

1888.

NEW ZEALAND.

LEASE OF EDUCATIONAL RESERVES TO HON. R. CAMPBELL
(PAPERS RELATIVE TO).*Laid on the Table by the Hon. G. Fisher, with Leave of the House.*

No. 1.

The Rev. W. J. HABENS to the CHAIRMAN of SCHOOL COMMISSIONERS, Otago.

SIR,—

Department of Education, Wellington, 9th June, 1888.

I have been directed by the Minister of Education to bring under your notice a statement which has been made respecting your Board by Mr. Duncan, M.H.R., in a speech delivered by him in the House of Representatives.

The passages in his speech which deal with the matter I have marked in the margin of the enclosed copy. The statement made is of so serious a nature that the Minister thinks it necessary that you should be asked to place him in possession of the facts attending the leasing of the land referred to by Mr. Duncan, its surrender, and its subsequent lease to Mr. Campbell.

As the question of the administration of school reserves has engaged the attention of the Legislature, and much dissatisfaction has been expressed with it, the Minister hopes that you will see the advisableness of enabling him to inform the House fully of the circumstances. The Minister trusts that you will communicate with him at the earliest possible date.

I am further directed to say that complaints have reached the Minister from Oamaru that the Commissioners have in many cases put intending purchasers of leases of land situated near Oamaru to great disadvantage by only advertising intended sales in the Dunedin newspapers, and by holding such sales in Dunedin, instead of in Oamaru.

The Minister does not wish to interfere with your discretion, but, as the matter is one of great public importance, he thinks it right to communicate these expressions of dissatisfaction to you.

I have, &c.,

The Chairman of School Commissioners, Otago.

WM. JAS. HABENS.

Enclosure.

[Extract from *Hansard*, 31st May, 1888.]

Mr. Duncan: I would not have risen on this occasion had not the honourable member for Dunedin West been personal to me in his remarks when trying to bolster up a bad case. He found that one of those silly writers in a silly paper had put in a paragraph saying that the runs—Deepdale and Kurow—had been sold at a less price than they were formerly sold or leased at, and he pointed out to me as the author of that loss. I hope the representative of this silly paper will take a note of what I have to say about the matter; and before I have done I shall say something about the way these high-school and other reserves have been administered in the district I come from. I shall begin with these runs first. The settlers there agitated to get these runs put into smaller holdings; and after a long delay, and while every difficulty was thrown in the way by the department, they succeeded in getting the lease interfered with to the extent of some few sections. The outcome of this was there were eight sections of perpetual lease of an area of 3,518 acres 2 roods and 6 perches at a yearly rental of £343 2s. 4d.; then there were twenty-two sections on deferred payment, with an area of 3,460 acres 1 rood and 21 perches, at a yearly rental of £535 10s. 6d. Then, Sir, there were seven small grazing-runs sold at the yearly rental of £546 3s. 4d. Now, this was formerly held by a company—non-resident—I believe a Scotch company; but, still, there is one lot unlet of 7,000 acres, and I do not believe it will remain long in that state. Besides that there is one section left to be cut up into smaller areas for settlement—about ten or twelve sections still to be cut up. Now, Sir, what was the whole amount paid for this land originally? How much was it over this sum? These sums together amount to £1,424 16s. 6d., and the run originally was sold for something over £1,500. When the rest is let it will come up to the original price, with this difference: We have thirty-seven holdings located where one holding held the land before. Is that no improvement? And, supposing this land was let at a far less rental than before, see how much better it is to have settlers upon it. And as to the next run adjoining this to the west, what do we find? That the lessee is not able to hold out on account of the rabbit-pest. We go

to the next, and we find the owner or lessee repeatedly trying to get his rent lowered; and he holds this land from the Oamaru Harbour Board. These nine runs would have brought more had there not been piled on improvements of little or no use to the incoming tenants. I hope the Minister of Lands will take a note that in future there shall not be exorbitant prices put on these so-called improvements. I do not blame the landlord or the Government for it, but by hocus-pocus this is done: that when a lessee, especially in higher circles, gets a man to value his improvements, they are put down at double what they are worth. That is generally the case, I think. I have got the honourable member for Dunedin West in a better frame of mind, and I hope he will report this to the paper he got his statement from. I will now say something with regard to the mismanagement of these educational endowments in the district I come from. A few years ago—I think about four years or so—there was an endowment for sale at Maerewhenua. It was put up in Oamaru, and the lease of this endowment was run up by farmers and sold to the Hon. Robert Campbell at 5s. 10d. an acre rent—I think, for fourteen years. I am subject to correction; but, at any rate, it has been reported to me, and I believe it to be a fact, that the attorney of this company had a seat on this Board of Governors for managing these educational reserves. He is attorney and manager for the Hon. Robert Campbell. After they had held this land for two years it was discovered that he never signed the lease, and he relinquished the land in some way, without any notice being given to the people by the Governors—

Mr. Fulton: The honourable gentleman will perhaps pardon me for interrupting him; but he is using the term "Governors" as if the gentlemen he refers to were Governors of a high school or university. In point of fact he was a member of the Board of School Commissioners.

