

1881.
NEW ZEALAND.

MESSRS. GRANT AND FOSTER'S SPECIAL SETTLEMENT
AT TE AROHA

(FURTHER CORRESPONDENCE RELATIVE TO).

[In continuation of D.-7, 1880.]

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

The Hon. the MINISTER for IMMIGRATION to the AGENT-GENERAL.

SIR,—

Immigration Office, Wellington, 3rd April, 1880.

Referring to your letter of the 23rd January last,* I have the honor to inform you that Messrs. Grant and Foster returned to England by the last San Francisco mail steamer. Before they left the colony the Government arranged that, in the event of their returning to New Zealand to invest in land, you would be authorized to assist to the extent of paying one-half the passage-money of the families of any *bonâ fide* skilled agricultural labourers who may accompany them. It was also arranged that accommodation would be provided for the families in the immigration depôts throughout the colony if they required it, for a short time, an undertaking being given that Government should be relieved of all responsibility beyond providing temporary house accommodation for the people.

I have, &c.,

W. ROLLESTON,

Minister for Immigration.

The Agent-General for New Zealand, London.

No. 2.

The AGENT-GENERAL to the Hon. the MINISTER for IMMIGRATION.

SIR,—

7, Westminster Chambers, London, S.W., 1st June, 1880.

I have the honor to acknowledge the receipt of your letter No. 101, of 3rd April, advising me of the return to England of Messrs. Grant and Foster, and the arrangements for assisting the families of any agricultural labourers who may accompany those gentlemen in the event of their again proceeding to the colony to invest in land. I desire to ask if there is any limit to the number of those who may take advantage of this undertaking.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Minister for Immigration, Wellington.

No. 3.

The Hon. the MINISTER for IMMIGRATION to the AGENT-GENERAL.

(No. 176.)

SIR,—

Immigration Office, Wellington, 27th July, 1880.

I have the honor to acknowledge the receipt of your letter of the 1st June last, No. 456, and, in reply, to state that the number of immigrants Messrs. Grant and Foster should be assisted in introducing to the colony should be limited to the number for whom they guarantee to provide employment in terms of Mr. Dick's letter of the 25th March last, No. 84.† I do not understand that they would wish to avail themselves of this assistance to a greater extent than, say, twenty to thirty agricultural labourers.

I have, &c.,

W. ROLLESTON,

Minister for Immigration.

The Agent-General for New Zealand, London.

* No. 3, D.-7, 1880.

† No. 56, D.-4, 1880.

No. 4.

Mr. JAMES FOSTER to the Hon. the PREMIER.

(Telegram.) London, 22nd September, 1880.
 CAPTAIN STEELE authorized act for us Aroha. Request favour prompt settlement.
 The Premier, Wellington. JAMES FOSTER.

No. 5.

The Hon. the MINISTER for IMMIGRATION to the COMMISSIONER of CROWN LANDS, Auckland.

(Telegram.) Wellington, 22nd September, 1880.
 I HAVE received the following telegram from Messrs. Grant and Foster: "Captain Steele authorized act for us Aroha. Request favour prompt settlement." Please inform Captain Steele that you will receive any proposals from him and submit them to the Board, whose opinion I shall be glad to get.
 The Commissioner of Crown Lands, Auckland. W. ROLLESTON.

No. 6.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the MINISTER of LANDS.

(Telegram.) Auckland, 23rd September, 1880.
 Re Messrs. Grant and Foster, immediate action will be taken by me as directed in your telegram of yesterday's date.
 The Hon. the Minister of Lands, Wellington. D. A. TOLE,
 Commissioner of Crown Lands.

No. 7.

The UNDER-SECRETARY for IMMIGRATION to the COMMISSIONER of CROWN LANDS, Auckland.

(Telegram.) Wellington, 9th October, 1880.
 MR. ROLLESTON wishes you to be reminded that, in respect of any engagements for the Aroha Block, no stipulation can be made as to rebate for immigrants' passages, the House having expressly barred this. Dépôts may be used, but the agreement must be entirely clear of any such engagements.
 The Commissioner of Crown Lands, Auckland. H. J. H. ELIOTT.

No. 8.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the ATTORNEY-GENERAL.

SIR,—

Auckland, 1st October, 1880.
 I have the honor, in compliance with your request, to forward for your information the accompanying copy of a letter from Captain Steele, in which, as agent for Messrs. Grant and Foster, he submits on their behalf an offer to purchase 17,000 acres of land in Te Aroha Block, Thames District, and also to submit for your consideration the enclosed copy of the terms and conditions upon which, in the opinion of the Land Board, the block applied for should be disposed of to the gentlemen in question.

The Hon. the Attorney-General, Auckland.

I have, &c.,
 D. A. TOLE,
 Crown Lands Commissioner.

Enclosure in No. 8.

Captain W. STEELE to the COMMISSIONER of CROWN LANDS, Auckland.

SIR,—

Auckland Club, 29th September, 1880.
 I have the honor, as agent for Messrs. Grant and Foster, delegates of certain Lincolnshire farmers, to offer and agree to purchase from the Government of the Colony of New Zealand 17,000 acres of land called Te Aroha, and described in that part of the attached plan tinted pink, as also two Native reserves shown on same plan, upon the following conditions:—

1. The price not to exceed £1 10s. per acre.
2. Ten per cent. of the purchase-money to be paid in London three months after the execution of a valid agreement confirming and completing the agreement.
3. The remainder of the purchase-money to be paid by five equal annual payments: the first of such payments to be made fifteen months after the execution of the said agreement, and one of such payments annually thereafter, until the balance is paid.
4. It being the intention of Messrs. Grant and Foster to introduce, for the purpose of settling the above-named lands, none but substantial and moneyed farmers, I am prepared, as their agent, to enter into such reasonable conditions for the settling, occupation, and improving of said land as the Waste Lands Board may suggest. As the gentlemen constituting the above Board must at once appreciate the great advantage which will accrue to this province from the introducing of such valuable settlers, I venture to express the hope the conditions suggested by them will be fair and reasonable to the proposed settlers.

D. A. Tole, Esq., Waste Lands Commissioner, Auckland.

I have, &c.,
 W. STEELE.

No. 9.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the ATTORNEY-GENERAL.

SIR,

Auckland, 7th October, 1880.

At a special meeting of the Land Board held yesterday for the purpose of considering certain modifications suggested by Captain Steele in the proposals of the Land Board for the sale to Messrs. Grant and Foster of a portion of Te Aroha Block, Thames District, it was agreed (Captain Steele, who was in attendance, concurring) that the terms and conditions upon which the Government be recommended to dispose of the land applied for to the gentlemen above named be those embodied in the accompanying copy of the minutes of the proceedings of the Board, instead of those transmitted to you with my letter of the 1st instant.

I have, &c.,

D. A. TOLE,

The Hon. the Attorney-General, Auckland.

Commissioner of Crown Lands.

Enclosure 1 in No. 9.

Re LINCOLNSHIRE FARMERS' proposed Special Settlement, Te Aroha, Thames District.

EXTRACT from minutes of a special meeting of the Land Board held on Wednesday, the 6th October, 1880:—

It was *resolved*, That the following terms and conditions of sale to Messrs. Grant and Foster of certain proposed special-settlement land for Lincolnshire farmers, in Te Aroha Block, Thames District, be recommended for the approval of the Government, in lieu of those passed by the Land Board at its meeting of the 30th September last:—

1. That, subject to the extinguishment of Mr. T. Russell's claim to a portion of the said land, the area to be sold for the purposes of the said settlement be 17,600 acres, more or less, in the position delineated on plan attached.

