

SESSION II.
1906.
NEW ZEALAND.

LANDS COMMITTEE:

(REPORT OF THE) ON THE LAND ACT AMENDMENT BILL; TOGETHER WITH MINUTES OF EVIDENCE.

(HON. MR. DUNCAN, CHAIRMAN.)

Report brought up on 4th October, together with Minutes of Proceedings and Evidence, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

FRIDAY, THE 24TH DAY OF AUGUST, 1906.

Ordered, "That a Committee be appointed, consisting of ten members, to whom shall stand referred, after their first reading, all Bills affecting or in any way relating to the lands of the Crown, or educational or other public reserves. The Committee shall have power to make such amendments therein as it thinks proper, and to report generally, when necessary, upon the principles and provisions of the Bill; the Committee to have power to call for persons, papers, and records; three to be a quorum: the Committee to consist of Mr. Bennet, Hon. Mr. Duncan, Mr. W. Frazer, Mr. Flatman, Mr. Hall, Mr. Jennings, Mr. Laurensen, Mr. Malcolm, Mr. Witty, and the mover."—(Hon. Mr. McNAB.)

TUESDAY, THE 11TH DAY OF SEPTEMBER, 1906.

Ordered, "That the number of the members of the Lands Committee be increased to fifteen by the addition of the following names: Mr. Ell, Mr. Greenslade, Mr. Lawry, Hon. Mr. Mills, and Mr. Kirkbride."—(Hon. Mr. McNAB.)

NOTE.—The Bill, relating to the lands of the Crown, stands referred to the Lands Committee, under Standing Order No. 336.

REPORT.

THE Lands Committee, to whom was referred the Land Act Amendment Bill, have the honour to report that they have carefully considered the same, and have taken evidence thereon; and recommend that the Bill be allowed to proceed with the amendments as set forth in the copy attached hereto.

T. Y. DUNCAN, Chairman.

Thursday, 4th October, 1906.

MINUTES OF PROCEEDINGS.

TUESDAY, 18TH SEPTEMBER, 1906.

The Committee met at 10 a.m. pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, W. Fraser, Greenslade, Hall, Jennings, Kirkbride, Laurenson, Lawry, Mills, and Witty.

The minutes of the previous meeting were read and confirmed.

The following Orders of Reference were read:—

1. Notifying that the number of the members of the Committee had been increased to fifteen by the addition of the following names: Messrs. Ell, Greenslade, Lawry, Mills, and Kirkbride.

2. "That the Land Act Amendment Bill, having been read a first time in the House, stands referred to the Lands Committee."

On the motion of the Chairman, it was agreed that the Land Bill take precedence of other business in Committee until completed.

It was proposed by Mr. Jennings, and agreed to, That Mr. Kensington, Under-Secretary, and Mr. Martin, solicitor, be present at the sittings of the Committee on the Land Bill; and the gentlemen referred to were admitted accordingly.

The Chairman having asked if it was the pleasure of the Committee that a reporter be present to take down the proceedings on the Land Bill,

Mr. Laurenson moved and it was agreed, That no reporter is needed.

Mr. Jennings having asked a question regarding the effect of the Bill on the English bondholders in connection with the New Plymouth Harbour Board debentures,

Mr. Mills moved, That the question be referred to the Solicitor-General for his opinion.

After discussion the Hon. Mr. McNab suggested that the Chairman of the New Plymouth Harbour Board—J. B. Connett—at present in Wellington) and the Solicitor-General be summoned to attend the Committee to-morrow.

Agreed to; whereupon Mr. Fraser proposed and it was agreed, That a reporter be present to report the evidence of the witnesses heard in connection with the New Plymouth Harbour Board debenture-holders.

The Chairman proposed, That clause 1 stand part of the Bill.—Agreed to.

On the motion, That clause 2 stand part of the Bill,

Mr. Hall moved the postponement of the clause.

This being opposed a division was called for, when there voted:—

For the motion.—Messrs. Bennet, Flatman, Fraser, Greenslade, Hall, Jennings, Kirkbride, Mills, and Witty.—9.

Against.—Messrs. Ell and Lawry, Hon. Mr. McNab.—3.

The motion was therefore carried.

Clause 3 was then put.

Mr. Kirkbride moved the postponement of clause 3, which was agreed to.

Clause 4 was then put by the Chairman.

Mr. Kirkbride moved to amend the clause by the deletion of the words "Occupation with right of purchase," in line 43.

After discussion Mr. Hall moved the adjournment of the Committee.

A division having been called for, there voted:—

For the adjournment.—Messrs. Bennet, Flatman, Fraser, Hall, Jennings, Kirkbride, and Witty.—7.

Against.—Hon. Mr. McNab, Messrs. Ell, Greenslade, Laurenson, Lawry, and Mills.—6.

The motion was therefore carried, and the Committee adjourned.

WEDNESDAY, 19TH SEPTEMBER, 1906.

The Committee met at 10 a.m. pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Fraser, Greenslade, Hall, Jennings, Kirkbride, Laurenson, Lawry, Malcolm, Mills, and Witty.

Messrs. Kensington and Martin were again in attendance, and Mr. Briggs, shorthand reporter.

The minutes of the previous meeting having been read,

The Hon. Mr. McNab pointed out that they were not confined to the motions proposed and carried, but contained expressions of opinions by members, and, on the Chairman's motion, they were withdrawn, and the Clerk instructed to amend them as indicated by the Minister.

The Chairman of the New Plymouth Harbour Board (Mr. Connett) appeared as requested, and gave evidence in connection with the New Plymouth Harbour Board. His evidence was taken down by Mr. Briggs, shorthand reporter.

Hon. Thomas Kelly, M.L.C., was called, and gave evidence, as also Mr. E. M. Smith, M.H.R., who was present, and Mr. W. C. Kensington, who was called by the Hon. Mr. McNab; their evidence being also taken by the same gentleman.

The Chairman asked if the Committee wished the evidence written out and a copy given to each member. On this being assented to, Mr. Briggs promised to have eight copies ready for next meeting and the remainder as soon as possible.

The Committee then resumed consideration of the Bill at clause 3.

