

"The Land Act, 1877," by the fifth section, enacted that "Crown lands shall . . . include all lands heretofore designated waste lands, Crown lands, and *confiscated lands* respectively."

In 1879 the Harbour Board issued in London a prospectus which seems to have been somewhat carelessly drawn. It referred to the area of endowment as 758,000 acres, without apparently being aware of the inclusion of the confiscated territory, and it estimated the value of the land mentioned at about four times the value at which it has since been disposed of. If, however, the area, inclusive of the confiscated territory, had been referred to, the valuation (although made on a different basis) would have been nearly correct.

The loan was subscribed for at the minimum of 95, the net proceeds being £185,855 12s. 1d. The Board proceeded to spend the money on harbour-works. Public attention was soon after directed to the character and conduct of these works, with the result that a Select Committee of the House of Representatives in 1881 investigated the matter, and reported that, having regard to the impracticability of completing the harbour as designed within the limit of the loan, the work should be discontinued. At this time nearly half the loan had been expended. A Bill was introduced into Parliament to give effect to the report, but was not carried through. The rest of the loan was afterwards spent, but the harbour still remains incomplete, and only available for vessels of medium size.

For three years after the raising of the loan the revenues of the Board from cash sales of land, from the instalments or interest on capitalised instalments of deferred-payment land, and from the rents of perpetual-leasehold lands afforded ample means to keep both interest and sinking fund regularly paid; but after 1883 the cash sales began to seriously fall off, and some Natives in the district again threatened disturbance. About three years ago recourse was had to the rate in its full extent.

A cause prejudicially affecting the income of the Board was the important change made by the General Assembly in the land laws of the colony. When the loan was raised the deferred-payment system was in force, by which settlers could take up land in limited areas and pay for it at a sum calculated at 50 per cent. (afterwards reduced to 25 per cent.) in addition to the capital value, the purchase-money being distributed in the shape of redemption payments over ten years—afterwards enlarged to fourteen years. By the Land Act of 1885 settlers were afforded the right to take up land on perpetual-leasehold tenure by paying 5 per cent. on the capital value, subject to a right to purchase the fee-simple after six years and before twelve years of the term at the capital value; afterwards, in 1887, these restrictions to the right of purchase were removed, and it was made exercisable without any time limit. Official representations were made at the various land-sales in the rating district that the rate would probably not be required for some twenty-six years, and reliance was no doubt placed on these representations by many who would not otherwise have taken up the land. These facts may be important in considering what effect the change in the land-laws has had upon the recent failure of the Board to meet its engagements. The Board's share of the land revenue has failed to meet the amount required for interest and sinking-fund charges, and the rate has been for years imposed with detrimental effect upon struggling settlers without supplying the deficiency. The general advance of the district has been retarded, and difficulties, involving, it may be said, to some degree the honour of the colony, have supervened.

A more important change had meanwhile been taking place in connection with the confiscated territory. Acting under the reports of the Royal Commissioners appointed for the purpose, Crown grants were ordered to issue in 1882 and 1884, in favour of Natives, to the extent of 198,278 acres of some of the best land in the provincial district. That land has been estimated by the Surveyor-General at £362,000,—this being a very safe if not a very low estimate. The endowment, no doubt, was expressly confined to the "revenues" from the disposal of land within the district, but this land, from which undoubtedly revenue would have accrued if dealt with as "The Land Act, 1877," provided, was, without the assent of the bondholders, withdrawn from the endowment and made the subject of a national act of conciliation, beneficial to the whole colony as cementing peace between the European and the Native races.

Another aspect of the land-question deserves consideration. The endowment of one-fourth of the revenues of lands in the district would necessarily include those which the Crown might in the future acquire. It is beyond any manner of doubt that the lands still held by Natives under their customs and usages, and which are destined in large part to pass into the hands of European settlers, are such as should be acquired by the Crown. The doubtful position of the Board within late years has prevented the acquisition of any such lands. Successive Governments have been unwilling to endow to the extent of 25 per cent. of the gross returns a Board which has done so little to inspire confidence. An instance of the way in which the whole district has directly, and the colony indirectly, suffered by the indisposition of successive Governments to acquire more land in the Taranaki Provincial District is afforded by the fate of the North Island Main Trunk Railway Loan Application Bill of 1889. By that measure it was proposed to allocate a sum out of the balance of the Railway Loan for the purpose of purchasing land, as an endowment for the railway, in the Provincial Districts of Auckland, Wellington, and Taranaki, through which proposed routes for the railway had been surveyed. The feeling of Parliament against contributing anything further to the New Plymouth Harbour Board operated to the exclusion of all reference to the Provincial District of Taranaki in the Bill, so that no expenditure respecting some of the finest lands in the colony is permitted from that source. The same influence appears to exclude any purchases by the Crown in any part of the provincial district. The area of land under the head of unacquired Native lands, after deducting 10 per cent. for education, roads, and other reserves, is about 757,350 acres, of an estimated value of £355,207.

Under these two heads—territory withdrawn and territory unacquired—the figures show an approximate value at the lowest estimates of £717,207 at the present date, the fourth of which might be claimed as part of the endowment of the Board as representing £179,402; the first alone (in respect of lands taken out of the endowment area) amounting to £90,500. The other and definite endowments are as follows:—