2. That the price be that fixed in terms of the Chief Surveyor's valuation, a copy of which is hereto annexed.

3. That the manner of payment be as follows: (a) A deposit payment of 5s. per acre to be paid in London within six months after execution of the agreement of purchase; (b) a second payment of 5s. per acre within six months after the date of the first said payment; (c) a third payment of 10s. per acre within twelve months after the date of the second said payment; and (d) the balance of the purchase-money to be paid within twelve months from the date of the third said payment.

4. That Messrs. Grant and Foster introduce from the United Kingdom or elsewhere (save from the Australian colonies) at least 225 adult immigrants—an adult immigrant to mean a person of either sex, being not less than eighteen years of age; but two persons under eighteen to be reckoned as one adult.

5. That within six months after the arrival of said immigrants forty-five families of settlers be settled on the land proposed to be set apart for the purposes of the said settlement.

6. That Messrs. Grant and Foster shall erect or cause to be erected on the land, forty-five dwelling-houses, to be well and substantially built of timber or other durable material, each of such dwellings to contain at least three rooms.

7. That each settler shall, for a period of three years continuously, reside on the land so selected; but the Board may, if it shall think fit, give permission in writing dispensing with personal residence for any portion of the above-named period. One-fifth of the land so occupied to be brought into cultivation before the expiration of the said period—three years.

Cultivation to mean—(1) Breaking up and laying down the land in English or other cultivated grass; or (2) breaking up, and planting or sowing root or other crops therein. (3) In the case of bush land, cultivation to mean burning off and surface-sowing; and, in the case of swamp land, draining and surface-sowing.

That at any time, upon payment in full of the amount of purchase-money, and the fulfilment of all the conditions herein imposed with regard to residence, building, and cultivation, a Crown grant, reserving all precious metals, and containing the usual covenants to lay out roads, &c., do issue to each settler.

Resolved, That the Native reserve known as Manawaru, containing 613 acres, be not sold to Messrs. Grant and Foster, as applied for by Captain Steele, but that the said reserve be set apart as a township and for other public purposes.

Resolved also, That the attention of the Government be specially drawn to the circumstance that a portion of the land applied for on the eastern bank of the Waihou River is believed to be auriferous.

Enclosure 2 in No. 9.

The CHIEF SURVEYOR, Auckland, to the COMMISSIONER of CROWN LANDS, Auckland.

Survey Office, Auckland, 29th September, 1880.

IN reply to your memorandum of this day's date, I value the lands at Te Aroha proposed to be given to the Lincolnshire farmers as follows:—

I consider them capable of division into three classes, of different values—the price stated for each being a mean of the whole in such class.

| | Acres. | | Per acre. | |
|-----------------------------------|-----------|----|-----------|-------------|
| Surveyed lands, west of the river | ... 9,231 | at | £2 0 0 | ... £18,462 |
| " east of the river | ... 4,578 | at | 2 5 0 | ... 10,300 |
| Unsurveyed lands | ... 3,700 | at | 0 5 0 | ... 925 |
| | 17,509 | | | £29,687 |

The unsurveyed lands are unsuited for settlement; indeed, the larger portion is very broken, precipitous mountains, good for nothing but the firewood on them.

The average per acre will thus come out on the whole between 33s. and 34s. per acre.

The Commissioner of Crown Lands, Auckland.

S. PERCY SMITH,
Chief Surveyor.

No. 10.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the ATTORNEY-GENERAL.

SIR,—

Auckland, 8th October, 1880.

I have the honor to forward, for your information, the accompanying copy of a letter from Captain Steele, in which, on behalf of Messrs. Grant and Foster, he signifies his acceptance of the terms and conditions transmitted to you in my letter of yesterday's date relative to the proposed sale of a part of the Te Aroha Block as a special settlement for a party of Lincolnshire farmers. You will, however, observe that he stipulates that such acceptance is to be regarded as conditional upon the extinguishment, by the Government, of Mr. T. Russell's claim; and he asks that a written assurance to that effect may be given to him.

I have, &c.,

D. A. TOLE,

Commissioner of Crown Lands.

The Hon. the Attorney-General.

Enclosure in No. 10.

Captain W. STEELE to the COMMISSIONER of CROWN LANDS, Auckland.

SIR,—

Auckland Club, 8th October, 1880.

I have the honor to acknowledge the receipt of your letter of the 7th instant, covering resolutions passed at a special meeting of the Waste Lands Board, called to consider certain modified conditions proposed by me, on behalf of Messrs. Grant and Foster, for the purchase of a portion of the Te Aroha Block, containing 17,600 acres.

I beg to say that, as agent for Messrs. Grant and Foster, I accept the terms and conditions as stated in your communication, on the understanding that Mr. Russell's claim be extinguished; and I am anxious to receive your written assurance to that effect.

As a number of settlers may shortly be expected to arrive here for the purpose of settling upon the above-named block, I beg to express a hope that no time be lost in settling Mr. Russell's claim, so as to prevent disappointment or obstacle to the occupation of the land upon their arrival in the colony.

I may add that I have telegraphed to my principals the acceptance of the Waste Lands Board's proposals.

I cannot conclude without expressing my sincere thanks to you personally, and through you to the members of the Waste Lands Board, for the courtesy, patience, and consideration shown to me in this matter.

I have, &c.,

W. STEELE,

Agent for Grant and Foster.

D. A. Tole, Esq., Commissioner Waste Lands, Auckland.

No. 11.

The SURVEYOR-GENERAL to the CHIEF SURVEYOR, Auckland.

(Telegram.)

Wellington, 19th October, 1880.

GRANT and Foster have telegraphed from London that Russell's claims are preventing their dealing with the land they want. Mr. Rolleston hopes you will put work of inquiring into those claims before all other.

J. MCKERROW,

Surveyor-General.

The Chief Surveyor, Auckland.

No. 12.

The SURVEYOR-GENERAL to the CHIEF SURVEYOR, Auckland.

(Telegram.)

Wellington, 19th October, 1880.

HON. MR. ROLLESTON earnestly wishes you to report on Russell's claim as soon as possible, as Grant and Foster are telegraphing from London complaining of delay. Papers were sent to Auckland by "Te Anau."

J. MCKERROW.

The Chief Surveyor, Auckland.

No. 13.

The CHIEF SURVEYOR, Auckland, to the SURVEYOR-GENERAL.

(Telegram.)

Auckland, 20th October, 1880.

Re Russell's claim to Te Aroha, have already commenced by sending out for certain information.

The Surveyor-General, Wellington.

S. PERCY SMITH.

No. 14.

The SURVEYOR-GENERAL to the CHIEF SURVEYOR, Auckland.

(Telegram.)

Wellington, 21st October, 1880.

HON. Minister of Lands directs me to inform you that Government considers it indispensable that, if any claim on the part of Mr. Russell should be established, any proposal for its settlement should leave Government open at once to deal independently with Messrs. Grant and Foster, and not leave any complication as between Russell and Grant and Foster. In other words, Government arrangements with Grant and Foster must be unconditional, so far as Russell's claims are concerned.

J. McKERROW,

Surveyor-General.

The Chief Surveyor, Auckland.

No. 15.

The Hon. the MINISTER of LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

(Telegram.)

Wellington, 23rd October, 1880.

You can inform Captain Steele, for Messrs. Grant and Foster, that Government will agree generally to terms of settlement proposed by Land Board in respect of the whole area applied for by them, subject to any modifications in detail which may be found necessary. Mr. Russell's claim will be dealt with independently.

The Commissioner of Crown Lands, Auckland.

W. ROLLESTON.

No. 16.

The Hon. the MINISTER of LANDS to Captain STEELE.

(Telegram.)

Wellington, 25th October, 1880.

You will be communicated with to-morrow as to modifications to be made in terms of proposed arrangement. They will be in the direction of closer assimilation to terms given to Mr. Vesey Stewart. See page 76 this year's *Gazette*.

Captain Steele, Auckland.

