compulsory, and at the end of that time a free grant is given on condition that within eighteen months the selector shall erect a permanent dwelling-house, and that he shall each year bring under cultivation one-fifteenth of the area if it be open land and one-twenty-fifth if bush-land. After inspecting the holdings I questioned some of the occupiers, who assured me that, even though the land is given to them, it would be impossible to make a living upon it without some capital. The clearing is heavy, and the excessive humidity of the climate practically limits the operations to grazing and dairying, as cereals will not ripen here, though on some of the sections a little is done in growing apples and other hard fruits. By great industry the holders, the chief of whom has been eight years on his land, appear to be just making a living. Whilst in this district I obtained information concerning a noted experiment with a village settlement at Jackson's Bay, about fourteen years ago—an experiment which shows the necessity for fostering rather than forcing a system of occupation in small holdings. A number of foreigners and other persons not specially adapted for the work were conveyed to Jackson's Bay, near the mouth of the Arawata River, at the southern end of Westland. They were placed upon blocks of land varying from 10 to 70 acres, and were charged nominal rents. As they had no money, the Government built houses for them at a cost of about £25 each, relying for repayment upon the wages which the men were enabled to earn upon public works that had to be started to support them. The settlement was in a place which offered no outlet for the produce that might be grown, as there was no population engaged in connection with other industries, and most of the settlers had no previous training in the cultivation of the soil. The experiment was a costly failure, and it should not be without its instructive lessons. From Hokitika we proceeded by way of Kumara to Greymouth, our course lying chiefly through mineral and flax-covered country close to the sea. The population is principally supported by mining. At Brunnerton (eight miles from Greymouth) we were conducted over the property of the Grey Valley Coal-mining Company, by the Mayor of Greymouth (Mr. Matheson) and the manager of the company (Mr. Bishop). The operations of the company are at present limited to one part of their property. The men are working upon a seam varying in thickness from 12ft. to 16ft., and the output amounts to about 700 tons of coal a day. The company are endeavouring to open up a trade to Port Pirie in coke, and it is expected that this will assume considerable dimensions. Greymouth district is distinctly a mineral country, and, apart from a little working of flax, little is done in other industries. The cattle and sheep used for food are imported principally from Wanganui, in the North Island.

Nelson District.

From Greymouth we went by sea to Nelson (215 miles), where I had an interview (in the absence of Mr. Greenfield, the Commissioner of Crown Lands) with Mr. J. T. Catley, the Receiver of Land Revenue, who gave some particulars about land settlement in his district. A number of settlers are prospering on small holdings, under a system having only a local application, but they

have not the advantage of the advances. A good deal of hop-growing and gardening—the fruit being utilised in the local manufacture of jams—is done in the district; and the settler thus has the advantage of dealing with constantly and readily marketable products. Dairying and sheep-grazing are also engaged in.

Wellington District.

Having concluded my observations on the Middle Island, I left Nelson for Wellington, the capital of the colony, 370 miles by sea from Greymouth. The city shows satisfactory signs of progression, and an increasing disposition to centralise the mercantile business here appears apparent. At this place I had conversations with the Premier (Hon. J. Ballance), the ex-Premier (Sir H. Atkinson), the Native Minister (Hon. A. J. Cadman), and, amongst others, the permanent heads of the Lands Department, both State and provincial. The position of the two gentlemen first named in connection with the special settlement system has been the subject of comment in our Parliament, and I have thought it well to include in the summary appended to this report the gist of their statements. The general bearing of the remarks of the officials who had had most to do with the village special settlements in Wellington District was to the effect that, where suitable men had been placed upon suitable land, with access to market, success had been secured; but comparative failure in the absence of those conditions. At the inception of the system there was evidence that a good many of the men who applied for blocks in part of this district—Pahiatua, for instance—never went upon the land. In the Wellington Land District (in which were 133 blockholders, with an area of 1,836 acres) difficulty had been experienced in getting arrears of rent from a number of the settlers. In some cases forfeiture had had to be enforced, and reductions of rent had been asked for in certain localities. Before leaving the capital for an inspection of some of the settlements in this district I accepted an invitation to visit the Wellington Woollen Factory and the Gear Meat-freezing and -preserving Works at Petone, seven miles from Wellington. I was accompanied by Mr. Cadman (the Native Minister), Mr. T. K. Macdonald (one of the members for Wellington in the House of Representatives), and Mr. N. Reid (chairman of the Gear Company). The operations in both establishments are of a most interesting character. The Gear Company conduct their works upon a very extensive scale. Not only is meat frozen and preserved by canning, but a great deal of tallow is exported, and a fellmongery as well as manure-works are associated with the establishment, which is successful financial and otherwise. The woollen factory also turns out a varied and excellent class of goods, and is likewise a financial success.

