1. Under the improved-farm-settlement system as provided by "The Lands Improvement and Native Lands Acquisition Act, 1894," and the regulations made thereunder.

These regulations limit the area that can be selected to 200 acres, and provide for making advances to assist in felling, clearing, and sowing grass-seed on bush lands, and also a further advance of £10 in the case of single men, or £30 in the case of married men with families, towards the cost of a house and garden; but no advance is made in excess of three-fourths of the value of the house, &c., so erected; where the house is of the value of £40 or over, a policy of insurance has to be taken out in the name of the King to minimise the risk. Advances cannot be made for felling bush on a less area than 5 acres, nor on a greater area than 50 acres in any one year, and are limited to 100 acres in all. Interest is charged on these advances at the rate of 5 per cent., and the principal from time to time may be repaid by instalments. Any balance remaining unpaid when the lease or license is issued is added to the capital value of the land, and 4 per cent. or 5 per cent. thereon is added to the rent in accordance with the tenure, the former on "lease in perpetuity," and the latter on "occupation with right of purchase."

This is *par excellence* the system for the poor man to select under, as, in addition to the above, he is not required to pay rent until twelve months after the 1st January or 1st July (as the case may be) immediately following one year from the date on which the grass is ready for stock; this means that he usually sits rent-free from two to three years after date of allotment. Residence under this system is compulsory within three months after the first burn. The regulations should provide that each selector under this system should, after the first and in each succeeding year, while advances are being made, fell a certain amount of bush or make some other improvements at his own cost, as a set-off against the Government advances, and thus give him a definite interest in the land, and insure his remaining on it.

Unfortunately, the class of land suitable for settlement under this tenure in the Wellington Land District is now practically exhausted, and it is suggested that consideration might be given to the question of introducing legislation enabling the Government to acquire from European or Native owners a sufficient area of first-class land to meet the demands in different localities where the surrounding circumstances point to the probability of settlements, limited in area, and not too close together, being successfully established. The Land for Settlements Acts do not provide for this class of settler, who is necessarily a man without capital.

2. Under the village-homestead-settlement tenure (clauses 168 to 171 of "The Land Act, 1892"), which enables the setting-apart of allotments varying in area from 1 acre to 100 acres each, and on which Government is authorised to make advances in money to assist the settler in building a house on the land.

These advances have, during the past few years, been limited to £10 under this system (see regulations of the 27th February, 1891). The Act does not, however, limit the amount that may be advanced.

General.

No lessee should be allowed to transfer the possession or occupation of his holding until after he has resided thereon in a *bonâ fide* manner for a period of, say, not less than three years, and has otherwise complied with the conditions of his lease to date. He might, however, be allowed to mortgage after having complied as above for one year in case of ordinary Crown lands (those under Land for Settlements Act being already fixed by statute). I would also suggest curtailment of the exemption from residence on bush lands (clause 141 of "The Land Act, 1892") from four to two years, with a view to discouraging speculation.

Should it not be intended to amend the Land Act during the current session, the difficulty might be got over by the introduction of a special Land-ballot Bill, incorporating the necessary procedure decided upon by Government, whether on the above-recited lines or otherwise, and making the same include ballots under the Land for Settlements Acts.

JOHN STRAUCHON,
Commissioner of Crown Lands.

The Surveyor-General, Wellington.

Department of Lands and Survey,
District Office, Wellington, 3rd August, 1903.

IN continuation of my memorandum to you of the 24th ultimo, *re* simplification, &c., of our present system of balloting for land, I would further beg to suggest the insertion after "(4) single men," that persons under the age of twenty-one years should not be eligible as applicants for land as at present allowed by section 92 of "The Land Act, 1892." This will further tend to bring "The Land Act, 1892," and "The Land for Settlements Act, 1900," into line in regard to ordinary applications for land. I think this course advisable for two reasons: (1.) That the applications from persons of full age have hitherto far exceeded the quantity of land from time to time available for selection. (2.) The difficulty experienced in getting these youths to take up permanent residence on their holdings, even after the years of grace allowed by section 142 have expired; and it frequently appears doubtful if parents do not take advantage of the clause to practically obtain the use of land they may be themselves ineligible to select. It is, however, very difficult, as you know—in fact, almost impossible—for the Land Board in cases like these to obtain definite and conclusive proof that the land is not being selected for the sole use and benefit of the youthful selectors themselves. As a matter of fact, hardly any youth only seventeen years of age is in a position, financially or otherwise, to satisfactorily occupy and make a farm without parental aid and control.

JOHN STRAUCHON,
Commissioner of Crown Lands.

The Surveyor-General, Wellington.