The Chairman proposed its postponement, but as this was opposed by Mr. Hall a division was called, and there voted—

For the motion.—Hon. Mr. McNab, Messrs. Bennet, Ell, Flatman, Fraser, Greenslade, Jennings, Kirkbride, Laurenson, Lawry, Malcolm, Mills, and Witty.—13.

Against.—Mr. Hall.—1

The Chairman proposed that subsection (1), clause 4, stand part of the Bill.

Mr. Hall moved to insert the following words after the word “land,” in line 42, as an amendment: “Set aside as an endowment under clause 3 of this Act.”

This having been objected to a division was called, and there voted—

For the amendment.—Messrs. Bennet, Fraser, Greenslade, Hall, Jennings, Kirkbride, Malcolm, and Witty.—8.

Against.—Hon. Mr. McNab, Messrs. Duncan, Ell, Flatman, Laurenson, Mills.—6.

The amendment was therefore carried, and the clause as amended agreed to.

Subsection (2). Agreed to.

Clause as amended agreed to.

Clause 5, (1), subsection (a). Agreed to.

Subsection (b). Agreed to.

Subsection (c.) Agreed to.

Subsection (2). On the motion of Mr. Flatman it was agreed to substitute the word “twenty-four” for “twelve,” in line 17, and the words “of a permanent character” were inserted after the word “improvements” in the 21st line.

Mr. Kirkbride gave notice that at the next meeting he would move, That this Committee be furnished by the Government with a return of all estates which exceed £50,000 unimproved value; such return to state area, value, names of owners, and provincial districts in which these estates are situate.

The Committee then adjourned.

Consideration of the Bill was then resumed, and

THURSDAY, 20TH SEPTEMBER, 1906.

The Committee met at 10 a.m., pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Fraser, Greenslade, Hall, Jennings, Kirkbride, Laurenson, Lawry, Malcolm, Mills, and Witty.

Mr. Martin, solicitor, was also present.

The minutes of the previous meetings were read and confirmed.

Mr. Fraser drew attention to an article in this morning's paper, in which the business of the Committee, of the 19th instant, appeared to have been disclosed.

Mr. Kirkbride moved the following motion, of which he had given notice: “That the Committee be furnished by the Government with a return of all estates which exceed £50,000, unimproved value, such return to state area, value, names of owners, and provincial districts in which these estates are situate.

Hon. Mr. McNab moved, by way of amendment, to omit the words “names of owners.”

The amendment having been put, was declared carried on the voices.

A division was called for, and there voted—

For the amendment.—Hon. Mr. McNab, Messrs. Duncan, Ell, Flatman, Greenslade, Hall, Laurenson, Lawry, Mills, and Witty.—10.

Against.—Messrs. Bennet, Fraser, Kirkbride, and Malcolm.—4.

The amendment was therefore carried.

The motion as amended was then put, and agreed to.

Clause 5. Subclause (3) (lines 22 and 23) agreed to.

Subclause (3), subsection (a) agreed to.

Subsection (b) agreed to.

Subsection (c) agreed to.

Subclause (4) agreed to.

Subclause (5).

On motion of Mr. Witty, the following amendments were made: The word “twenty-four” substituted for the word “twelve,” in the 36th line, and the word “six” for “three” in the 38th line.

The subclause as amended was then put and agreed to.

Subclause (6).

On the motion of Mr. Flatman, the word “sixty” was substituted for the word “thirty” in the first line on page 4; and, on the motion of the Hon. Mr. McNab, the words “of a permanent character” were added after the word “improvements” in the 4th line, and the words “or arbitration” at the end of the subclause.

The subclause as amended was then put and agreed to.

Subclause (7) agreed to.

Subclause (8) agreed to.

Subclause (9) agreed to.

Subclause (10) struck out.

Clause 6, subclause (1).

Mr. Jennings proposed as an amendment the insertion of the following words after the word "a," in line 39: "transfer under the occupation-with-right-of-purchase tenure, on terms as arranged under the principal Act, or a."

This was objected to and a division called for, when there voted—

For the amendment.—Messrs. Bennet, Fraser, Greenslade, Jennings, Kirkbride, and Malcolm.—6.

Against.—Hon. Mr. McNab, Messrs. Duncan, Ell, Flatman, Hall, Laurenson, Lawry, Witty, —8.

The amendment was therefore lost.

Subclause (1) was then put and agreed to unaltered.

Clause 6, subclause (2).

Mr. Flatman moved to strike out the proviso to the clause.

Mr. Witty moved, That the debate be adjourned.

Agreed to.

The Committee then adjourned.

FRIDAY, 21ST SEPTEMBER, 1906.

The Committee met at 10 a.m. pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Fraser, Greenslade, Hall, Jennings, Laurenson, Lawry, Malcolm, Mills, and Witty.

Mr. Martin, solicitor, was also in attendance.

Reference was again made by Mr. Fraser to the *New Zealand Times*' report of the Committee's proceedings of yesterday.

Consideration of Land Act Amendment Bill resumed at clause 6, subclause (2).

Mr. Bennet (for Mr. Flatman) moved, That the proviso to this subclause be omitted.

This was opposed and on a division being called there voted—

For the omission.—Messrs. Bennet, Fraser, Greenslade, Hall, Jennings, and Malcolm.—6.

Against.—Hon. Mr. McNab, Messrs. Duncan, Ell, Laurenson, Lawry, Mills, and Witty.—7.

The motion was therefore lost by 7 to 6.

The subclause was then put and passed as printed.

Clause 6, subclause (3), agreed to.

Subclause (4) struck out.

Clause 6 as amended then put and agreed to.

Clause 7.

On the suggestion of the Hon. Mr. McNab, the Committee agreed to strike out the words "subsection three of" in line 20.

The clause as so amended was then put and agreed to.

Clause 8, subsection (1).

On the suggestion of the Minister, the Committee substituted the word "ten" for "twenty," in line 23, and the subclause as altered was then put and agreed to.

Clause 8, subclause (2). Agreed to.

Subclause (3) agreed to.

Subclause (4).

On this subclause being put, Mr. Witty moved to strike out "fifty" and substitute "forty" in line 29.