Proceeding northward, I left Wellington for Eketahuna. Upon this course, the railway passes over the Rimutaka Range, where, near the Summit station (thirty-five miles from Wellington), the train makes a descent on a gradient which in some places is as steep as 1 in 15. In addition to the ordinary line, a centre rail is provided. This is gripped by wheels on the special "Fell" engines, so as to secure greater break restraint upon the train, whilst, should the carriages get beyond control in spite of all other precautions, they can be run on to an ascending siding, which speedily brings the train to a standstill. From Wellington to this point the line does not traverse much good agricultural country, and bush-covered hills prevail. The land in the Wairarapa district, however, improves. Around Masterton (seventy-one miles from Wellington) and Mauriceville (a Scandinavian settlement, twelve miles further on, where also is one of the special village homestead settlement areas) more cultivation is noticeable, although the pastoral is still the prevailing industry. Eketahuna is the present terminus of the railway from Wellington (ninety-eight miles). It forms part of the country known as the Forty-mile Bush, and around it are a number of village settlements, held under ordinary conditions. The occupiers have done a great deal of heavy clearing work, the bush throughout the district for a great many miles being exceedingly dense. Thence I drove sixteen miles to Pahiatua, through country which has been cleared comparatively recently, and which is now devoted almost entirely to grazing. This work of clearing has proceeded at a very rapid rate since the extension of the frozen-meat trade has enabled the land to be held profitably for sheep-grazing. I was informed that during the last twelve months in this district more than 20,000 acres of the bush had been cut down, the cost of this work amounting to about £2 or £1 10s an acre. We saw immense quantities of felled timber awaiting a favourable opportunity for a "burn," which is of the utmost consequence to the settler; but, as the summer had been very wet—the conditions of the season having been exactly the very reverse here, as well as in Westland, to those at Canterbury—it was very doubtful whether the "burn" would be obtained until next year. After the bush has been burnt off the land is immediately sown with English grasses and clover, and in a few months afterwards sheep and cattle may be grazed upon it. I was assured that this land will carry, on an average, from three to eight sheep to the acre all the year round. This area is used only for grazing, as the expense of clearing the land of stumps and logs, and making it fit for cultivation, would be so great as to render the operation unprofitable. It is evident, however, judging by a few small orchards which I saw in the district—especially on the smaller holdings—that the harder kinds of fruits may be grown extensively. At Pahiatua I was met by Mr. R. H. Reaney, chief surveyor in the district, who drove me through the special village settlement in the locality. This place, which has an area of 765 acres, held by seventy-three settlers, is in the midst of dense bush-land, and a great deal of work has been done in clearing and timber-burning. The holdings cannot be used for some years, except for grazing and gardening on a small scale, on account of the drawbacks previously mentioned. In the meantime a home is provided on the land for the lessee's family; a little roadwork was done at first, a cow is kept, and a few vegetables are grown for home use, and possibly for sale now and again to the neighbours. The husband goes out to work, chiefly at tree-felling for the neighbouring graziers, or in road-making, as none of the blocks is sufficient to wholly support a man and his family. Indeed, here, as in other settlements, some of the holders complain that the blocks (which average about 12 acres in this district) are too small. A lot of the blockholders, not satisfied with the perpetual-lease conditions, are trying to get titles in fee-simple, and, according to the best evidence, if they should succeed they would speedily be bought out by the larger holders. The rent paid by them varies from 5s. to 2s. per acre, in addition to the interest upon the advances for house, &c. This settlement at Pahiatua is one of the principal in the North Island, all the blocks being occupied. From this place I drove to Woodville, ten miles

