

Were it not that I think it would be waste of time to urge the point, I would strongly put before the Government the advantages which, in my opinion, a power to acquire the freehold has in stimulating a man to the utmost exertion in the cultivation and improvement of his holding, and I would put before the Government suggestions for so doing, while at the same time guarding the settlers from becoming the prey of money-lenders, and the State from being the victim of land speculation. The publicly-expressed views of the Government have been so distinct that I do not propose to follow this course. The Government might, however, consider how far they could relax the existing conditions of valuation at the end of thirty years, so as to give to the settlers a share with the State of the unearned increment of value in their holdings.

The Army will have to incur considerable expenditure in passage-money, and in maintenance for the first one or two years of their settlers. This they expect ultimately to recoup. The Government might consider how this should be secured on the land as a second charge after any rent or interest due to the Government.

The success which has attended the Canterbury Settlement at Waimamaku, in the Auckland Province, where the settlers chose their own companions, are banded together for a common purpose, sent their own representative to select the land, and, above all, to cultivate the land in such a manner as to grow nearly everything they eat leads me to hope that, under similar conditions, a Salvation Army settlement will not be less successful.

3rd November, 1891.

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No. 2.

The SURVEYOR-GENERAL to MESSRS. BAKER BROTHERS.

Wellington, 27th October, 1890.

I ENCLOSE the map of Waimarino, showing the Government lands. There is, in all, about 400,000 acres. Some parts of this country the Government would not part with for settlement purposes as it contains valuable timber suitable for milling, but, in the event of anything being arranged with the Government, the boundaries must be a matter of after arrangement.

Messrs. Baker Brothers.

S. PERCY SMITH.

No. 3.

MEMORANDUM for His Excellency the GOVERNOR.

In reference to the memorandum of His Excellency of the 3rd instant, Ministers have considered the question, and submit the following:—

Ministers agree that an opportunity should be afforded to "General" Booth to give his scheme of a colony a trial in New Zealand, and are prepared to ask for a general power in a Land Bill to be submitted to Parliament next session, to set aside, say, 5,000 acres of land, with an adjoining 5,000 acres to be reserved for the same purpose. Ministers also agree that the following stipulations should be observed, namely:—

1. That the first batch of emigrants shall have first undergone some probation on the farm-colony in England, and have proved that they are physically able and willing to enter upon the business of land cultivation and settlement.

2. That a guarantee should be given that, to the best knowledge and belief of the officers most capable of judging in the Army, none of those first sent have been convicted criminals, and that the widest possible publicity should be given to that guarantee. The proposals to be submitted to Parliament would be of a general character, enabling any other organisation than the Salvation Army to take up a similar area upon the same condition. Ministers also think that the tenure should be a perpetual lease, but that with regard to the price or rental special privileges should be granted, and that the full value should not be exacted.

The question as to whether the rent should be perpetual, or for a longer term than thirty years, is one the Government has at present under consideration, with the view to legislation next session. With respect to the unearned increment, Ministers would point out that if the term is sufficiently long, say for fifty years, the settlers would share with the State a very large portion of the unearned increment, as during the larger portion of that time the unimproved value of the land would be largely enhanced.

With respect to the Army being able to secure passage-money upon the land, they will have the right under the ordinary special settlement conditions to make their own regulations and by-laws, under which the end desired would be attained. Ministers concur with His Excellency in thinking that the principle of settlers choosing their own companions, as embodied in our special settlement regulations, is the secret of successful settlement, and they desire to extend it in the direction of co-operation, by which organizations like the Salvation Army shall have the opportunity of carrying on the work of colonisation. The papers mentioned by His Excellency are forwarded herewith.

I have, &c.,

J. BALLANCE.

Premier's Office, Wellington, 10th November, 1891.

No. 4.

Mr. W. F. PEARSON to the Hon. the MINISTER of LANDS.

Castle Street, Dunedin, 18th February, 1892.

SIR,—

When "General" Booth, the head of the religious organization called the Salvation Army, recently visited Dunedin, I waited on him with the view of calling to his attention the advantages proffered by Stewart Island as a locality in which the experiment of settling a portion of what he