

1882.

NEW ZEALAND.

WASTE LANDS COMMITTEE.

(REPORTS ON PETITION OF SAMUEL RILEY AND OTHERS, TOGETHER WITH
MINUTES OF EVIDENCE AND APPENDIX.)*Reports brought up on the 6th and 8th September, 1882, and ordered to be printed.*

REPORTS.

No. 351.—Petition of SAMUEL RILEY and Others.

THE petitioners state that they are Crown tenants of the Colliery Reserve, Westport, and that in 1874 the Provincial Government of Nelson awarded them the lands they now hold as compensation for their former holdings having been swept away. In 1877 the General Government imposed conditions of tenure of a harsh character, but which they were compelled to accept, as they had already built upon their sections. They pray that they may be relieved from the covenants they have entered into, and be allowed to purchase their holdings, or that they may be granted a permanent tenure at reduced rents, equal to the value of the lands when they settled upon them.

I am directed to report: That there are no sufficient grounds for reversing the decision in this case which was arrived at by the Waste Lands Committee of last session, 6th September, 1882.

No. 351.—Petition of SAMUEL RILEY and Others (referred back to the Committee).

THE petitioners state that they are Crown tenants of the Colliery Reserve, Westport, and that in 1874 the Provincial Government of Nelson awarded them the lands they now hold as compensation for their former holdings having been swept away. In 1877 the General Government imposed conditions of tenure of a harsh character, but which they were compelled to accept, as they had already built upon their sections. They pray that they may be relieved from the covenants they have entered into, and be allowed to purchase their holdings, or that they may be granted a permanent tenure at reduced rents, equal to the value of their sections when they settled upon them.

I am directed to report: That the Committee, having taken additional evidence, is further strengthened in its opinion that the petitioners have been liberally and fairly dealt with in the past, and have no claim whatever against the Government. The Committee are also of opinion that, in view of the future requirements of the Government in respect of the use of the reserve in question for public purposes, it would be highly impolitic to allow the petitioners to acquire the freehold now sought by them.

8th September, 1882.

MINUTES OF EVIDENCE.

THURSDAY, 17TH AUGUST, 1882.—(Mr. J. GREEN, Chairman.)

Mr. J. MUNRO, M.H.R., examined.

1. *The Chairman.*] You presented this petition, and wish to give evidence upon it?—Yes; this question was before the Waste Lands Committee on the 26th July, 1881. It came before the Committee by a petition presented by Mr. J. B. Fisher, the late member for the district. I do not know whether it is necessary for me to travel over the evidence given on that occasion, which is in print.

2. Not if you generally approve of the evidence, but if you do not it is well that you should state where you disagree with it?—I desire to state that the report of the statement of the case made by Mr. E. J. O'Connor and by Mr. J. B. Fisher is substantially correct; but I desire to correct the report of the evidence of Mr. Mackay. Mr. Mackay, in his evidence, says that Mr. Munro, as Mayor of Westport, signed an agreement on behalf of the section-holders on the following terms: For the first seven years respectively, £5, £2 10s., and £1; for the second period of seven years, one-third more; and for the third period of seven years, double the amount paid during the first period. The following was written on the document: "I agree to the above terms.—John Munro, Mayor of Westport. 31st July, 1877." The original draft of the lease presented by Mr. Mackay for approval contained three

stipulations which were not in the lease afterwards signed. The first was that, in the event of fire destroying the buildings then erected on the sections, the property should absolutely revert to the Crown; the second was that each section should have a separate lease, and these deeds should cost £1 7s. 6d. each; the third was that no transfer should be permitted without the consent of the Government. These were considered objectionable, because these sections changed hands frequently, and it would prevent business in them. I came up specially to Wellington for the purpose of having these three clauses amended: alterations were made by the Government. Another correction I wish to make in the evidence. Mr. Fisher asked Mr. Mackay,—

“32. After the commission sat, did you not draft leases between the Crown and the lessees, a condition of which was that, if their places were burned down, their sections would be forfeited to the Crown?—No.

“33. Did not the first lease you brought down contain a proviso to that effect?—No.

“34. *Hon. Mr. Rolleston.*] Is there any such clause in the lease now?—No.

“35. *Mr. J. B. Fisher.*] I want to get from Mr. Mackay that the lease distinctly contained a clause to that effect?—I distinctly say there was not. There is the form of the lease. [Lease produced.]

“36. The first lease contained no such proviso about fire?—Distinctly not.

“37. Is that the form of the lease now issued to the people [referring to the one produced]?—The form of lease now issued is shorter. All the lessees objected to, in the first form of the lease, was the shortness of the term.”

I simply wish to correct that.

3. *Mr. Stevens.*] Was it understood, in the first instance, that if the buildings were burnt down the land did revert to the Crown?—Yes, that was contained in the first draft of the lease.

4. *The Chairman.*] But not signed?—No; it was sent to me for the section-holders for their approval. After a consultation with the section-holders it was agreed that these clauses should be struck out.

