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NEW ZEALAND.

WASTE LANDS COMMITTEE.

(REPORTS ON DEFERRED-PAYMENT SETTLERS' RELIEF BILL, AND PETITIONS OF DEFERRED-PAYMENT SETTLERS.)

Brought up 3rd August, 1882, and ordered to be printed.

REPORTS.

REPORT on the DEFERRED-PAYMENT SETTLERS' RELIEF BILL.

THE Waste Lands Committee, to whom was referred the Deferred-Payment Settlers' Relief Bill, have the honor to report that, after taking evidence as to the working of the deferred-payment system, the Committee are of opinion that the provisions of this Bill do not meet the requirements of the case,—

- (1.) Because the proposed mode of securing relief would be found cumbersome in practice ;
- (2.) Because the mode of obtaining relief would be costly, as involving heavy law expenses to applicants ;
- (3.) Because it is specially objectionable, as establishing a comparatively-inexperienced Court to review the decisions of a responsible department, having both experience and practical training to guide it.

3rd August, 1882.

JAMES FULTON,
Chairman.

REPORT on PETITIONS of DEFERRED-PAYMENT SETTLERS.

THE Waste Lands Committee, to whom were referred the under-mentioned petitions, viz.,—

- No. 100. Thomas D. Darton and others ;
- No. 124. H. Smith and others ;
- No. 147. A. McKinnon and others ;
- No. 262. George Telford and others ;
- No. 263. James Hartstonge and others ;
- No. 267. Robert Barr and others ; and
- No. 290. R. Cunningham and others,

have the honor to report that the case of a number of the petitioners is deserving of consideration at the hands of the Legislature, so as to enable them to fulfil their engagements ; and, with this view, the Committee hope to submit suggestions, when their report on the Government Land Bill is brought up.

3rd August, 1882.

JAMES FULTON,
Chairman.

MINUTES OF EVIDENCE.

Deferred-Payment Settlers' Relief Bill and Petitions of Deferred-Payment Settlers in Otago.

THURSDAY, 27TH JULY, 1882. (MR. FULTON, CHAIRMAN.)

Mr. J. A. CONNELL, examined.

1. *The Chairman.*] You have been agent for, and have had an interest for a considerable period in, the deferred-payment settlers in Otago?—I scarcely understand the question. I have certainly taken a personal interest in them.

2. Would you be good enough to make a statement with regard to the petition, taking the clauses *seriatim*?—With regard to the second clause, which states that many of the petitioners have obtained their land after competition at auction, and that owing to the causes set forth in the clause, they have given prices far beyond the real value of the land, I may state that, having considerable knowledge of the circumstances, I think their statements are absolutely true. With sometimes only twenty sections offered and a hundred men to bid for them the settlers were tempted, under the stress of the severe competition and the actual payment of the sum bid being deferred over a long period, to bid far beyond the real value. With regard to the third clause, *viz.*, that many of the petitioners now find it impossible to complete the payments which they had undertaken, under the pressure of the circumstances detailed, to make: as far as my information goes there are a considerable number in arrear, and I believe it is through inability to meet their payments. With regard to the fourth clause, that when selectors are in arrear of payment the Land Act contains provisions of a highly unjust and oppressive character, amounting, if put in force, to a confiscation of their property, I may state that I share that conviction, and desire to say that I indorse it with any weight that my personal opinion is worth. In my judgment these provisions are of an exceedingly unjust character.

3. *Hon. Mr. Rolleston.*] Which provisions do you refer to?—I refer to the provisions contained in sections 69, 70, 71, and 72 of "The Land Act, 1877."

4. *Mr. J. B. Whyte.*] What is the effect of these clauses?—The effect is that when a selector fails to meet his payments, or is in default in performing any of the conditions of his license, he is liable to receive a notice in writing from the Commissioner requiring him to give up possession of his land. Thereafter the Board sells the land with all the improvements, 75 per cent. of which, as valued by the Board, only is returned to the defaulting selector, who loses entirely the whole of the instalments of purchase-money he may have paid up to that time.

5. *Hon. Mr. Rolleston.*] Do you know whether these clauses have ever been put in force?—Yes, they have been put in force, but not frequently after improvements had been made. With regard to the fifth clause of the petition, *viz.*, that many of the petitioners had been compelled to effect forced loans to escape such confiscation and forfeiture, and in order to give security for such forced loans have been driven to pay up in full the remaining unpaid instalments of purchase-money, that indicates to the Committee the only practical way in which these deferred-payment settlers can escape from these unjust provisions. As a matter of fact, it is within my own knowledge that a good many deferred-payment settlers have been forced into adopting the course indicated in this section of the petition. The statements in the sixth clause are quite correct. The deferred-payment settlers get no rebate of interest whatever when paying up the instalments payable over a series of years in one sum to the Government. With regard to the seventh clause, that others of the petitioners have taken up areas varying from 50 to 200 acres on the deferred-payment system, and find themselves, under the terms of "The Land Act, 1877," debarred from completing their selections up to 320 acres, this, of course, as the Committee is aware, is the state of the law at present; and I know there is a strong feeling among the settlers, at least in Otago, that this is unfair, some settlers getting 320 acres and others areas varying from 50 to 200 acres.

6. As a matter of fact, are there any very small sections?—There are plenty of sections varying from fifty acres upwards. Clauses 9, 10, 11, 12, 13, and 14: I think I may remark on the whole of these clauses together. If the Committee will allow me I will give a practical instance of the position in which some of these men are placed. In 1877, before the passing of "The Crown Lands Sales Act, 1877," and when the price of deferred-payment land for selection was 30s. per acre, Mr. Arthur, the Chief Surveyor of Otago, who is a valuable and competent officer of the Government, was asked to report on the Dalhousie Hundred. The following is an extract:—"The whole of the country is rough and scrubby, and unfit for deferred-payment settlement. I would recommend that it be opened for immediate sale." The pressure of population in the district, however, was so great, and the desire for land so eager, that the people of the district petitioned the Board; and, notwithstanding the report of the Chief Surveyor, this land, which he thought unfit for a deferred-payment settlement at £1 10s. per acre, was opened by the Board on that system. Meantime, however, "The Crown Land Sales Act, 1877," had come into operation, and some six or eight of the settlers who sign the petition took up allotments. Some of them, I understand, took Mr. Stout's opinion as to what was the legal price they were liable to pay; when he informed them that the Crown Land Sales Act did not, in his opinion, alter the price of deferred-payment land. The Board, however, took an opinion of a Judge of the Supreme Court, who ruled that it doubled the price, and these settlers, who took up their allotments without opposition, are now charged £3 per acre. I know the land personally, and consider it is quite dear enough at £1 10s.

7. Is money ordinarily lent at the rate of 8 per cent?—Yes, up to a comparatively recent date that was the rate; but more recently the rate has been 7. I have lent money to a very large number of deferred-payment settlers to purchase the freehold at 7 per cent.

8. *Mr. Driver.*] Is it not the case that settlers can only get money at 7 per cent. on really good security?—I may mention that there were a very large number of deferred-payment settlers who purchased their holdings at auction under the scheme of relief granted by the Legislature two years ago. I may point out that there was a very considerable reduction made under that scheme in the prices they had originally bid for the land in one instance, the price being reduced from something like £17 per acre to, I think, £1 17s. 6d. per acre, and that they all had valuable improvements on their land in the special instance mentioned amounting to £1,800 in 200 acres.

9. *Mr. Pearson.*] Are there any cases where these settlers have sold their land?—I believe there are some few cases, but they have not come personally under any notice excepting in one instance.

10. *Hon. Mr. Rolleston.*] Are you aware that during the period the Crown Lands Sales Act was in force there were purchases made in some cases at prices over £3 per acre?—I quite believe that during that period in particular localities certain allotments would fetch more. I may, however, direct the attention of the Committee to the fifteenth clause of the petition, in which it is stated that blocks of land which had remained open for some time at £1 10s. per acre and had not been selected at that price, after that Act came into operation the settlers were compelled to pay £3 per acre for that very land.

11. *Mr. J. B. Whyte.*] Are you of opinion that if these sections had been put up at £1 10s. they would have been run up?—No; they were open for selection for some time at £1 10s. and were not taken up. There were only a few sections in these blocks afterwards selected at £3, and the price was shortly afterwards again lowered to £1 10s., a considerable area of the land still remaining open at £1 10s., and being unselected till now at that price.

12. *Hon. Mr. Rolleston.*] Have you any list of the number of deferred-payment settlers who have taken up land at £3 or £4 per acre?—The whole of that information is to be found in the Appendix to the Journals of the Legislative Council of last session, in which will be found a statement of the prices each deferred-payment settler has paid for his land, with the arrears to that date; and I was under the impression that the Government had ordered the information to be brought up to date. I have got no special list of the exact number. I simply appear in the matter from the personal interest I take in land settlement. The deferred-payment settlers asked me to convene and preside at a meeting, which I did. I have no special personal interest in the matter.

13. What do you consider a fair price for average land, such as that comprised in deferred-payment blocks these last three years?—I think a fair average price for cash in the interior of Otago is £1 per acre.

14. I only want a general estimate of the value of land capable of producing a crop of wheat and then a crop of oats?—I may mention that I, as agent, purchased 1,000 acres of land in the Maniototo Plains, which was all average farming land, and could grow crops of wheat and turnips for £1 5s. per acre net, only about a fortnight ago.

15. *Mr. Macandrew.*] From the Crown?—No; from a private individual.

16. *Mr. Hurst.*] What price did the original purchaser pay the Government for it?—He paid £1 per acre.

17. What was the value of the improvements he made?—He had a sheep-fence about half-way round the outside boundaries. I may mention another fact which may be of use to the Committee. Dr. Black has just sold his property at Pukerau. It is all good agricultural land, though ridgy, and is in the immediate vicinity of two railway stations; area, 2,600 acres, 1,400 acres of which are under cultivation, and the land all in good heart. He sold at £6 2s. per acre, and it is generally looked upon as a very good sale indeed.

18. *Mr. Pearson.*] Is it all arable?—Yes. As I have said, it is ridgy, but it is good land.

19. *Hon. Mr. Rolleston.*] Independent of any special value, what do you consider is the value of land which would stand a crop of wheat and a crop of oats afterwards, with reasonable facilities of access?—I would say, in reply, that it depends entirely upon the position of the land as regards railways, &c.; but, taking the average of the best agricultural land in the hands of the Crown in Otago, I do not think it would sell for cash for more than £2 to £2 10s., and I question if it would fetch that, taking an average over a considerable quantity. I would say that £1 15s. per acre would be a more probable average for the best land.

20. *Mr. Pearson.*] Is that arable land?—Yes.

21. *The Chairman.*] You are aware that the High School Board has sold a quantity of land lately?—You mean at Wyndham? Yes.

22. Have you any idea what price it fetched?—No. With regard to the nineteenth section of the petition, it refers to a Bill drafted by myself, and which, in the opinion of the petitioners, provides a remedy for existing evils. I would like to say that there were several important questions which were present to my mind, and which I had to consider when I prepared that Bill. The first of these was the ballot *versus* the auction system. I hold the auction system to be radically bad when applied to land on deferred payments, and in the Bill I framed I suggested that the Board, subject to the control of the Government, should fix a fair value for the land, and, having fixed this, should adhere to it, and allow the applicants to ballot for the allotments. I thought if the ballot system were adopted, and my suggestion providing for a revaluation to be made in those cases where too high prices had been paid were entertained by the Legislature, that the change from auction to ballot would mark a time which would be appropriate for justifying a scheme of revaluation, inasmuch as settlers who had bought at auction in the past would manifestly have selected their lands under more unfavourable circumstances than those who would hereafter select at a fair value by ballot. Another suggestion which I made in my Bill, and which I think is thoroughly practicable, is that which I have called the "capitalization of the unpaid instalments," and which is contained in clauses 21 to 29 of my Bill. It is, I think, of great importance, and has, I believe, received the unanimous approval of the settlers in Otago, and I believe of the Press too, with possibly a single exception.

23. Auction is mentioned in clause 20. Would you make a statement with regard to it, or as to the tender system?—There are many serious objections in my opinion to the auction system, and under the tender system, where there is a rush for land, the same evils would in my opinion follow, and too high prices would be paid for it.

24. *Mr. Hurst.*] Do you think that deferred-payment settlers would be prepared to change their freeholds into leaseholds?—No. My opinion is that deferred-payment settlers would not in any instance whatever change their freeholds into leaseholds.

25. *Mr. Macandrew.*] Do you give any reason for that opinion?—If the Committee wish I can give a great many reasons.

26. *Mr. Stevens.*] You would suggest capitalizing the unpaid instalments, and leaving the amount at interest, instead of their exchanging their freeholds for leaseholds?—My proposals in that direction are contained in sections 21 to 30 of the Bill I framed.

27. *Mr. Macandrew.*] The Bill you have drafted contains the most practical remedy in sections 34 to 42. I understand that you mean this as a practical remedy?—This would be the most effective remedy in cases where excessive prices have been paid, but it is quite independent of the measure of relief granted by the capitalization scheme, which simply provides for an alteration in the form of the debt to the Crown, but does not in any way alter its amount. The provisions of sections 34 to 42, providing for revaluation, alter the amount of the debt, and relieve the selector when the valutors decide that an unfair price has been bid for the land.

28. You think this latter scheme would best meet the views of the complainants?—Yes; it is the most effective, but the other would of course apply to all selectors, and would be in my opinion a great improvement even by itself.

29. *Mr. Hurst.*] What would be the effect upon those deferred-payment settlers who have, owing to the stringency of the Act, paid up the full amount of their money?—Putting myself in their position, I should think it had been rather unfortunate that I had not waited a little.

30. Has the effect of introducing this deferred-payment system been a good one in Otago?—I think the deferred-payment system is the best thing that has ever been introduced in this colony for settlement, subject to the improvement of some of the details of the system.

31. *Mr. Macandrew.*] Are you aware that deferred-payment land has been taken up by people who have not been trained to agricultural pursuits?—Yes, I am aware that in a good many instances that has been the case.

32. How do they succeed as a rule?—These settlers of course labour, at least at first, under considerable disadvantages as compared with settlers having a previous knowledge of agriculture; but the energy and go of the colonial character usually surmount these difficulties, and many of this class are most successful settlers.

33. *Hon. Mr. Rolleston.*] In regard to the ballot system, have you any knowledge of how it worked in Otago when it was in operation there?—I believe in many instances it worked badly; but this was entirely to be attributed to the absurd provisions of the Act of 1872, under which lands of altogether different values were balloted for at a uniform price of 25s. per acre, and a small quantity of land was put in the market quite insufficient to meet the demand; further, the Act contained most vexatious provisions, involving many attendances of applicants, with Boards of Inquiry, hearings, &c., &c.; indeed the Act appeared to have been framed almost with the express purpose of discouraging men from taking up land on deferred payments. I refer to "The Otago Waste Lands Act, 1872," sections 50 and 52 and subsections.

