

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