

FURTHER PAPERS RELATIVE TO THE SETTLEMENT OF THE CONFISCATED LANDS.

PROVINCE OF TARANAKI.

No. 1.

Copy of a Letter from His Honor H. R. RICHMOND to the Hon. J. C. RICHMOND.

SIR,—

Wellington, 25th September, 1865.

With reference to the arrangements to be made between the General Government and the Provincial Government of Taranaki, as to the management and disposal of the confiscated lands in that Province, I have the honor to submit to you the following observations and proposals:—

In the first place I readily admit it is the duty of the Colonial Government to make such use of the confiscated lands as shall most effectually lighten the burdens which the war has placed upon the Colony, but, on the other hand, if it were not for actual pressure for funds to carry on the Government (a pressure of the urgency of which the Colonial Government must, of course, be the best judge) I should confidently assert that the most real and effectual means of relieving the Colony from the burthens referred to would be to apply the whole of the fund derivable from the sale of the confiscated lands to the work of opening up the country, and stimulating its rapid occupation.

However, even if this view be admitted to be theoretically the right one, it may probably, under the present circumstances of the Colony, be found impossible to induce the Legislature to act upon it, and to release the Government from pledges which have been given or implied, that the proceeds of the sales of confiscated lands should be used in direct discharge of the war debt; but at least the consideration above referred to must be so far taken into account that the tax imposed upon the land shall not be such as greatly to retard the progress of colonization.

Now, if large quantities of the open and bush land in the Province of Taranaki were at the present time thrown into the market, with the understanding that the whole of the purchase money would be employed towards liquidating the war debt, and that the cost of surveying it, and of all roads and public works in it, would have to be borne by the purchasers, I think it would be sanguine to expect that more than a small average price would be realized for the open country, and the bush land, I feel sure, would, for the most part, be quite unsaleable on such terms.

But if these lands are sold under Regulations of the kind indicated in the enclosed Resolutions of the Provincial Council, setting apart definite proportions of the land fund for public works, immigration, &c., and if no block is offered for sale until a passable road has been made into it, I do not doubt that the proposed upset price of £2 per acre will be easily realised on open lands, and that the bush land will go off steadily, though not very fast, at the price proposed for it, viz., £1 per acre.

But this increase of value will, of course, be mainly due to the expenditure of an equal or nearly equal amount of money upon the land before selling it, and if, in taking charge of such improvements, the Provincial Government should make a profit of the transaction, if, I mean, taking the land as it lies, as raw material, it, as it were, converts it into a manufactured article, by surveying it, and opening it up with roads, and providing for its occupation; and if by these means the land is increased in value by something more than the actual expenditure upon it, the Provincial Government should, I think, be considered to be fairly entitled to such profit, as it will have all the trouble and responsibility, and as such profit by the terms of the proposed Regulations will only be applicable to the purpose of more rapidly opening up the remaining country for settlement.

I therefore respectfully submit that in considering the proportion of the proceeds of land sales which can be safely and fairly drawn directly from the land towards defraying the war debt, the Government should be guided by an estimate of the *intrinsic value* of the land without survey or improvements; and if it be said that by selling it off now for what it will fetch, the money will be quickly realised, whereas under any system which provides for considerable upset prices and the execution of public works, &c., the sale will be more gradual, there is to set against this the consideration that, although the sale of the land is likely to be slower in the latter way, the settling of it is certain to be much more rapid; and it is to this, I believe it will be readily allowed, that we should look as our surest means both of preventing wars in the future, and of lightening the burthen of the present debt.

I must, of course, freely admit that any estimate of the intrinsic value of the confiscated lands in their present condition can be little better than a rough guess, varying, as it must, from the various aspects of the native question and other causes, but it does not appear to me to be a matter of great importance, even if it were possible to determine it accurately, because I can feel no doubt that if these lands are handed over to the Province at a very moderate estimate, but with such conditions as shall ensure the application of the land fund towards the rapid occupation of the country, the Colony will be more benefitted than by exacting from the Province an extreme price for the land.

Taking all things into consideration, I should propose that the scale of upset prices recommended by the Council in the enclosed Resolutions be adopted, and that one-eighth part of the gross proceeds shall go towards the liquidation of the war debt.

Supposing the various classes of land to sell at their upset prices only, this would be equivalent to paying the Colony the following scale of prices:—

Town Lands	..	..	..	£20 per acre
Suburban	..	..	..	£1 2s. 6d. per acre
Rural (open)	..	..	..	5s. per acre
Rural (bush)	..	..	..	2s. 6d. per acre.