This was opposed, and on a division being called there voted—

For the amendment.—Messrs. Bennet, Greenslade, Hall, Jennings, and Witty.—5.

Against.—Hon. Mr. McNab, Messrs. Duncan, Ell, Fraser, Laurenson, Lawry, Malcolm, and Mills.—8.

The amendment was therefore lost.

Mr. Hall moved to add the following proviso to the subclause: "Provided that nothing contained in this subsection shall relieve the lessee from any conditions as to residence on the land."—Agreed to.

Subclause as amended put and agreed to.

Subclause (5).

Hon. Mr. McNab moved to add, after the word "Account" in line 38, the following words: "but shall in either case be subject to a like reduction as provided by subclause eight, section five."

This was objected to, and a division called for, when there voted—

For the amendment.—Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Greenslade, Hall, Jennings, Laurenson, Lawry, Malcolm, Mills, and Witty.—12.

Against.—Mr. Fraser.—1.

The amendment was therefore carried, and words inserted accordingly.

The Hon. Mr. McNab next moved to add to end of clause the following words: "less such deduction, if the sum fixed as the value of improvements is insufficient to meet the damage."—Agreed to.

Subclause as amended agreed to.

Clause 8 as amended agreed to.

Clause 9.

Subclause (a) agreed to.

Subclause (b) agreed to.

Subclause (c) agreed to.

Subclause (d) agreed to.

Clause 9 and its subclauses agreed to.

Clause 10.

Mr. Jennings moved to strike out the letter "a" from the beginning of the word "avocations" in the tenth line.—Agreed to.

Subclauses (a), (b), (c), and (d) agreed to.

The Hon. Mr. McNab moved to add the following new subclause (e): "All such regulations shall be signed by the Minister, and shall be laid before both Houses of Parliament, and no such regulation shall come into force until approved of by resolution of each House."—Agreed to.

Clause as amended agreed to.

Mr. Mills moved and it was agreed that the hour of meeting be 10.30 a.m. in future instead of 10.

The Committee then adjourned.

TUESDAY, 25TH SEPTEMBER, 1906. •

The Committee met pursuant to notice at 10.30 a.m.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Fraser, Greenslade, Hall, Jennings, Kirkbride, Laurenson, Lawry, Malcolm, Mills, and Witty.

Mr. Martin, solicitor, was also in attendance.

The minutes of the previous meeting were read and confirmed.

The Hon. Mr. McNab handed in the return called for by the Committee on the 20th instant on the motion of Mr. Kirkbride.

Mr. Witty moved and it was agreed that a copy of the said return be supplied to each member of the Committee.

Mr. Fraser again referred to the publication by various newspapers of the Committee's proceedings.

Mr. Hall moved, That the attention of the Committee having been drawn to the fact that the business of the Committee has been published in certain newspapers, the Committee report the same to the House.

This having been objected to a division was called for, and there voted—

For the motion.—Hon. Mr. McNab, Messrs. Bennet, Ell, Flatman, Fraser, Hall, Kirkbride, Lawry, Malcolm, and Witty.—10.

Against.—Messrs. Duncan, Greenslade, Jennings, Laurenson, and Mills.—5.

The motion was therefore carried by ten to five.

On the motion of the Hon. Mr. McNab it was agreed to postpone clause 11 and subsequent clauses, and resume consideration of postponed clause 3.

The Chairman having moved that clause 3, subsection (1), stand part of the Bill,

Hon. Mr. McNab moved the omission of the words "now" and "hereafter" from line 16 of the subclause, and the addition thereto of the following: "Provided that nothing in this Act shall prevent the future reservation or setting-aside under any Act of reserves for any purposes."—Agreed to.

Subsection (2) agreed to.

Subsection (3) agreed to.

Subsection (4) agreed to.

Subsection (5) agreed to.

Subsection (6) agreed to.

On the clause as amended being put, objection was taken and a division called for, when there voted—

For the motion.—Hon. Mr. McNab, Messrs. Duncan, Ell, Flatman, Hall, Laurenson, Lawry, Mills, and Witty.—9.

Against.—Messrs. Bennet, Fraser, Greenslade, Kirkbride, and Malcolm.—5.

Motion carried, and clause passed as amended.

The Minister having handed in copies of a proposed new clause numbered 10A, and amendments in other clauses (which were distributed to members), the Committee adjourned.

WEDNESDAY, 26TH SEPTEMBER, 1906.

The Committee met at 10.30 a.m. pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Fraser, Greenslade, Hall, Jennings, Kirkbride, Laurenson, Lawry, Malcolm, Mills, and Witty.

Mr. Martin was also in attendance.

The minutes of the previous meeting were read and confirmed.

Clause 11. Subclause (a), as far as the word "showing," agreed to.

Subclause (a).

On the motion of the Hon. Mr. McNab, it was agreed to insert after the word "owner," in the 38th line, the words "in fee-simple or lease," to strike out the words "in fee-simple" at the commencement of line 39, and to insert after the word "value" in the same line the following words: "the unencumbered fee-simple."

Hon. Mr. McNab also moved, That the following words be added at the end of the subclause: "or the owner of same and the lessee of other rural lands, the unimproved value of the unencumbered fee-simple of all which lands ascertained as aforesaid as on the same date exceeds fifty thousand pounds."—Agreed to.

Mr. Fraser moved to add the following proviso: "Provided that the word 'lessee' in this subsection (1) shall not include a lessee of pastoral lands held under the Crown."

This being opposed, a division was called for, and there voted—

For the amendment.—Messrs. Bennet, Fraser, Kirkbride, and Malcolm.—4.

Against.—Hon. Mr. McNab, Messrs. Duncan, Ell, Flatman, Greenslade, Hall, Jennings, Laurenson, Lawry, Mills, Witty.—11.

The amendment was therefore lost.

Mr. Witty moved, That the following proviso be added: "Provided that this subsection shall not apply to any lease existing at the passing of this Act."

This being objected to, a division was called for, and there voted—

For the amendment.—Messrs. Bennet, Fraser, Jennings, Kirkbride, Malcolm, and Witty.—6.