Mr. Duncan: I thank the honourable gentleman for putting me right, but it is still a fact, all the same. Well, Sir, the next time this was put up it was put up in Dunedin for sale, with three single advertisements—two in the *Daily Times* and one in the *Witness*—that there was a certain reserve for sale. Nobody knew where it was; but everybody understood that this reserve was sold two years before on a fourteen years' lease, and they never thought that could be the one for sale. What was it sold for? On account of non-publication in the district, it was resold to the Hon. R. Campbell for 2s. rent per acre. Now, is that management—

An Hon. Member: To Robert Campbell?

Mr. Duncan: Yes, to the same man—that is, Mr. A. E. Begg, manager for the Hon. R. Campbell, and member of the Commission who managed these reserves. Now, I think these things point to the fact that there is not sufficient attention paid to closer settlement, because those intrusted with the management of these reserves say, "We have a good mark: we will let it in one lot, and have little or no trouble to get our rent."

Mr. G. F. Richardson: Hear, hear.

Mr. Duncan: Evidently the Minister of Lands is of that opinion. I hope he will not say that same thing again, or I shall not have faith in him as a Minister of Lands.

Mr. G. F. Richardson: I said "Hear, hear," as meaning that was the opinion that actuated them.

Mr. Duncan: I believe it is. But I hope the Minister of Lands will relinquish that idea, as the closer settlement of the land is of the first importance. There are many of these reserves still for closer settlement; and if we are going to assist the colony out of its difficulties closer settlement we want. You may talk as much as you like about getting industries in the colony: you may do a little that way, but the first thing is close settlement for every piece of land available. Now, if I thought for one moment that this Bill was going to injure these reserves there is not a man in this House who would fight more strongly against it than I would, as I have already done in the past; but when these things are continually cropping up it makes one feel it is time there was some better feeling on the part of these bodies to encourage settlement, and that if they will not act in that direction some means should be taken to force them. Of course such means should not be adopted until it was shown that they would not use their power in the way which the public thinks is for the best. I shall vote for this Bill in the hope that it will make these bodies more alive to the interests of the colony, and that in future when they let the large reserves which are intrusted to their charge they will think more of the good of the colony by encouraging closer settlement. I shall vote for the second reading.

No. 2.

The CHAIRMAN of SCHOOL COMMISSIONERS, Otago, to the SECRETARY, Education Department.

School Commissioners of Otago,

SIR,—

Education Reserves Office, Dunedin, 19th June, 1888.

I have the honour to acknowledge receipt of your letter of the 9th instant asking the School Commissioners to furnish the Minister of Education with a statement of the facts connected with the leasing of Section 23, Block V., Maerewhenua District, to Messrs. Robert Campbell and Sons (Limited).

The following are the particulars of the transaction: Section 23, Block V., Maerewhenua District, contains 1,473 acres of what may be described as pastoral land, although small portions of it are fit for cultivation. It was first leased to the Hon. Robert Campbell in September, 1869, for fourteen years at 1s. 4d. per acre per annum. On the expiry of the lease in September, 1883, it was offered for a further term of fourteen years at an upset of 2s. per acre, which was considered its full value, and, after competition, was leased to Messrs. R. Campbell and Sons (Limited) for 5s. 10d. per acre. As there were a number of sections in the neighbourhood of North Otago open for lease at the same time the sale was held at Oamaru, and it was advertised in the Oamaru papers, as well as in the *Otago Witness*. In October, 1885, Messrs. R. Campbell and Sons

(Limited) applied to the Commissioners either to allow a substantial reduction in the rent or to accept a surrender of the lease, stating that it was impossible to make the rent they were then paying out of the land. The Commissioners had reason to believe that the competition for the land when it was offered in 1883 was caused by parties wishing to take a crop or two of wheat from it, that cereal commanding a high price at that time; and had it been leased to them instead of to the present tenant they would probably have thrown it up after paying a year's rent. After duly considering the matter, the Commissioners decided to accept a surrender of lease as requested, on condition that the tenant undertook to bid the upset of 2s. per acre, which they considered a very fair rental. As there were no other reserves in the North Otago District open for lease at the time, the sale was held at Dunedin on the 19th December, 1885, and, there being no competition, Section 23, Block V., was leased to Messrs. Robert Campbell and Sons (Limited), at 2s. per acre, for a term of fourteen years. The sale was advertised for thirty days, as provided for by "The Education Reserves Act, 1877." The advertisement appeared in the *Otago Daily Times* of the 17th and 20th November, and in the *Otago Weekly Witness* of the 21st and 28th November and the 5th December, and should have also appeared in the latter paper on the 12th December, according to the written instructions of the auctioneer, but was accidentally omitted. In addition to the advertisements 1,750 posters, giving full particulars of the sale, were circulated throughout Otago, being sent to railway-stations, police-stations, Resident Magistrates' Courts, and other public places. A considerable number of these posters were sent to Oamaru. The *Otago Witness* is universally recognised as the best circulating medium in the country districts, and has about seven hundred subscribers in the North Otago District. It will thus be seen that due publicity was given to the sale, and, as a matter of fact, inquiries were received from the neighbourhood of the section prior to the sale.