W. ROLLESTON.

No. 17.

The SECRETARY of LANDS to the Hon. the MINISTER of LANDS.

Messrs. Grant and Foster's Special Settlement, Te Aroha.

(Memorandum.)

General Crown Lands Office, Wellington, 25th October, 1880.

THE terms and conditions of sale to Messrs. Grant and Foster of special-settlement land at Te Aroha, as proposed by the Land Board, Auckland, seem open to several objections.

1. There is no guarantee that Messrs. Grant and Foster will make payment of all the instalments of £29,687 extending over the three years from date of agreement. It may be said that, if they fail to do so, the deposit payment of 5s. per acre, and other payments that may be made, would be liable to forfeiture, and that the Crown grant for the land would not issue. That would be a sufficient answer if Grant and Foster were to be the only settlers on the block; but in this transaction they are not settlers, but an agency for the introduction of settlers, and consequently the Government must consider in what position it would be in case of failure on the part of Grant and Foster.

In such a case the real difficulty would be that the Government would be confronted with the settlers on the ground, who practically could neither be turned off, nor could they be asked or compelled to make good Grant and Foster's default, the more especially if they had already paid these gentlemen or their assigns in full.

What is wanting is that, before any one is permitted to settle on the land, Grant and Foster either deposit ample securities for the due fulfilment of the contract, or, what would probably be better, that each settler on receiving his land order undertake to become jointly responsible with Grant and Foster for the payment of balance due on the area represented in his purchase.

In the Te Puke Special Settlement agreement, this difficulty about payment does not arise, because, before the land order is countersigned by the Agent-General, the selector (Mr. Vesey Stewart) has to pay in full 26s. 3d. per acre on the area represented in the land order. So that, should Vesey Stewart or his assigns break down before the completion of the settlement, Government is quite secure, inasmuch as payment is made for the land actually taken up, and what is not taken up is available for future disposal, and there is the forfeit of the £3,000 deposited with the Agent-General.

But as Grant and Foster's payments are not on the immediate but deferred-payment principle, the only thoroughly satisfactory arrangement would seem to be that the settler in his land order should become, so far as his area is concerned, jointly responsible with Grant and Foster for payment of balances or instalments. Should Grant and Foster object to this, it should be open to them, on depositing say £4,000 with the Agent-General, to come under the same conditions as to payment as Mr. Vesey Stewart. If they would agree to this it would simplify matters much, and the only joint responsibility of them and the actual settlers would then be the fulfilment of the improvement conditions. (See section 7 (c) of agreement, Vesey Stewart and Minister of Lands.)

2. In the terms and conditions as submitted by the Land Board, there is no time stated within which the settlers or emigrants are to embark or arrive in the colony, nor is there any time fixed within which the improvement and residence conditions are to be fulfilled. The times should be definitely fixed and stated in agreement; otherwise it will be left open for Grant and Foster simply to pay the money and defer the settlement of the land as long as they please. I would suggest that at least one-half of the settlers and emigrants should embark before 1st January, 1882, and the remainder before

1st January, 1883, and that, within six months of their arrival in the colony, the proportion for each set of arrivals of the forty-five houses be erected on the ground and occupied, and that the three years' residence date for each settler from his actual occupation of a house on the ground: the terms and conditions of the special settlement to be fulfilled not later than 1st January, 1887.

In the event of Grant and Foster desiring to rearrange the subdivisions of the block to suit their settlers, it should be stipulated that they must bear cost of survey, and also the subdivisional survey of the unsurveyed portion of land purchased by them—sections 4 and 5 of Vesey Stewart's agreement, also sections 7 to 9, with the necessary verbal alterations. In section 9 the limit of land that may be occupied by a family might be stated at 2,000 acres, as Grant and Foster in correspondence state that some of their friends desired farms of this size. The other sections, 10 to 17, will be nearly the same, only verbal alterations.

The schedule of land orders will depend on what is decided with regard to the relations of the settler to the Government.

The Land Board direct attention that a portion of the land applied for on the eastern bank of the Waihou River is believed to be auriferous.

In clause 7, subclause (3), of Board's terms and conditions, it is provided that the precious metals are to be reserved from the Crown grant. In the agreement a clause might be added that, in the event of gold-workings, the only compensation due would be in respect of surface damage, the damage to be assessed by arbiters, one each to be appointed by the Government and the owner of the land affected, should an amicable arrangement not be previously come to.

The only other point in the Land Board proposals that needs be mentioned is the power which the Board reserves to itself, in section 7 of its terms, "to give permission in writing dispensing with personal residence." This I think is *ultra vires*, because it runs counter to the Land Acts, 1877 and 1879, both of which require residence on open land. There is no option except in bush land. This had better be eliminated, because, although the Board would no doubt be careful not to allow of the residence condition being waived unless under exceptional circumstances, still it is a concession that weakens the law, and would be contrary to the first paragraph of the land order, which states that the terms and conditions are under the authority of Act, 1879.

J. McKEEROW.

The Hon. the Minister of Lands.

No. 18.

The Hon. the PREMIER to Messrs. GRANT and FOSTER.

(Telegram.) Wellington, 26th October, 1880.
HAVE written Captain Steele. Hope result satisfactory settlement.
Messrs. Grant and Foster, care Agent-General, London. HALL.

No. 19.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the MINISTER of LANDS.

(Telegram.) Auckland, 25th October, 1880.
CAPTAIN STEELE has been duly informed in terms of your telegram of the 23rd instant.

The Hon. the Minister of Lands, Wellington. D. A. TOLE,
Commissioner of Crown Lands.

Enclosure in No. 19.

The Hon. the MINISTER of LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

(Telegram.) Wellington, 26th October, 1880.
I PRESUME it was clearly understood in clause 4 of Board's terms that Messrs. Grant and Foster would introduce immigrants at their own cost, Parliament having decidedly refused to allow special-settlement arrangements to be complicated by rebate or payment for immigrants introduced.

This is the more important as it was once contemplated that Government might assist Messrs. Grant and Foster with some agricultural labourers. Since that, immigration vote was cut down and immigration practically stopped; and in view of large amount of surplus labour in colony, and disappointed nominations, it would not be right to spend money on this purpose.

I will communicate with the Attorney-General as to modifications referred to in previous telegram. Please see him, and tell Captain Steele that correspondence will come through you.

WILLIAM ROLLESTON.

No. 20.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the MINISTER of LANDS.

(Telegram.) Auckland, 27th October, 1880.
Re proposed special settlement, Te Aroha, Hon. Mr. Whitaker is not at present in Auckland. Will see him on his return, as directed in your yesterday's telegram. The question of rebate or payment for immigrants introduced was never discussed by the Board, nor was it then raised for consideration by the agent of Messrs. Grant and Foster. Most certainly clause 4 of the terms of the Board is not to be understood as implying in the remotest manner any obligation of the kind on the Government.

The Hon. the Minister of Lands, Wellington. D. A. TOLE,
Commissioner of Crown Lands.

No. 21.

The CHIEF SURVEYOR, Auckland, to the Hon. the MINISTER of LANDS.

(Telegram.)

Auckland, 3rd November, 1880.

Re Te Aroha, Hesketh has had to wire to Russell in London; hence delay. Hope to report fully in two or three days. There is a question as to amount of Russell's claim, which delays matters.

The Hon. the Minister of Lands, Wellington.

PERCY SMITH.

No. 22.

Messrs. GRANT and FOSTER to the Hon. the PREMIER.

London, 2nd November, 1880.

CANNOT undertake colonize Aroha with Russell's claim unsettled. If claim arranged, will place his Thames land our hands to colonize. Strongly urge settlement. Send copy this Steele.

The Hon. the Premier, Wellington.

GRANT AND FOSTER.

No. 23.