distant, and three miles from the famous Manawatu Gorge. There is another settlement here under conditions similar to those just described. I was met at Woodville by the Minister of Lands (Hon. J. McKenzie), who had remained here a day so as to have the opportunity of meeting me (as he had been absent from Wellington), and exchanging information relative to the land systems of our respective colonies. At this point I wish to specially acknowledge the assistance which the Minister rendered to me during my journey, particularly by instructing the officials at the land offices throughout the colony to give me all the information in their possession concerning the subject of my inquiries. Woodville is a comparatively older settlement. The space now occupied by the borough has been literally "carved out of the dense bush." Very little cultivation is done, sheep-breeding and dairying being the uses to which the land is generally applied.

The latest available summary of figures relative to the special settlements in the Wellington Land District is made up to the 31st March, 1889, which is after the operation of the system had been suspended. From the details supplied to me I find that 139 holdings had been taken up in the Wellington District out of the 1,196 then held under the system in the whole colony. The area selected by the 139 persons represented a total of 1,945 acres. Of the original settlers 120 remained on the land and nineteen had transferred to other holders; eighty-seven were resident and fifty-two non-resident; twenty of the original settlers threw up their holdings. Of the 1,945 acres 1,400 were cultivated, all but 20 acres being in grass, and eighteen of that twenty in garden. The total advances amounted to £4,855; £252 was spent in roadworks, and £18 in fares, &c. The yearly rental payable by the settlers to the Government, including interest on advances, was £383, and the total sum paid to the date of the return in rent was £386, besides £141 interest on advances, or, together, £527 from the adoption of the scheme.

On the way to Wanganui I drove through the famous Manawatu Gorge, the upper end of which is about three miles from Woodville. The passage through the Gorge is four miles in length, and the road runs along a steep shelf cut out of the mountain side over the River Manawatu, and so narrow as to leave room for only one vehicle. A railway has been constructed through the Gorge at very great expense, but its opening had been delayed in consequence of heavy landslips making the use of the line impracticable. On the way to Palmerston North, ten miles from the Gorge, one drives over level country well suited to, and much used for, grazing. Here we took the train for Wanganui, 158 miles from Wellington, the track further on proceeding through territory in which was done some of the fiercest fighting in the Maori wars. The line crosses alternately level an undulating land, which, having been cleared of bush, represents valuable holdings. Some of the soil is very rich, and this is gradually being turned to account for dairying and agriculture. The pastoral industry, however, is still the staple. Horse and cattle-breeding are done, but sheep pay best, and the tendency is for the farms to become larger in order to accommodate the stock. I was assured that much of this soil, when sown with English grasses, carries from three to ten sheep to the acre, and that the grass does not require renewing for a number of years. Many of the cattle raised here are exported to other parts of New Zealand, more especially to the mining districts in Westland. Mount Egmont is a remarkable natural feature in the Wanganui country on the way to New Plymouth (107 miles). In appearance it is one of the most imposing mountains in New Zealand, as it stands alone, is 8,300ft. high, and is an almost perfect cone, with perpetual snow on its top. It has a considerable influence upon the rainfall of the Taranaki Land District, of which the River Wanganui forms part of the dividing-line bounding the Wellington Land District. The registered rainfall is 58·084in. Almost numberless streams run down at the foot of the mount, fertilising the surrounding land, some of which is the best in the whole colony, especially for grazing. Most of it has been cleared of exceedingly dense bush. The felling of bush in many parts of the North Island has proceeded at an enormous rate.

Taranaki District.

