

PAPERS RELATIVE TO THE DISTRIBUTION OF THE PATEA LOAN OF £10,000.

No. 1.

Mr. T. KELLY to the Hon. Mr. VOGEL.

DEAR SIR,—

Wellington, 20th June, 1870.

I have perused the statement furnished by Mr. Pharazyn, and it has confirmed the opinion I previously held with regard to the course taken by the Government in dealing with the loan. I think that a little more active sympathy and less technical scrutiny in dealing with the subject would have been better calculated to carry out the vote of the House. When the vote was so cordially agreed to by the House, I thought that immediate effect would have been given to it, and, as I naturally desired to see the matter carried to a successful issue, I intimated to Mr. Fox that I was willing to assist in any way to further that object, as I felt convinced that in a question of this nature prompt and decisive action on the part of the Government would give general satisfaction. Many of the Patea settlers are very greatly distressed by the present position of affairs—the general feeling being, that the Government is inclined to assist them, but owing to the want of prompt business administration on the part of the agents employed they have suffered from vexatious delays. I will endeavour briefly to state the grievances of the settlers of the Patea District:—

1. They complain that a considerable time was allowed to elapse before any person was appointed to receive applications; and when Major Noake was authorized to receive applications, no time was given by him within which they would be received, or any intimation of the time when his report would be forwarded to the Government.

2. That until a very recent date no information was given as to the conditions on which money would be advanced by the Government.

3. That there is no guiding principle to be found in Major Noake's Report on which he grounds his recommendations, as (the question of security apart) some applicants are allowed to borrow beyond the amount of their losses; others who have sustained no loss are awarded losses; others whose losses were heavy have had their applications cut down; and others, whose applications were said to be late, are debarred from any participation in the loan.

4. That the Government should not have asked them to appoint legal agents at Wellington, as they are mostly poor men who can ill afford the heavy costs which such a course entails. That the simplest and most expeditious course would have been to have appointed some person who could have given his whole time for one or two months to receive applications, and institute inquiries as to losses, &c., in the district, and furnish a full report to the Government.

5. They consider that there should be a revision of the approved list of applicants, so that all applicants who were actual settlers in the district and were sufferers by the war, and who are able to give fair security, should receive advances in a ratio proportionate to the loss they sustained. This could only be carried out by special investigation in the district.

6. They complain of the want of consideration shown by the Government circulating in the district a list of the persons whose properties are encumbered.

7. They fully appreciate the easy terms on which the money is proposed to be advanced, but suggest that the term of repayment should be extended optionally to, say, fourteen years, as some would be unable to lay by sufficient year by year to repay it in seven years.

I beg to state that I have given as nearly as I can the complaints of the settlers, so that the Government will be in a position to contemplate it from the settlers' point of view. I cannot state anything from my own personal knowledge, as I had not the slightest information on the subject after the vote passed the House last Session. I only know that great dissatisfaction is experienced in Patea with respect to it; in fact, I was asked to present a petition and move for an inquiry, but I suggested that the proper course would be to communicate with the Government on the subject, and I was requested to act in the matter. I think it would be advisable to send some practical man to the district at once, to inquire into, and as far as practicable remedy, the grievance.

As the cases of Mr. Ball and Mr. Hawkins are pressing, I would be glad to be able to send them word that the Government will act promptly in the matter.

The Hon. Mr. Vogel.

I remain, &c.,
THOMAS KELLY.

No. 2.

MEMORANDUM by Hon. Mr. FOX on Mr. KELLY's Letter on Patea £10,000 Loan.

1. The Assembly sat till 3rd September, during which it was impossible Ministers could attend to the matter. The district had been swept of population and entirely disorganized, and the Government was not in a position to undertake the case any sooner than it did. Advertisements were inserted in all the Wellington and Wanganui papers from 23rd October, and for several issues. Major Noake sent in his first report 18th December, containing thirty-nine claims, which were followed a week or two later by four or five more.