34. *Mr. Pearson.*] Do you not think that under the ballot system men may never have a chance of getting a block of land?—I would say in reply to that, that under any system whatever, whether auction or ballot, if you open only 100 allotments and there are 200 men who want to settle, one hundred must be disappointed. You can only settle one settler on each allotment in any case.

35. Why do you object to the tender system?—Because it has the same tendency as the auction system.

36. *Mr. Driver.*] Do you think if a revaluation were granted, and some of those settlers who have given high prices received a reduction of, say one-half, would they then be able to work it out: do you not think that if they are so deficient in energy as to fail in meeting their payments now, they would also fail after the reduction was made?—No. I think that at present they are in some instances overweighted, but that if their purchase-money was reduced to a fair amount, and particularly if they were allowed to pay off the principal as they were able, and were only liable to pay interest at 5 or 6 per cent. in the meantime, they could successfully complete their purchases.

37. Can you inform the Committee what is the difference between a cash or present value and that where the payments are spread over ten years?—Yes, but of course it depends on the rate of interest assumed as the basis of the calculation. For rural deferred-payment land where the payments are spread over ten years the following deductions from the deferred-payment price will reduce it to a present value for cash: at 5 per cent., compound interest, deduct 22·78 per cent.; at 6 per cent., deduct 26·4 per cent.; at 7 per cent., deduct 29·76 per cent.; at 8 per cent., deduct 32·9 per cent. Or from the prices given for pastoral deferred-payment land where the payments are spread over fifteen years: at 5 per cent., compound interest, deduct 30·8 per cent.; at 6 per cent., deduct 35·25 per cent.; at 7 per cent., deduct 39·28 per cent.; at 8 per cent., deduct 42·94 per cent.

FRIDAY, 28TH JULY, 1882.

Mr. J. A. CONNELL, further examined.

38. *The Chairman.*] The Committee desire to know whether you have any further evidence to give?—There were just two points on which I would like to supplement my answers. The Hon. the Minister of Lands asked me yesterday what in my opinion was the value of the best of the remaining Crown lands in Otago. I stated that I thought about £1 15s. would be a fair average for the best of the lands, and that it might range as high as £2 or £2 10s. I would point out to the Committee that

the average realized last year on that sold at cash was, according to the report of the department, £1 6s. 5d. I would direct the Committee's attention to that. Another gentleman, I think Mr. Hurst, asked me what effect I thought the scheme of capitalization would have upon those who bought for cash: whether they would not make claims. I would desire to say, after carefully considering that question, in my judgment, whilst such claims would probably on the ground of abstract justice be reasonable and be entitled to consideration, yet I do not anticipate that these claims will actually be made. I do not know a single instance of any man who hopes or believes that such a claim would be entertained or granted.

39. *Hon. Mr. Rolleston.*] You have changed your opinion?—No; the opinion I expressed yesterday was, if you remember, that, if I were in their position, I should probably wish that I had waited a little.

40. I understand you to say that you thought that people who had completed their contract had a fair claim for the reconsideration by the Government of their position?—I still adhere to the opinion as an abstract question of morals and justice, but as a practical question of legislation I do not think it is likely to arise.

41. *Mr. Hurst.*] The people entered into certain covenants, which some have kept; and is it not simply destructive of all government to grant relief to people from certain bargains entered into?—I think the two questions are quite distinct, that is the general and the particular, for this reason: that the particular contract entered into with these settlers is one which is governed by the provisions of the statute. In many cases those provisions are contrary to right and justice, and they have been induced, by the pressure of exceptional circumstances, to enter into contracts under which they do not get fair value for their money.

42. *Mr. Pearson.*] Is it a fact that these deferred-payment selectors have been advised to repudiate their engagements with the Government?—No, not that I am aware of. I did hear, since coming to Wellington, of one case, a member of the House I think, who had advised one deferred-payment settler not to pay. That is the only instance that has come under my notice of anything of the kind.

43. *Mr. J. Green.*] Do you not know of any people who have stated, perhaps I may not say publicly, although I think, probably, I may go so far as to ask you, do you not know that some of the deferred-payment people, at a public meeting, stated it was not their intention to continue their payments, as relief was given to some of the same class two years ago?—No, I may say I have no knowledge of that being the case. I am aware that there is a very strong feeling that the relief granted two years ago to a few should have been extended to all. It was confined to the then defaulters.

44. *Hon. Mr. Rolleston.*] Are you aware of any number of deferred-payment settlers who are withholding payment pending the consideration of Parliament?—Not that I am aware of. I am aware that there is a very strong feeling in the minds of those who pay very high prices that they were very hardly treated, and some of them have made bitter complaints to me about it.

45. *Mr. Stevens.*] Do you know the case of Sir D. Bell's son; he is a deferred-payment selector, I believe?—Yes.

46. Do you know his reason for not paying: because he is able to pay, I understand?—I do not know of his ability to pay; all I know is that he purchased at a price which, as a matter of fact, was three times the value of his land certainly, but what his reason may be, I cannot go into his inner conscience and tell you his reasons.

47. *Mr. J. Green.*] I think you said yesterday that it was within your knowledge that the forfeiture of land had been enforced in some cases?—Yes, it is within my knowledge that the confiscation clauses have been carried out. I am rather inclined to think in the cases where it was carried out the settler himself, finding he had entered into a contract he could not fulfil, acquiesced in the procedure.

48. How many of the instalments had been paid in these cases?—I cannot tell from my own knowledge. In one case I have an application at present before Mr. Rolleston's department in connection with it; the value amounted to about £250 for improvements, valued by the ranger himself.

49. *Mr. J. B. Whyte.*] It was not found necessary to evict any one?—He was, as a matter of fact, evicted, but I believe he had no objection; it would have been still more harsh if the Crown had insisted on him carrying out his contract, and sued him for the instalments; it might utterly ruin him.

50. *Mr. Stevens.*] Is that a case of one who accepted the relief and did not buy his land at auction sale?—No. Would you allow me to say in reply to what was asked me yesterday: whether the system of revaluation that I had proposed in the Bill that I drafted was in my opinion the best that could be pursued: I would like to modify my remarks in this way; that it has occurred to me since that, if there was anything like a strong feeling in the minds of the Committee, or the House, or the Government, against the giving to settlers a distinct right to a revaluation, that probably cases of hardship: not a great number of them, probably amounting to something like twenty-five cases of great hardship: that it might be advisable, I make the suggestion with some diffidence to the Committee, that a settler might have simply a right to bring his case under the notice of the Board, and that the Board should have power to appoint sworn valuers, who should inspect the land and report to the Board; giving the Board, or the Board with the consent of the Government, if they thought the circumstances of the case required it, power to make some remission if, on the report of the sworn valuers being received, it was deemed fair and expedient so to do. That seems now to me a possible solution of the difficulty as to granting any revaluation.

51. *Mr. Pearson.*] How many cases under this Bill would a revaluation affect?—In the Bill I drafted, it gives any man who believes he paid an unfair value for his land, it gives him a right to apply to have the land revalued.

52. *Mr. Hurst.*] At whose cost does the revaluation take place: at the cost of the Government or the applicant?—I have not made any special provision in my Bill for that, except that I provide that an amount of 10 per cent. should be added to the valuation made by the valuers to cover all these costs. In section 41 I say: "Any selector whose land shall have been valued as aforesaid shall have the right to receive a Crown grant for the land comprised in his license or lease on paying on or before the 31st day of December, 1883, the difference between the price so fixed as aforesaid by the

valuators, or one of them and the umpire, or by the umpire alone, *together with ten pounds per centum added thereto* and the sum of the instalments he shall already have paid previous to that date, or he may receive a lease on deferred payments under this Act for a period of ten years from the first day of January, 1884, whereby the price may be paid by twenty equal half-yearly payments; but in that case the price to be paid shall be a sum equal to the value so fixed as aforesaid by the valutors, with fifty pounds per centum added thereto, less the sum of the instalments already paid by such selector." That was intended to cover the cost of advertisement and valuation, &c.

53. Would it not be more desirable to have some provision to prevent men causing useless trouble: to compel them to pay the costs of this valuation at once?—It is quite possible it might be. I think it is highly probable it would. It would be prudent to require a deposit.

54. *Mr. J. Green.*] In the seventh clause of the petition the petitioners say, "Having taken up areas varying from 50 to 200 acres, the petitioners find themselves debarred by the terms of the Land Act from completing their selections up to 320 acres." I should like to know whether, in your opinion, it is desirable that these extensions of area should be provided for in the Act, contiguous to the present holdings, or whether you would extend the privilege; and, if so, to what distance from the present holdings?—My view is simply this: that every settler in the colony should be put upon a similar footing; and that, so long as he takes up 320 acres of land, he should be allowed to take up his area whether contiguous or not, so long as he has been a resident and complies with the law as regards improvements.

55. *Hon. Mr. Rolleston.*] Irrespective of quality?—Yes.

56. How would you meet the question of residence, which is an essential of the system?—This is the clause that I drafted with a view of meeting that, and which is marked 55 in my annotations to the Government Bill: "Notwithstanding anything to the contrary in 'The Land Act, 1877,' or any amendment thereof contained, any licensee, lessee, or person who has acquired the freehold of any allotment or allotments of land on deferred payments of an area or aggregate area of less than three hundred and twenty acres, who has fulfilled the conditions of his license or licenses as regards improvements and personal residence at the time of making the further purchase of rural land on deferred payments hereby authorized, may apply for and obtain a license to occupy on deferred payments another allotment or allotments of rural land: Provided that the area of the allotment or allotments so last purchased, together with the area of the lands formerly purchased or occupied by him on deferred payments, shall not exceed in the aggregate three hundred and twenty acres of rural land: Provided, further, that such selector may also apply for and obtain a license to occupy pastoral lands on deferred payments, subject to the provisions of the law for the time being regulating the disposal and occupation of pastoral lands on deferred payment; and such selector may reside on any one of the allotments, either of rural or pastoral land, which he may have purchased on deferred payments; and such residence on one allotment shall be held and deemed to be a sufficient compliance with the conditions of residence required by 'The Land Act, 1877,' or any amendment thereof, for the several allotments held by such selector."

57. Do you not think it is the business of the department to adjust the size of the sections so as to accord with the quality of the land?—I think not, at any rate in the South Island, inasmuch as I do not think 320 acres of any land left in the hands of the Crown is too much for *bonâ fide* settlers in the colony to have. I think it is little enough.

58. Then you would not give an opportunity of a larger number of settlers rather than a smaller number of settlers, say, in a situation where there was fair access to the land?—No. I think 320 acres of any land left in the hands of the Crown, no matter where situated in any part of the Middle Island, it is little enough for any man to have.

59. *Mr. Hurst.*] To what distance would you allow a settler to take up the balance of the 320 acres: would not that have the effect of locking sections that might be occupied successfully by others?—No; he has got to improve the lands.

60. *Mr. Stevens.*] Do you think it would not be as well if the Government were to make some promise to undertake to deal with these special cases of hardship mentioned, with regard to these deferred-payment selectors: do not you think that preferable to incorporating in any Act some enactment whereby the whole of the colony would be affected, for the purpose of giving redress perhaps to 100 settlers?—With regard to the revaluation, I have already stated if in the opinion of the House it is inadvisable to give the right to require a revaluation I would make an alternative suggestion. I do not think I could say the suggestion is to my own mind a better one than the other. I think that whatever method of relief is adopted, that which is adopted should be defined by statute. I may further point out that, if any system of revaluation is adopted, I think it is a singularly appropriate time for moving in that direction, because these men may say: "Well, in future you are to fix a fair valuation for the land and dispose of it by ballot, and you did not treat us in that way."

61. *Hon. Mr. Rolleston.*] What should you say during the last year was the number of people who paid over the upset prices in Otago?—I do not think during the last year there has been very much land sold above its value. During times of depression the evils of the auction system do not become apparent; but the moment the slightest excitement for land begins, and we are on the very verge of another period of the same kind, then the evils of the auction system come in, and the people get perfectly mad about the land.

62. *Mr. Hurst.*] You think we should give relief to the people for being foolish?—I think it is expedient that ignorant men should not have traps laid for them to fall into.

63. *Mr. Macandrew.*] You refer to deferred-payment settlers?—Yes.

64. *Mr. Pearson.*] Among the people who paid cash in Otago there would be no agitation?—Certainly not.

65. *Mr. J. Buchanan.*] Are the lands all open lands that you refer to?—Yes; it is all open country. I do not think there is any bush on the deferred-payment sections in Otago.

66. *Hon. Mr. Rolleston.*] There were only twenty-two last year bought above the upset prices?—Yes, I think that very probable.

67. *The Chairman.*] I have in my hands a Bill introduced by Sir G. Grey called the Deferred-Payment Settlers' Relief?—I have read it.

68. Would you be good enough to say what you think of the provisions with regard to deferred-payment settlers?—I do not like it at all.

69. *Mr. J. Green.*] You do not think it would give the requisite relief to deferred-payment settlers?—I think it would tend to demoralize the settlers. I do not like the machinery of the Bill. A man has to plead poverty, and apply in an objectionable form, a form which would tend to demoralize the agricultural settlers. The settlers do not desire to come to the Legislature for eleemosynary relief, and do not want it. They say that, owing to the exceptional circumstances set forth, they have entered into unfair and onesided contracts, under which some of them do not receive a fair value in land for the payments they have to make, and they ask the Legislature to review the contracts.

70. You think a revaluation of the deferred-payment lands and interest charged would be the best relief for these people?—I think in case of hardship: I say I do not think there is a very large number of cases where relief is really in equity desirable; not many cases, probably twenty-five, or perhaps twenty-five to forty cases altogether, where equity and fairness would demand a revaluation. These cases are very fair. The great bulk of the settlers got their land on tolerably fair terms.

71. *Mr. Hurst.*] How many?—I should think twenty-five to forty cases ought to be relieved.