At New Plymouth, where there is an extensive and expensive breakwater, I obtained some information at the Land Office, in the absence of the Commissioner, from the Receiver of Land Revenue, Mr. A. Trimble, and from other sources. This place was principally settled by Devonshire families, who went there fifty years ago, and still live on small holdings, carrying on dairying operations and farming, but evidently not making much progress. As most of these settlers are not able to employ labour or purchase produce, having enough of their own, the experiments made with the special village settlements in the district have not been successful. This result may be partly due to the fact that some of the settlements were apparently opened in the bush without adequate means of communication. One called Makaka was started twelve miles from Stratford, the nearest town in the country, watered by the River Kaupokonui. Three hundred acres were offered in blocks of from 50 acres downward, but no application was received. Afterwards one block of 50 acres was taken up, but the settler did not apply for the advance, and, unless he should speedily comply with the conditions of the lease, the officers of the Land Department will be bound to forfeit his holding. This is the only piece of land held under the village special settlement system in Taranaki. Two other settlements were opened under the same system—185 acres of open land at Warea, in blocks varying from 1½ to 25 acres, at a rental of 3s. per acre; and twenty-seven sections of bush-land, from 12 to 19 acres, at Punehu, at from 1s. to 2s. per acre, this being the only one which was near to a township; but none of the blocks were taken up. This failure is mentioned because it may have its useful lesson in considering the general question.

Auckland District.

From New Plymouth I went by steamer to Onehunga (155 miles), and thence by railway to Auckland (eight miles). In the City of Auckland are the land offices controlling the land business over the extensive district of the same name, stretching from the North Cape to the boundaries of Taranaki, Wellington, and Hawke's Bay. The rainfall at Auckland itself is 45·306, but the large area in the district naturally provides great variations. As I had heard in many directions, both in New Zealand and elsewhere, of the failures of the special-settlement system in this district, and that the experiences here had been the chief cause of the suspension of the system, I made