The Hon. the PREMIER to Messrs. GRANT and FOSTER.

Wellington, 5th November, 1880.

RECEIVED your telegram, and sent to Steele. Agreement concluded with him. Settlement of Russell's claim devolves on Government, which guarantees your possession of the land.

Messrs. Grant and Foster, London.

HALL.

No. 24.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the MINISTER of LANDS.

SIR,—

Crown Lands Office, Auckland, 17th November, 1880.

I have the honor to forward for your consideration the accompanying application from Captain Steele, on behalf of Messrs. Grant and Foster, and to inform you that, at a meeting held on the 11th instant, the Land Board passed the following resolution in reference thereto:—

“That, subject to the reservation of 100 acres for township and other public purposes, the Board beg to recommend that the block of land at Te Aroha, known as the Manawaru Reserve, be sold, for the purposes of their special settlement, to Messrs. Grant and Foster, at a price to be fixed by competent valuation.”

I may state that the Land Board, in arriving at the above decision, which will be observed to be at variance with its former resolution as affecting the disposition of this land, has been induced to do so from a strong conviction resulting from a further consideration of the circumstances of the case—that the retention of this reserve in its entirety, as originally intended, would be likely to prove detrimental to the success of the settlement.

I have, &c.,

D. A. TOLE,

Commissioner of Crown Lands.

The Hon. the Minister of Lands, Wellington.

Enclosure in No. 24.

Captain STEELE to the COMMISSIONER of CROWN LANDS, Auckland.

SIR,—

Hamilton, 9th November, 1880.

I have the honor to apply, on behalf of Messrs. Grant and Foster, for the reserve of 616 acres on the west side of the river, within the block already applied for. I have special instructions from my principals to urge this point, for the following reasons: That it is the only timber available for either firewood or fencing on the west side of the block. That one of the first works contemplated is the building a bridge over the river to connect the property. As the reserve is the most suitable place, they would, in the event of expending a large sum on a work of such public utility, desire to have the control of the land in the immediate locality. This reserve disarranges their plans, and will be detrimental to the whole settlement. Should your Board favourably consider this application, I shall be satisfied to leave the valuation to Mr. Percy Smith, Chief Surveyor, and will abide by his decision.

I have, &c.,

W. STEELE,

Agent for Messrs. Grant and Foster.

D. A. Tole, Esq., Waste Lands Commissioner.

No. 25.

The UNDER-SECRETARY for CROWN LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

(Telegram.)

Government Buildings, 2nd December, 1880.

In area of 17,600 acres, Grant and Foster special settlement, are following reserves included? E.R. Section 2, Block VII.; two adjoining sections on bank of river, marked R.R.; and education reserves, south-east corner of Section 5, Block VI.; also area marked “Reserve” on Sections 9, 12, and 13, Block II. See lithograph map Te Aroha Block, index to survey district and blocks. Reply at once please.

H. J. H. ELIOTT.

No. 26.

The COMMISSIONER of CROWN LANDS, Auckland, to the UNDER-SECRETARY for CROWN LANDS, Wellington.

(Telegram.)

Auckland, 2nd December, 1880.

AREA to be sold to Grant and Foster includes all the reserves mentioned in your telegram of this day's date. The 100 acres of Manawaru and Native reserve at north of Block II. are of course excepted from purchase.

D. A. TOLE.

No. 27.

The UNDER-SECRETARY for CROWN LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

General Crown Lands Office, Wellington, 4th December, 1880.

Re Te Aroha Special Settlement.

I ENCLOSE copy of the Order in Council which it is proposed to submit for His Excellency's signature, the terms and conditions of which will be embodied in a memorandum of agreement to be signed by Captain Steele for Messrs. Grant and Foster, and by the Minister of Lands on behalf of the Government.

Copies of the Order in Council have been sent by to-day's mail to Captain Steele, to Messrs. Grant and Foster, and to the Agent-General.

H. J. H. ELIOTT,

The Commissioner of Crown Lands, Auckland.

Under-Secretary.

No. 28.

The Hon. the MINISTER for IMMIGRATION to the AGENT-GENERAL.

(No. 228.)

SIR,—

Immigration Office, Wellington, 4th December, 1880.

I have the honor to forward herewith a copy of the Order in Council containing the terms and conditions of the Te Aroha Special Settlement, on which an agreement will be entered into between Messrs. Grant and Foster and the Government.

I have, &c.,

W. ROLLESTON,

The Agent-General for New Zealand, London.

Minister for Immigration.

No. 29.

The Hon. the MINISTER of LANDS to Captain STEELE.

General Crown Lands Office, Wellington, 4th December, 1880.

Re Te Aroha Special Settlement.

SIR,—

I transmit, for your information, copy of the Order in Council embodying the terms of the agreement between yourself, acting for Messrs. Grant and Foster, and the Government. A formal agreement, to be executed by you on behalf of Messrs. Grant and Foster, and by myself on behalf of the Government, will be forwarded by a succeeding mail. Copies of the Order in Council have been sent to Messrs. Grant and Foster by to-day's mail.

I have, &c.,

W. ROLLESTON,

Minister of Lands.

Captain Steele, care of the Commissioner of Crown Lands, Auckland.

No. 30.

The Hon. the MINISTER of LANDS to Messrs. GRANT and FOSTER.

General Crown Lands Office, Wellington, 4th December, 1880.

GENTLEMEN,—

Re Te Aroha Special Settlement.

I transmit herewith, for your information, copy of the Order in Council containing the terms and conditions of the Te Aroha Special Settlement, as arranged between your agent, Captain Steele, and the Government.

These terms and conditions will be embodied in a memorandum of agreement to be executed by Captain Steele on your behalf, and by myself on behalf of the Government.

I have, &c.,

W. ROLLESTON,

Minister of Lands.

Messrs. Grant and Foster,
Care of the Agent-General for New Zealand, London.

Enclosure in No. 30.

[From the *New Zealand Gazette* No. 115, of the 9th December, 1880.]

Terms and Conditions of Special Settlement in the Te Aroha Block by Messrs. Grant and Foster.

A. GORDON, GOVERNOR.

ORDER IN COUNCIL.

At the Government House, at Wellington, this seventh day of December, 1880.

Present: HIS EXCELLENCY THE GOVERNOR IN COUNCIL.

WHEREAS by "The Land Act 1877 Amendment Act, 1879," it is enacted that the Governor in Council may fix the terms and conditions upon which the lands in any special settlement shall be disposed of,

and the mode of payment for the same: And whereas the Governor has, by Proclamation in the *New Zealand Gazette*, bearing date the seventh day of December, one thousand eight hundred and eighty, set apart seventeen thousand six hundred acres of a block of rural land in the North Island of New Zealand, known as the "Te Aroha Block," as a special settlement under and for the purposes of the said Act as therein mentioned:

Now, therefore, His Excellency the Governor, in pursuance and exercise of the power and authority conferred upon him by the hereinbefore in part recited Act, and by and with the advice and consent of the Executive Council of the said colony, doth hereby fix the following terms and conditions as those upon which the said special settlement shall be disposed of, and the mode of payment for the same, that is to say,—

If not inconsistent with the context, the following words and expressions shall have the meanings hereby assigned to them, that is to say—"Governor" means the Governor of the colony for the time being: "Agent-General" means the Agent-General of the colony for the time being in London, and includes any officer appointed to do any act required under these conditions to be done by the Agent-General: "selectors" means Samuel Grant and John Stovin Foster, of England, landowners, and includes their assignees or legal representatives respectively: "settler" means any person over eighteen years of age, not being a resident of the Australian Colonies, who shall purchase land from the selectors and emigrate to New Zealand.

2. The price to be paid for the seventeen thousand six hundred acres shall be twenty-nine thousand nine hundred and twenty pounds, being a competent valuation at the rate of thirty-four shillings per acre.