With reference to Mr. Duncan's remarks on the action of the attorney of Messrs. R. Campbell and Sons in connection with the surrender of the section, I have to state that that gentleman (Mr. A. C. Begg), although one of the School Commissioners, took no part whatever in the discussion or decision arrived at by the Commissioners in the matter.

Touching the complaints from people at Oamaru that the Commissioners have not advertised in the Oamaru papers, nor held sales in that town, I beg to send, for the information of the Minister, the following particulars of all sales of leases in the Oamaru and surrounding districts from the date of the last sale held in Oamaru Town (September, 1883) to the present date, from which it will be seen that the Commissioners have in every case consulted the convenience of the majority of intending purchasers, besides saving the unnecessary expense of advertising and holding separate sales in various townships:—

First: Sale held at Dunedin, 2nd December, 1884, consisting of one section in Oamaru District, one section in Owamoko District, seven sections in Papakaio District, one section in Kauroo District, four sections in Moeraki District, three sections in Hawksbury District, one section in Clarendon District, one section in Table Hill District, three sections in Hillend District, two sections in Waitahuna West District, one section in Tokomairiro District. Eight of these sections were south of Dunedin, three close to that town, and of the seven at Papakaio six had been offered unsuccessfully at Oamaru in September, 1883. This sale was advertised in the *Otago Witness* for the requisite time, and also in the *North Otago Times* and *Oamaru Mail*, as well as in other local papers.

Second: Sale held at Dunedin, 7th November, 1885, consisting of one section at Moeraki, near Palmerston, four sections at Kauroo, two sections at Waikouaiti, and five sections south of Dunedin. This sale was advertised in the *Otago Witness*, *Otago Daily Times*, *Palmerston Times*, and other local papers.

Third: Sale held at Dunedin on the 23rd July, 1886, consisting of seven sections in Town of Oamaru, one section in Town of Hampden, four sections in Moeraki District, near Palmerston, and a number of reserves south of Dunedin and in its neighbourhood. The advertisement appeared in the *Witness*, *Times*, *Clutha Leader*, and Southland papers. The town-sections in Oamaru were included on the chance of some of them being taken up; but none of them were sold.

Fourth: Sale held at Dunedin on the 28th February, 1887, consisting of one section in Otepopo District, and ten sections south of Dunedin. Advertised in *Otago Daily Times* and *Witness*.

Fifth: Sale held at Palmerston on the 30th April, 1887, consisting of one section in Papakaio District, one section in Oamaru District, six sections in Otepopo District, seven sections in Moeraki District, ten sections in Hawksbury District. With the exception of three sections in the Otepopo District and the sections at Papakaio and Oamaru, the above reserves were in the immediate neighbourhood of Palmerston, a large number of them being, indeed, situated south of that town. The advertisement, besides appearing in the *Otago Witness* for a month, was also inserted in the *Palmerston Times*, *North Otago Times*, *Otago Daily Times*, and *Oamaru Mail*, for more than once in each.

Sixth: Sale at Dunedin on the 23rd June, 1887, consisting of two sections in Otepopo District and five sections south of Dunedin. This sale was advertised for one month in the *Otago Witness* and twice in the *Otago Daily Times* and *Mataura Ensign*.

Seventh: Sale at Dunedin on the 20th December, 1887, one section in Oamaru Town and a number of sections south of Dunedin. Advertised in *Otago Witness*, *Saturday Advertiser*, and *Mataura Ensign*. The section in Oamaru Town was held by a widow at a yearly rental of £6, and at the instance of several Oamaru citizens a surrender of lease was accepted, and the section reoffered at £3 per annum.

Eighth: Sale at Dunedin on the 18th May, 1888, consisting of one section in Oamaru Town, one section in Papakaio District, eleven sections in Oamaru District, six sections in Otepopo District, five sections in Moeraki District (close to Palmerston; almost as near Dunedin as Oamaru), two sections in Waikouaiti District, two sections in North Harbour and Blueskin, and reserves in Districts of Green Island, Otokia, Maungatua, Akatore, Kaitangata, Hillend, and Clutha, all south

of Dunedin. This sale was advertised for one month in the *Otago Witness*, and the advertisement also appeared six times in the *Oamaru Mail* and *North Otago Times*, three times in the *Southland Weekly Times* and *Mataura Ensign*, and twice in the *Saturday Advertiser*.

If the Minister will supply the School Commissioners with particulars of further alleged causes of dissatisfaction with their administration of the education reserves, they trust to be able to give as conclusive replies to these as to the special cases referred to in your letter.

I have, &c.,

The Secretary, Education Department, Wellington.

J. P. MITLAND, Chairman.

[*Approximate Cost of Paper.*—Preparation, nil; printing (1,275 copies), £2 4s.]

By Authority: GEORGE DIBSBURY, Government Printer, Wellington.—1888.