particular inquiries from Government officials and other gentlemen competent to give evidence upon the matter, and had recourse also to official documents. The experiments in Auckland District were four times as extensive as those in any other, the number of persons who took up the land being more than half of the total for the whole of New Zealand. It appears evident that at a time when the unemployed difficulty was a pressing problem in the larger towns the village homestead special settlement system was "rushed" as a relief measure designed to disperse the unemployed into the country districts. In the hurry sufficient care was not taken in the selection, either of the locality for the settlements or of the men who were to go upon them. People who had never lived out of large towns were sent to the land without capital either of money or of experience. Amongst them were many artisans and men who had been employed in shops, as well as a large number of labourers. For the more indigent of these persons the Government paid the cost of travelling from the towns to the settlements, but a number of them never went upon the ground; and at the end of a short period after the inauguration of the system not more than half of the original settlers remained, whilst some of the balance found their way back to streets which they had left. Special efforts had to be made by the Government to give subsist employment to those who persevered with their holdings, and the expense involved in doing this formed a subject of severe parliamentary condemnation of the Government of the day. Roadworks were started upon an extensive scale, and the blockholders earned a little money by digging up kauri-gum in the adjacent forests. The following figures will give some idea of the progress of the system: On the 31st March, 1887, nine months after the first land had been taken up on special village homestead conditions, 896 persons had selected 29,000 acres all over the colony, but chiefly in Auckland, the average area held being 32 acres. The next calculation showed that many of these original holders abandoned or transferred their blocks to other persons. On the 31st March, 1888, there were 975 blockholders, the total area held being 30,100 acres. Of these, 975, more than half (496, representing, with their families, about 1,400 persons, and holding 21,430 acres) were in the Auckland Land District, the number of the settlements being nineteen. In the year and nine months which had elapsed since the inauguration of the system throughout the colony £11,673 had been advanced by the Government to the settlers under the regulations, and £10,148 had been spent by them in road-making, undertaken specially in connection with the settlements, and mostly in the Auckland District. The idea, of course, was that the roadwork, at the beginning of his enterprise, would, with his advance, enable the settler to live whilst he was clearing his block and laying it down in grass. At this time the receipts in rent and interest amounted to £789, and the arrears to £277, or more than one-third of the total. The exact proportion of the advances made in Auckland District during this period was £5,802, against which should be set the value of the improvements upon the holdings, represented by £7,557. When this return was prepared ten sections had been abandoned, the sum paid on them being £126; six had been transferred, and 143 forfeited. On the 31st March, 1889, the department had to confess that, whilst some of the favourably-situated settlements were successful, others were not—comparisons unfavourable to Auckland being made with Canterbury, where the settlements had been in great degree self-supporting almost from their inception. By this time the number of original settlers on the block had increased to 1,159, of whom, however, 614, or only slightly more than one-half, remained. There had been 275 transfers and 120 forfeitures, the land in the latter case being available for selection under other conditions, the "advance" system having now been suspended. The area held was 28,368 acres, and the total amount of advance on the land and for the houses had swollen to £19,000, the annual rent and interest combined being £2,693. The rent was now greatly in arrear. The sum of the overdue payments was £1,723—£1,394 for rent and £329 for interest. Of this £1,723 all but £400 was owing by the Auckland settlers, notwithstanding that they had received £9,232 in advances—the expenditure including the cost of practical lectures and gifts of trees—and that roadworks in the vicinity of their settlements (works started for their assistance) had involved an expenditure of £12,414. Even up to the present, I was assured, some of the blockholders had not paid any interest; but the department at Auckland states that the position of the settlements is improving with the easier means of communication, and the "sifting-out" of unpractical and useless men. The latest particulars about the Auckland settlements are contained in a return which was supplied to me at Auckland. The salient points in that document, briefly epitomized, give a sufficient review of the settlements from October, 1886, to February, 1891 (the time of my visit), but I have thought it well to include the full return in the Appendices. In February there were fifteen of these settlements, out of seventy-five in the whole colony, spread over various parts of the Auckland District. From the beginning, 650 original applicants had been accepted, and, of these, 506 took up the blocks. In some of the settlements only about half the applicants did more than have their applications accepted, and of the 506, 446 went upon the land. The number of present holders is 312, of whom 282 are actually resident. The advances which have been made amount to £9,270, and £15,397 was spent upon roadworks. The value of the improvements upon the blocks is £13,745. The arrears of rent amount to £641 10s. 6d., and the arrears of interest to £503 7s. It is explained that though the expenditure upon roads appears large, and although it was incurred directly for the benefit of the village settlers, the benefit to the adjoining Crown lands is great. The work has enhanced their value and made them accessible, "the result being," as stated by Mr. Humphries, Commissioner of Crown Lands at Auckland, "that thousands of acres have been selected on deferred payment and perpetual lease, and lands have been opened which would have remained unoccupied had it not been for the formation of the settlements and the expenses attendant upon road-making." The largest settlement is Motukaraka, where there are now thirty-six settlers, though sixty-three originally applied for the land and fifty went upon it. In some other cases only eighteen remain out of thirty-nine who applied, fifteen out of thirty-two, thirty-one out of eighty-three, twelve out of forty-seven, and twenty-five out of seventy-two, though it is only fair to add that in all these cases the proportion who actually went upon the land bore no relation to the number of those who applied to go upon it. One settlement which especially challenges attention is that at Herekino, where 125 applications for the land were accepted, 108 took up sections, ninety-nine went upon them, and only thirty-four remain. This