72. That is the lot?—Yes.

73. I understand you have said most distinctly that the Bill introduced by Sir G. Grey would not meet the circumstances of the case of these twenty to forty cases?—No; I stated I did not approve of the machinery of the Bill. I would bring under the notice of the Committee a matter I have not been asked a question about, and which I think of great importance. I may explain to the Committee that a very large number of settlers in Otago, in the Maniototo District and Upper Clutha Valley, and other districts, have taken up land on deferred payment. The Government surveyed the land into 200-acre sections. All the adjoining land is large blocks, reserved out of the Otago runs for settlement. These areas of 200 acres are far too small for successful settlement, and it is of great importance to these men that they should have an opportunity of selecting the additional 120 acres each out of those blocks of Crown land adjoining their present holdings. I told the Waste Lands Board I would bring the matter under the notice of the Committee, and I thought it probable it would be adopted by the Committee and the Legislature. The Board have, in anticipation of this being done, issued instructions to the surveyors now surveying these lands to lay off suitable areas adjacent to these holdings, in order that these settlers may have an opportunity of completing their holdings if the suggestion is adopted. I hope the matter will receive the attention of the Committee. I drafted certain clauses, which I will read, to meet the case of these men: they are marked 55A, 55B, and 55C on my annotations to the Government Bill, and are as follows: "55A. When any selector shall hold a license to occupy an allotment or allotments of rural land on deferred payments, of a less area in the whole than three hundred and twenty acres, and there shall be adjoining such allotment or allotments any Crown lands set apart or intended to be set apart or opened for sale or settlement, such selector may apply to purchase on deferred payments so much of the said Crown lands as shall, together with the allotment or allotments already occupied by him amount to three hundred and twenty acres in the aggregate; and such selector shall, on the Board approving his application, be entitled to a license to occupy such additional land as from the day of the date of his application, if such Crown lands shall not then be subject to any pastoral lease or license; or, if such Crown Lands shall then be subject to a pastoral lease or license, then from the day of the date of the termination of such pastoral lease or license. 55B. The price of such additional land shall be the price at which similar land may be sold in the district for cash, with one-half thereof added thereto, and shall be payable in the manner provided by section 63 of 'The Land Act, 1877,' (or of the said Act), and the license shall in all respects be subject to the provisions of the law for time being regulating the disposal and occupation of land on deferred payments. 55C. Any selector selecting an additional area under the provisions of section 55A of this Act shall, if the land applied for be unsurveyed at the time of making his application, pay the survey fees thereon." I would ask the Committee to consider that matter, because it is of very great importance to a considerable number of settlers in the interior. They would have a right to take up land at the upset price for cash, plus 50 per cent., to complete their holdings, and they will never have the opportunity again once these lands are sold.

74. *The Chairman.*] Have you seen the Lands Boards Bill of Sir G. Grey?—No; I have heard it discussed.

75. Perhaps I might ask you have you heard any express desire on the part of the settlers in Otago generally for an elective Land Board, as distinguished from the present system?—No, I have not. So far as I am aware there is no such feeling in Otago among the settlers.

76. *Hon. Mr. Rolleston.*] No dissatisfaction?—No.

77. Is there any dissatisfaction with the existing system, as far as you are aware: the constitution of the Board, I mean, as being nominated?—Not that I am aware of.

78. Would you give your own opinion as to the advisability of an elective Land Board as against a nominated Board from your own experience?—I may mention that in 1876 I had publicly suggested that a proportion of the members of the Board should be elected: a minority; but a very careful consideration of the matter since, and practising, as I do, at nearly every meeting of the Land Board of Otago, I have become thoroughly convinced that it is much better that the Board should be entirely nominated. I may mention the danger I have noticed that is likely to arise from elective Boards. There is sometimes very strong pressure brought to bear by local bodies, instances have come under my own observation, to induce the Board to dispose of Crown land in a manner not for the public interests. It is a very frequent thing that local bodies very badly informed indeed with regard to the true needs of agricultural settlement, generally come down to make special representations to the Board to induce them to act in a particular way; and even at the present time, even with a nominated Board, the Board is subjected to very considerable pressure, which induces it sometimes to act even against its own better judgment. I notice, particularly when politicians get upon the Waste Lands Board, that they are very apt to allow their political leanings to influence their better judgment in a manner not to the interests of the settlement of the country.

79. Would not the tendency of local influence be to throw the land into the hands of the settlers actually located there, rather than to induce fresh population?—I think it is likely.

80. *Mr. Macandrew.*] Do you think it would be any improvement if the number of members was increased?—No; I think the number, so far as I have found, is quite enough.

81. *Mr. Hurst.*] Do you think, instead of there being one Land Board for a district like Otago, it might not be an advantage to have one or two others?—No; my view would just go in the opposite direction. I should rather think both Otago and Southland could be managed by one Board. The district is now so interspersed with railways, and facilities for travelling are so great, that the members of the Boards are personally acquainted with nearly the whole of the country. I know that our own Board is exceedingly popular in Otago. I think our Board is recognised to be thoroughly honest, and as having the interests of the settlers at heart.

82. Your observations relate to Land Boards: you have no knowledge of the working of them in any other parts of the colony?—I have a thorough knowledge of the Boards of Otago for twenty years.

83. *Mr. J. Green.*] I presume you have had considerable experience of the working of the Otago Land Board?—I have been appearing almost every meeting for twenty years.

84. Then is it your opinion that the functions of that Board are devolved unnecessarily upon the rangers?—No; I should think not: not what I conceived to be the proper functions of the Board. The Board employs rangers to report upon facts connected with cases coming before them; but the Board is always prepared to decide independently on the evidence brought before it.

85. *Mr. J. Buchanan.*] The usual course is to refer to the ranger for report?—And, in my opinion, very properly.

86. You think very properly: that is, for information upon matters of detail?—Yes.

87. *Mr. Driver.*] They often decide opposite to the recommendations of the ranger?—Very frequently.

88. *Mr. Pearson.*] There is no feeling in the Board in favour of large landowners?—Certainly not; quite the other way.

89. *Mr. J. Green.*] From your experience of the Board, do you think the decisions of the Otago Board are actuated by the political influence of the members of the present Board, or is there any pressure brought to bear on that Board by the Government?—It is rather a difficult question to answer. I have my own opinion about it. I do not think that there is any undue influence exercised by the Government on the Board. I think the Board is prepared to defer to the views of the Government, but I would not be inclined to say improperly in any way.

90. *Mr. J. B. Whyte.*] The result is satisfactory?—Yes.

91. *Mr. Macandrew.*] Do you think the waste lands might not be administered just as well by the Commissioner without any Boards?—No; I do not. I think there are very difficult questions arising that any official, however excellent, is better to have other gentlemen to consult with.

92. *Mr. Hurst.*] It takes the responsibility from off his shoulders to a large extent?—I do not think it takes it off his shoulders: as a matter of fact the act is not that of the Commissioner, indorsed by the Board, but it is positively the act of the Board itself.

93. Is there any clashing in the Board of interests?—No; not of interests.

94. *Mr. Macandrew.*] Has there ever been anything in the shape of a deadlock as between the Government and the Board?—Not that I am aware of.

95. That might take place under the existing law?—It might.

96. *Mr. J. Buchanan.*] In your letter you advert to affording the settlers relief who have taken up over fifty acres of land, to increase it to 320 acres; your opinion is that the Government Bill excludes them from that privilege: that is the construction you place upon the Government Bill?—Yes.

SATURDAY, 29th JULY, 1882.

Mr. JAMES MCKERROW, Surveyor-General, examined.

97. *The Chairman.*] You are Secretary for Crown Lands?—I am.

98. Will you take this petition and give the Committee your opinion on the various clauses?—I will. The first clause is to the effect that "many of your petitioners have taken up land on deferred payments, under the provisions of the law in force for the time being in the colony." I notice with regard to this that, out of the 137 petitioners, forty-four have taken up land on the deferred-payment system, and eleven have completed the purchase. Consequently there are thirty-three cases in which the purchase has not been completed, and which are still current. The second clause of the petition says: "That many of your petitioners have obtained their land after competition at auction, and that, owing to the length of time over which the payments were spread, over-competition at a time when a species of land fever had seized the entire community, and a too limited area of land being opened for settlement, they have given prices at auction far beyond the real value of the land."

99. *Mr. J. B. Whyte.*] How many are not paying?—Twenty-eight.

100. *Mr. Macandrew.*] Of course you are only referring to those who have signed this petition?—Yes. With regard to this second paragraph in the petition, I can only say that I think it is scarcely accurate, because most of the selectors have got their land at the upset price. It must be understood that the remarks I am now making refer only to the cases which are involved in this petition. With regard to the statement about the length of time over which the payments were spread, &c., having induced them to have given too high prices, I have to say that the length of time over which payments are spread, is a characteristic feature of the deferred-payment system. Instead of being put forward as a grievance, it is really an advantage to have plenty of time to pay and get settled on the land. The majority of these thirty-three persons got their land at the upset price of £3 per acre without competition. "The 'land fevers' referred to are always occurring, and I believe we are on the eve of another one now. With regard to the 'too limited area of land being opened for settlement,' I remark that the land which is opened for settlement is necessarily a limited quantity, because, apart from the fact that land has to be surveyed, roaded, and prepared before being offered for settlement, there is only a certain quantity of land in the colony, and we cannot give more than

that away. The third clause of the petition is as follows: "That many of your petitioners now find it impossible to complete the payments which they had, under the pressure of the circumstances detailed, undertaken to make." The return which has been put in shows that twenty-eight settlers have not been paying, and that there are arrears ranging over from one year to four or five years. The fourth clause says: "That, when selectors are in arrear of payment, the Land Act contains provisions of a highly unjust and oppressive character, amounting, if put in force, to a confiscation of their property and the forfeiture of large sums which they may have paid towards the purchase-money." The law as it at present stands is this: that, if forfeiture is declared after full investigation and after all the formalities have been gone through, all the payments up to this time are forfeited, and those who have paid do not get any of their money back. In fact, the money they have paid is looked upon as rent for the use of the land during the time they have occupied it. As regards improvements, the Land Boards may return 75 per cent. of the money realized for them at auction.

101. *Hon. Mr. Rolleston.*] How many have been so dealt with?—Very few indeed. I can only recall some three or four cases in which the selectors defied the law in every respect, and they were then brought under the penal provisions of the Land Act. I now come to the fifth clause of the petition, which reads thus: "That, in consequence, many of your petitioners have been compelled to effect forced loans to escape such confiscation and forfeiture, and, in order to give security for such loans, have been driven to pay up in full the remaining unpaid instalments of purchase-money." Under the present law, if a person has fulfilled all the conditions of improvement and residence for three years, he may, if he chooses, complete the purchase by paying up the balance of the seven years' instalments. Several persons have done that because it suited them to get money on their land, not only to be done with the Government, but to have something to go on with the further improvement of their properties. Surely there can be no hardship about that, for they may, if they think proper, extend the payment over ten years, or pay up the whole at the end of the three years. The policy of the department has been, not to induce people to complete their purchases earlier than the ten years fixed by law. The object of the deferred-payment system has been to get the country settled by a resident class of settlers, not by a selling-out class. The sixth clause of the petition is as follows: "That although these instalments are, under the contract, payable to the Crown only over a series of years, yet the selectors have received no rebate of interest for their immediate payment in one sum, and your petitioners are therefore now practically paying two interests on the same sum of money—one to their mortgagees, and the other to the Crown, for which latter they have received no consideration." I think the remarks I have made in regard to the fifth clause will meet this section. The seventh clause says: "That others of your petitioners have taken up areas varying from 50 to 200 acres on the deferred-payment system, and find themselves debarred, by the terms of the Land Act, from completing their selections up to 320 acres." Under the law, as it stands now, there can be no reselection. It may appear at first sight rather unfair that a man who has taken up from 50 to 200 acres should be debarred from selecting up to the maximum limit of 320 acres. But it should be remembered that sixty acres in one place may be quite as valuable as 320 acres in another, and therefore it is not reasonable to complain that a man who has taken up land once under the deferred-payment system should not be allowed to do so a second time. Further, it should be borne in mind that the quantity of available land is limited, while the number of possible selectors is not. The deferred-payment system is for the benefit of the industrial classes; and the Government, by giving the opportunity once to any person to obtain land under this system for a home and livelihood, has given a privilege, but not with the view of the selector developing into a speculator, and becoming rich by taking up section after section.

102. *Mr. J. Green.*] But if the sections are small will not the Government allow them to be grouped together?—Yes. The eighth clause is as follows: "That others of your petitioners who have acquired the freehold of lands held under the deferred-payments, however small the area, are also debarred by the Land Act from any further selection." That is quite correct; but, as most of the petitioners have farms of 150 acres and upwards, there is no great cause of complaint. Then the ninth clause says: "That others of your petitioners have taken up land without opposition during the period within which 'The Crown Land Sales Act, 1877,' was in operation." A considerable number of people took up land under this section. I find by a return which has been prepared that, of the thirty-three selectors petitioning, nineteen have taken up their sections under the Act of 1877, and mostly without competition. The tenth clause is to this effect: "That it was a matter so doubtful whether the said Act really raised the price of deferred-payment land from £1 10s. to £3, that the Waste Lands Board felt compelled to obtain the legal opinion of a Judge of the Supreme Court on the point, who advised that the terms of the said Act had that effect." That is so, but it would seem to imply that they were misled. That was not the case, however; because, not only was the matter very fully discussed in the public press, but no land was offered until Judge Williams gave his decision that the Act of 1877 raised the price of deferred-payment land from £1 10s. to £3 per acre. The eleventh clause says: "That some of your petitioners took the best legal advice, including that of Robert Stout, Esq., the framer of the said Act, and were advised to the direct contrary." That I believe is quite accurate also. I believe this was all done before the Judge gave his decision, and months before any of the land was offered to public competition. The twelfth clause says: "That your petitioners have been informed, and verily believe, that the said Act was not intended by the Legislature to raise the price of deferred-payment land." I can inform the Committee that I heard Mr. Donald Reid state to the House that the effect of "The Crown Lands Sale Act, 1877," would be to raise the price of deferred-payment land to £3 per acre. That was during the administration of Sir George Grey's Government. The thirteenth clause is to this effect: "That many of your petitioners selected land during the said period under the full impression and belief that an amending Act would be immediately passed, providing that the true intention of the Legislature should be legally carried out, and the price of land which had been selected without opposition be legally fixed at £1 10s. per acre." There was not any intimation given to the effect that an amending Act would be immediately passed. But the Act was repealed after it had been in operation for two years. The fourteenth clause says: "That the said Act was repealed during the session of 1879, but the repeal was unfortunately not made retroactive." The Crown Lands Sale Act was repealed in 1879, as stated, and during the two years—1878 and 1879—it was law, the minimum price was £3 per acre.

