

The provisions of "The Land Act, 1877," so far as refer to the proclamation of hundreds, where a pastoral lease or license exists, are—

1. That one-third of the hundred be fit for agricultural purposes, and this be certified by the Commissioner of Crown Lands and the Chief Surveyor.
2. Compensation not exceeding 2s. 6d. per acre for determination of lease, and full compensation for fences.

There is no other limit, and once the lease is cancelled the land may be sold in any manner, by deferred payment or as special-value lands, or, if pastoral land, by deferred payments; and, in fact, as two-thirds of a hundred may be pastoral land, it may be assumed that the Legislature intended part of it to be disposed of in this way. "The Mines Act, 1877," gives power to the Government to cancel pastoral leases without any limitation. Provision is, however, made for the same compensation as is granted by "The Land Act, 1877"—namely, a maximum sum of 2s. 6d. per acre for determination of lease, and full payment for the value of all fences. The only difference, therefore, between "The Land Act, 1877," and "The Mines Act, 1877," in this respect is that, before a Proclamation of a hundred, one-third must be certified by the Commissioner of Crown Lands and the Chief Surveyor as fit for agricultural purposes; whilst in the Mines Act the land may be wholly unfit for agricultural purposes, and yet the lease may be cancelled. Once the lease is cancelled under the Mines Act, the land may be sold as the Government may determine; and I may state, however, that no lease will be cancelled under the Mines Act that has not at least one-third of agricultural land. There is, therefore, neither any expressed nor implied prohibition that any land proclaimed a hundred over which a pastoral lease under the Mines Act has been cancelled should not be sold as pastoral land on deferred payments.

And after much consideration, I am at a loss to understand what those who have signed the telegram mean by saying that the Government have misused the provisions of "The Mines Act, 1877." Do they mean to say that before any land is open in gold fields there must first issue a Proclamation taking the land out of gold fields, and that then a hundred must be proclaimed? If this is meant, it is wonderful that this method of procedure was not pointed out before "The Hundreds Regulation Act, 1869," was passed. I would desire to know how the pastoral tenants would have liked their runs in gold fields to be proclaimed hundreds, and no compensation whatever paid them. It is not necessary to pursue such an inquiry.

I have shown, I think, that the legislation, since the granting of the leases of 1866, has been very much in favor of the pastoral tenants. Let me now state what I think the Government should do.

First. I believe it is absolutely necessary that land should be opened for settlement in the interior of Otago.

Secondly. I believe the lands should not be all opened, as the construction of railways will enhance its value, and the public should reap some share of the enhanced value.

Third. I also believe that nothing should be done to wantonly or improperly destroy the tenure of the pastoral tenants.

Guided by these principles, I, as Minister of Lands, at the urgent solicitation of people anxious to settle, determined to open lands at Teviot and near Clyde, and also in some other localities in the gold fields.

I found there was a great danger to be avoided, and it was this: If the level lands skirting the hills were sold, the high back lands became the property of those who had purchased the low lands. In the interests of the public estate, I was convinced that the high and low should be sold together, and this could only be done by selling part as pastoral land on deferred payments or in large blocks. The latter alternative could not be considered by me for one moment, and hence, to save the estate of the country, I determined to so arrange the lands for sale that part should be sold on deferred payments, part on agricultural leases, part as of special value, part on immediate payment, and part as pastoral land on deferred payments.

Why this should cause anxiety I am at a loss to imagine. Certainly I have no desire to at once see all pastoral leases cancelled, nor do I believe any one desires to see the pastoral tenants injured. No one charged with the administration of waste lands can, however, refuse to proclaim land open for settlement where there is none open and people are anxious to settle.

I believe the leases which the Government have proposed to cancel should have been cancelled long ago, for the demands for land have in these localities been urgent for years; and I cannot see how the pastoral estate of the country can be injured by yielding to the reasonable request of intending settlers.

I have dealt fully with pastoral tenure to prove that in the past the Legislature and Government have, instead of doing anything that would injure pastoral tenants, rather gone in an opposite direction. I am in hopes that this communication will allay any feelings of anxiety that may have been aroused; and I may, in conclusion, add that, as no communication has been held with the Government by any of the signatories of the telegram, I must assume that in sending it to the members of the Legislature it was intended as a political manifesto.

I believe that my explanations will dispel the anxiety that has been created, and will tend to show that the Government can, whilst they are making due provision for settlement, not do anything that would be "cruel and disastrous" to any class of the community.

Henry Driver, Esq., M.H.R., Wellington.

I have, &c.,
ROBERT STOUT.

No. 3.

MR. HENRY DRIVER to the Hon. Mr. STOUT.

Re Cancellation of Runs in Otago.

SIR,—

Wellington, 16th October, 1878.

I have the honor to acknowledge the receipt of your letter of 14th instant, and to-day laid it before a meeting of the Otago members, and I have much pleasure in conveying to you the information