3. The selectors shall, at their own expense, cause the said land to be properly surveyed and laid off in sections of convenient size for occupation by the settlers within one month after their arrival. The cost of the minor triangulation shall be borne by the Government of the colony.

4. Main and occupation roads shall be laid out through the lands so surveyed. Road areas shall remain vested in Her Majesty the Queen, and be deemed to be public highways.

5. All surveys shall be conducted in accordance with instructions to be given from time to time by the Surveyor-General of the colony, and subject to his approval in every respect.

6. On or before the thirty-first day of March next, the selectors shall pay to the Agent-General in London the sum of three thousand pounds, and the balance of twenty-six thousand nine hundred and twenty pounds in instalments as hereinafter provided, that is to say, within six months after the date of payment of the said deposit, the sum of four thousand four hundred pounds; within twelve months after the date of payment of last-mentioned instalment, the sum of eight thousand eight hundred pounds; and within twelve months from the date of payment of the second last-mentioned instalment, the final sum of thirteen thousand seven hundred and twenty pounds.

7. The special settlement to which these conditions apply shall be formed as follows:—

(a.) The selectors shall, as herein provided, introduce from the United Kingdom or elsewhere (save from the Australian Colonies) at least two hundred and twenty-five adult emigrants, of whom one hundred and twenty shall embark for the Colony of New Zealand on or before the first day of January, one thousand eight hundred and eighty-two, and the remaining one hundred and five adult emigrants on or before the first day of January, one thousand eight hundred and eighty-three.

(b.) The selectors shall issue land orders in the form set forth in the Schedule, or to the effect thereof, to each settler purchasing land from them under these conditions. Every such order shall be issued in duplicate, one of which shall be left with the Agent-General, who shall countersign each such order as hereinafter provided.

(c.) The selectors and settler shall be jointly responsible for the due and proper performance of the conditions necessary to be fulfilled before issue of Crown grant.

(d.) The Agent-General shall countersign each land order on receiving payment from the selectors of the amount fixed under these conditions to be paid per acre on the area represented by such order; and, for the purpose of obtaining such countersignature, instalments paid (except the first payment of three thousand pounds) may be treated as payments on account of land orders. Every such order shall be duly signed and completed by the selectors and settler before such order is countersigned.

(e.) On the balance of said purchase-money being received by the Agent-General, as above provided, the selectors may issue land orders as against the three thousand pounds deposit until the same is wholly absorbed.

(f.) But should the selectors fail to complete the embarkation for the Colony of New Zealand of the said adult emigrants in the numbers and at the times hereinbefore respectively specified, the deposit of three thousand pounds, or so much of it as may remain unallotted, shall be forfeited to Her Majesty the Queen, and shall be held and retained by the Agent-General, subject to such directions as he may receive from the Governor.

(g.) All moneys received by the Agent-General under this agreement shall be deemed to be and shall be dealt with as revenue derived from the sale of Crown lands.

(h.) For the purpose of the foregoing conditions an "adult emigrant" means a person of either sex being not less than twelve years of age, but two persons under twelve shall be reckoned as one adult. Infants under twelve months shall not be reckoned.

8. In the event of deaths occurring amongst the settlers on the voyage, or other unforeseen casualty happening, the Governor may, at his discretion, extend the period within which settlers may be placed on the land for such a period, to be fixed by him, as will enable the selector to carry out these conditions.

9. Within three months after arrival, the settlers shall be placed on the land selected, in such blocks or allotments as they may have agreed on with the selectors; but at least forty-five families of settlers must be settled on the land set apart for the purposes of this agreement.

10. Within six months after the respective arrivals the selectors shall erect, or cause to be erected, on the land twenty-four and twenty-one dwelling-houses respectively, to be well and substantially built of timber or other durable materials, each of such dwelling-houses to contain at least three rooms; and

there shall be a dwelling-house to each block occupied by a settler. If the selectors fail to erect such dwelling-houses, no settler shall be entitled to his grant until this condition be complied with.

11. Each settler shall for a period of three years continuously occupy the land so selected; and one-fifth of the land so occupied shall be brought into cultivation before the expiration of the said term of occupation. For the purposes of these regulations cultivation shall mean—(1) Breaking up and laying down the same in English or other cultivated grass; or (2) breaking up and planting or sowing root or other crops therein. (3.) In the case of bush land, cultivation to mean burning off and surface-sowing; and, in the case of swamp land, draining and surface-sowing.

12. Each settler occupying a block of land shall have the right at any time prior to the expiration of the term of occupation aforesaid to acquire such block by purchase, at a price per acre and payable in such manner as may be agreed upon between the selectors and the settler; but the settler shall be entitled at any time to pay up the balance unpaid of such purchase-money, and, subject to the provisions of the next section, viz., No. 13, to get his Crown grant hereunder.

13. Each settler shall be entitled to his grant upon proof to the satisfaction of the Governor that he has fulfilled the conditions herein contained as to cultivation, and also that he has paid to the selectors the price agreed upon for the purchase. The written statement of the selectors that they have been paid in full shall be sufficient evidence that full payment has been made.

14. If at any time previous to the expiration of the term of occupation aforesaid the said selectors shall have faithfully performed the foregoing terms and conditions as hereinbefore required, then the Governor shall cause a Crown grant to be issued to the said selectors for so much of the land as has not been taken up by settlers.

15. Every grant issued under these regulations shall contain an express power to the Governor at any time to take not exceeding five per cent. of the land comprised therein for roads, railways, or other public works, without payment of any compensation for the land so taken, and each grant shall be issued subject to the payment of the usual Crown-grant fees. The right of the Crown to gold and silver will be reserved, and the right to work the same, subject to compensation for any surface damage.

16. If the selectors shall not well and faithfully fulfil the terms and conditions of these regulations, or shall commit or suffer any breach thereof (of which the Governor shall be the sole judge), or shall fail in the observance or performance of all or any of the said conditions, then these regulations and every clause therein contained shall cease and be void, and neither the said selectors nor any settler or other person whosoever shall have any claim or demand to or in respect of the said land, nor for any compensation on account thereof: Provided that, if any settler has fulfilled all the conditions hereinbefore prescribed, he shall nevertheless be entitled to his grant; and the Governor may receive and act upon such evidence as he shall deem sufficient as to the payment of the purchase-money by the settler to the selectors, and the grant may issue accordingly.

17. The selectors shall not be at liberty to assign their rights or privileges as such selectors (otherwise than in accordance with the foregoing terms and conditions) without the written consent of the Governor first obtained.

SCHEDULE.

LAND ORDER FOR SPECIAL SETTLEMENT AT TE AROHA, NEW ZEALAND.

Mr. _____, of [address and occupation], having duly contracted with us to become a settler in the above-named special settlement, is hereby granted this land order, entitling him to select and occupy _____ acres of land in the said settlement, subject to the terms and conditions fixed by the Governor in Council under the authority of an Act of the General Assembly of New Zealand, and called "The Land Act 1877 Amendment Act, 1879."

Dated this _____ day of _____, 18 ____.

(Signed.)

Witness to signature:

I, _____, accept this land order, subject to the above-mentioned terms and conditions (which, so far as they affect me, are printed on the back hereof); and I have made arrangements for the following persons to accompany me to the said special settlement.

Dated this _____ day of _____, 18 ____.

(Names in full.)

(Ages.)

Witness to signature:

MESSRS. GRANT and FOSTER have paid to me the sum required to be paid by them under the above-mentioned terms and conditions, in respect of the area of land comprised in this land order.

Dated this _____ day of _____, 18 ____.

Agent-General.

FORSTER GORING,
Clerk of the Executive Council.

No. 31.

The UNDER-SECRETARY for CROWN LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

General Crown Lands Office,

(Memorandum.)