5. And these clauses were struck out?—Yes.

6. As you are so conversant with the whole of the circumstances, would it not be as well that you should state to the Committee what you know in support of the prayer of the petition?—The petitioners pray, “That, considering the peculiar circumstances under which they entered into covenants with the Crown to rent the lands referred to, the exceptional manner in which they have been treated, and the many and great hardships and losses they have sustained, they may be relieved from the covenants into which they have entered, and that a fairer, more lenient, and equitable arrangement may be made, either by allowing them to purchase the fee-simple of the land, or by reducing the rents to be paid to a sum equal to the value of the lands at the time they settled upon them, and a provision made for a permanent tenure.” I was appointed by the section-holders to make terms, which terms were afterwards agreed to by the Government. Those terms are substantially correct as stated in clause 4 of the petition. At the time they were considered fair, reasonable, and most desirable; indeed I thought I had made a very good contract for the people. At the time a large amount of public money was being spent at Westport in the construction of the railway, and the coal-fields in the neighbourhood were being gradually opened up. A large amount of business was reasonably expected. The terms in clause 4 were considered advantageous. These expectations have not been realized. I may explain that the actual value of the sections at the time was very nominal indeed; but their prospective value was so great that the terms were agreed upon, and were considered fair and reasonable. Clause 5 says: “That your petitioners were forced to accept these onerous conditions, inasmuch as they had already built upon the sections occupied by them, and relinquishment of the land meant absolute ruin,” &c. The circumstances of the case were simply these: that previous to July, 1877, as related in clause 4, most of the frontages (only one-third to Henley Street) of these reserves had been occupied by persons either claiming occupation under a business license—that is under the gold fields—or those who had squatted down without any arrangement. The residents on this Colliery Reserve had been washed out, and had been allotted sections as compensation, and when the terms of the arrangement were proposed they had either to accept those rents or remove their buildings. At that time some buildings of considerable value had been erected. In one case a hotel costing £1,500 or £1,600.

7. *Mr. Pearson.*] When the arrangement was made you say it was considered satisfactory?—Yes; it was at the time, because the Government wanted very much more. They only wanted to give a seven years' lease, but it was made twenty-one, because, if anything like trade was doing, the rents proposed would not be very high, but there was actually no business doing.

8. *Mr. Stevens.*] The sections were 33 by 66 feet?—Yes. Clause 6 says, “That your petitioners, by their industry and perseverance, in face of many obstacles, have given to the lands on the Colliery Reserve most of the value they possess at present, and have, unaided by Government, formed streets, footpaths, and drains thereon.” As an observer I can say that that is substantially correct. Members of the Committee may be informed that the Colliery Reserves occupy one side of Main Street, about a mile long. The other side of the street consists of freehold sections—quarter-acre sections. The Colliery Reserve sections are only 33 by 66 feet. The freehold sections, on the opposite side of the road, in one or two instances, have been leased at 10s. per foot. In every instance the properties have been abandoned to the landlord, and the places are empty.

9. *Mr. Pearson.*] What are these tenants paying per foot on the opposite side?—Since the date these terms were made the tenants leased the freeholds opposite at from 7s. 6d. to 12s. 6d. per foot, and in every instance they have been forced to leave the property to the landlord. In one instance a man took the lease of a corner section at £1 7s. 6d. per foot, I think. He built a place costing £800; he became bankrupt, left the building, and it is in the hands of the landlord, who cannot let it as an hotel. In other cases places which have just been built have been left in the hands of the landlords.

10. What are these tenants paying per foot frontage?—They are paying £5 per annum for 33 feet; that would be about 3s. 6d. per foot. I should like to say, to show the value of the property,

that I bought a section 33 feet by $2\frac{1}{2}$ chains, in the very centre of the block, at £70, I believe that is nearer than anything else the value of property there. Clause 7 says, "That the scale of rents fixed upon by the Government is greatly in excess of the value of the land, and though it is true there are several instances where high ground rents have been given for private lands, and the Government have cited these cases as justifying the rents fixed by them." I may say that the case of this land, which was leased at £1 7s. 6d. per foot, was cited by Mr. Mackay why the Colliery Reserve tenants had been fairly treated; but the man who did that has had to abandon it to the landlord, who has accepted the property and discharged the tenant from further liability. In clause 8 it says, "That at a sale of the land held by the Government on the 9th January, 1879, of lands immediately opposite the Colliery Reserve, in the centre of the town, sixteen sections of 1 rood each brought at auction £1,042, equal to an average of £64." They paid £64 for quarter of an acre. I may explain that this portion of the town is further up from the place where I bought the section. These freehold sections, which were 66 feet by $2\frac{1}{2}$ chains, and were very nearly in the centre of the Colliery Reserve, the freehold was sold by the Government, and realized £64 per quarter acre. There are twenty of those sections in an acre, therefore they are paying £25 per quarter acre. And freehold sections on the other side of the road, sold by the Government, only brought £64.

11. *The Chairman.*] How long is it since these freehold sections were sold?—In 1879; after the leases were arranged.

12. *Mr Pearson.*] Westport in 1879 was not in such a prosperous condition as when these leases were taken up?—It was equally prosperous, but the prospects were not so good.

13. *Mr Stevens.*] In 1877 the diggings were at their height there?—Business was just in its ordinary state, but the expectations were so great. There was the railway, and three or four coal companies were expected to be in operation. It is a wonder to me now that I did not accept even higher terms from the Government.