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-

nities. We have gained experience in New Zealand about the conditions essential to success in this settlement system, but we have wasted a lot of money through not taking the precautions I have indicated." A number of Government officials expressed sentiments similar to those of Sir Harry Atkinson, whilst others enlarged upon the advantages of the settlements to employers of labour. They stated that the fact of a man keeping upon his holding and complying with the conditions is considered by neighbouring employers as some guarantee of the man's character and capability, and that through the proximity of the settlements they can always be sure of getting suitable labour whenever they require it. A prominent Government officer pointed out, as the result of his experience, that the settlements must really grow with districts, and not in advance of them. "Wherever we have a respectable person with some experience of working land placed upon a village homestead section of a fair quality, with a market adjacent, he will do well. The advance is really, so far as it goes, a perpetual loan at 5 per cent., and it is undoubtedly useful to the man, whilst the Government have the improvements as security. But an inferior man would not do any good. It would be difficult to obtain any rent from him—we have already found that in the working of the system—and no Government likes to evict a man, especially as parliamentary influence might be invoked to keep him on the land. But above everything else the settlements must not be forced, as has been done in Auckland." Other officials included, in an enumeration of what they considered to be the "dangers of the system," the opinion that "it may easily be used for political purposes by being made a popular cry, as has already been done. One of them remarked: "Personally, I think that the bother and difficulty of collecting the rents is a serious consideration; and, judging from past experience, I should not wonder at all if attempts should be made in Parliament to get the rents reduced, or the interest on the advances stopped, and possibly the advances themselves wiped off the settlers' accounts after a certain term of years. Already applications have been made in many quarters for reductions of rent, and numerous attempts have been started to secure the freehold." I may add that I had evidence of this fact in nearly all the districts, as well as from the Premier, and also of the other fact stated by the officer whose assertions I have repeated—that if the right of acquiring the freehold were given the settlers would sell out at once. "I fear," said the same official, "that Parliament will at last yield to repeated pressure, and allow the settlers to sell out. If they do, complications will probably be produced, and difficulties in obtaining repayment of the money advanced by the Government, and for which the perpetual lease is really a security."

A classification of all the evidence gives the following as chief essentials to the success of the system: (1.) Suitable land of good quality (because poor land would be useless for working in small areas). (2.) Locality where other industries will give sufficient employment to the blockholder to enable him to partly occupy his time whilst improving his own block; and (3) where a reasonably ready market for the sale of his produce will be provided. (4.) Access to the land by means of roads seems an obvious condition, but one overlooked in some of the New Zealand settlements. (5.) Selection of the right class of settlers, and care not to put too many people upon any one settlement.

Suggested Amendments of the New Zealand System.—Amongst the defects in the evidence gathered in several districts to exist in the present system were the following: (1.) The absence of any condition for the repayment of the advance, it being urged by a number of the officials connected with the working of the system that the presence of such a condition would have the effect of removing one strong temptation for the invocation of parliamentary influence in the direction already indicated. (2.) The omission of any provision for insurance of the houses built by the advances. (3.) The lack of any power in the Act giving the Land Department authority to discriminate between applicants for the advances, except that married men are to be allowed preference over single men. "The department," said one of the officers, "is bound to take any one who may offer himself, although it may know him to be unsuitable. Some few applications have been rejected, but this was done without parliamentary authorisation." (4.) The absence of any provision that if a man abandons his holding on which advances have been made he should not be eligible to take up any other land under these conditions.

Miscellaneous.—In connection with the working of the system some expedients have been adopted which are not precisely indicated in the law. Thus (1), the holders are not allowed to mortgage their blocks; and (2) there can be no seizure of a block by outside creditors for debt, as the Government hold the improvements as security for their advance, though there might be some legal difficulty if this matter were pressed to an issue. (3.) In revaluations the land only, and not the improvements, would be revalued; and, should the land not be relet to the original occupier, the proportion of the improvements made as a result of his labour would be repaid to him, the new tenant's rent, of course, being based on the value of the land as improved. (4.) Transfers are allowed upon conditions, and some of the holders have already transferred with the object of working larger areas under other systems. Upon this fact is based the argument that the village system is a sort of apprenticeship to more pretentious kinds of farming. I should add here that several of the blockholders complained to me that they wanted larger areas than were provided; the maximum, as stated elsewhere, is 50 acres. (5.) Amalgamation.—In a few special cases, amalgamation of blocks was allowed.