Wellington, 6th December, 1880.

WITH reference to your letter of the 17th ultimo, transmitting an application from Captain Steele, on behalf of Messrs. Grant and Foster for the reserve of 616 acres on the west side of the river, the Hon. the Minister of Land instructs me to say that the Government is of opinion that the present arrangement with Messrs. Grant and Foster should remain as it is, and that the further proposal to deal with the Manawaru reserve should remain in abeyance until the arrival of the settlers, when the question of the school sites, timber reserves, &c., will be dealt with: in the meantime the reserve in question will not be dealt with in any way. The question of the bridge site will not be prejudiced.

The above was conveyed to you by telegram on the 4th instant.

The Commissioner of Crown Lands, Auckland.

H. J. H. ELIOTT,
Under-Secretary.

No. 32.

The UNDER-SECRETARY for CROWN LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

(Memorandum.)

30th December, 1880.

ADVERTING to my memorandum of the 4th instant, in which I forwarded a copy of an Order in Council relative to the Te Aroha Special Settlement, I have now the honor to transmit herewith the articles of agreement* embodying the terms and conditions set forth in the Order in Council in question. Will you please submit the agreement to Captain Steele for his signature, if you are satisfied that he is sufficiently authorized to execute it on behalf of Messrs. Grant and Foster. If you have any doubt upon the subject it would be desirable for you to consult the Hon. Mr. Whitaker as to Captain Steele's authority to sign. On the deed being executed by Captain Steele, and returned to this office, it will be signed by the Minister of Lands. You will observe the agreement was approved by the Governor in Council on the 28th instant.

I also enclose six spare copies of the agreement.

The Commissioner of Crown Lands, Auckland.

H. J. H. ELIOTT,
Under-Secretary.

No. 33.

Messrs. GRANT and FOSTER to the Hon. the PREMIER.

SIR,—

Healing, Ulceby, Lincolnshire, 18th November, 1880.

I have the honor to enclose copy of the several telegraphic messages that have passed between us, and to explain that, in asking you to get Mr. Russell's claim removed from that part of the Aroha Block which the Government have agreed to give us, we were urged by practical difficulties which impeded, and in fact prevented, our selling the land here. Mr. Russell has not made any difficulty, and indeed has recognized the greatly-increased value his adjoining lands would probably acquire from our settlement; but the fact has become generally known in England that this Aroha land now promised to us had been allotted by previous New Zealand Governments first to Mr. Russell, then to Mr. Broomhall; and that in both cases different Governments had declined to ratify the promises made, and had offered or paid compensation to the claimants.

These facts have been studiously spread by opponents to our plans, and they have prevailed sufficiently to prevent purchasers taking up the lands from us. Under these circumstances we were naturally anxious to have the matter cleared up as much as possible before we pressed our immediate friends to accept our assurance that the title would be right. Moreover we had in view a proposal that we should colonize Mr. Russell's land in the Thames District, under which we should have had at our disposal for settlement about 40,000 acres instead of 17,000.

We now understand the position taken by the Government to be that, as our agent Captain Steele has made an arrangement with your Government, we are bound by that arrangement whether Mr. Russell's claim is withdrawn or not. We have not heard from Captain Steele, but shortly expect to have letters.

Meanwhile we wait receipt of information from him.

The Hon. the Premier, Wellington, New Zealand.

I have, &c.,
SAML. GRANT,
For self and J. S. Foster.

No. 34.

Messrs. GRANT and FOSTER to the Hon. the PREMIER.

SIR,—

Healing, Ulceby, 1st December, 1880.

We have the honor to acknowledge the receipt, through Captain Steele, of the terms on which the Te Aroha Block is offered to us for settlement. When in New Zealand, we were led to believe, through the Attorney-General, that, as an inducement to farmers to come out, and the consequent promotion of settlement, not more than 30s. per acre would be charged us; that the Natives reserves should be included; and that the land would be drained, and roads formed: and we are somewhat surprised that these terms have not been approved by the Waste Lands Board. We are now asked to give some 34s. per acre; the Native reserves, which form the most valuable portion of the property, are withdrawn; no drainage or roads are to be effected for us; and a clause is introduced, which we are told is quite unusual in the colony, reserving gold and minerals.

We must ask the Government to kindly reconsider this matter, for, if the terms now proposed to us are adhered to, we are quite certain we cannot accept them. Though the price is more than we gave our agent instructions to offer, yet we will not refuse it on the ground of an extra 4s. per acre, nor will we raise an objection to the terms of payment or settlement, though they are not such as we instructed Captain Steele to agree upon. There are several farmers who would prefer paying for their blocks at once, and thus obtain a conveyance direct from the Government, without any delay such as the present arrangement involves.

But, assuming that Mr. Russell's claims are removed, we must request that the Native reserves within our boundary-line be included in our purchase, and that the clause as to gold and minerals, which we understand is altogether exceptional, shall be struck out. These two matters are absolutely essential to our plans.

We see considerable difficulty as to the drainage and roads, if they are not dealt with prior to parties purchasing or settling upon their lands, inasmuch as each farmer will require a road to his block before he can get his carts or implements upon it. The drainage and the roads want carrying out simultaneously, and would be better done by the Road Board, as suggested to us.

* The agreement is in the same terms as the Order in Council.

Though we do not insist upon this being carried out in detail, we have a right to ask that the main roads through the property be roughly formed at the expense of the Road Board, and the same should be done at once; but this is a matter on which we will request our agent's assistance with the Road Board, and we assume a satisfactory arrangement can be made with that body.

We beg to say that since our return to England we have done our utmost to promote the interests of the colony. On all possible occasions we have contradicted the untruthful statements that have been very freely circulated respecting the very gloomy prospects of New Zealand, and have already been the means of inducing several to leave their native land and make their future home in the colony; and, if the terms of agreement for the Te Aroha are altered as suggested by us in this letter, we shall endeavour to place upon the land sound practical farmers, men of the highest type. We have already given letters of introduction to some forty or fifty, and we must ask you to consider any we may introduce to the colony as settlers, though they may not all proceed from this county.

We beg also to ask that Mr. E. F. Roche, of Auckland, who came out with us in the first instance, may be allowed to have 1,000 acres of our land, as we consider him amongst our personal friends, and he is wishful to have a farm adjacent to us. We have the honor to submit these alterations for your consideration, and, if they meet with your approval, shall be glad to have a telegram to that effect, when we will at once proceed to place settlers upon the land, and one of us will endeavour, if possible, to proceed to the colony and see that the arrangements are properly carried out.

Trusting that these suggestions will meet with your approval, and also that of the colony at large,

We have, &c.,

SAML. GRANT.

JOHN S. FOSTER.

The Hon. the Premier, Wellington.

There are other estates in the Thames District, the settlement of which will very much depend upon our coming to terms for Te Aroha.—S. G. AND J. S. F.

No. 35.

Captain W. STEELE to the Hon. the MINISTER for LANDS.

SIR,—

Hamilton, 27th January, 1881.

I have the honor to acknowledge the receipt of a copy of a letter received by the Government from Messrs. Grant and Foster, dated the 1st December, 1880, in which they complain that certain terms and conditions have not been fulfilled, which they were led to believe would be in the settlement of the Te Aroha Block. In the letter referred to they state that it was understood by them that a certain amount of draining was in contemplation, and would be carried out in and through the property, the lines of the proposed drains being pointed out to them on the land in my presence by Mr. Cousins, the District Surveyor; that no restrictions as regards gold or other minerals were mentioned; also that a certain length of road to enable settlers to get upon their land would be made. It now appears that in respect to these matters the Government object to grant these concessions, and Messrs. Grant and Foster state that they decline to carry out their scheme of settlement in consequence. I have now to state that, with a view to settle the difficulty, I am willing, on their behalf, to conclude the arrangement for the sale of the land in a formal and binding manner, on the following conditions: 1. That the Crown grants be issued without reservation of any kind. 2. That the Native reserve of 615 acres within their boundary be included at the price agreed upon for the other portion of the block. 3. That the drains on the west side be made in accordance with the plan shown them by Mr. Cousins during their inspection. At a rough estimate there is about 650 chains, which would cost about £1 per chain.