14. Was not there a depression in town property between 1877 and 1879?—There has been a depression since 1877. I believe since 1877 the townships along the coast have gone back. I believe there is no increase in the value of town property, but if anything it has gone back. I have had an opportunity of judging, because I have been auctioneering at Westport for fifteen years. Clause 9 says, "That the land occupied by your petitioners is unlikely to be required by the Government for railway purposes, ample reserves being available for any probable increase in the coal trade of the port." The railway yard of the Westport line is acknowledged to be the largest in the colony. The sections occupied by these section-holders is the margin of the reserve, fronting Main Street, and they have only 66 feet back. [Witness indicated on a plan the position of the railway yard and that of the Colliery Reserve sections.]

15. *The Chairman.*] Then we are to understand that these sections have a frontage to the street and also to the yard?—The back of the sections fronts the railway yard.

16. So that they have a double frontage?—No, they would be trespassers if they went there.

17. *Mr. Stevens.*] How many hotels are there on this property?—I think there are seven or eight hotels along the whole frontage.

18. How many stores—wholesale and retail?—I could not tell, but all the principal business places are on it.

19. *Mr. Pearson.*] How many people are there altogether on this block?—I could not say. But there are only five people in business occupying the freehold side of the town, all the other people are on the Colliery Reserve, and hence it is of such public importance. I believe that three-fourths of the people are resident on the Colliery Reserve.

20. Do they want to purchase the freehold?—Yes; they want either to get the freehold or to have the terms agreed upon before 1877.

21. Will any further portion of the reserve be required for railway purposes?—I believe not, but that is a fair subject of argument.

22. *The Chairman.*] That is your opinion?—Yes. My own impression is that the area of land still further available is more than sufficient for the next hundred years, because it stretches away for a mile. As to clause 11, I do not understand why they put that in, and have no remarks to make on it. What is stated in clause 12 is correct.

23. *Mr. Pearson.*] Would you consider the rents were too high if a compensation clause were inserted?—Even then they would be; but there is no compensation whatever at the end of twenty-one years, and the holders must take away their buildings or leave them.

24. *Mr. Stevens.*] Do you think £40 a year is too much to pay for ground rent for a large hotel under reasonably favourable circumstances?—It is very heavy ground rent under any circumstances.

25. *Mr. Pearson.*] For Westport?—Yes, it is too much. During the next term they will have to pay a third more, and during the last term they will have to pay double.

26. *The Chairman.*] There are three classes of sections?—Yes; there are front sections, outside sections, and back sections. The back sections are in the bush, and £1 per annum is paid for them; the £2 10s. ones are in the cross streets nearer the centre of population. As to clause 13, the Provincial Government thought they were simply doing justice to these unfortunate people, who were washed out by river and sea, by allowing them these sections. In 1872 it was not thought that the reserve would be required for colliery purposes; therefore in 1872 they were allowed to occupy this land. That was done before the abolition of the provinces, and the General Government, instead of ratifying the arrangements of the Provincial Government, appointed a Commission to inquire into the merits of the case.

27. Were the leases not signed?—There were no leases at all: it was not in writing.

28. *Mr. Stevens.*] It would in the records of the proceedings of the Provincial Council?—Yes; there was a resolution of the Council. What was given as a measure of compensation has actually turned out to be a source of loss, because people who have got sections in the bush they can never occupy are being forced to their bargains. The rents have not been collected for something like four or five years, until they have accumulated to large sums, varying from £50 to £100, now payable by these

tenants under present terms, not under leases, but under a memorandum agreeing to take a lease under the terms mentioned in the petition. The people have continued nominally to own certain sections, but have never been in occupation, considering them of no value; and Mr. Mackay, the Commissioner, has taken proceedings against those people, and of course in a Court of law it is held if you sign an agreement to lease you are legally bound. As to clause 13 of the petition, some of the sections allotted as compensation turned out to be in the bush, and to be of no value whatever, and the Crown is now enforcing the rents agreed upon to be paid, and the tenants now say the compensation has turned out to be an actual infliction instead of a measure of relief.

29. *The Chairman.*] Did any of the tenants ever apply for cancellation of these bush sections?—Yes.

30. And that has been refused?—Yes.

31. They have absolutely applied to have the agreement cancelled?—Yes; the Minister of Lands visited the place in February last, and upon a representation being made to him as to whether it was not fair that the people who got these compensation sections should be relieved of them without paying up the arrears of rent, he distinctly told them yes.

32. Without paying up the rents?—Yes.

33. Did not the people apply for these sections by way of compensation?—The Provincial Government offered these sections by way of compensation.

34. Without an application of the people for them?—The resolution was made by Alexander Reid. He made a resolution that the people be compensated for losses; and a Commissioner was sent down to inquire into the circumstances and allot compensation, and he allotted these sections.

35. No objection was raised on the part of the people, and they received these sections as compensation at the time I understand you to say?—Not at all. The expectations of the future prosperity of the place induced them to take them.

36. Which expectations have not been realized?—No, not at all.

37. You say you thought you made a very good arrangement for your clients, and they were satisfied?—Yes.

38. *Mr. Stevens.*] These people are not paying £5 for the back sections—only £1? These sections are not worth anything. It would be far better to take them back.