Against.—Hon. Mr. McNab, Messrs. Duncan, Ell, Flatman, Greenslade, Hall, Laurenson, Lawry, and Mills.—9.

The amendment was therefore lost.

The subclause as amended was then put and agreed to.

Subclause (2) agreed to.

Subclause (3).

The Hon. Mr. McNab moved, That after the word "of," in the middle of line 45, the following words be inserted: "the unencumbered fee-simple of."—Agreed to.

Subsection (b) agreed to.

Subsection (c).

The Hon. Mr. McNab moved, That after the word "owner," in the first line, the words "or lessee" be inserted, and after the word "list" in the same line the following words: "or other person interested in any land comprised therein" be inserted.—Agreed to.

Subsection as amended agreed to.

Subsection (d).

The Hon. Mr. McNab moved, That after the word "shall," in line 9, the following words be inserted: "as regards the question of his ownership and in all other respects."

This was opposed by Mr. Fraser, who called for a division, when there voted—

For the amendment.—Hon. Mr. McNab, Messrs. Duncan, Ell, Flatman, Greenslade, Hall, Laurenson, Lawry, and Witty.—9.

Against.—Messrs. Bennet, Fraser, Malcolm.—3.

The amendment was therefore carried, and the words inserted accordingly.

Subsection as amended agreed to.

Subsection (e).

The Hon. Mr. McNab moved the insertion of the words "and lessees" after the word "owners" in line 16.—Agreed to.

Subsection as amended agreed to.

Subsection (f) agreed to.

Subsection (g).

The Hon. Mr. McNab moved, That after the word "owner," in line 27, the following words be inserted: "in fee-simple or lessee." And after the same word in the following line the words "or lessee." Also, that the words "in fee-simple" be deleted, and after the word "value," in line 30, the words "of the unencumbered fee-simple" be inserted.—Agreed to.

Subsection as amended agreed to.

Subsection (1) agreed to.

Subsection (2) agreed to.

Subsection (3).

The Hon. Mr. McNab moved the insertion of the words "of the unencumbered fee-simple" after the word "value" in line 36.—Agreed to.

Subsection as amended agreed to.

Subsection (h) agreed to.

Subsection (i) agreed to.

Subsection (j) agreed to.

Subsection (k) agreed to.

The Hon. Mr. McNab moved, That the first word be struck out, and the following words be inserted: "Upon the gazetted of the reduction roll it shall be the duty of each Registrar in whose district any of the land is situate to register the same against the title to the land by recording a memorandum that the land is subject to the Excess Estate Reduction Roll, and on."—Agreed to.

Subsection as amended agreed to.

Subsection (l) agreed to.

Subsection (m) agreed to.

Subsection (n).

The Hon. Mr. McNab moved, That the words "or lessee" be inserted after the word "owner" in line 20, and after the word "roll," in the following line, the words "of which he therein appears as the owner or lessee (whether alone or with any other person or persons)," also the word "lands" after the word "same" in the same line.—Agreed to.

The clause as a whole, as amended, agreed to.

The Hon. Mr. McNab notified the members that certain proposed amendments in some of the clauses would be supplied to them in the course of the day.

The Committee then adjourned.

THURSDAY, 27TH SEPTEMBER, 1906.

The Committee met at 10.30 a.m. pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Fraser, Greenslade, Hall, Jennings, Kirkbride, Laurenson, Lawry, Malcolm, Mills, and Witty.

Mr. Martin was also in attendance.

The minutes of the previous meeting were read and confirmed.

Consideration of the Land Bill was resumed at clause 12.

Subclause (1).

On the motion, "That the subclause stand part of the Bill," Mr. Fraser objected, and a division was called, when there voted—

For the motion.—Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Greenslade, Hall, Laurenson, Lawry, Malcolm, Mills, and Witty.—12.

Against.—Mr. Fraser.—1.

The motion was therefore carried, and the subclause agreed to.

Subclause (2).

Mr. Witty moved, That the following proviso be added: "Provided that the Minister and the owner shall agree as to the portion to be sold. If they fail to agree, then the question shall be decided by arbitration under section 79 of the principal Act."

This being opposed, a division was called, and there voted—

For the amendment.—Messrs. Bennet, Duncan, Flatman, Fraser, Kirkbride, Malcolm, Mills, and Witty.—8.

Against.—Hon. Mr. McNab, Messrs. Ell, Greenslade, Hall, Laurenson, and Lawry.—6.

On the question, "That the subclause as amended stand part of the Bill," a division was called, and there voted—

For the motion.—Messrs. Bennet, Duncan, Flatman, Fraser, Malcolm, Mills, and Witty.—7.

Against.—Hon. Mr. McNab, Messrs. Ell, Greenslade, Hall, Jennings, Laurenson, and Lawry.—7.

The Chairman then gave his casting-vote for the motion, which was consequently carried by 8 to 7.

Subclauses (3), (4), and (5) agreed to.

Clause as amended agreed to.

The Hon. Mr. McNab moved the insertion of the following words, after the word "be" in line 46: "paid to the Minister whose receipt shall be a sufficient discharge for the same, and shall be by him"—Agreed to.

Clause as amended agreed to.

Clause 14. Subclause (1).

On the motion of the Hon. Mr. McNab, the word "thereby" was struck out and the word "by" inserted instead.

Subclause (1) as amended agreed to.

Subclause (2) agreed to.

Subclause (3).

The Hon. Mr. McNab moved that the words "other than the portion sold by the Minister" be inserted after the word "estate" in the 11th line.—Agreed to.

Subclause (4) agreed to.

Clause as amended agreed to.

Clause 15. Subclause (1).

The Hon. Mr. McNab moved, That the words "the owner of" be omitted from line 21; the word "held" inserted after the word "land" in the same line; the words "or by a lessee is" after the word "simple" in line 22; the letter "d" substituted for the letter "s" in the following word; the striking-out of "the same or any part thereof" after the word "of," and the insertion of the word "gift" after the word "sale" in the same line; the striking-out of the word "disposition" and the insertion of the words "conveyance, gift, or lease" in line 23; the insertion of the word "donee" after the word "purchaser" in line 24; the insertion of the words "or lessee" after the word "owner" in line 26; the striking-out of the words "tenant or occupier" in the same line; the insertion of the word "rural" before the word "lands" in line 27; the striking-out of all the words after "New Zealand" in the same and following lines, and the following words substituted therefor—"the unimproved value ascertained as aforesaid of the unencumbered fee-simple of the whole of which exceeds fifteen thousand pounds."—All agreed to.