Perpetual-lease System.—To prevent misapprehension which may be caused by the statement in reference to the general land system that the "perpetual-lease tenure is by far the most popular in New Zealand"—a statement which has relevancy in connection with the assertion made above that many of the holders of these special settlement blocks wish to acquire the freehold—it may be well to explain that, under "the perpetual-lease" regulations in New Zealand, the lessee may, pursuant to certain conditions set out in the Land Acts, obtain the fee-simple at any time after the first twelve months, subject to his having put upon the land improvements equal to those stipulated for in the conditions for six years' occupancy. This, of course, does not apply to the special settlement system, but I have thought it well to refer to it.

Repurchase of Land.—In many directions I was assured that, though in new surveys reserves are being set apart for purposes of possible village settlements in the future, there is practically no suitable land available for present extensions of the settlements. The Premier told me that he will

probably introduce a repurchase scheme in connection with the proposal to extend the small homesteads; and Sir Harry Atkinson stated that he had tried two or three times, but failed, to pass a line upon the estimates for the same purpose. I met with evidence that private landowners would be willing to sell at reasonable rates under such a system; but, on the other hand, there was a consensus of opinion that any scheme of repurchase would have to be worked with exceeding care, to prevent its being abused.

Conclusion.—As the intentions of the Government in reference to the subject of this report are a matter of policy, for determination by Cabinet, I do not think it expedient at this stage to make any further observations. The report, however, is published thus early so as to place the Parliament and the public in possession of the information which has been collected.

WILLIAM COPLEY.

APPENDICES.

THE two returns which follow are appended to the report as fairly typical of the whole. The first refers to Canterbury Land District, in which the settlements have been the most successful, and the second to the Auckland Land District, in which the greatest number of failures have occurred for reasons mentioned in the report.

NO. I.—PROVINCIAL DISTRICT OF CANTERBURY.

RETURN OF VILLAGE HOMESTEAD SPECIAL SETTLEMENTS ON PERPETUAL-LEASE CONDITIONS.

Settlement.	Date when Formed.	Number of Settlers.	Area held by Each.	Rent Paid per Acre.	Total Area.	Amount Advanced.	Rent Paid to Date.	Interests Paid to Date.	Total Rent and Interest Paid.	Areas on 31st Dec., 1890.
			Acres.	£ s. d.	Acres.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Alford Forest ..	Oct., 1886	10	20	0 2 6	216	180 0 0	100 15 7	27 10 0	128 5 7	..
Ashburton ..	Aug., 1886	6	20	0 5 0	120	120 0 0	97 10 0	17 0 0	114 10 0	3 0 0
Arundel ..	Aug., 1886	7	14 to 20	0 3 0	141	80 0 0	62 13 9	8 10 0	71 3 9	1 19 11
Alford ..	April, 1887	2	16	0 2 6	33	40 0 0	12 14 0	5 0 0	17 14 0	..
Arowhenua ..	April, 1887	6	1	1 10 0	6	80 0 0	21 6 0	10 10 0	31 16 0	2 10 0
Chertsey ..	July, 1886	17	10 to 20	0 4 0	289	280 0 0	135 12 1	34 10 0	170 2 1	7 0 11
Dromore ..	Dec., 1886	8	20 to 25	0 2 0	184	60 0 0	48 15 0	7 10 0	56 5 0	..
Fairlie Creek ..	Jan., 1887	4	3	0 6 0	16	..	8 8 0	..	8 8 0	..
Glenavy ..	Oct., 1886	4	23	0 3 0	95	20 0 0	53 6 7	3 0 0	56 6 7	1 15 8
Geraldine ..	Feb., 1887	3	5	0 10 0	15	60 0 0	21 2 6	6 0 0	27 2 6	3 13 0
Hakateramea ..	Oct., 1886	3	30 to 40	2 0 0	95	..	24 9 0	..	24 9 0	..
Hurunui ..	Feb., 1887	15	40 to 50	2 6	691	240 0 0	216 8 0	29 0 0	245 8 0	14 2 6
Hinds ..	May, 1887	16	50	0 1 3	790	260 0 0	118 19 0	26 10 0	145 9 0	29 6 3
Medbury ..	Feb., 1887	13	50	0 3 0	650	140 0 0	243 15 0	16 10 0	260 5 0	12 5 0
Oxford ..	Sept., 1886	10	50	0 1 0	500	80 0 0	85 0 0	13 0 0	98 0 0	..
Orari ..	Feb., 1887	11	5	0 7 0	59	120 0 0	40 11 6	12 0 0	52 11 6	1 9 0
Rakaia ..	Dec., 1886	8	16	0 10 0	132	120 0 0	204 6 4	16 0 0	220 6 4	17 5 0
Rangitata ..	Dec., 1886	1	41	0 2 3	41	20 0 0	17 18 9	3 0 0	20 18 9	..
Winslow ..	Dec., 1886	1	10	0 2 0	10	20 9 0	3 10 0	2 10 0	6 0 0	..
Waitaki ..	Oct., 1886	10	40 to 50	2 0	480	120 0 0	151 9 0	15 0 0	166 9 0	3 0 0
Waimate ..	Jan., 1887	5	4 to 9	10 0	32	..	42 16 0	..	42 16 0	..
Waitaki No. 2 ..	May, 1887	13	40 to 50	2 0	595	220 0 0	84 2 3	26 10 0	110 12 3	5 5 0
		173	5,170	2,260 0 0	1,795 8 4	279 10 0	2,074 18 4	102 12 3