39. *The Chairman.*] Are there any of these petitioners who did not get their sections by way of compensation for losses and damage by flood?—Some of them hold sections who did not get them as compensation.

40. Can you tell in what proportion?—In a very small proportion. I think all the present holders are *bonâ fide* occupiers who have occupied the sections and rendered them of value by building on them.

41. For the most part the speculators have left the district?—Yes.

42. *Mr. Pearson.*] Have they paid their rent?—No, certainly not. Only the people who are now in occupation have actual cause of complaint.

43. How many acres are there in this reserve altogether?—I cannot say from memory.

44. All flat land?—Yes, it is all level.

45. *The Chairman.*] I understand that none of the petitioners are those who received these sections as compensation, and those who took them up for speculative purposes are not among those now petitioning?—No; there are no speculators amongst the petitioners, who are all *bonâ fide* residents, to the best of my knowledge.

THURSDAY, 7TH SEPTEMBER, 1882.

Mr. Munro, M.H.R., stated that he wished to make a short explanation with reference to certain alterations which had been made in his evidence by Mr. Mackay. In the cases of John Carr and John Tyrrell very large sums of arrears of rent have been brought under the notice of Mr. Mackay, but the Commissioner has agreed not to enforce execution for payment of arrears. In reference to another part of Mr. Mackay's evidence, I have to explain, that it was only business people who paid the license fee of £5.

A P P E N D I X.

No. 1.

MEMORANDUM BY MR. T. MACKAY.

In the matter of the Petition of Samuel Riley and others, Tenants on the Colliery Reserve, Westport.

Wellington, 4th September, 1882.

THIS petition is virtually a reproduction of a similar one which was dealt with by the Waste Lands Committee of last session, and, stripped of its verbiage, its gist is as follows: (1.) The premises on which the petitioners ground their request is, that they were forced to accept the conditions of rent and tenure they profess to groan under in consequence of their defenceless position as residents on the reserve at the time those conditions were agreed to by them. (2.) That, such being the case, they should be allowed to purchase the fee simple of the land, or that their rents should be reduced to a sum equal to the value of the land at the time they settled upon it, and a provision made for a permanent tenure.

With regard to the allegations in the first division of the petition, the actual facts are as follows: The petitioners for the most part were holders originally of business license sections under Gold Fields Regulations in a portion of the Town of Westport, partly composed of freeholds, Native, and Colliery Reserve land—but of this latter there was only one-third occupied of the present frontages of the reserve. Some of the petitioners, either in consideration of the losses they had actually sustained by being washed out by floods, or the danger they ran of a similar fate, in the years 1871, 1872, and 1873, were, indiscriminately as regarded titles, allotted by the Provincial Government of Nelson fresh sections on the Colliery Reserve, to which they could remove their buildings on condition of *bonâ fide* occupancy within six months after such allotment. This Act of the Nelson Government in allowing

further occupation on the reserve was quite *ultra vires*, for it had no right to put these people on it, particularly in the face of the land being likely soon to be required for the Westport—Ngakawau Coal-Field Railway, then in contemplation of being constructed, and for the terminal and wharfage purposes of which it had specially been set apart years previously. It has led to more loss to the colony than twice the value of what unoccupied Crown land of sufficient extent and equally suitable for the purpose in a township point of view would have sold for, besides all the complications otherwise which have beset the matter for the last ten years. However, the mischief was done, and when the question arose in 1874 as to proclaiming the necessary land required for the railway purposes referred to, it was found that the whole question of the occupancy so constituted was in a tangled mess. After a careful investigation by myself into the matter, and also a discussion on the subject raised by Mr. E. J. O'Connor, the then member for the Buller District in the session of 1875, the Government, at Mr. O'Connor's request, appointed a Royal Commission, which was composed of Mr. Thos. S. Weston, M.H.R., then District Judge of Westland, and Mr. Richmond Beetham, Resident Magistrate, to inquire into and report on the whole question as to the rights of the occupiers of the sections on the reserve, and the position of the Crown in relation thereto. This Commission, after a lengthened and exhaustive investigation of the whole subject, recommended, as regards the particular class of claimants represented by the petitioners, as follows:—

We therefore beg to suggest to your Excellency,—(1.) That, upon payment of all arrears of rent at the rate of £1 per annum, the claimants whose names are included in the first and second subdivisions of A and B respectively, should be permitted to receive for the allotments claimed by them respectively a lease, in the form appended hereto, for the period of seven years, to be computed from the 1st day of January, 1876, at the yearly rent of £5 per annum, payable half-yearly, clear of all rates and taxes. (2.) That upon the erection, by the claimants comprised in subdivision B of each such class, prior to the 1st day of July next, of an approved building of the value of £50 upon the allotments claimed by them respectively, and upon payment of all arrears of rent at the rate of £1 per annum, they also might be permitted to receive a lease for the term at the rental, in manner and upon the conditions referred to in the last preceding paragraph. Provided always that the claimants against whose names we have written our initials shall not be entitled to receive a lease prior to the payment to your Excellency's Government of the amounts received by them upon the sale of the allotments granted to them respectively in anticipation of the submersion of the allotments for which they now respectively claim.