103. *Mr. Hurst.*] How many people took up land during those two years?—About 400. Now I come to the fifteenth clause, which says, “That some of your petitioners have selected land which had remained open for a considerable time at £1 10s. per acre prior to the passing of the said Act, and for which no application had been received, and yet are liable to pay £3 per acre, although the price in these very blocks has again been lowered to £1 10s. per acre, and some of the land is still unapplied for even at the reduced price.” Regarding the first portion of this I am not able to state the number of petitioners who took up land at £3 that had previously been opened at £1 10s. per acre, but there could not be many, for in the whole of Otago and Southland there were only thirty-one selectors who took up 5,239 acres of land at £3 that had been previously offered at £1 10s. All the other lands, taken up during the two years the Act was in force, were selected from blocks opened for the first time, and consequently the selectors had the first choice of the best sections. The sixteenth clause says, “That your petitioners find that, owing to the uncertainties affecting agricultural pursuits, the occurrence of bad harvests, and occasionally exceptionally low prices of produce, the provisions of the present law, requiring fixed payments annually on pain of confiscation and forfeiture, work exceedingly to their disadvantage.” I believe that is quite true. Since the settlers have taken up their land the prices for agricultural produce have been notoriously low, that is to say, for two or three years past. It was I think impossible, during the continuance of these low prices, and the expenses of settling, for the selectors to pay their rents out of the produce of their farms.

104. Are these low prices still the rule?—No; they are better at present, and I believe will continue to improve. The seventeenth clause says, “Your petitioners beg humbly to say that they are anxious and willing to pay for their land according to the true and fair price or value thereof; but, owing to the exceptional circumstances already referred to under which their licenses were acquired, they are at present bound to pay far beyond that value.” My reply to that is, that the selectors really fixed the price of their land themselves. The Government did not do so. There was an upset price fixed, and no means were adopted to induce the selector, against his will, to take up the land. The Government had the land surveyed and maps prepared and published, and every man bought with his eyes open as to what he was buying. Of course, when land is put up at auction it is sold to the highest bidder; and it is he, therefore, who buys who puts the price on the land. The department has been always very careful not to employ professional auctioneers, but to conduct auction-sales by its own officers; and no artifice that would mislead the public, and so induce them to give a higher price than their deliberate judgment prompted them to give, would be countenanced for a moment. It has sometimes been stated, as a reproach against the Government, that their auctioneers were stupid and did not get the highest prices obtainable.

105. *Mr. J. Buchanan.*] Have you had any complaints to the effect that you have not sufficiently advertised the sales?—Yes; but I remember that on one or two such occasions it was notorious that we over-advertised. The eighteenth clause is to this effect:—“Your petitioners humbly submit that a revaluation of their lands by competent and impartial persons, and such a rearrangement of the terms of payment as will enable them to pay off the principal price at such times as they may be able so to do, would be equitable in itself and for the best interests of the agricultural settlement of the colony.”

106. *Mr. Hurst.*] Do you think there were many cases in which too high a price was given for the land?—Yes; out of the thirty-three persons I have referred to there may be five or six who have given more than the real value of the land. In one or two cases considerably more than the value was given. I am, of course, merely giving that as an opinion. As an instance, I may state that one of the persons whose names appear on the petition—I refer to Mr. Wm. Rendle—offered to give £4 17s. 6d. for 182 acres in Budle District. That I deem an excessive price. However, he has paid for two and a half years, and is only one year in arrear. At the same time the land may have been in such a position as to be of special value to him. With regard to the eighteenth clause, I should like to ask where a revaluation, if such is to be made, is to end. Any person who has bought land in the colony may come forward and ask for a revaluation, and if you give that to one you can hardly refuse it to another. If that principle is once introduced, I do not think it will be possible to carry on the Lands Department. With regard to the rearrangement of the terms of payment referred to in the eighteenth clause, I think that is a very reasonable proposal, and I consider that such a rearrangement may be made without violating the original contract, and in a way that neither the Department nor the selector will have any cause to regret or be ashamed of.

107. *The Chairman.*] What do you mean by rearrangement—do you mean postponement?—Yes; it might take the shape of altering the status of selectors. At present they are incipient freeholders. They might become leaseholders in perpetuity, as proposed in the land bill, or, if it were considered desirable to rearrange, on the basis of their becoming freeholders, the best plan would be to capitalise the instalments remaining unpaid, and allow selectors to pay interest on the amount every half year, and to pay off as much as they could, year by year, the payments being spread over as much time as you like.

108. *Hon. Mr. Rolleston.*] You are opposed to revaluation? Yes; very strongly.

109. *Mr. Hurst.*] By capitalising the amount and allowing the selector to pay interest, he would be placed in a more favorable position? Yes. Of course it would not do to fix the interest at a high rate, because if it were too high the selector would go to the money lender at once and pay the Government the capitalised value, and that would lead to very awkward complications with those who had already paid up without getting any rebate. They would consider that, while they themselves had paid in full, others had been let off. I think 5 per cent. would be a fair rate of interest, and it would be lower than the money lender would charge.

110. *Mr. J. B. Whyte.*] Do you not think it is bad in principle to make the Government the mortgagee?—Yes; but I can think of no other way of meeting the case. Under the system of capitalisation, the selector would actually pay more in principal and interest than he would if he made his payments regularly under the existing system. But the capitalisation would give him easier payments for a few years, while he was establishing himself, with heavier payments towards the end of the term, when he ought to be able to pay them.

111. *Mr. J. Buchanan.*] Do you not think it would be better for the selector if his land could not be taken by an outside creditor for ordinary debt?—I can hardly answer that question without some further consideration; but, speaking hurriedly, my impression is, that the land should not be capable of being assigned for any debt whatever until it is actually Crown granted and the property of the selector. The nineteenth clause is as follows:—“That your petitioners beg humbly and respectfully to direct the attention of your honorable House to a bill prepared by John Aitken Connell to amend the Land Act, a copy of which, they have been informed, has been sent to each member of your honorable House, which provides, in the opinion of your petitioners, a fair and practical remedy for the grievances under which your petitioners suffer, and which, if passed into law, would, in the opinion of your petitioners, prevent the recurrence of complications alike hurtful to the settlers in the community.” I have a copy of Mr. Connell’s Bill, but I have not read it through. I believe, however, that its main feature is the capitalisation of the unpaid instalments, to which reference has already been made. I think its object is to give relief to deferred payment settlers. The twentieth clause says:—“That your petitioners approve of all the provisions of the said Bill in so far as the same relate to deferred-payment land, excepting that the words ‘at auction’ should be struck out of clause 34, and that personal residence on pastoral deferred-payment land should, in the opinion of your petitioners, be retained, and that the words ‘less the amount of the sum of the instalments already paid’ should be added to clause 41.” This clause raises the question whether land should be disposed of by auction, by tender, or by ballot. I watched the operation of the ballot system for some time, and it seemed to me to have many objections. The main objection was, that a rush was made for the best sections—in fact, I have seen as many as forty or fifty persons going in for one section—and it was a regular lottery. I have known of men going round the country and inspecting the blocks, and when they had made their choice and the ballot took place they did not draw a lucky ticket, but always a blank, and consequently they never got what they wanted. The consequence was that these men were disappointed, and, after losing their time and their money, they gave up the thing in disgust. I also observed that the sort of men who would make the best settlers, taking observation of this, determined not to waste their time on such a wild goose chase as they would be taking part in if they tried to get a section by ballot.

112. *Mr. J. B. Whyte.*] Would not more careful valuation and higher prices rectify that?—Yes, to a considerable extent. Had the land been valued, there would have been less competition, and the evils I have referred to would have been much lessened. Some people would not lose their self-respect by gambling for land under the ballot system, and others would not do so on conscientious grounds. Moreover many persons, it is said, went in for the ground with the object of being bought off.

113. Are you not aware that the same thing has occurred under the auction system?—Yes; but not to the same extent. I think the auction system is a fair one, though under it people may often get excited and give more than the land is worth. I think a combination of the systems of auction and ballot,—that is, the tender system,—would be the best. Under it there would be no excitement; the land would be surveyed and mapped off; and a man would know exactly what he was buying. Should it happen that two or more persons offered the same amount for the same land, it might then be decided by lottery.

114. *The Chairman.*] Supposing that a case of this kind happened: Two persons tendered for the same block,—one the upset price, and the other double the upset price,—do you think it would make the man who had given the larger amount contented to know that he had given so much more than he need have done?—He might feel a sense of grudge; but he would only have himself to blame for anything that had happened.

115. *Mr. Macandrew.*] Do you not think that many of these petitioners have got just as good a claim for relief as the 200 who petitioned some years ago, when Donald Reid was appointed to revalue?—Yes; I think they have.

116. *Mr. Stevens.*] Have there been complaints from any other parts of New Zealand that selectors have paid too much for their land under the deferred-payment system?—I cannot remember any. There have been applications made to the Wellington and Taranaki Land Boards for an extension of time; but I do not think there have been any complaints that the land was too highly priced.

117. With regard to legislating for the relief of these people, who are all in Otago: do you not think it would be better that they should be dealt with by the department, or by the Government, instead of by special legislation?—I am not sure that the department could help them, because if we were to put the law in operation, we would have to evict three or four hundred people at once. The Land Boards have assumed a discretionary power in the matter, but they have no right to do so; nor do I think the measure of relief should be left to the discretion of the Lands Board and the Minister for Lands, it should be according to a definite plan fixed by law. I may say that the best land is invariably set aside for the deferred-payment selectors.

118. Did many of them pay as much as £5 per acre for their land?—No; very few paid so much.

119. *Mr. Macandrew.*] You, of course, know the deferred payment lands set apart in the Dalhousie Hundred?—Yes.

120. And you know that a large quantity of land in Otago has been sold at a fixed price of £1 10s. per acre?—Yes.

121. In your opinion, was the land set apart in the Dalhousie Hundred superior or inferior to the land taken up in Otago, at £1 10s. per acre?—I do not think that the land set apart in the Dalhousie Hundred was over estimated in value, when £3 per acre was asked for it on deferred payments.

122. What is the difference in the merits of the petitioners in this case, and in that of the 200 who petitioned some time ago?—I think the two cases are analagous, with this difference: That when the first petition came before the House, the colony was in a depressed state, and the prices of the produce were low; and, in fact, it was considered impossible that the selectors could pay their instalments. The Committee, therefore, felt that a desperate case required a desperate remedy. But

I think we are in a better condition now, and that the colony is progressing. Consequently, I believe that land will rise in value, and that agricultural produce will also bring higher rates. I find that there are 27 persons in arrear, the total amount unpaid being £1,800, or about £66 each. In preparing this statement I have left out one case, that of Mr Mervyn, in which the amount in arrear is £500. He is quite able to pay, I believe; but he is contesting the question with the Department, "whether he should pay at all."

123. Do you think that the exceptional circumstances which justified the Government in acting as they did some time ago, with the 200 petitioners, no longer exist?—Not with the same force.

124. *Mr. Hurst.*] Has the deferred-payment system, in your opinion, been a great success?—Yes, it has fulfilled its object, which was to settle the land, and to prevent it from being taken up in large blocks. I believe that if the law were more strictly administered, and a few persons were evicted, there would be fewer persons complaining.

125. *Mr. Macandrew.*] Do I understand you to say that you consider some of the Dalhousie Hundred land worth £3 an acre when compared with some of the other deferred-payment land in Otago that was sold at 30s. per acre?—Yes; some of it is nice flat slopes, with good soil, producing excellent crops as has been publicly testified to by members of the Land Board and others. There is also light timber in the gullies, and heavy saw-milling timber on the slopes running into the Clutha Gorge.

126. *Mr. J. B. Whyte.*] In your opinion a proper valuation of the land would have done away with most of the evils of the ballot system?—Yes, to a great extent it would.

127. *The Chairman.*] And would have led to the throwing of more land on the market?—Yes.

128. *Hon. Mr. Rolleston.*] Is not the only true test of the value of land the price which the public will give for it?—Yes, to my mind that is the best method of valuing the land. That is my deliberate opinion.

129. *Mr. J. Green.*] In your opinion would it not be better if different prices were fixed for the different sections at the time they are offered for sale?—That is the case now. It is the Minister of Lands who fixes the price. The Act of 1879 fixes the price of deferred-payment land at not less than twenty shillings per acre, but the Minister can fix the price at anything more than that he likes. In Otago the price has been usually fixed at 30s. an acre, and that price has been hitherto adhered to irrespective of the higher value of the land, with the knowledge that when it is put up to auction it will bring its value. On the West Coast of the North Island the land is all under the control of the Minister, and the price fixed for applications has varied from £2 to £6 an acre.

130. *Mr. J. Buchanan.*] In Otago the usual upset price for land is thirty shillings an acre?—Yes.

131. Have you any idea what the cost of that land has been to the colony for survey, departmental charges, &c.? It would be impossible to state what the roads have cost, as they are constantly being repaired, but in regard to the mere opening of the land it varies from 1s. 6d. to 5s. or 6s. per acre. The survey costs 1s. or 1s. 6d. per acre, and then to that there is to be added the roading and sums paid as compensation to squatters for extinction of grazing rights, bringing the total amount frequently up to 5s. or 6s.

132. *Hon. Mr. Rolleston.*] What did the Government expend on the Kairanga Block?—About £5,000 to begin with, and since then about £350 more to complete the drains, &c. I think the Government spent in all about 14s. or 15s. an acre on it in drains, roads, and survey, and the land realized an average of £3 per acre. It was an extremely successful operation, and it realized at auction, in round figures, £20,000; and this sum has since been increased by the sale of the few remaining sections that were not education reserves. One-third of the block was sold on deferred payments, and the other two-thirds were sold for cash.

133. Under the ballot system the country would have lost all this?—Yes.

134. *Mr. J. Buchanan.*] When you spoke of the land costing the Government from 1s. 6d. to 5s. per acre, did you refer to bush land?—No; I was referring to the open country of Otago, whence the petitions came.

135. In timbered country the cost would be greater?—Yes; as in the Kairanga Block.

136. *Mr. J. Green.*] Is it not a fact that in Otago the lands offered to the deferred-payment settlers have been classified?—Yes.

137. Has the Land Board ever recommended that the upset price of that land should be more than £1 10s.?—I think not.

138. Would the value of the Otago land, if it had been sold for cash, be more than £1 10s. an acre?—I am sure that if the sections had been put into the open market, the land would have realized frequently £4 or £5 an acre cash.

139. *Mr. Stevens.*] With regard to the Kairanga Block, you say the original cost to the Government was about 15s. an acre. Have you any idea what it cost, including the amount paid to the Natives and for the negotiations?—No; that cost is not included. I only know of it as Crown lands.

140. *Mr. J. Green.*] Is it not a fact that the Land Board of Otago recommended the Government to throw open the land to cash purchasers?—A man may buy for cash now, but he must be content to take whatever land he can get after the best sections have been selected on deferred payments.

141. Do you think that is injurious to the country?—Yes.

142. *Mr. J. Buchanan.*] If a man with £3,000 or £4,000 wished to buy land on which himself and his family might settle, would not an opportunity be allowed him to acquire the land for cash?—He could not purchase as much land together as he could get for the sum you have named. If he landed here now, he would most likely go to a land agency for the purpose of finding out what private land was open.

143. *Mr. Driver.*] He would get no assistance from the Waste Lands Board?—No.