Subclause as amended agreed to.

The Hon. Mr. McNab moved the following new subclause as subclause (2):—

"Where a mortgagee becomes the purchaser of mortgaged rural lands at a sale under the direction of the Registrar of the Supreme Court, the instrument of conveyance may be registered without any such declaration as aforesaid; but unless the purchaser shall have absolutely conveyed away such lands within two years from the date of such registration, or shall have made such declaration, the registration shall become void of all purposes, and shall be cancelled by the Registrar."

Agreed to.

The Hon. Mr. McNab also moved that the number of the old subclause (2) be changed to (3).—Agreed to.

The Committee then adjourned.

FRIDAY, 28TH SEPTEMBER, 1906.

The Committee met at 10.30 a.m. pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Fraser, Greenslade, Hall, Jennings, Laurenson, Lawry, Malcolm, Mills, and Witty.

Mr. Martin, solicitor, was also present.

The minutes of the previous meeting were read and confirmed.

Consideration of the Land Bill was resumed at clause 15.

Subclause (1).

The Hon. Mr. McNab moved, That the following proviso be added at the end of the subclause: "Provided always that the word 'lessee' in this subsection shall not include the lessee or licensee of Crown lands, being pastoral lands, or pastoral-agricultural lands, or small grazing-runs."—Agreed to.

Old subclause (2), now subclause (3), of the same clause—15.

The Hon. Mr. McNab moved, That after the word "instrument" the following words be inserted—"and every instrument under section 11A"; and after the word "declaration" in the same line, that the following words be inserted—"or the declaration under section 11A (as the case may be)."—Agreed to.

The Hon. Mr. McNab moved, That the words "by the Registrar" be added after the word "cancelled" at the end of subsection (a) of the same subclause.—Agreed to.

The Hon. Mr. McNab moved, That the following additional subsection be added as subsection (c):—

"The declarations required by section 11A and section 15 shall, in the case of the Corporation, be made by the manager or other principal officer thereof."

Agreed to.

The Hon. Mr. McNab moved, That the words "satisfies the Court" be omitted, and the word "proves" be substituted in the proviso to subclause (b).—Agreed to.

The Hon. Mr. McNab moved, That the following be added as a new subclause:—

"(4.) Where a person satisfies the Supreme Court, upon motion, that he did prior to the commencement of this Act in good faith enter into a genuine and absolute contract for the purchase or lease of rural land, the Court shall order that the land so agreed to be purchased or leased shall not be taken into account in determining the value of the rural lands of which such person is the owner or lessee, and thereafter such person may make the declaration under subsection one of this section irrespectively of the value of the lands so agreed to be purchased or leased."

Agreed to.

Clause 16.

The Hon. Mr. McNab moved, That the clauses be struck out.—Agreed to.

Clause 17.

The Hon. Mr. McNab moved to insert the following subclause:—

"Settlement land shall be selected on the renewable-lease system and not otherwise."

On this being put a division was called for, and there voted—

For the subclause.—Hon. Mr. McNab, Messrs. Ell, Laurensen, Mills, and Witty.—5.

Against.—Messrs. Bennet, Duncan, Flatman, Fraser, Greenslade, Hall, Lawry, and Malcolm.—8.

The motion was therefore negatived.

The Chairman then put, That clause 17 stand part of the Bill.

This was negatived on the voices, and the clause struck out accordingly.

Clause 8, subclause (b).

The Hon. Mr. McNab moved, That the subclause be struck out.—Agreed to.

Clause 18 as amended was then put and agreed to.

The Hon. Mr. McNab moved, That the following be added to clause 19: "Nothing in this Act shall be deemed to repeal 'The New Plymouth Harbour Board Endowment Act, 1874.'"—Agreed to.

The Hon. Mr. McNab moved, That the schedule be struck out.—Agreed to.

The Committee then adjourned.

TUESDAY, 2ND OCTOBER, 1906.

The Committee met pursuant to notice at 10.30 a.m.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Fraser, Greenslade, Hall, Laurensen, Lawry, Malcolm, Mills, and Witty.

Mr. Martin, solicitor, was also present.

The minutes of the previous meeting were read and, after certain corrections, were confirmed.

Consideration of the Bill was resumed at the postponed clause 2 ("Interpretation").

The Chairman having put, That clause 2 be a clause of the Bill,—

The Hon. Mr. McNab moved to add the following:

"'Unselected' means not selected on the deferred-payment system, or for occupation with right of purchase, or on lease in perpetuity, or on perpetual-renewal lease."

Agreed to.

The clause as amended was then put and agreed to.

The Hon. Mr. McNab moved the insertion of the following clause, numbered 3A:—

"Out of the revenues derived from the lands hereinafter set apart as a National endowment there shall, notwithstanding anything contained in this Act, be continued to be paid or allowed to all local authorities or public authorities of every kind all such moneys, royalties, license fees, and other sums whatsoever as are directed by any Act to be paid or allowed to them out of the same revenues, and shall be paid the cost of surveying the said lands and of making roads and bridges thereon; and, moreover, sections seventy-three to seventy-five of 'The Local Bodies' Loans Act, 1901,' shall apply to those lands."

Agreed to.

The Hon. Mr. McNab moved the following new clause:—

“10A. In sections eleven to fifteen, if not inconsistent with the context,—

“ ‘Owner’ includes the person who, whether alone or with any other person or persons, is the owner of rural lands (whether mortgaged or otherwise charged or not) in fee-simple, but does not include—

In sections eleven to fifteen, if not inconsistent with the context,—

“(i.) A trustee as regards lands held for persons other than himself where neither his own total beneficial holding nor that of any of the beneficiaries (whether in each case held alone or with any other person or persons) exceeds the prescribed maximum value;

“(ii.) A person now entitled under any now existing instrument to land his beneficial estate in which is not now, or shall not within ten years after the coming into operation of this Act, become absolutely vested;

“(iii.) A person who shall, within the said ten years, become entitled under the will of any testator now deceased or any other now existing instrument to land his beneficial estate in which shall not become absolutely vested within the said ten years;

“(iv.) A person or Corporation holding for public, local government, educational, or charitable or religious purposes;

“(v.) The Public Trustee;

“(vi.) The Official Assignee:

“ ‘Fee-simple’ includes several interests equal in the aggregate to a fee-simple.