The Commission also drafted and recommended the following form of lease to be granted by the Crown to the several claimants entitled to leases:—

Form of Lease.

[This is the rejected form of lease Mr. Munro refers to in his evidence.]

THIS DEED, made the _____ day of _____, 1876, between Her Majesty the Queen, hereinafter called "the lessor," of the one part, and _____, of _____, in the Province of _____, hereinafter called "the lessee," of the other part, witnesseth that, in consideration of the rent hereinafter reserved, and of the covenants, conditions, and agreements hereinafter contained and herein implied, the lessor doth hereby demise and lease unto the lessee, _____, executors, administrators, and assigns, all that parcel of land situate at _____, in the Province of _____, containing by admeasurement _____ more or less. Bounded—_____ as the same is delineated in the plan drawn on the back hereof and therein coloured _____, together with the rights and appurtenances thereto belonging. To hold unto the lessee, _____, executors, administrators, and assigns, for the term of seven years, to be computed from the first day of January, 1876, subject, however, to the provisos hereinafter contained: Yielding and paying therefor yearly and every year the annual rent or sum of five pounds, by equal half-yearly payments to be made on the first day of January and the first day of July in each year, the first of such payments to be made on the first day of July now next ensuing: And it is hereby declared and agreed, That all covenants on the lessee's part implied in leases under or by virtue of the Conveyancing Ordinance of New Zealand, Session II., No. 10 [Sections twenty and twenty-one], shall, except in so far as the same may be modified by these presents, be herein implied: And it is hereby expressly agreed and declared that the lessee, _____, executors, administrators, and assigns shall not be bound to keep the buildings erected, or which may be hereafter erected on the demised premises in good repair; nor shall he or they be liable to reinstate such premises as may be destroyed either by fire or other inevitable accident: And it is also agreed that the lessee, _____, executors, administrators, and assigns, shall and may, prior to the expiration of the said term hereby granted, remove from the land hereby demised such buildings as may now stand or which may be erected thereon during the term hereby created.

Provided always that if the rents hereby reserved, or any part thereof, shall at any time during the said term be in arrear and unpaid for the space of twenty-one days next after any or either of the days hereinbefore appointed for the payment thereof, it shall be lawful for the lessor, her successors or assigns, to re-enter upon the demised premises and thereby determine this lease: Provided lastly, and it is hereby expressly declared and agreed, that in case it may be necessary to exercise the power of re-entry hereinbefore contained, or any other power or authority which may be exercised hereunder by the lessor or her successors, it shall be sufficient if such be exercised on behalf of the lessor or her successors by the Colonial Secretary of the colony for the time being, or by any person authorized by him for that purpose.

In witness whereof His Excellency the Governor of New Zealand, on behalf of the lessor, hath hereunto set his hand, and hath caused these presents to be passed under the Seal of the Colony; and the lessee ha _____ hereunto subscribed _____ name _____, the day and year first above written.

The claimants, however, on being called upon to take up leases on the aforesaid tenure and conditions, as laid down by the Commission, demurred to doing so, their main objections being to the shortness of the term of seven years, and to the rent being an uniform one of £5, irrespective of locality; and in June, 1877, they deputed Mr. John Munro, M.H.R., then Mayor of Westport, to proceed to Wellington, and, in conjunction with Dr. Henry, the then M.H.R. for the Buller District, to interview the Government "for the purpose of settling the matter of leases on the reserve, and bound themselves to abide by the arrangements arrived at between the Government and the deputation (Mr. Munro and Dr. Henry)."

The arrangements arrived at between the deputation and the Government, and which I was instructed by the latter to carry out, are embodied in the following blank agreement, a proof copy of which I took the precaution to get Mr. Munro to agree to and sign before it was published in the Westport papers:—

Westport Colliery Reserve.

NOTICE is hereby given to all persons entitled to leases in terms of the "Report of the Royal Commission on the Westport Colliery Reserve," as published in the *New Zealand Gazette*, No. 14, of 14th March, 1876, that the Government will grant them leases on the following terms:—

1. That on payment of arrears of rent due, at the rate of £1 per annum for the years 1873 and 1874; and £2 10s. per annum for the two and a half years ending 30th June, 1877, leases will be granted for twenty-one years from the 1st July, 1877.

2. That for the first seven years the rents shall be as per following Schedule: (1.) For sections fronting Palmerston Street, including corner sections of cross streets, from south side of Wallabi Street to Section 34, south side of Wakefield Street,

both inclusive, and the frontages on Wakefield Street, at the rate of £5 per section per annum. (2.) For sections fronting Palmerston Street, including corner sections of cross streets, from Section 33 to Bentham Street, both inclusive; the sections in Henley, Pakington, Nelson, Cobden, Lyttelton, and Bright Streets, at the rate of £2 10s. per section per annum. (3.) The remainder at the rate of £1 per section per annum.

3. That for the second period of seven years the rents, respectively, shall be an increase of one-third, and for the third period double the amount paid during the first period.

4. The cost of the leases will be £1 5s. each, which includes counterpart and stamps.

Those persons who wish to take out leases on the above terms are required, between this date and noon of Wednesday, 8th of August, to sign an agreement to that effect at Mr. Bowen's office, Courthouse, Westport. Those who fail to do so are informed that their names will be reported to the Government, so that the necessary steps may be adopted for the taking possession of the premises by the Crown.