Christchurch, 31st January, 1891.

NO II.—PROVINCIAL DISTRICT OF AUCKLAND.

SUMMARY STATEMENT giving Results of Village-homestead Special Settlements from October, 1886, to February, 1891.

Name of Settlement.	No. of Settlers whose Applications were accepted.	No. of Settlers who took up Sections.	No. of Settlers who actually went on the Land.	No. of present Holders.	No. of Holders actually Resident.	Amount of Advances made.	Value of Improvements.	Arrears of Rent.	Arrears of Interest.	Amount expended on Road Works.
						£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Whananaki ..	39	25	21	19	18	473 2 6	973 2 6	39 10 9	22 9 4	783 2 1
Motukaraka ..	63	60	51	42	36	1,636 15 0	1,966 16 0	97 18 0	109 9 4	1,092 17 7
Omaha ..	38	32	32	25	22	838 10 0	1,522 17 6	35 0 9	27 5 4	688 2 8
Te Aroha ..	39	34	29	28	24	452 0 0	1,172 0 0	49 6 9	16 13 0	808 5 11
Komokorau and Firewood Creek	32	31	23	17	15	500 17 6	764 5 0	11 10 9	14 1 11	601 0 0
Karaka ..	7	6	5	4	4	58 0 0	150 0 0	1 1 9	2 19 0	104 4 3
Swanson ..	23	20	20	18	17	362 0 0	774 0 0	63 12 9	23 8 4	497 10 4
Fern Flat ..	15	11	11	10	10	465 2 6	466 1 6	22 16 3	37 15 10	708 11 6
Hukerenui ..	82	48	38	34	31	996 17 6	1,463 0 0	101 6 2	72 7 4	877 0 5
Motatau ..	11	10	8	8	7	130 12 6	266 17 6	9 10 0	4 14 11	..
Parua Bay ..	23	17	16	12	12	373 5 0	561 10 0	7 4 4	18 6 10	567 3 10
Takahue ..	47	23	21	14	12	480 0 0	617 10 0	22 19 11	23 10 1	564 11 3
Herekino ..	125	108	99	34	33	1,172 12 6	1,331 14 6	79 18 4	62 12 1	5,738 4 1
Punakitere ..	72	48	45	29	25	912 11 3	1,103 6 0	75 5 5	52 1 5	1,429 9 11
Waimamaku ..	34	33	27	18	16	418 2 6	612 0 0	24 8 7	15 12 3	936 16 11
	650	506	446	312	282	9,270 8 9	13,745 0 6	641 10 6	503 7 0	15,397 0 9

26th February, 1891.

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