“ ‘Gift’ does not include a devise or bequest under a will:

“ ‘Lessee’ includes tenant; but is to be read subject to the exceptions made in the definition of ‘owner’:

“ ‘Rural land’ means land situated anywhere, save in a city or borough.”

Subsections (i), (ii), (iii), (iv), (v), and (vi) read and agreed to.

The remaining portion read and agreed to.

The Hon. Mr. McNab moved the insertion of the following new clause:—

“11A. (1.) Any person named in the provisional roll may apply by motion to the Supreme Court, alleging that his holding has been reduced to the prescribed maximum value; and the Court, on being satisfied that the allegation is true, shall order the removal of the applicant’s name from such roll.

“(2.) It shall be the duty of the Valuer-General to give effect to every such order.

“(3.) Notice of every such removal shall be gazetted forthwith.”

Agreed to.

The Hon. Mr. McNab moved the insertion of the following new clause:—

“11B. Every instrument of conveyance or lease by a person whose name is on the provisional list or on the provisional roll, as the case may be, shall have subscribed thereto or indorsed thereon a declaration by him that he has no beneficial interest under the instrument, and that no agreement or arrangement has been made under which he is to have any beneficial interest in the land conveyed or leased.

“Provided always that nothing in this subsection shall prevent such person from taking a mortgage for not exceeding two-thirds of the purchase-money upon a sale by him; but it shall not be lawful for such person, or for any person in trust for him or on his behalf, to become, under or by virtue of any such mortgage, the purchaser of the mortgaged land or any part thereof, whether under a sale by direction of the Registrar of the Supreme Court or otherwise, or to become, under or by virtue of such mortgage, the lessee (otherwise than in the capacity of mortgagee) of such land or any part thereof.”

Agreed to.

The Hon. Mr. McNab moved the insertion of the following new clause:—

“11C. (1.) Where a person named in the provisional list or the provisional roll dies, and under his will or intestacy any person becomes the owner or lessee of rural land the unimproved value of the unincumbered fee-simple whereof ascertained as aforesaid as on the date of his so becoming such owner or lessee exceeds fifty thousand pounds, every such person shall be entered by the Valuer-General on the provisional list, or, if the same has become the provisional roll, then, upon the provisional roll, in respect of such land.

“(2.) Such entry shall be gazetted, and shall be registered against the title to the land, and all the provisions of this Act relating to persons and properties entered upon the provisional list or the provisional roll shall apply to the case.”

Agreed to.

The Hon. Mr. McNab moved the addition of the following new clause:—

“17. (1.) Small grazing-runs shall be disposed of under Part V of the principal Act, and not otherwise.

“(2.) Pastoral lands and pastoral agricultural lands shall be disposed of under Part VI of the principal Act, and not otherwise.”

Agreed to.

The Committee then adjourned.

WEDNESDAY, 3RD OCTOBER, 1906.

The Committee met at 10.30 a.m. pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Fraser, Greenslade, Hall, Laurensen, Lawry, Malcolm, Mills, and Witty.

Mr. Martin, solicitor, was also present.

The minutes of the previous meeting were read and confirmed.

Consideration of the Land Bill was resumed, and the Hon. Mr. McNab moved the insertion of the following new clause:—

“3B. The like ‘thirds’ shall be payable to local authorities in respect of renewable-lease land are are by the principal Act directed to be paid in respect of leases in perpetuity, and for the like period.”

Agreed to.

The Hon. Mr. McNab moved the insertion of the following new clause:—

“14A. Where the Minister proceeds to sell any land entered upon the reduction roll as being held by a lessee, and not in fee-simple, he shall, notwithstanding anything contained in this Act, sell only the interest of such lessee under the lease or other instrument under which he holds the land, and the conveyance or transfer by the Valuer-General shall vest only such interest in the purchaser or transferee, but discharged from all mortgages, charges, claims, estates, or interests created by the lessee, or otherwise affecting the interest held under such instrument.”

Agreed to.

Clause 14. Subclause 3.

The Hon. Mr. McNab moved to insert the word “or lessees” between the words “owners” and “excess estate” in the subclause.—Agreed to.

The Hon. Mr. McNab moved to go back into the Bill for the purpose of considering the amendments of which he had given notice.—Agreed to unanimously.

The Hon. Mr. McNab moved the following amendments in clause 4, subclause (2): After “All such lands,” insert “and all settlement lands.”

On the question being put a division was called for, and there voted—

For the amendment.—Hon. Mr. McNab, Messrs. Bennet, Ell, Flatman, Greenslade, Laursen, Lawry, Malcolm, Mills, and Witty.—10.

Against.—Messrs. Duncan, Fraser, and Hall.—3.

The amendment was therefore carried, and words inserted accordingly.

The Hon. Mr. McNab moved the insertion of the following addition to clause 4:—

“(3.) All other Crown lands may be selected on the occupation-with-right-of-purchase system or the renewable-lease system, but not otherwise.”

Agreed to.

The Hon. Mr. McNab moved the insertion of the following new proviso to clause 5, subclause (5): “Provided that if the lessee shall within two months after being served by the notice by the Commissioner proceed to arbitration, then the time within which the lessee may elect to accept a renewal shall be three months from the publication of the award.”—Agreed to.

The Hon. Mr. McNab moved the insertion of the following new subclause to clause 8:—

“(6.) Subsections one to four of this section shall extend and apply to leases in perpetuity.”

Agreed to.

The Hon. Mr. McNab moved that the following new proviso to clause 12, subclause (2), be added after the subclause: “Provided that not more than one-tenth of the purchase-money shall be required to be paid on the sale, and the balance in annual instalments of not less than ten per cent.”—Agreed to.