THOMAS MACKAY,
Agent for the Crown.

Westport, 30th July, 1877.
(Copy.)—I agree to the above terms.—(Signed) JOHN MUNRO, Mayor of Westport. 31st July, 1877.

I hereby agree to take out a lease from the Crown of Section No. , Street, Colliery Reserve, on the terms of the above advertisement.

Dated this day of , 1877.

Witness :

In addition to the agreement a form of the lease, based on that agreement and now in use, is also attached, by which it will be seen that, although more favourable to a tenant in regard to a longer term and adjustment of rent according to locality, it is not so otherwise as that which was recommended by the Commission but rejected by the lessees, particularly when in the latter the modifications of the Conveyancing Ordinance are taken into account:—

THIS DEED, made the day of oue thousand eight hundred and seventy- between Her Majesty the Queen, hereinafter called "the lessor," of one part, and of in the Provincial District of hereinafter called "the lessee," of the other other part, witnesseth that, in consideration of the rents hereinafter reserved, and of the covenants, conditions, and agreements hereinafter contained and herein implied, the lessor doth hereby demise and lease unto the lessee executors, administrators, and assigns all that parcel of land situate at the Colliery Reserve, Westport, in the Provincial District of Nelson, being Section , numbered , on the plan of the said reserve, containing by admeasurement more or less. Bounded as follows: On the northward by , on the eastward by , on the southward by , and on the westward by , as the same is delineated in the plan drawn on the margin hereof, and thereon coloured, together with the rights and appurtenances thereto belonging. To hold unto the lessee executors, administrators, and assigns, for the term of twenty-one years, in three periods of seven years each, to be computed from the first day of July, 1877, subject, however, to the provisos hereinafter contained: Yielding and paying therefor yearly and every year, during the first period of seven years, the annual rent or sum of , and yearly and every year, during the second period of seven years, the annual rent or sum of , and yearly and every year, during the third period of seven years, the annual rent or sum of , by equal half-yearly payments, payable on the first day of January and the first day of July in each year, to the Receiver of Land or Gold Revenue at Westport for the time being; the first of such payments to be made on the first day of now next ensuing: And the said lessee do hereby for heirs, executors, administrators, and assigns, covenant, promise, and agree to and with the said lessor, her successors and assigns, in manner following: that is to say, that the said lessee , heirs, executors, administrators, and assigns, shall and will well and truly pay, or cause to be paid, all rates and taxes which shall at any time become payable in respect of the said demised premises or any part thereof during the continuance of the said term: Provided always that immediately upon the permanent submersion of the land hereby demised by flood, the term hereby created shall be thereupon taken as absolutely determined, and the said lessor, her successors or assigns, shall thereupon be entitled to enter into and enjoy the premises as of their former estate: Provided also that if the rents hereby reserved, or any part thereof, shall at any time during the said term be in arrear and unpaid for the space of twenty-one days next after any or either of the days hereinbefore appointed for the payment thereof, whether the same shall have been legally demanded or not, it shall be lawful for the lessor, her successors or assigns, to re-enter upon the demised premises, and thereby determine this lease: Provided lastly, and it is hereby expressly declared and agreed, That in case it may be necessary to enforce the power of re-entry hereinbefore contained, or any other power or authority which may be exercised hereunder by the lessor or her successors or assigns, it shall be sufficient if such be exercised on behalf of the lessor or her successors or assigns by the Colonial Secretary of the Colony for the time being, or by any person authorized by him for that purpose.

In witness whereof His Excellency the Governor of New Zealand, on behalf of the lessor, hath hereunto set his hand, and hath caused these presents to be passed under the Seal of the Colony, and the lessee ha hereunto subscribed name , the day and year first above written.

Signed by His Excellency the Governor of New Zealand, and the Seal of the Colony affixed hereto in the presence of

Signed by the above-named in the presence of

As regards the rents paid by the petitioners, the following will show what was their past position and what their present one is:—

1. From 1865 to 1873 many were occupiers, under business licenses, of ground, some of which was freehold and some Native reserve, and on which they paid large ground rents to private owners, in many cases over £1 a foot, even as high as £3 a foot, in addition to the business license fee of £5 to the Crown. Those, however, who occupied sections on the Colliery Reserve had only to pay £5 for business license fee, although in a good many cases one person would take out several business licenses, even to the extent of a dozen, and sublet or sell the Colliery Reserve sections he took up thereunder at a profit.

2. For the years 1873 and 1874, after the allotments were made by the Nelson Provincial Government, all holders of Colliery Reserve sections had only to pay a rent of £1 per section per annum.

3. For the following two and a half years ending 30th June, 1877, the rent was raised to £2 10s. per section per annum.

4. Since the 1st of July, 1877, the commencement of the present leases for twenty-one years, the rents are divided into three classes, according to eligibility of site, and into three terms of years each, the last two of which are progressive, as follows:—

Rents.			First Seven Years.	Second Seven Years.	Third Seven Years.
			£ s. d.	£ s. d.	£ s. d.
First class	...	...	5 0 0	6 13 4	10 0 0
Second class	...	...	2 10 0	3 6 8	5 0 0
Third class	...	...	1 0 0	1 6 8	2 0 0

Thirty-three feet frontage at £5 per annum is 3s. 0½d. per foot; at £2 10s., 1s. 6½d.; and at £1, 7¼d.

