

PAPERS

RELATIVE TO THE

DISTRIBUTION OF THE PATEA LOAN OF £10,000.

PRESENTED TO THE HOUSE OF REPRESENTATIVES BY COMMAND.

WELLINGTON.

—
1871.

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

No. 1.

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

DEAR SIR,—

Wellington, 20th June, 1870.

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

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

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

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

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

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

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

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

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

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

The Hon. Mr. Vogel.

I remain, &c.,
THOMAS KELLY.

No. 2.

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

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

2. Substantially they knew it in November, when I was at Patea.

3. The intention of the House was not to grant compensation, but simply to make advances on security to parties willing to settle. I asked for information as to losses, as a guarantee that the parties were of the class intended to be benefited, viz., expelled settlers, and not as a measure of compensation, which the House positively refused to give. To have fixed a *pro rata* scale based on actual losses would have been to treat the case as one of compensation, and would have given an amount to some much larger than necessary to enable them to resume occupation (the real end in view), and to others so small as to be of no use. The recommendations were made by Major Noake to a certain extent on local knowledge, and with the idea of meeting the circumstances of each case, with a view to the wants and capacity of the party for the future, and not to his losses or sufferings in the past.

4. Immediately after Major Noake's Report (which no one can say was unduly delayed), I communicated with the Treasury, had the awards further assessed with great care by Mr. Woodward, whose elaborate memo. is among the papers, and I gave immediate instructions to the Attorney-General to prepare the mortgages. This was on the 8th February. The subsequent delay has been owing solely to the extraordinarily defective state of the titles in a very large majority of cases, which were so utterly valueless as to render it impossible that any security could be given over the land held under them. It became absolutely necessary to supplement and in many cases altogether to supply new titles, an operation which could only be done by the intervention of lawyers, and after numerous researches in the Registry Offices, particularly of Taranaki and Wellington. There was no possibility of "slobbering" over the transaction. The defects of title were of such a sort as to render any security founded on them utterly and altogether valueless. Now the resolution of the House expressly states that the Government is to take security by way of mortgage over the land; and the Colonial Treasurer has recommended that the mortgages should be such as might be transferred to some money-lending company. Unless the titles are marketable, it is certain that neither the object of the resolution nor of the Colonial Treasurer can be attained. The difficulty of investigating these titles has been very great, and I cannot charge the Attorney-General or Assistant Law Officer with any slackness. A single glance at the file of papers referred to them as evidence of title, and the complicated state of the titles as reported in the memo. of the Assistant Law Officer, show that the task imposed on that officer has been a most onerous and troublesome one. It only remains to state how the matter stands now. Upwards of twenty of the claimants whose titles were defective appear to have placed them in the hands of Messrs. Brandon and Quick, who expect to be able in a few days to report their completion and the execution of the mortgages. In these cases nothing further can be done to expedite the matter. Of the remainder (say twenty-five more), many appear to have taken no step towards procuring better titles,—many have exhibited none; and it seems impossible that the Government can do anything in such cases. Nothing will, I think, be gained by sending up any person specially to the district. But Mr. Pharazyn, who will be there, may be instructed to send a circular to any who have entirely neglected to take action as above, warning them of the consequence of neglect.

5. There seems no reason for reopening the awards of Major Noake, except to admit about half a dozen claimants who did not apply in time. As it seems certain that some of the applicants will be rejected for want of security, and one or two have withdrawn their claims, it would seem that these omitted ones may take their place. They should, however, be inquired into to the same extent as the others were.

6. I am not aware that the Government has circulated a list of properties which are encumbered. If it be so, I should be glad to know by whom and by whose authority it has been done.

7. I think, if the Colonial Treasurer has no objection, this might be done.

WILLIAM FOX.