The Hon. Mr. McNab moved, That after the word “Provided,” in the second proviso to subclause (2) of clause 12, the words “further, where the Supreme Court, on motion made under this section, declares that the excess estate is held in trust,” be inserted.

On the motion being put, a division was called for, and there voted—

For the motion.—Hon. Mr. McNab, Messrs. Bennet, Ell, Flatman, Greenslade, Hall, Laursen, Lawry, Malcolm, Mills, and Witty.—11.

Against.—Messrs. Duncan and Fraser.—2.

The motion was therefore carried, and the words inserted accordingly.

The Hon. Mr. McNab moved, That the following new proviso be inserted after subclause (2) of clause 15:—

“Provided always that where a mortgage of rural land is dated prior to the commencement of this Act, and the mortgagee has become the purchaser of the mortgaged land or any part thereof at a sale made under the direction of the Registrar of the Supreme Court, the instrument of conveyance may be absolutely registered if having subscribed thereto or indorsed thereon a statutory declaration by such purchaser that, to the best of his information, knowledge, and belief, the mortgage was executed prior to the commencement of this Act, and was given in good faith, and the transaction evidenced by the instrument of mortgage was a genuine one.

“The word ‘mortgagee’ in this subsection includes any person who, by transfer or otherwise, shall have become entitled to the mortgage debt.”

Agreed to.

Subclause (3) of clause 15.

The Hon. Mr. McNab moved the deletion of the word “such” in line 2 of the subclause, and the insertion of the words “under this section” after the word “instrument” in the same line; also, in line 3, the substitution of the word “the” for “such”; and after the first word “declaration” the insertion of the words “required by this section.”—Agreed to.

The subclause as amended was then put, and agreed to.

Mr. Bennet handed in the following notice of motion: “That the Committee recommends the House to delay the passage of the Land Bill so that the people may have an opportunity of considering its provisions (as amended by the Lands Committee) during the coming recess, and before it becomes law.”

On the motion of the Hon. Mr. McNab the Committee then adjourned.

THURSDAY, 4TH OCTOBER, 1906.

The Committee met at 10.30 a.m. pursuant to notice.

Present: Hon. Mr. McNab, Messrs. Bennet, Duncan, Ell, Flatman, Greenslade, Hall, Jennings, Laurenson, Lawry, Malcolm, and Witty.

The minutes of the previous meeting were read and confirmed.

Mr. Bennet withdrew the motion handed in by him the previous day.

Mr. Witty moved, That the Bill be reported to the House, with amendments, and that the minutes and evidence be laid on the table.—Agreed to.

On the motion of the Hon. Mr. McNab, the Chairman was authorised to sign the minutes of this day's proceedings.

MINUTES OF EVIDENCE.

WEDNESDAY, 19TH SEPTEMBER, 1906.

J. B. CONNETT, Chairman of the New Plymouth Harbour Board, examined. (No. 1.)

1. *The Chairman.*] The Committee believe you have come to give evidence with regard to the amount of the Crown-land sales set aside on behalf of the New Plymouth Harbour Board. Is that so?—That is what I am summoned for. I may say I had no idea that I was to be called on to give evidence of this sort, or I should have come prepared. What I can give you will simply be from memory. Fortunately, however, the Hon. Mr. Kelly is present. He was the first Chairman of the Board, and is familiar with whole thing from the start. I can speak as to the position of the Land Board. I was a member of the first New Plymouth Harbour Board. I was in the Provincial Council when the Bill was passed through the Council.

2. Will your proceed, please?—I will give you information as far as I can, and leave the details to Mr. Kelly, who has everything at his fingers' ends. I will deal with the present position. I have here the figures showing the land revenue we have been getting for the last fifteen years. I may say that it has been gradually going down, owing to various alterations in the land laws of the colony. As you are aware, the tenure was all freehold, then the leasehold system was adopted, and latterly the Swamp Act has interfered very considerably by giving the settlers four years rent-free. The revenue now is £3,000. That is the lowest amount I think that we have ever had. I may say, however, that the Swamp Lands Act simply affects the revenue for the time being; it will come in later on, when the rents begin to come in. It has meant a sudden drop for us for a time. I think, however, we can fairly reckon that, if the sales go on, we should get at least from £3,000 to £4,000 a year.

3. *Mr. W. Fraser.*] You mean from land?—Yes. I may say that 25 per cent. of the land revenue is applied to this purpose, and goes towards the payment of interest on the loan. The balance has to be made up by striking a rate. Last year there was a rate struck for rather more than was required, so this year a farthing rate will meet it, with the balance that was brought forward.

4. *The Chairman.*] How much was the rate last year?—Five-sixteenths of a penny, and three-eighths the year before. It will probably go up to five-sixteenths again next year. I think the farthing rate will bring in between £8,000 and £9,000. Twelve thousand pounds has to be raised, and there are certain expenses, which brings the amount up to about £12,600. I do not know that I had better go into other points in connection with the matter. As I have said before, Mr. Kelly is in a better position to give you particulars. If there are any questions you would like to ask I am prepared to answer them to the best of my ability.

5. *Mr. Bennet.*] What is the area of your endowment?—I could not say. It embraces pretty well most of the Taranaki District—not all of it, but the greater part. Perhaps Mr. Kelly could acquaint you with the area.

6. *Mr. Flatman.*] Has any other alteration affected your Board other than the Bush and Swamp Lands Act?—That does not affect us except for the time being. We shall get the money when it comes in.

7. But is there any alteration that affects you besides that?—It affects us in this way: if the land is leased we do not get the money just as we should if the land were sold. It affects the revenue for the time being.

8. *Mr. Mills.*] You mentioned £12,500, I think: Is that for this current year, or is it what you expect to get from rating?—No; the land revenue this last year is the lowest we have had, and it has been about £3,000. The reduction has to a certain extent been caused by alteration of the land law—letting of the land for four years rent-free. Another thing that has caused it is the Government being anxious to lease rather than sell the land, and allowing the people who take it up to pay only 4 per cent. instead of 5, as they would do if they purchased the land.