The approximate number and size of the sections of each class vary as follows, all the frontages being 33 feet:—

	Depth in Feet.					Total.
	49½	66	82½	99	132	
First class ... ..	...	7	8	45	21	81
Second class	10	3	58	...	32	103
Third class	5	...	...	40	7	52
	15	10	66	85	60	236

From the foregoing particulars it will be seen that the position of the petitioners, as compared with what it was during the seven years, from 1865 to 1872 inclusive, when they were simply business license section-holders under Gold Fields Regulations, and liable to £5 a year per section, irrespective of locality, is, that their subsequent tenure has virtually resulted in a twenty-five and a half years' tenancy, the first four and a half years of which were at nominal rents, and during which a considerable speculative traffic was carried on by them in their sections on a doubtful title at prices ranging from £20 to £150 for the goodwill of a section. For two years, 1873 and 1874, they had only to pay a rent of £1 per section. For two and a half years—1875, 1876, and half of 1877—only £2 10s. per section, and since 1st July, 1877, they have got twenty-one years' leases at average yearly rents, according to eligibility of site—for first-class, £7 11s.; second, £3 15s. 6d.; third, £1 8s. 10d, or a general average rent all round per section of £4 5s. 2d. on a tenure of much easier conditions than they would get from any private landlord. When, however, they seek to have their rents reduced to a sum equal to the value of the land at the time they settled upon it, they cut the ground from under their own argument, from whatever point of view it may be taken, whether they mean during the time between 1865 and 1872 or between 1872 and 1874.

In the first case, with regard to the value of the portion of the reserve which was held under gold fields tenure from 1865 to 1872 inclusive, it was proved before the Royal Commission in 1875 that the goodwill of business license sections, merely of the ground irrespective of buildings, sold for large sums, a fair average of which would be £80. If therefore 10 per cent. interest on this sum—and it would be the minimum in the district during the period in question—were to represent a rent, we would have £8 in addition to the business license fee of £5; in all a rent of £13 per annum per section.

In the second case, between 1872 and 1874, when it was quite an uncertainty what the tenure and terms might be (certainly not longer than fourteen years at that time), at an average rent of £3 per section, irrespective of site, the traffic in the sections (only the ground) averaged a similar amount, say £80, which, at 10 per cent. added to the £3 as above, would be equal to a total rent of £11 per annum per section.

Since 1875 until lately there has been very little traffic in the sections, but latterly several dealings in them have taken place owing to the progressive increase of trade for some time past consequent on the development of the coal mines, more particularly in the district.

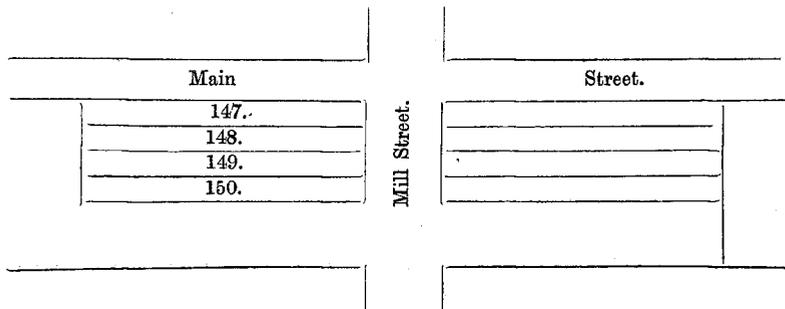
As regards the alternative request of the petitioners to be allowed to purchase the fee-simple of the land, I have only to reiterate the substance of my evidence on that point before the Committee of last year when dealing with a similar petition: (1.) That the Colliery Reserve was set apart for the special purposes of a railway depôt and wharves for an extensive coal trade, which may probably become the largest in the Southern hemisphere, and the requirements of which may in time absorb all the land so set apart, and more. (2.) That the Government have already expended over £210,000 on the railway and harbour works, which has not only materially fostered the trade of the place, but, through the necessary construction of the harbour works, a substantial barrier to further inundations of the town has been raised. Besides, the coal-mining companies in the vicinity have also spent over £60,000 within the last few years. All of which circumstances, combined with the prospect of further large expenditure on the development of the coal mines, and also the harbour works, have converted what would have otherwise dwindled down to a miserable and deserted digging township into a settled place of trade, and consequently have enhanced the material value of the land on which it stands, and also that of the surrounding country. (3.) That the Government have already paid close on £4,000 to certain tenants on the reserve for their interests in sections and buildings, which had to be taken for railway purposes. (4.) That it is misleading of the petitioners to imply that there is any analogy between the circumstances of this reserve and the lands of other townships on the gold fields. They were not valuable reserves set apart for an important colonial purpose, and vested in the Crown as security for the expenditure on that purpose, and consequently there could be no good reason against selling the freeholds on them, but the contingency may soon arise when more of the Colliery Reserve may be required for the purpose to which it was originally dedicated; and I need not say that the compensation which would have to be paid for any freehold which might be taken would be much higher than if the matter rests as it is.