144. *Mr. Rolleston.*] Would it be possible, in administering the law, to offer inducements in such a manner that outside capitalists would be afforded facilities to purchase without playing into the

hands of the run-holders and existing Crown tenants?—Yes; it simply requires that the existing policy should not be so very restricted. I would not give a capitalist the opportunity of purchasing 10,000 acres, but I would allow him the opportunity to buy together 500 or 1,000 acres of good land, as was done, for instance, on the Waimate Plains.

145. Then the administration has not been restricted in all parts of the colony?—No.

146. *Mr. Hurst.*] Has not “dummyism” been carried on under the deferred-payment system in Otago?—No; I do not think that “dummyism” has been prevalent in the colony at all. Every proposal for transfer is very carefully inquired into.

147. *Mr. J. Buchanan.*] The effect of the Act has been to put money in the way of the land agencies?—Yes.

148. And that tends to increase the profits of those agencies?—Yes.

149. And those companies are composed mainly of English capitalists?—Yes; I believe so.

150. *Mr. J. Green.*] Is it not a fact that the Survey Department surveys the whole of the blocks before any reference is made to the Board?—Yes.

151. And that the department makes a recommendation to the Board as to the class in which each piece of land shall be put?—No, exactly the opposite is the case frequently; for instance, with regard to the 350,000 acres recently withheld from the Otago runs, Messrs. Clark and Green, two members of the Otago Land Board, inspected the land and made certain recommendations as to size of sections and its manner of disposal. The Minister approved, and instructed the surveys accordingly.

152. But is it not a fact that the whole of the instructions emanate from the Survey Department, and not from the Board—I mean the instructions as to the size of the sections, how the land should be surveyed, and how it should be classified?—Yes.

WEDNESDAY, 2ND AUGUST, 1882.

Mr. McKERROW, examined.

153. *The Chairman.*] There was a resolution passed by the Committee to ask you to supply certain information if you thought proper?—I have looked through those six petitions, five of which are from Otago, the sixth from the Seventy-Mile Bush, Hawke's Bay.

154. *Mr. Driver.*] Does the sixth ask for relief?—No; for an opportunity of making another selection. I looked through the names of the Otago petitioners, and those names that I happen to know—none of them are deferred-payment selectors—they are farmers, but not deferred-payment selectors. The petitions are identical copies of the petition upon which I have already given evidence, signed by 137 signatures. I have asked the Commissioner of Crown Lands, at Dunedin, to supply, at the earliest date, which will probably be by the end of this week, a statement in regard to the deferred-payment selectors who seek relief, the areas taken up by them, the price paid, and any remarks he may proffer. Regarding the petition from the Ormondville settlers, Hawke's Bay. They ask that they may be allowed to make a further selection under the deferred-payment system, their present areas ranging from 40 to 150 acres each, being deemed by them too little. I would remark that they are located on very good land; that the railway is now open through the centre of their block; and that if the prayer of their petition is granted, in all likelihood they would make applications for land in an adjacent block which the Government is now in treaty for, viz., the Raikaia Block. I do not think it desirable that this opportunity should be afforded them, because it is exceedingly desirable to have as many settlers located in the bush, and all along the railway line, as it may be supposed the country is capable of maintaining in a thriving condition. Areas from forty to fifty acres may, in the circumstances just stated, be deemed sufficient for a family, because it takes a very long time to clear such an extent of land to bring it into cultivable condition.

155. *Mr. Hurst.*] It is heavy bush?—Yes. Also, the forest in that part of the country happens to be of a very valuable nature. There are sawmills established there now, and there will be more established in the future. Small settlers, therefore, have the opportunity of employment, should they require to avail themselves of it. On the other hand, any produce which they may prepare for market, can readily be got quit of through the extension of the railway to their district. There is another consideration. In the future of the colony, a less area of land will be sufficient for the settler than has been in the past, for the reason that hitherto settlers have had to depend more upon the grass than upon the other products of the land; but that condition is rapidly changing.

156. *Mr. Stevens.*] Is that with regard to the petition from the Forty-Mile Bush?—Yes; known as Ormondville.

157. Do you know the character of the country, and what its capabilities are?—Yes; you may say it is a level undulating country, well watered; the soil of a loamy sandy nature, but very good soil indeed. It grows grass, root, and grain crops well; and the timber, as I have already said, is very valuable, consisting of rimu and totara in great abundance. There are several sawmills at work.

158. That more particularly applies to the settlers near the townships, I think?—Yes; it also applies to the settlers on the Ngamoko Block, who are little more than 6 miles from the railway by road.

159. Are there a number of settlers who own rather an inferior quality of land overgrown with hawk-weed, the surface very hard, and clay underneath—along the railway line between the outer edge of the bush—between Ngamoko and Takapau?—The soil, no doubt, varies very considerably over the area you have named. But the whole of the bush, taking it in the general, is very fair. The grass is luxuriant, as you can see as you go along; they grow excellent root crops, also good crops of grain.

160. *Mr. J. Buchanan.*] Under what Act was that land settled?—Under “The Hawke's Bay Settlement Act, 1872.” The particular block referred to was proclaimed in 1876.

161. Is it the case that the settlers on this block had the option of framing their own regulations?—Yes.

162. The Waste Lands Board only carries out the regulations framed by themselves?—That is so.

163. *Mr. Hurst.*] And there is valuable timber upon the land?—Yes.

164. *Mr. J. Buchanan.*] On some of the sections probably the timber will be the best crop they will ever have?—Yes; especially where it is clay land.

165. *Hon. Mr. Rolleston.*] Clause 55 of the proposed Act will not apply to these people?—Only to one or two.

166. As a rule it will not apply to them?—No.

167. *Mr. Stevens.*] Is there any considerable portion of that land upon which no person could make a reasonable living on 50 acres—that is to say, without it was thickly studded with valuable timber?—Now that there is the railway, a thrifty man with a thrifty wife could make a very good living.

168. *Hon. Mr. Rolleston.*] If a man were to cultivate more than fifty acres he could not possibly, as I understand it, be relying upon his industry and cultivation, but would retain the land to speculate upon afterwards?—That is so; because he could not get land adjacent to his present holding, he would require to go two, or three, or more miles to get it.

169. To give him more land would be enabling him to speculate in land, and not be for the purpose of beneficial settlement?—He would probably sell out to a neighbour and make a fresh start.

170. It means sales, not settlement?—Yes.

171. *Mr. J. Buchanan.*] Are you aware that Ormondville is a speculative township—that it was founded upon one of these free-selection blocks?—Yes; it was known, and is referred to in the *Gazette* as the Waipukurau Small Farm Association.

172. And were not one or more of those deferred payment selections cut up and made into townships?—I am not aware of that.

173. *Mr. Hurst.*] Have you seen the Deferred Payment Settlers' Relief Bill—have you read it?—At the time it came out I did. The second clause would be, I think, an exceedingly objectionable one.

174. You think it would be exceedingly objectionable?—Yes.

175. Supposing the Committee determined to grant relief, what in your opinion should be the way, what would you suggest?—My evidence previously given was to this effect, that there should be no revaluation, that the value of the land in every case should remain at the amount fixed by the settler himself, and the relief should take the form of extending the time for the payments, either by making the holding a perpetual lease or by capitalising unpaid instalments; letting him pay the interest thereon every six months, and the principal as he is able within a given time.

176. *Mr. J. B. Whyte.*] Capitalising at the cash value?—Yes; the same would apply to leases too. I think if these two options were given to the selectors, the whole difficulty would vanish.

177. *Hon. Mr. Rolleston.*] That is, the option of making a perpetual lease, of capitalising, and paying off from time to time?—Yes.

The Chairman read *Mr. Connel's* letter as follows:—

SIR,—

Wellington, 31st July, 1882.

I had intended to have explained personally to the Committee, in reference to the petition of deferred-payment settlers and other farmers of Otago, that the first copy which was laid before the House by *Mr. Macandrew* contained a comparatively small percentage of deferred-payment settlers and other agriculturists, for this reason, that the Committee of Selectors desired to have the substance of their prayer before the House as soon as possible, and that particular copy was circulated only throughout the Tuapeka District, which, though an important agricultural district, yet contains comparatively few deferred-payment settlers, nearly all of whom, I think, signed the petition.

The other copies subsequently presented were signed by a very much larger proportion of deferred-payment settlers, situated, however, at a greater distance from Dunedin.

The signatures to the petitions already presented number over 400, and there are others (some of which have apparently gone astray) yet to be presented. In all at present I estimate over 600 farmers have signed the petition, of which number, I think, between 200 and 300 are deferred-payment settlers.

I have, &c.,

J. ATKEN CONNELL.

The Chairman Waste Lands Committee.

178. *The Chairman.*] As far as you can judge from going through the petitions, without, of course, specific information from the various districts, can you say whether there are anything like two or three hundred deferred payment settlers signed the petitions, presented to the House?—I think not.

Mr. W. C. SMITH, M.H.R., examined.

179. *The Chairman.*] The Seventy-Mile Bush deferred-payment settlers have sent in two petitions; this second one asking that those who had fulfilled the conditions should be allowed to take up a second lease of land under the deferred-payment system, in all not to exceed in each case 320 acres as is now allowed by law?—In some cases, more especially at Ormondville, the land turned out very poor, and they find it impossible to make a living on the small pieces they have, ranging from 40 to 110 acres. They, having fulfilled all the conditions and paid up everything required by law, wish to be allowed to take up another piece. They took up the land under special arrangements, and could only take up one section whatever size it was.

180. *Mr. Macandrew.*] Was there any specific area?—It did not exceed 110 acres; they had no chance of taking up more.

181. They want to enlarge their holdings—not to exceed 320 acres in extent?—Yes; the blocks are small. I know cases where they have not taken up anything like 320 acres.

182. *Mr. J. B. Whyte.*] Could they take up land adjoining their present holdings, or would they have to go further afield?—They would not have to go very far away. In some cases it would be very close. There is fresh land now being opened up near them.

183. *Mr. J. Green.*] It is all timber land?—Some of the timber is fit for firewood; it is not fit for sawmills.

184. Are there no sawmills in the locality? There is one close to Ormondville—a very small one. At Kopu there was a large sawmill, but it was burned down. The bush is still in the hands of the natives, and they get, I think, 1s. per 100 feet.

185. *Mr. Macandrew.*] Is the land fit for grazing or cropping?—At Ormondville none of the land is fit for cropping. The settlers keep cows, and the man goes out to work; that is how they have been able to pay the instalments—by what they earned outside.

186. If there had been no public works there, they could not have paid?—No; they work at the sawmill, felling timber, and sending it to the mill.

187. At Makatoko they are chiefly Germans; at Ormondville they are English; but at Norsewood they are Scandinavians, brought out by the Government, and put on the land there. They have turned out a very good lot of settlers, taking them all round. I think there are scarcely any cases of not paying up, and there are no cases asking for relief; but they object to the regulations, which are very strict, and are strictly adhered to.

188. I suppose the increase of the population is one reason why they want an extended area?—Unfortunately these poor people—many of them have large families—I do not think there has been a large increase of population.

189. They were mostly married people?—Yes.

190. *Mr. J. Buchanan.*] What, in your opinion, is the object of the deferred-payment system—is it to settle people on the land on permanent holdings—was that the object?—Yes; that was the object, as far as I understand it.

191. Do you think it would be advisable to encourage them to quit those homes already made by giving them another piece of land?—No, I do not think it would be wise; but according to their petition giving them an increased piece of land would be the means of keeping them there. At Ormondville they said to me that unless they got an increased area of land they would, in many cases, have to sell and go; but they do not want to move.

192. Would it be possible to increase the areas in the district for each of them?—There are only a few of them who require it. There is no general wish. Of course, those who are able to make a living out of the present pieces do not wish more.

193. There are only a few who require to be increased to 320 acres?—Of course, I may not know all of them.

194. *Mr. Macandrew.*] How many signed the petition?—Forty-seven signed the petition from this place. There was another petition.

195. *Mr. J. B. Whyte.*] It does not follow that the whole forty-seven want an increased area?—It does not follow that the whole of those who signed, wish to take up the increased area now; they look to it that they may in the future.

196. *Mr. J. Buchanan.*] It has no reference to immediate relief?—Yes; some of them want immediate relief for this reason, there is land about to be thrown open there, and they want to take advantage of the opportunity to take up now.

197. As a matter of general policy, would it not be better for the Government to put new men on this land, instead of these men who are now there?—I do not think so. Experience has shown that you will not get men in sufficient quantity to take it up, and these men have gone through all the hardships, and experience of the bush. As a matter of fact, a certain proportion of new people work for a little while, and go away. The people wanted are those who are absolutely determined to settle there.

198. *Mr. Stevens.*] Do you not think this would give the relief—if those persons who hold leases of 120 or 150 acres were invited to make applications to the Minister of Lands for permission to take up increased areas of 150 acres? Would that meet their case, instead of framing Acts whereby all are entitled to take up 320 acres?—No; I do not think the Minister of Lands has power.

199. Supposing power was given by the Bill before us. Of course these people will have to apply to the Lands Board to take up this land,—is it in the hands of the Board to grant the applications or not?—They want to be in the same position as if they took up land now.

200. Are there not many of those settlers who have fifty, sixty, or seventy acres of land nearly the whole of which is the side of a hill, and composed of yellow clay, in the Scandinavian Settlement?—I only know it is poor land.

201. In other parts the land is remarkably good?—At Ormondville there is really no first-class land.

202. The timber on the land is very valuable?—No; the deferred-payment settlers have no timber on theirs. At Danebirk there has been some valuable timber, but there is no application from the people at Danebirk. It is the best English settlers at Ormondville who have applied, and a very few at Woodville.

203. Is there any petition from the Makatoku settlers?—No; but those people are entitled to any little relief the Board can give them. Applications came in some cases to allow them to pay up the balances. They are not allowed by law to pay so as to enable them to borrow a little money and go on improving.

204. *Mr. J. B. Whyte.*—Do not you think they ought to pay up the cash value?—The regulation is, that they have to pay up the deferred-payment value. They are not allowed in the Hawke's Bay District to pay if they wish to. I may add that, from experience, they do not find the regulations under which they took up the land work well. Where the land turned out poor, they have not sufficient to live on, and those who wished to stop wished to take up another piece. They have fulfilled all the present regulations; and the next thing is after improving the property, and paying for three or five years, they are in the position that they are not able to raise money on it to keep up those improvements.

205. *Mr. Macandrew.*] I gather from you, instead of one uniform block for all of them, the cases would be met if the Government had discretionary power to deal with individual cases within the limits of the law?—Yes; but the law wants altering. I may say the Land Board only put in the market what land they like. These people cannot apply for any but these lands. These little local arrangements, as I have pointed out, have not worked well.

Captain MACKENZIE, M.H.R., examined.