I may remark that, but for the unfortunate non-receipt by me of Messrs. Grant and Foster's letter of instructions at the proper time, this misunderstanding would not have occurred. Through this unfortunate circumstance the Government gain 4s. per acre, amounting upon the block to between £3,000 and £4,000, as the price fixed upon by Government valuer is its full value without taking into consideration any conditions such as those agreed to be fulfilled by my principals. I trust, therefore, you will grant the small concessions I ask on their behalf. I know they have done and are at present doing good service to the whole colony.

I have, &c.,

W. STEELE,

The Hon. the Minister of Lands, Wellington.

Agent for Messrs. Grant and Foster.

No. 36.

The AGENT-GENERAL to the Hon. the MINISTER for IMMIGRATION.

SIR,—

7, Westminster Chambers, London, S.W., 26th January, 1881.

Referring to your letter No. 228, of the 4th December, forwarding a copy of the Order in Council containing the terms and conditions of the Te Aroha Special Settlement, I have the honor to inform you that Messrs. Grant and Foster called upon me this day, and in reference to the above mentioned terms, &c., I understood them to make the following representations:—

1. They consider that the terms of payment of the purchase-money of the land are not satisfactory, inasmuch as they propose to sell the land at cost price on deferred payments. They represent that they went to New Zealand as representatives of certain farmers in England, to whom they wish to sell the land on such terms as will induce them to settle in the colony. But the terms of payment, as mentioned in the Order in Council, involve, in addition to an immediate cash payment of £3,000, full payment for each acre as they sell it, which would prevent them carrying out their intention (to which they attach much importance) of selling it on deferred payment.

2. They state that several persons, induced by their representations, have already started for the colony, with a view to purchasing land and settling on the Te Aroha Special Settlement, and that several

others will probably do the same before they are in a position to issue land orders; and they ask that all such persons be included in the number of emigrants whom they are required to introduce into the colony.

3. They state that they were promised by Mr. Whitaker that the whole of the Native reserves included in the block should be included in the purchase at the price fixed, namely, 34s. per acre; and therefore they are surprised to find that the including of these reserves is subject to a reserve of 100 acres for a Government township, and also to the price of the land being determined by valuation of the Lands Board's own valuer.

4. Referring to clause 15 of the Conditions, they consider that the exercise of the power of the Government to take not exceeding 5 per cent. of the land for roads, railways, and other public works should, in any case, be limited to say two or three years.

And, again, as to the right of the Crown to gold and silver being reserved, they represent that this is an unusual condition to be attached to a Crown grant, and should not therefore be enforced.

I told them that I had no power to do more than convey these representations to the Government, and that they should instruct their agent, Captain Steele, in the colony, as to them, in order that he may communicate with you with a view to a final arrangement, and this they undertook to do at the earliest opportunity.

I hope a way may be found to meet these various objections, as there is little doubt Mr. Grant and Mr. Foster will introduce a valuable body of settlers to the colony.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Minister for Immigration, Wellington.

No. 37.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the ATTORNEY-GENERAL.

Auckland, 4th February, 1881.

SIR,—

Re the Grant and Foster Special Settlement at Te Aroha.

I have the honor to submit, for the consideration of the Government, the following resolutions passed at yesterday's meeting of the Land Board, on the subject of certain understood final proposals contained in Captain Steele's letter of the 27th ultimo, relative to the terms and conditions affecting Grant and Foster's special settlement at Te Aroha:—

1. *As to Royal Metals.*—The Board recommends that the reservation embodied in the articles of agreement with regard to gold and silver be expunged.

2. *As to the Inclusion of the Manawaru Reserve.*—The Board has already recommended that 516 acres of this reserve be included in the Te Aroha Special Settlement, and now further recommends that the remainder of the said reserve (100 acres) be also added to the said settlement.

3. *As to the Formation of Drains.*—The Board refrains from making any recommendation with regard to this proposal.

I may observe that, in submitting the foregoing resolutions, the Board is actuated by a desire to assist as far as possible in the removal of any obstacle which might be considered to impede the settlement of the questions involved in the points so unexpectedly raised.

I have, &c.,

D. A. TOLE.

The Hon. the Attorney-General, Auckland.

P.S.—I beg to return herewith Captain Steele's letter, together with the correspondence thereto attached.—D. A. T.

No. 38.

The COMMISSIONER of CROWN LANDS, Auckland, to the Hon. the ATTORNEY-GENERAL.

Crown Lands Office, Auckland, 1st February, 1881.

AGREEABLY to your instructions, the following interim reply has been sent to Messrs. Grant and Foster:—

"GENTLEMEN,—

"Crown Lands Office, Auckland, 1st February, 1881.

"I have the honor, by instructions, to acknowledge the receipt of your letter of the 1st December, 1880, addressed to the Hon. the Premier, and to inform you in reply that the subject-matter thereof is at present under the consideration of the Minister to whom it has been referred, and that an answer in due course will be sent you by mail."

I have, &c.,

D. A. TOLE,
Commissioner of Crown Lands.

Hon. Mr. Whitaker.

No. 39.

The Hon. the ATTORNEY-GENERAL to the Hon. the MINISTER of LANDS.

As Messrs. Grant and Foster have thought fit to introduce my name into their letter of the 1st December, I desire to make some explanations in order to correct statements which I will not call misrepresentations, but which are, at all events, gross inaccuracies.

They say, "When in New Zealand we were led to believe, through the Attorney-General, that, as 'an inducement to farmers to come out and the consequent promotion of settlement, that not more than 30s. an acre would be charged us; that the Native reserves should be included; and that the 'land would be drained and roads formed: and we are somewhat surprised that these terms have not

"been approved by the Waste Lands Board. We are now asked to give some 34s. per acre; the Native reserves, which form the most valuable portion of the property, are withdrawn; no drainage or roads are to be effected for us; and a clause is introduced, which we are told is quite unusual in the colony, "reserving gold and minerals."

Now, in this passage there is scarcely one correct statement, and, as the best correction, I will narrate what actually took place between myself and Messrs. Grant and Foster on the subject of the matters referred to.

Application was made by them to the Waste Lands Board to set aside a block of land near the Aroha Mountain for a special settlement, and negotiations were carried on resulting in the Minister of Lands (Mr. Rolleston) and the Waste Lands Board assenting to the proposal upon terms which were to be similar to those granted to Mr. Vesey Stewart, of which they had a copy. I had nothing to do with these negotiations. On the day before (I believe) that on which Messrs. Grant and Foster left, I saw them at the Northern Club, and in the course of conversation they asked me what price would be put on the land by the Government. I directed their attention to the terms of the Act of Assembly authorizing the establishment of special settlements, which expressly provides that the price of the land is to be fixed by a competent valuer, and explained that the Waste Lands Board could not interfere with this, nor the Government, except so far as the appointment of the valuer. I added that the Chief Surveyor (or Mr. Percy Smith) was appointed in the case of Mr. Vesey Stewart's settlement, and probably would be in this case. The Chief Surveyor was asked, not officially, but simply for Messrs. Grant and Foster's information, what he considered about the value of the land they wanted, and, in reply, he said he thought it worth about 30s. an acre.

The subject of drainage was mentioned in the conversation at the Club, and they wished me to say that certain drainage which had been pointed out to them by a Government surveyor, and for which, I understood them, a contract had been made, should be completed; I explained that I knew nothing about it, but added that I had no doubt that any contract made would be carried out.