In clause 13 of the petition there is the allegation "that some of the petitioners were awarded sections in lieu of those destroyed by sea and floods, and signed agreements to take out leases for the same, but they find that many of these allotted sections are of no real value, yet the Crown is enforcing by action at law the rents agreed to be paid, thus turning what was offered as a measure of compensation into an additional burden and loss," which Mr. Munro amplifies in his evidence to the effect "that the people who have got sections in the bush, which they can never occupy, are being forced to

their (*sic*) bargains, the rents have not been collected for four or five years, until they have accumulated to large sums, varying from £50 to £100 now payable."

I regret to be obliged to say that these are highly garbled statements altogether, and I can hardly believe that Mr. Munro could have made himself acquainted with the real facts, before he endorsed the statement of the petitioners.

The facts are these: There are but few bush sections, as Mr. Munro terms them, on the Colliery Reserve, unless he means generally the sections which are only liable to a rent of £1 per annum. The defaulting tenants of this class, with one or two exceptions who have pleaded poverty and have been allowed time to pay up the rents they respectively owe, are mostly well-to-do men in Westport, the principal being Mr. John Hughes, whose sections are close to Main Street, and which are referred to in the following evidence he gave regarding them before the Royal Commission in Westport, in December, 1875. Mr. John Hughes signed an agreement for a lease of a block of Sections Nos. 147, 148, 149, and 150, circumstanced as follows:—*



But, when he is called upon to take up his lease, he says, "Oh! I'll only take one for No. 147, and not the rest." It will be seen that 147 is a corner section, with a large frontage to Main Street; and perhaps Mr. Hughes considered that he could play "fast and loose" with regard to the other sections. I therefore impounded the arrears of rent he paid on No. 147, and withheld the issue of the lease until he should fulfil his agreement in its entirety. Mr. Tyrrell's is a similar case.

WEDNESDAY, 1ST DECEMBER, 1875.

Sections 147, 148, 149, 150.—*John Hughes, Claimant.*

Sections 147, 148, 149, and 150 were granted to Tonks and Hughes by Commissioners Giles and Dobson, in lieu of sections previously occupied by me. I paid rent upon them until June, 1875. I claim £30 for Section 147, as it is a corner section, which would be worth £2 a year for fourteen years as a cottage site. They are not suitable for the erection of an hotel. I value Sections 148, 149, and 150 at £20, and I consider 30s. a year would be a fair rental. In the present state of things in Westport I should not feel justified in giving more for them. When these sections were allotted to me they were not cleared. There was a road up Palmerston Street, but there were no business places around them. I have paid two years' rent upon them, and have not received a penny in return. There is no demand for cottages now; but if I were to build a good large house, it might let for 20s. a week. I did not buy them for speculation. If I got the sections at a reasonable rate, I would build a good house upon the four sections.

The Commissioners: Why did Commissioners Giles and Dobson allot these sections?—Because there was a second flood after Mr. Sharp's allotment; and besides, a great many people who were entitled to sections were left out of Mr. Sharp's allotment.

You have stated that Sections 147, 148, 149, and 150 are worth £90 collectively, and a rental of £6 10s. per annum. Do you estimate that upon the assumption that you would get a fourteen years' lease?—Yes. It would of course be better if we had twenty-one year leases, because we could then deal with the sections as we liked. The rental in that case would be increased from £6 10s. to £10 or £12. People would go to greater expense in building houses.

The element of uncertainty has a considerable effect in your estimate?—Yes. I would sooner pay £3 a year for the sections if I could utilize them than pay 30s. for them now.

It will be seen by the above that Mr. Hughes, in 1875, considered that if he got a twenty-one years' lease of these four sections they would be worth a rental of from £10 to £12, but now, when the actual rental of the whole four, under the twenty-one years' lease agreement which he signed, is only £5 10s. a year, he desires to take only the corner Section No. 147, the rent of which is £2 10s., and repudiate the other three immediately behind it. The accumulated rents he is due on the lot amount to £32 5s., but, with one other exception, who is dead, the remaining defaulters in the category are only four, owing on an average £13 10s. each.

I have only to add that proceedings have no doubt been taken to enforce the agreements for leases and payment of arrears of rents; but, apart from all other considerations, it would be unjust to those who have duly fulfilled their agreements and paid their rents not to do so; however, it has been intimated to several of the persons who so complain that the Government will accept the surrender of any agreement or lease which they may wish to give up on the condition that all arrears of rent shall be paid up to the 30th June last.

THOMAS MACKAY,
Agent for the Crown.

(Telegram.)

No. 2.

John Munro, Esq., M.H.R., Wellington.

Westport, 6th September, 1882.

HAVE taken up 114 and 112 forced on me by litigation, having houses on them. Offered £1 per annum for three sections in one lease, 93, 94, 100. Would be same terms as Mrs. Wright, 96, 95, in same block. No argument against petition.

JULES SIMON.

(Telegram.)

No. 3.

John Munro, Esq., M.H.R., Wellington.

Westport, 6th September, 1882.

My purchase for hotel and furniture was £300; license just paid, £50. Consider main value to premises was license.

HANS LARSON.

* See also copy of evidence given by me before the Committee of last session on this particular case.—T.M.