206. *The Chairman.*] Your name is Francis Wallace Mackenzie, and you are a member of the House of Representatives?—Yes.

207. You have presented a petition from some deferred-payment settlers, asking for relief?—They ask for many things. The petition is the same as the printed petition. I have not a copy with me.

208. Those are the petitions we are considering; would you be good enough to make any statement?—I am not at all prepared in any way to make a statement. I would like the Committee to elicit anything required from me. Speaking generally on the matter, I wish to say this, that there are a great number of those deferred-payment settlers in my district, from end to end, and I have had ample opportunity of observing how the system works. The first deferred-payment settlers were placed in my district under the system, and although settled in a remote corner of the country, and without almost any communication by roads or other public works, those people have done very well. They have been successful settlers. I believe one great reason of that was, they got the land at a reasonable price under the ballot system.

209. And the land was exceptionally good, was it not?—No, not exceptionally. It was good land. I believe all the trouble the deferred-payment settlers complain of, is caused by giving up the ballot system.

210. Were there no complaints under the ballot system when in existence?—I will come to that by and by. Under the ballot system as it is practised, applicants had personally to attend, and I believe there was a lot of complaints that they lost a lot of time, some of them lost time in going about seeking to get land. I do not think there was any reason to complain of going to look at the land, because that is a thing any prudent man would do in any case; and I believe, if more land had been put in the market, that the difficulty as to the ballot would not have arisen. I have also this to say in regard to some evidence given by Mr. McKerrow. As to the difficulty of putting land in the market, so far as my district is concerned, there has been no difficulty whatever. There were no roads made for those settlers, and no assistance whatever was given to them. And yet almost without exception the first settlers have done well. It was only after the auction system was introduced that complaints began to be made. I may also state that to my knowledge, owing to the great difficulty of getting produce to market from want of roads, and also owing to the low price they got for the produce, that there were no doubt other causes as well as high prices promised for the land, inducing an unsatisfactory state of things. I may say this also that a great number of those settlers, who have completed the payments and acquired the freehold of the land, have done so by borrowing money. And the fact of their doing so, does not in my mind in any way prove that they are in a good financial position. Neither does it prove, to any great extent, the success of the system. There was a measure of relief given to these people by having their land valued and their improvements valued, and the land was then sold by auction, subject to the value put on the improvements, and the men were invited to consent to this arrangement, and some did. But that meant that all the payments made previously were forfeited—payments not of rent, but of money in purchase of the fee simple had to be forfeited. It so happened that those, who had done their best and paid up as well as they could to within one or two instalments, had no consideration whatever, whereas a man, who had never paid anything at all, except the first instalment, derived a great deal of benefit from that arrangement, inasmuch as he was enabled to spend his money in improvements, thereby increasing the value of the land, and, when put up to auction, he got it at a low figure. By that means the deferred-payment settlers, who had honestly done their best to fulfil their engagements, suffered, whereas those who did not do so, who never paid any instalments, came off best and made a very good thing out of it. Then as to those men who had complied in full with the law, and purchased the land after occupation for three years, it seems to me rather hard that they should buy that land on long credit, and then pay cash for it, as it were, they have no consideration whatever for that. They have by that means paid to the Government interest for the whole term of ten years, and now are obliged to pay interest to the money lender for seven years, so that they are paying double interest.

211. *Mr. Macandrew.*] So that their allegation is correct as to that?—Yes.

212. Of course you are speaking from personal knowledge of some of the petitioners?—Yes.

213. *Mr. Pearson.*] They get no rebate?—No; I see by this petition that some of the petitioners have got small farms—less than 300 acres—less even than 200 acres originally authorized to be taken up. It appears that the law debars them from taking up more land. I do not see why a man should not take up the balance if he chooses. I think he ought to be allowed to do it.

214. *Mr. Rolleston.*—Notwithstanding the inequality of the value of the land?—I do not understand what you mean.

215. Is not 100 acres of some land better than 200 acres of other land?—The reason why smaller allotments were taken up was simply this—the land was surveyed originally not for the deferred-payment system but for sale, and then bits of it to go under the deferred-payment system were arbitrarily selected by the surveyor, and in some cases there was no more land for a man to get in the neighbourhood, and he just took the land he could get, without reference to the quality.

216. If a block of land is sufficient as a foothold in the country for a man, and is good land, do you think that the State is bound to go beyond that in carrying out the deferred-payment system?—No, perhaps not, if the land was strictly surveyed as to quality. I have seen that system in Victoria, where the better quality of land was surveyed into smaller blocks, and the worst quality of land into larger blocks. I think that is an excellent system, but here the land is surveyed without reference to the quality.

217. But, if the department so adjusts the quantities of these sections, taking into consideration their quality, do you not think it would be unfair that, irrespective of quality, people should be allowed to take up the 320 acres?—I do not think the department has any right to go outside the law.

218. Supposing that the law says that the maximum shall be 320 acres, and the department lay it out with that as a maximum, do you not consider that the department is bound to take the question of quality into their consideration in the size of the sections?—I believe it would be better if the department did do so. I hold strongly that a small farm of good soil is very much better than a big farm of bad or inferior land.

219. *Mr. J. Green.*] Are not the smaller-sized sections a better quality of land than the larger ones?—As far as I personally am acquainted, I know very little about it. I only know of a very few cases where people got less land than they were entitled to, and that was just as I said it was, exceptional.

220. *Mr. J. Buchanan.*] If the system was devised for the sake of establishing people permanently on the land, they should not be permitted to wander?—I do not believe the system was intended to establish people permanently on the land, the system was intended to distribute the land. There is no such thing as establishing people permanently on the land.

221. *Hon. Mr. Rolleston.*] Would not that be better effected by creating a larger number of sections?—It might be so if you could get men to take them, you might have a man for each acre in the country, but I should not like to see anything of that kind attempted.

222. *Mr. Macandrew.*] Was not the object of the deferred-payment system to advance the occupation of the country?—Yes; I imagine that from the fact, that the deferred-payment settler was allowed by law to purchase the freehold after three years.

223. *Mr. J. Buchanan.*] The object of the deferred-payment system was to distribute the land, not to settle the land?—It is the same thing, to distribute the land and prevent it getting into a few hands. I have no doubt the object of the framers of the Act was to distribute the land, to ensure its beneficial occupation. That was the object, and that has been the effect too. Whether it will continue, or whether the land will go into the hands of fewer people by and by, that we cannot tell. I may say this, I do not consider that the duty of the State is ended when these people are put on the land, because they may not possibly continue and prosper, they needs must take the produce to the market. And it is quite as important if we desire these people to do well, and continue to possess that land and beneficially occupy it, as it is to distribute the land; because, if people are put on remote parts of the country, where there are no means of access to the ports, they cannot possibly continue to hold the land. The reason why the people on the Toitoto prospered so well, is this, that they had a port there, they were independent of the Public Works scheme.

224. Does the beneficial occupation involve the absolute settlement of the land?—Yes; I think that is the most beneficial way of occupying the land.

225. Do not you think that rather contrary to your view that the deferred-payment system was merely for the distribution of the lands?—No; not at all.

226. *The Chairman.*] In your district are many of the settlers seriously distressed?—I should not like to give my opinion on that subject, because people are very easily offended, and I do not think it right of me to speak of the private affairs of other people.

227. *Mr. Macandrew.*] Did you indicate any plan as to how these people should be relieved?—No; I only made a general statement.

228. I think you have already made some remarks about the evils of the auction system. Do you not think the same evils would exist in the tender system?—Yes; but not to such a great extent. I have been to several auctions of deferred-payment lands, and I know that men come in perhaps wet, and after a long journey,—and take a good many “nips” before going to the auction,—get excited, and get taken in over it, paying far more than they ever intended. If any person not desiring to become a settler at all, but anxious to get possession of a piece of land, he can get possession by out-bidding the others, and after three years get the fee-simple. I have seen that done frequently. That is called “dummyism.” It is no use asking any Government officer about “dummyism,” it is because they do not know about it that it goes on.

229. *Mr. J. Green.*] Did you never hear of complaints of dummyism under the ballot system?—Never; I never knew of it. It is too expensive and too risky. I have heard of it in Victoria, where it is systematically carried on.

230. You never heard of men putting in an application for land, and really being bought off?—I have no doubt they would get up to that, but I do not think they got up to it before the ballot system was abolished.

231. *Mr. J. Buchanan.*] But there is an old law on the statute book to prevent that?—But it can be done easily enough. I believe that they used sometimes to ballot amongst themselves in the public house before the auction came off. Each man put down so much into a hat, and then they drew for it. They have recourse to the ballot in this way: Each man puts, say £10, into the hat. There are, perhaps, five or six competitors: each man puts so much into the hat, and then they draw. They divide the money amongst the unsuccessful ones to pay the expenses.

232. *Mr. J. Green.*] You have known this occur?—Yes; I have heard of it.

233. *The Chairman.*] You have read Mr. Connell's proposals for the relief of the deferred-payment settlers?—I have not read them. I have read his Bill, but not his letters; but I have a general knowledge.

234. And you know what the Government proposals are in their Relief Bill? Have you formed any opinion as to which is the best, or whether any other system in your own estimation is better than either of them?—There is a great deal of good in Mr. Connell's proposals, but they seem to me to be very cumbersome. As to the Government proposals, I do not think anything of them. I do not think they meet the case at all.

235. Have you any proposal for relief?—It is a very difficult question, because I think, as a rule, it is a bad system to go back on these things. The only system of relief, I would suggest, is that the

Minister should have power to deal with these cases as they come before him. If each case could be dealt with by the Minister, I think he might succeed in doing justice. I do not see that people are likely to take a lease of land paying perhaps three times the amount they should have to pay, when by paying double the amount they will in ten years acquire the fee simple. I think they will take the straight course—go to Connell, borrow the money, acquire the fee simple, and pay the interest. That is what they are now doing.

236. *Mr. Macandrew.*] What difference in point of principle would there be, in your opinion, between the relief of the deferred-payment settler and the unfortunate cash-payment settler, assuming the man to have made a bad bargain by cash or at auction?—The same difference in relieving a grown up man or a child. I look upon the deferred-payment settlers as children of the State, and the others I suppose to be able to take care of themselves.

237. *Mr. J. Green.*] If the time of the payment of the instalments was extended, say for five or ten years, would that give them sufficient relief?—That would, to a certain extent, relieve those who have not paid, but it would not be placing them all in the same position; it would be, in my opinion, doing an injustice. A vast number of them have borrowed money, and paid under fear of being dispossessed—have borrowed money, and paid what they consider an exorbitant price.

238. You are of opinion we should grant relief to those who purchased the freeholds under the deferred-payments system?—Yes, certainly; I would put them all on the same footing. I know one man who worked hard and paid his money, paid it up for years, and another man paid only one instalment, and they were both treated on the same footing by the State. I forgot to say that in my district they complain, that owing to the way the cash land was made to intervene between the deferred-payment sections, that they now find that they are too scattered to send their children to school. That is one thing I wish to say, I have also to say this: it is not the case that the best land was selected for deferred-payment selections in my district. In many cases the worst land was selected. That was at the first go off. There is one matter I wish to mention. There is a very strong feeling throughout the district that persons who have embarked in business, and have settled occupations, and are thereby permanently settled on the land, would like to be allowed to take up land for their growing families, if possible.

Sir GEORGE GREY examined.

239. *The Chairman.*] Will you be good enough to make such statements as you think proper in support of the Deferred-payment Settlers Relief Bill?—I have nothing to say but that it was the best measure I could advise. I believe the deferred-payment settlers were unfairly treated in consequence of sufficient land not being opened to meet the demands of those who came forward. I have observed that the number of sections opened always appeared to fall short of the demand.

240. *Mr. W. Rolleston.*] Always?—Where my observation has gone I have observed this. The supply of land never appeared to be equal to the demand.

241. Are you aware that there have been deferred-payment sections lying open and not taken up in different parts of the colony?—I am aware that this has been the case in various places.

242. Do you know in which part of the colony?—I have heard in the North Island, but I cannot say whether this was land suitable for occupation or not. I cannot state whether the best land has been opened anywhere for occupation on deferred-payments, but from what I have heard I think not. The impression on my mind was that the best land had not been opened.

243. Had you any positive representations made to you on this matter, which led you to form this impression?—Only such general information as satisfied me that some action was necessary, and I believed it was a matter which the Government should have taken up themselves, and that it should have been mentioned in the speech from the throne.

244. *Mr. J. Stevens.*] Have you any idea how many deferred-payment settlers there are in New Zealand, who have complained that the land has been insufficient for their requirements for settlement?—I have never made any computation, I believed them to be so numerous, that it was my duty to try and get aid for them.

245. Do you think there are two hundred of them?—I do not think I could venture to state the number. If I said I thought there were two hundred, it might be understood that I thought that was all. I believed I was only doing my duty in trying to get justice done.

246. You have acted upon your long and general knowledge of the colony, and your information is not based on complaints that have been made?—I have seen complaints in many cases, I did not think it my business to search into the details of the grievances. I thought if I was right, as I believed I was, that a large number of persons were suffering, and that the moment I moved their complaints would be heard. This was before I knew that any steps had been taken in Otago. I prepared this Bill during the recess at Home. I lead an isolated life, and I have time to reflect on these matters. I was satisfied from what I knew, and from my knowledge of the circumstances that the case of these settlers was one which required some interference. There are very many cases in the country of this kind, and I therefore turned my mind to the subject of the fairest means of giving relief. You will find that I have copied some of the provisions of the Irish Land Acts. This was the result of long consideration of the matter, for these provisions seemed to me to exactly meet the case. I believe I have used almost the identical words. I have not absolutely copied them, but so far as they ran in my mind I have put those words in.

247. *Mr. W. J. Hurst.*] Do you not consider, sir, that some responsibility attaches to a person bringing in a Bill of this kind, to ascertain that there is really a necessity for relief to be granted?—A very great responsibility.

248. Yet you say you brought in this Bill simply because it was your impression that these settlers required relief. Is not that so?—I brought in the Bill simply because I thought it was my duty.

249. You had an impression that there was a necessity for relief being granted?—Exactly, that was the impression on my mind. A man under a strong impression conducts himself in a certain way. The impression on my mind on the subject was very strong.

250. Was the impression on your mind the result of investigation, and were you led to the conclusion from circumstances which came under your notice in the North Island?—I thought of New Zealand as a whole. I have studied the subject for years. When I saw the course the Government were pursuing, I believed it would lead to a difficulty of this kind by bringing suffering on some portion of the settlers. My opinions were not hastily formed, but were the result of long consideration.