I have no recollection whatever that roads were ever mentioned.

Native reserves were mentioned, and they expressed a wish that some reserves should be included in the block they wanted. I suggested that they should apply accordingly, and said that if it was Government land, I saw no objection. They said there was no time then, but that they had appointed Captain Steele as their agent to complete their arrangements, and his appointment was, after their arrival in England, confirmed by the following telegram from them to the Government: "Captain Steele authorized act for us Aroha. Request favour prompt settlement."

With regard to the clause in the Order in Council reserving gold and silver—other minerals are not mentioned—this was inserted on my advice. After Messrs. Grant and Foster left New Zealand, gold was discovered near the Aroha Mountain, some miles from the land selected by them. Gold and silver being Royal metals belonging to the Crown, whether found on private land or not, without any reservation, in all the Australasian Colonies, and generally, if not universally, throughout the British dominions, I was afraid some misapprehension, and consequent dissatisfaction, might arise on this subject, and I took precaution against such happening. I see no objection to the omission of any reservation in the Crown grants, which should, indeed, be made in the form always used where purchases of land are made from the Crown. I only wish to add in reference to drains and roads that it is difficult to understand how Messrs. Grant and Foster could possibly believe that the Government would expend, on land worth at least 30s. an acre, some £2 to £3 per acre on improvements, and then sell it to them at 30s. It seems to me that the mere statement of such a proposition carries its own refutation. Moreover, Mr. Vesey Stewart's terms of purchase contained no such arrangement, and those for Messrs. Grant and Foster were to be substantially the same.

If the improvements referred to had been made I presume they would have been added to the price fixed on valuation.

I request that Messrs. Grant and Foster may be furnished with a copy of this memorandum.

17th February, 1881.

FRED. WHITAKER.

No. 40.

The Hon. the MINISTER of LANDS to Captain STEELE.

(Telegram.)

Government Buildings, 25th February, 1881.

Re Grant and Foster, Government will agree as follows: The Crown grant to issue without reservation as to minerals. Native reserve, 616 acres, will be included in land to be dealt with, but it will be necessary that it should be valued separately in order to comply with provisions of Land Act as to special settlement. Government will propose to Parliament a sum sufficient to make a drain to the extent of 650 chains, at not exceeding 35s. per chain. The limitation of consent of Parliament is necessary, as clauses of Land Act do not contemplate any concessions of such a character, and valuation has been made without contemplating these drains. Upon hearing from you I will telegraph to Grant and Foster that the three points are conceded, subject to conditions which you accept on their behalf. Please reply to-day. Free.

Captain Steele, Hamilton.

W. ROLLESTON.

No. 41.

The Hon. the MINISTER of LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

(Telegram.)

Government Buildings, 25th February, 1881.

HAVE received from Steele following telegram: "Will agree on behalf of Grant and Foster on the understanding the drains be completed at once to the extent mentioned in your telegram;" and have sent reply as follows: "Government will propose vote to Parliament, but we cannot undertake to go on with drains at once before Parliament votes the money, unless you will undertake to repay it if

Parliament declines to vote it. Please reply. Urgent. Mail closes to-morrow." Press for a reply to foregoing.

The Commissioner of Crown Lands, Auckland.

W. ROLLESTON.

No. 42.

Captain STEELE to the Hon. the MINISTER of LANDS.

(Telegram.)

Auckland, 26th February, 1881.

GRANT and Foster. I accept conditions on the understanding that Government pledge themselves to give effect to concessions in the spirit in which it is understood they are granted.

The Hon. the Minister of Lands, Wellington.

W. STEELE.

No. 43.

The Hon. the MINISTER of LANDS to Messrs. GRANT and FOSTER.

General Crown Lands and Immigration Offices,
Wellington, 25th February, 1881.

GENTLEMEN,—

I have the honor to acknowledge the receipt of your letter of the 1st December last, addressed to the Hon. the Premier, in which you state that you have received, through Captain Steele, a copy of the terms and conditions upon which the Te Aroha Block is offered to you for settlement; and, in reply thereto, I forward for your information copies of the correspondence noted in the schedule annexed,* which will inform you of the concessions the Government is prepared to make to you. These are as follow: (1.) It is agreed that the Crown grant for the Te Aroha Block shall be issued without any reservation as to minerals. (2.) The Native reserve of 616 acres will be included in the land to be dealt with; but it will be necessary that it should be valued separately, in order to comply with the provisions of "The Land Act 1877 Amendment Act, 1879," relating to special settlements. (3.) The Government will propose to Parliament a vote for a sum sufficient to make a drain to the extent of 650 chains, at a price not exceeding 35s. per chain.

You will clearly understand from the correspondence that the Government is unable without the consent of Parliament to make concessions in respect of drainage, and that their being able to comply with this portion of your requests will entirely depend upon the will of Parliament.

With reference to the statements contained in Mr. Whitaker's memorandum (17th February, 1881), I wish to recall to your recollection the fact that, when I had the honor of meeting you in Auckland, I distinctly pointed out to you that the Government would be unable to treat with you for a special settlement except under the clauses of "The Land Act 1877 Amendment Act, 1879," relating to special settlements; and I directed the Commissioner of Crown Lands to supply you with a copy of the Order in Council relating to Mr. G. V. Stewart's settlement at Te Puke, as showing in detail the conditions under which the Government would be able to treat with you.

The terms therefore of the agreement which has been entered into by Captain Steele on your behalf are strictly in conformity with what it was understood they would be if the Government came to an agreement under the clauses of the Act relating to special settlement; and I may point out particularly, with reference to the question of price, that, in accordance with the Act, this was not a matter which the Government could determine, as the law expressly provides that the price should be fixed by a competent valuer, and, of course, any improvements which might be made would increase that valuation.

I regret that any misunderstanding should have arisen on your part as to the terms of the agreement, which appears to have been fully understood by your agent. And I need scarcely say that the Government has been placed in a somewhat embarrassing position by your appointing an agent, and then objecting to the terms to which he has agreed.

With regard to your request that Mr. Roche, who is at present in Auckland, may be permitted to acquire land in the block set apart for you, it must be understood that in carrying out any arrangement that is made the Government can only deal with you as the principals in the matter, or with your duly authorized agent, strictly in terms of the arrangement as laid down in the Order in Council authorizing the formation of the settlement, copy of which has been furnished to you. Mr. Roche will therefore be referred to Captain Steele.

I have, &c.,

W. ROLLESTON,

Minister of Lands.

Messrs. Grant and Foster, Healing, Ulceby, Lincolnshire.

P.S.—I enclose copy of a telegraphic message which has this day been addressed to you by the Premier, informing you of the acceptance of the terms by Captain Steele on your behalf.—W.R.

No. 44.

The Hon. the MINISTER of LANDS to Captain STEELE.

SIR,—

General Crown Lands Office, Wellington, 26th February, 1881.

In order that you may be aware of the correspondence that has passed between the Government and Messrs. Grant and Foster with reference to the concessions asked for in the terms of the special settlement at Te Aroha, I forward to you, through the Commissioner of Crown Lands at Auckland, copies of a letter and its enclosures which I have addressed to Messrs. Grant and Foster by the outgoing mail for England.

I have, &c.,

W. ROLLESTON,

Minister of Lands.

Captain Steele, care of the Commissioner of Crown Lands, Auckland.

* The correspondence enclosed were copies of Nos. 40, 41, 42, and 43.

No. 45.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.) London, 9th May, 1881.
GRANT Foster offer pay deposit three thousand. Instruct me whether accept.

BELL.

No. 46.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.) Wellington, 10th May, 1881.
ACCEPT Grant and Foster's deposit.

HALL.

Price 9d.]

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1881.