251. Has there been one single case of complaint in the whole of the North Island?—I believe there have been many cases.

252. Can you cite one?—I cannot state any particular case now; but I believe there are cases.

253. We are anxious to ascertain if there are any complaints in the North Island?—I believe there are many.

254. Can you direct us to find them?—It is not my business to direct the Committee. If I had been asked at an earlier period to produce evidence, I could have done so.

255. How can you remedy a disease if you do not know the cause operating to create this disease?—That is for yourself to determine. I know how myself, but it is for the Committee to determine how they will do so.

256. *The Chairman.*] I think it will be better to confine yourself to the matter before us, and not to go into abstract propositions or questions.

257. *Mr. W. J. Hurst.*] Our whole efforts are directed to the discovery of the necessity for granting relief. It seems that the Bill before us has been the result of an abstract theory, and not of cases which have come under the notice of the gentleman who introduced this Bill.

258. *Sir G. Grey.*] I do not object to answer this question, or to explain this. I saw a difficulty arising which I thought it would be better to remove before it came to a head. I conceived it to be my duty to interfere in what I believed was a great evil. I imagine the complaints of the large number of persons who have signed the petition I hold in my hand will quite bear me out. I have been questioned with regard to a particular district, but I must not confine myself to one island. It seems that some of these questions have been pointed at me in a manner that requires me to clear myself, for I have been guilty of what seems to have been regarded as an impertinent interference in this matter. Perhaps I may be allowed to state that, in 1877, the Earl of Beaconsfield, in a speech delivered at the Mansion House, said, "That there should not be any interference with the land laws of Ireland and Great Britain, and that the party he belonged to would not permit any interference." This statement was received with frantic cheering. At that time, I and others always felt that interference was necessary; and if there had been interference then, great difficulty would have been avoided. I thought that great difficulty was likely to arise in this colony from our land system, and I am old enough and experienced enough to rely on my own judgment upon such a subject. I, therefore, produced a measure to give great relief and prevent the difficulties coming to a head. I did not deal with the North Island alone, but with New Zealand as a whole, for the inhabitants of the two islands are one people.

259. *Mr. J. Macandrew.*] I have had a conversation with Mr. J. A. Connell on this subject. I take it the difference between your remedy and his is, that in yours the deferred-payment settler seeking relief will have to go to law to his own suffering and the detriment of his self-respect, while under Mr. Connell's proposals the law goes to the settler and almost gives him what he wants as a matter of right. Assuming that there is this difference between your proposals, which will you consider the most expedient?—I cannot admit the difference. I find that the settlers who have attached their names to the petition which has just reached me have used my very words. They state that they find it impossible to meet their payments. Those who signed it were nearly all Scotchmen, and I cannot conceive that they come on sufferance at all. It is not like coming to a landlord, for these men are all part-proprietors of the land. They simply come to their fellow-countrymen, and ask for consideration. In the Deferred-payment Settlers Relief Bill is the machinery, I have known numerous instances in which the Government have interfered in this way; and I hold that it is the duty of the Government to interfere under such circumstances. Let me tell you of two cases in which the Government have thought it right and necessary to interfere. When the disturbance took place at the Bay of Islands the Government of the day offered the settlers excellent land at Auckland, if they chose to go there. Then, again, the Taranaki settlers were allowed to go to Nelson. The Government should always interfere for the benefit of the people; but in the case of these settlers, it is the people themselves interfering in their own interests. To say that it is proposed that they shall go as mere suppliants or beggars before the Court, is simply trifling with the question. I think I have put it in the very words they use themselves. They say here in this petition that they find it impossible to complete their payments which they had under the pressure of circumstances undertaken to make. You see they prove by their words that the impression on my mind was a just impression.

260. *Mr. W. J. Hurst.*] Do you take words as proofs, because they are uttered?—I say these settlers allege that it is impossible for them to make these payments. If people come improperly before the Court, they can be punished by having costs to pay. If you have a large body of your fellow-subjects,—a number of respectable men,—coming forward saying that they find it impossible to make these payments, and are likely to be ruined, surely it is the duty of this House to provide some means by which they can be helped.

261. If the number were sufficient. In one case it came out that less than thirty out of one hundred and thirty men who asked relief, were really deferred-payment settlers?—Even thirty would be a large enough number to justify action being taken to relieve them.

262. The men may have placed themselves in the position in which they now find themselves. If a tinker or a tailor takes up land, and enters upon a business which he does not understand, are we to give him relief because he fails?—You are not asked to pass an Act to give him relief. You are asked to pass an Act to enable him to get relief, if what he says is true, and if he is a deserving man. If a number of men allege that they have a grievance, they should be heard; and if their cases are good, they should have the relief they ask.

263. *Mr. J. Green.*] I should like to ask Sir George Grey whether he considers the deferred-payment system a good one for the *bonâ fide* settlement of the colony?—I think it is a very good one.

264. Is it in your opinion a system that should be persevered in?—I think we should continue it as one of our systems, but without auction.

265. You prefer the ballot system?—Yes.

266. What did you say with regard to the quantity of land thrown open in the North Island?—When I was asked whether I could speak positively on the subject, I said I really did not know. I believed that the best land had not been opened, and that it was very likely people would not take up indifferent sections. From what I have heard and gathered that is the belief in my mind. I have had no opportunity of examining witnesses. I believe very often inferior land has been opened at an unfair upset price.

267. Do you mean generally over the colony?—The particular case I refer to is in the Middle Island. When it was opened for deferred-payment selection, an additional price was put upon it. I forget the name of the district, but I have heard complaints from the settlers. This is since my Bill was introduced.

268. Your opinion then is, that the best agricultural land has not been put under the deferred-payment system?—Yes.

269. You think that there was not sufficient land opened to meet the demand?—I am of opinion that a large quantity of land should be opened in advance of selection.

270. Do you consider that the upset price has been too high for the quality of the land?—In places.

271. *Mr. J. Macandrew.*] You say in your Bill that any deferred-payment settler, who finds that he cannot pay his instalments, may apply to the Court for relief, and that the Court may refuse to accede to the application?—Yes.

272. Under Mr. J. A. Connell's idea there could be no refusal. What he proposes is, that any selector who shall be of opinion that he has purchased his land at a rate above its true value may serve a notice upon the Minister of Lands. There is this distinction between the two proposals apparently?—It would be for the Committee to consider which they prefer. My answer is this. If a man has taken up a section on what the Court hold to be fair terms which he could fulfil, and have prevented another man who competed with him from getting the same section, it will be for the Court to decide if it will be to the advantage of the public that he should be allowed to get rid of it. I think the advantage of what I proposed is, that the case will be settled on its merits. If you intend to allow everyone to play puss in the corner, and run from one place to another, whether they have just claims or not, that is quite another thing. I think it clearly will not do to allow everyone who has taken up land to throw it up and get something else.

273. There is no limit in your Act. Under it the settler may apply to the Court at any time during his life?—I suppose it to be a standing Court, but the time during which application could be made could be limited.

274. Will it not be desirable to put a limit?—I think this will be a Committee objection. I take the thing in the most general sense. I have considered the matter very carefully, but in a general sense. If I get the Bill into Committee in the House the point you raise can be considered.

275. *Mr. J. Buchanan.*] I think I understood you to say that the general idea of the measure is adopted from the Irish Land Act?—Yes.

276. Would the system introduced here involve the necessity of employing experts to value the land?—Not at all. I believe that they will be settled easily by the Commissioner at each place.

277. They would not need to have any special acquaintance with the circumstances of the district in which they act?—They would get evidence of this. The Crown might appoint the District Judge of a particular locality. I have introduced the words District Judge to direct the attention of the Government in this direction.

278. District Judges here are usually legal gentlemen, with no acquaintance with matters connected with land. Is not that the case?—They will be able to get the evidence of people in the neighbourhood. There is this difference between the circumstances here and in Ireland. In Ireland the question is between two subjects, the rights of both of whom have to be protected. Here in New Zealand the question is between one subject and the whole public, of which that subject forms one. I imagine the pressure of public opinion in favour of the public interest would greatly modify the applications people make. It would be very different from a dispute with an ordinary landlord.

279. There is a large section of the public who has not taken up land. Will it not be desirable that their interests should be seen to?—I think that will be done.

280. Am I right in stating the meaning of your measure to be this. To cast upon a Court selected in the way described in the Bill, the duties now discharged by Government?—I think you can hardly say that. I do not think the Government now have power to do what I propose. The Government could not without being under suspicion of favoritism or pressure, agree to reduce one man's rent very much and let him off, and at the same time refuse to do so for another person. I think it would be much better for the public that the cases should be heard in open Court.

281. At present the valuation of land is fixed by the Ministry of the day or their officers. Would you think it better, under the circumstances, that the Court should fix the price of this land rather than the Government?—To this I reply that I do not think the question is relevant to the Bill. In these cases the Government did not fix the price of the land. It was the auction and competition that determined the price.

282. Would you be surprised to learn that, at the majority of instances, the land went at the upset price?—Yes, I should be surprised to hear that that was so in the majority of cases. These are not the cases I am aiming at. The cases I aim at are those where the upset price was enhanced by auction. There are also cases in which, I believe, the Government officers have fixed the price of the land too high.

283. You say the Government fixed the upset prices?—Yes.

284. Have not the actual prices paid been fixed by the purchasers themselves?—Yes; under pressure.

285. What you wish to arrive at is that a fair price should be fixed for the land?—Yes.

286. You think it would be better for the Court to fix this, and to leave the applicant to pay the price fixed by the Court established in the manner you describe!—I think that would be much better than to leave the matter to one individual, which is the case at present.

287. You would, in fact, substitute the Court for the Land Department?—This or some other Court. I would like to see the land put up below its value, and the real value got out in the form of a land tax. One public officer raised the price of land from £1 to £1 10s.

288. You would prefer a low price, and that to adjust any difference a land tax should be passed?—I think that this should be the real payment to the State, and that it should apply universally. I think it would be much better when a price has to be fixed that it should be fixed in each locality by some Court or some other body.

289. Would you also advocate charging these districts with the price of this machinery?—If you make it so small that they are not put to great expense, I think that each district might pay the price of its own machinery for a measure of this kind. When I say this I am almost frightened when I think of the cost of the machinery for trying elections.

290. I might also direct your attention to the cost of the machinery for carrying out the provisions of the Licensing Bill?—Yes; I am aware that it has been very great. I think, however, if you have a proper system of local self-government, you will get rid of this.

291. Under such a system there might be several local centres which would involve the necessity of more Courts?—Yes; I believe it would, but I think the Courts would cost very little if they have to pay for themselves.

292. The cost of a District Judge and a staff of people to value the land will not be light?—Here will be machinery which is made.

293. Referring to the quarters whence these applications for relief have been made, will you not learn with surprise that there has not been a single complaint from any district in the North Island of over-valuation of land?—I shall not be surprised.

294. There have been no complaints?—I think the people may be hopeless of redress, but that remains to be seen. You spoke just now about the Licensing Act. A great many people have not availed themselves of the power given them under this Act to select licensing committees, because the necessity of this may not have arisen at the moment. I have no doubt that, now you have put weapons in the people's hands, they will use them. If I arm the volunteers of the country I do not expect them to go and shoot some one immediately as proof that their weapons are useful to them. They will wait until an enemy comes to invade the country.

295. In the case of the Licensing Act, the people who have been armed with these weapons are begging to be relieved from them?—Yes; on account of the expense. I think if you had a different system by which the expense would be reduced the people would be delighted to have this machinery.

296. If relief is to be extended, under your Bill, to the deferred-payment settlers, will you also be in favour of extending it to cash purchasers?—No; I do not think that is a difficulty that is likely to arise. If there is a foreshadowing of such a difficulty it will be time to think of it, and then I think you will get rid of it by a land tax. People who have got bad land under the cash purchase system will have less to pay than those who have good land.

297. Do you then advocate a tax on the value of land?—Yes, on the value of the land exclusive of improvements.

298. You think there should be various systems of land administration, rather than one uniform one?—I do not know what you mean. Do you refer to the price of land or the mode of buying it.

299. I mean the mode of acquiring it?—I think it would be best to have one mode, and that the price should be low.

300. Do you approve of the Homestead right?—Yes; I would rather see all the land sold at a low rate if it is to be sold.

301. At the lowest possible rate?—At a very low rate, No one should be allowed to acquire more than a certain quantity. I would, of course, rather see all the land belong to the nation; but, I think, this is a hopeless thing at present.

302. Do you anticipate under section 4 of your Bill lines 21 to 24, that the payment of the costs or the greater part of the costs in any proceedings shall be defrayed by the applicant?—I presume that the Court will order the costs exactly with reference to the nature of the application. Full power is left to the Court.

303. With your knowledge of the delay and costs which attend proceedings, do you think that this will be any measure of relief to the applicants?—I do not think the costs would amount to much.

304. Will there not be witnesses?—I should think there would be simply one or two men to attend, and some officer on behalf of the Government. The price at which land in the neighborhood had been sold for, generally would have to be shown.

305. Will not the land have to be viewed? I suppose this will be done in some cases.

306. That is always done in the Irish Courts, is it not?—In some cases. I know of cases in which it is not. In many cases the Crown will be glad to give the relief asked for, and to get rid of the difficulty.

307. Do you not suppose that if relief is once given in these cases, applications will pour in upon the Government?—That I cannot state. You will place a certain implement in the hands of the people, which they can use to remove themselves from difficulty; and I think many men, now working in a hopeless state, will take advantage of this.

308. *Mr. W. Rolleston.*] Did I understand you to say that you thought it a wrong thing to fix the price of deferred-payment land at £3, or to raise it from 30s.?—If the land had been offered at 30s. and had not been taken up on account of the inferior quality, it was a great pity to raise it to £3, for deferred-payment settlement.

309. Are you not aware that this was done under the Crown Land Sales Act?—I have not looked into the law to see it. One cannot carry a great many statutes in one's head at once. If I was at home, I could tell you in a moment. Unless I had passed a law examination and crammed for the occasion, I could not answer a question of this kind. I have stated before that I considered it my duty to interfere in this matter.

310. *The Chairman.*] Have you studied the proposals of Mr. Connell and those contained in the Government Bills for the relief of the deferred payment settlers?—I have not gone carefully into them. I have no objection to my suggestions running concurrently with them. I think the Government proposals are in part not bad, but I do not think they meet every case.

311. Do you see any difference between affording relief to persons who have purchased land at too high a rate at auction, and those who have bought land outright at too high a rate?—I do see a difference. I do not think the same quantity of good land has been thrown open to the deferred-payment settlers. The offering of land on deferred payments is an enormous inducement to a man to take it up. I think very many persons not accustomed to deal with such matters, are quite unable to judge of what they will be able to pay in future years. You have a comparatively uneducated population dealing with the subject of finance. Under such circumstances, I think I might be tempted myself to undertake obligations which I might find I could not meet.

312. You think the deferred-payment system has a tendency to induce persons to give extravagant prices?—Yes; I think the Government should take care to open the best land; and, also, take care that the price is such that an industrious man can well pay.

313. *Mr. J. B. Whyte.*] I infer from what I have heard you say, that your opinion is that a fixed price for land will be better than the system of auction or tender?—Yes.

314. You think that both auction and tender are likely to induce people who are anxious to get land to give too much for it?—I have lived in two other communities as Governor, in both of which the original law was that there should be one fixed price. In both those communities the fixed price worked well, and that which worked best was where the price was lowest.

315. Would you adopt a uniform price?—I do not know whether the country has come to such a state that a uniform fixed price would answer. Where you have good land a fixed price is best, if it is low.

316. *Mr. W. Rolleston.*] Would you have free selection before survey or not?—In both places I have referred to there was selection with survey. If you can keep to this, I think it is best. It is better to have survey, but sometimes selection must be allowed without.

317. *Mr. J. Buchanan.*] Will it be advantageous to take defined areas surveyed into defined blocks, and offer the land to the people at the upset price of £1 per acre?—I would not say £1 per acre, for in some cases that would be monstrously high.

318. Are you aware that the surveying and defining the lots by pegs costs from 1s. 6d. to 6s. 6d. per acre?—Of course this is a difficult country to survey. In South Australia, I believe the cost was reduced to 1s. 6d. per acre.

319. Suppose areas were defined in the way I stated, fixing the price at £1 and leaving the first applicant to obtain the good land by priority of choice?—That was done in South Australia.

320. Will this be a system applicable to this country?—I think £1 per acre too high.

321. Irrespective of price, you approve of free selection at a definite price, giving a right of homestead, and compelling residence?—If I compelled residence I should give the land at a very low rate indeed, and only allow a certain quantity to be acquired.

322. The object of any law of this kind is to settle people and keep them on the land?—That is the view I have myself.

323. Are you aware that improvements made upon homesteads of this character are very often as ascribable to the labour of the wife and family as to the husband?—Yes; I think the law should put husband and wife in partnership in this matter, and give them equal rights.

324. Will you make this land not-touchable for the man's debts?—My view is that nothing should be touchable for debt. I think that nothing should be recoverable for debt. If that were the case, I believe we should have a much honester people than we have now.

MONDAY, 7TH AUGUST, 1882. (Mr. J. FULTON in the Chair.)

Mr. J. C. BROWN, M.H.R., examined.

325. *The Chairman.*] I understand that you wish to give some evidence in reference to this petition?—Yes, but what I have to say relates only to lands within the Tuapeka district. What the petitioners in my district require, is either that the price of the land should be reduced to 30s per acre, or that the payment should be made to extend over 20 years. These people bought the land under the Crown Land Sales Act, 1877, and there was an understanding that the Act would be repealed the next session of Parliament. They took up what I may call the "refuse" of the Dalhousie Hundred, and the following is Mr. Arthur's (the Chief Surveyor) report on this land:—Otago District, Survey Office, November 14th, 1877. Herewith are the four blocks, 8, 9, 10, and 11, forming the Dalhousie Hundred (Run 123.) The whole of the country is rough and scrubby, and unfit for deferred-payment settlement. I would recommend that it be opened for immediate sale. Ample reserves for mining and bush, have been made all over the Hundred. I will forward list of valuations for improvements in a day or two. This is the land which was taken up under the Crown Lands Sales Act, and the people in taking it up were under the impression that the Act would be repealed, and that they would not be called upon to pay more than 30s. an acre. The best parts of the land were set aside as reserves for the municipalities of Balclutha and Lawrence.

326. Do you think that the Government scheme, of permitting them to change their prospective freehold into a leasehold, would meet their wants?—No.

327. *Mr. Hurst.*] They do not want it as a leasehold?—No.

328. But you think it would satisfy them, if you gave them the option, either of having the time for payment extended, or of taking up the land on lease?—I do not see that they could object if you gave them the option. What I wish to point out is, that the people of Tuapeka are worse off than any other deferred-payment settlers in Otago, inasmuch as they had to take the worst land in the district, being the remnants of prior selections.

329. *The Chairman.*] Did not Messrs. Reeves and Bathgate report favorably on this land?—No; the land they reported on is on the other side of the Tuapeka river, run 106, land of much better quality.

330. *Mr. Pearson.*] Do you not think that Mr. Connell's Bill would meet the case?—No; I think that what would really satisfy them would be the extension of time during which payments should be made. A separate petition was to have been sent from Tuapeka, but it has not yet come to hand.

331. *Mr. Hurst.*] Are these men suffering at the present time?—Yes; they cannot afford to pay their rent. There are nine or ten people in the same condition.

332. But outside of these cases the deferred-payment system has been a success in the same district?—Yes.

333. We have been told that only small parts of the Dalhousie Hundred were worth anything; is that a fact?—Yes; the people who have the good land are doing well, while those who have the inferior portions cannot pay their instalments at the rate of £3 per acre. If the payments were extended to twenty years they would be paying 3s. per acre a year, instead of 6s. per acre, which would give them a moderate relief.

334. *Mr. Green.*] Did not a deputation of the people themselves express a different opinion from that of Mr. Arthur about this land?—I have no recollection of their having done so.

APPENDIX.

No. 1.

MR. HUGH FRASER to MR. JOHN MCKENZIE, M.H.R.

DEAR SIR,—

Flat Hill, Waihemō, 19th July, 1882.

I trust that Parliament will do something this session towards relieving deferred-payment settlers that have taken their land up at £3 per acre. A brother of mine took up a section at the Waihemō, four years ago. His crop was a failure the last two years. Last year all that he got off the place was £40. This year he will not make one sixpence, unless he will make a few shillings of rabbits' skins. His crop the last season was not worth thrashing, owing to the wind and rabbits. When he started on the land, he had about £800 in cash, besides some horses. He has laid all that money out on the place, besides his own hard labour. In this case, it is impossible for him to pay the rent; and it is very hard to turn a man out after spending so much money and labor on the place. Trusting that you will bring these facts before the House.

I remain, &c.,

HUGH FRASER.

No. 2.

MR. W. H. BAYLEY to MR. JOHN MCKENZIE, M.H.R.

SIR,—

Waihemō, Green Valley, Palmerston.

I write about a subject of great importance to deferred-payment settlers. I hope you will use your influence to obtain some other relief for us than the scheme proposed by the Minister of Lands in his Land Act 1877 Amendment. It will be hard, indeed, if we are to lose our sections, after the way others who have got off who promised to pay £15, and £17 per acre, and got it eventually, as you are aware, a year ago, for 35s. to 37s. cash. Could we not get ours at somewhat similar terms. Are we to be so hardly dealt with as to convert our chance of a freehold into a leasehold, because we tried for a year longer to keep to our bargain. As it has been said by a writer in the *Witness*, "If it is clear that purchasers bought from Government on fair and reasonable terms, it would not be well, when the land has been sold, to annul or alter the stipulations of sale; and purchasers should be bound to strictly observe the conditions of sale. It is idle work making laws only for them to be broken."

I think, however, where the purchasers are able to offer any reason for relief at all plausible, it would be well to favorably consider the same, and grant relief, if there be any reasonable excuse for doing so. The settlement of the country is of such great importance, that *bonâ fide* settlers should be treated as liberally and indulgently as circumstances will admit of: and I think the Board should not be backward to seize upon any at all plausible pretext to grant or advise Government to grant relief. It is most desirable that no industrious *bonâ fide* settler should be ousted from his holdings, and turned adrift, if the slightest excuse can reasonably be discovered for avoiding such a painful,—and in the interests of settlement,—injurious course."

All the sections are down to 30s. We might reasonably expect ours to be the same.

Mr. Donald Reid valued the *best* holdings here at five to seven shillings more. It is generally admitted, that it was through some error of the wording of the Act, that the deferred-payment sections were put at that price. It has been said by members of the House that there was no intention to raise the land at once to double its former price. The price,—it is at all events admitted,—is too high; and it was a mistake to do so. Surely the Government ought to relieve the few who are suffering from this mistake. The Crown lands belong to the people, and all should be put on equal terms.

I have written Mr. Bathgate, M.H.R., on this subject, and I trust you will try to fall on some other plan of relief than the one proposed in this Bill.

Trusting you will take these remarks into your favourable consideration.

I am, &c.,
W. H. BAYLEY.

No. 3.

Mr. JAS. HARTSTONGE to Mr. C. A. DeLATOURE, M.H.R.

SIR,—

Newthorne, Macrae's, Otago, 25th July, 1882.

May I take the liberty of asking you to place my case before the proper person, and use your influence on my behalf. The case is, I took up 92 acres of poor land, under the Land Act of 1877, at three pounds per acre; and have paid two years' rent of it, which amounts to twelve shillings per acre; but, through the lowness of prices, and as you are aware our remoteness from market, the grain never paid costs, leaving nothing to either live on or pay the rent. The section in question is, Section Two, Block Two, Budle, and what I now offer to do is, to pay in cash one pound ten shillings per acre, which money a friend of mine will advance me, and as the Government will have then in all two pounds two shillings per acre, there will, at the Government side, be no loss, as if the instalment were kept up for the ten years, the interest on the money would reduce the price to what I now offer, and for a refuse section 1,640 feet above sea level. I think no fairly disposed person could refuse. I therefore request you will on my behalf make this offer, and use your influence to get it accepted, or give me any directions as to petition of which I can get 100 to sign, and forward on if required; and should the Government accept my offer, the money will be paid on receipt of their acceptance. As to the Government's proposed Land Bill, I shall never take up one acre under, nor will any of my children do so. There being no purchasing clause, people coming here from the old country did so with a hope of one day being able to say, we are our own landlords, and depend if no alteration be made in this direction, capital will drain quickly out of New Zealand.

Hoping you will effect an agreement as to the purchase of the section for me.

I have, &c.,
JAMES HARTSTONGE.

No. 4.

Mr. C. E. DeLATOURE, M.H.R., to the CHAIRMAN Waste Lands Committee.

Re Hartstonge and others.

SIR,—

Wellington, 1st August, 1882.

Being detained on the Goldfield's Committee, I cannot attend.

There is nothing exceptional in the case of these petitioners, other than in the case of other petitioners, whose claims for relief you have examined Mr. Connell upon.

Mr. Hartstonge and others represent settlers at Macrae's and Hydes, who have taken up their lands in some instances at the minimum price allowed by law, during the period that the Crown Lands Sale Act was in operation, and who find themselves unable to pay the rent they have accepted.

The others, not included in this class, have competed at auction for sections put up in limited quantities; and have been induced to give too high rents rather than go without land for an indefinite time.

I have, &c.,
Mr. C. A. DeLATOURE.

No. 5.

REPORT UPON THE PETITION OF DEFERRED-PAYMENT SETTLERS in the Waitoa Block No. 11.
Petition No. 341.

As stated by the petitioners, certain drainage works were carried out by the Public Works Department.

On the 30th May last Mr. Thomas Taylor, one of the petitioners, addressed the Auckland Land Board with reference to the insufficiency of the drainage scheme carried out by the Government.

Mr. Taylor's letter was forwarded to the Government by the Commissioner of Crown Lands at Auckland, and upon the correspondence being submitted to the Minister of Lands instructions were given to communicate with the Auckland Board, pointing out that if the Waitoa Highway Board consented to expend whatever sum was lying at the Treasury to its credit, on account of receipts of deferred-payment lands, in pursuance of section 59 of the Land Act, the Government would contribute a further sum of £350 towards an extension of the drainage scheme at Te Aroha. The additional works to be carried out under the supervision of the District Engineer of the Public Works Department.

By a statement compiled in the Treasury on the 17th July ultimo, it appears that the sum of £299 is to the credit of the Highway Board, on account of deferred-payment receipts; and as the engineer estimates that the work will only cost £600, ample funds will be provided for carrying out the work applied for by the petitioners.

The Commissioner of Crown Lands at Auckland was informed to the above effect on the 12th instant, with a request that he would place himself in communication with Mr. Taylor and the Highway Board on the subject.

I herewith return the original petition.
General Crown Lands Office, Wellington,
2nd August, 1882.

H. J. H. ELIOTT,
Under Secretary.

No. 6.

REPORT of MESSRS. BATHGATE & REEVES, Commissioners, appointed to inspect RUN No. 106, Tuapeka District (Smith's Run), Dalhousie Hundred, Otago.

Dunedin, 23rd February, 1881.

On Wednesday, 16th February, we proceeded to Lawrence for the purpose of inspecting Run 106, Tuapeka District, in terms of remit from the Board.

Leaving Lawrence we drove up a hilly road, over rolling country, to see the land in Tuapeka West, which was opened for sale within four or five years past, and which, we were informed, had been reported as unfit for agricultural settlement. We found that the whole area to be disposed of had been taken up, and that cultivation was being carried on very successfully. On attaining the summit level, from which we had a good view all round, it was pleasing to see the fields covered with an abundant crop, reaping machines busy at work, the paddocks properly fenced, and here and there comfortable-looking homesteads built and in occupation. A settler assured us that there would be at least 1,000 tons of wheat from this new district this season. Last year the wheat yielded thirty-eight bushels to the acre. The district is situated within Professor Hutton's Kaikoura formation, the most fertile of the older geological divisions. The soil, where recently ploughed, appeared to be of superior quality, and capable of high cultivation. Indeed, we could not help feeling surprised and gratified that a district, which only a few years ago was a rough wilderness of dense manuka scrub, some of it 12 feet high and upwards, the refuge of wild cattle, had now been transformed by the industry of the farmers into a profitable agricultural settlement. From the summit we had a good general view of Run 106, which lay adjacent. It seemed to fall gently from its highest point down towards the Molyneaux. In its general character it was not so rough in contour, nor at so high an elevation as the land we had traversed. We descended to Tuapeka Mouth, and returned to Lawrence by the eastern side of Run 106. As the result of our close inspection, the opinion we had formed from the distant view was more than confirmed. The land is within the same formation as Tuapeka West. It is not situated so high, nor is the country so broken, and it is more accessible. It is also comparatively free from scrub. Judging from the cultivated land adjoining, as well as from the general appearance and capability, we have no hesitation in expressing our opinion that the run is admirably adapted for agricultural settlement on deferred payments.

In addition to its natural advantages, it has the special advantage of being situated within 10 miles of a railway station, to which there is an excellent road. We have every reason to believe that if the land is opened for settlement it will be rapidly taken up.

In reference to some land mentioned at the Board not having been taken up, and which is still open, it is right to say that it is rough and broken country, situated back towards the Waipori heights, altogether of a different character and elevation from that which we examined. On the whole, we are strongly of opinion that Run 106 ought not to be offered again for pastoral lease and occupation.

We have, &c.,
JOHN BATHGATE,
CHARLES S. REEVES.