9. What does the £12,500 relate to?—That is the interest on the £200,000 loan. Twelve thousand six hundred is, I think, the amount it really takes. The loan matures in about two years from next May.

10. *Mr. W. Fraser.*] Have you read this Bill?—I have not gone carefully through it.

11. Are you familiar with the endowment part of it?—No. I asked several members of Parliament, and as they were not quite clear upon it I was anxious to find out what the effect would be.

12. You cannot tell the Committee, then, what the effect of passing clause 3 of the Bill would be upon the endowments of the New Plymouth Harbour Board?—As I say, I have asked several members of Parliament, and they could not be quite certain, so I would not profess to say what it means. The only thing is, I want to be very careful we do not lose our endowment.

13. Is there much of the land which yields this revenue that has not been selected?—Yes, a large portion.

14. *Mr. Witty.*] Am I to understand that you get 25 per cent. of the cash received from all lands that are sold?—Yes, in the harbour area. Of course, it does not take in all the Taranaki Province.

15. Do you get 25 per cent. of the rents as well?—Yes.

16. *Hon. Mr. McNab.*] If in this Bill, whatever its meaning is, a clause were inserted stating that it was not to affect any reservations already made, that would suit you, would it not?—Yes. A clause of that sort has been in every Bill. I should say that would meet the case.

17. *Mr. Laurenson.*] You say you get a quarter of the money that is received from the sale of Crown lands and a quarter of the rents from Crown lands?—Yes.

18. Well, then, supposing the land was not sold and you continued to get the rents, you would really receive the same money, only you would get it spread over a longer period?—Just so.

19. It would be no loss to the Harbour Board eventually—it would only mean that the money would come in to you in smaller amounts and be spread over a longer period?—That is so. That is simply the way it is now.

20. You really mean this: when the leases came to be renewed at the increased valuation, the Harbour Board would eventually be in a better position under the leasing system than under the selling or freehold system?—That is looking a long way ahead.

21. I admit that, but eventually it would be so, would it not?—The value of the land may not rise as much as some people anticipate.

22. *Mr. Lawry.*] Was the revenue that you received from the lands part of the security that you pledged to the British bondholder?—It was the first security that they had. The second was a rate by means of which the interest was to be made up—a rate up to $\frac{3}{4}$ d. in the pound.

23. *Mr. Laurenson.*] You have no idea of how much land there is yet for sale in the district you are interested in?—I think you can get that from the Department better than I can give it.

24. When that land is sold then, your revenue from that source will cease?—Just so. Our revenue, however, is increasing with the earnings of the port. In the last few years it has increased from £4,000 to £9,000.

25. That is from wharfage and other charges?—I have here the land revenue for fifteen years, if it is necessary to give it. The revenue was £9,600 last year. In 1890 it was only £8,100. So you see if we could get the immediate benefit it would be more advantageous to us than to get the benefit in ten or twenty years' time.

26. *Mr. Lawry.*] Your rating-area does not cover, I understand, the whole of Taranaki?—No, not quite.

27. You have no rating-area south of Waimongora?—The Waimate Plains are in it.—Hawera is not in it.

28. So that your rating-area does not cover more than half the Province of Taranaki?—Oh, yes, it does.

29. *Mr. Laurenson.*] The security for your bondholders was the endowment?—Yes.

30. When the endowment is sold out under the system of selling it, what security will the bondholders have then?—The rate. The farthing rate brings in between £8,000 and £9,000. The ratepayers are liable for a three-farthings rate if necessary, so there is ample security now, although there was not in the early days.

31. You would still have security over the land if it were an endowment leased and not sold—you would have really a better security than if you were selling the land?—I do not think there is any doubt at all at this stage about the security.

32. *The Chairman.*] You are getting no rates at all from the waste Crown lands—you begin to get your revenue when the land is operated on, either in the way of lease or sale?—That is so. Until it is dealt with we get nothing from it.

33. The sooner it is leased or sold the better for the Harbour Board?—That is so.

34. *Mr. Flatman.*] Then, the Bush and Swamp Lands Act must be in your favour?—No.

35. Oh, yes?—Well, in the long-run it may be. Of course, seeing that there are no roads, it is; but if there were roads, the people would not want four years rent-free. I might point out that the Swamp Act applies to other land as well as swamp land. In the case of swamp land it is four years that is allowed rent-free, and in the case of other land it is three and two years.

36. It is land that probably would not be taken up but for the Bush and Swamp Lands Act?—That may be.

Hon. T. KELLY, M.L.C., examined. (No. 2.)

37. Perhaps, Mr. Chairman, I had better make a short statement of the history of this liability on the land revenue. The authority was first given by the New Plymouth Endowment Act of 1874, which was passed by Parliament to enable the Provincial Council to set aside lands in the province for the purpose of endowing a harbour that was proposed to be built. Under the authority of that Act the Provincial Council met and passed an Endowment Ordinance in 1875, which devoted one-fourth of the land revenue of the Province of Taranaki to harbour purposes.

38. *Mr. W. Fraser.*] One-fourth of the land revenue of the whole province?—Yes. When the abolition of the provinces took place, provision was made in the Abolition of Provinces Act of 1875 for securing this endowment. Then, again, in the Financial Arrangements Act of 1876 a clause was inserted reserving the endowment, and in subsequent Acts of 1877 and 1878 similar provision was made. I will quote the clause that covered this endowment. In the 1876 Act, clause 12 reads: "Nothing in this Act contained with respect to the appropriation or division of the Land Fund shall be deemed to alter or affect the liability of the colony to the public creditor, or to affect any permanent appropriation of or charges upon such revenue under any law in force in the colony." That effectually preserved to the New Plymouth Harbour Board its endowment, and other endowments of a similar character whatever they might be throughout the colony. Under these several Acts the revenue has been preserved. The only alteration that has been made was in an Act of 1877—"The New Plymouth Harbour Board Ordinance 1875 Amendment Act, 1877." That Act stated that the land revenue was to be applied absolutely to paying interest

and sinking fund on the loan, and to nothing else. The Board had power of rating over the provincial district as far south as the Waingongoro River, near Hawera; that was the division-line. That was an agreement made in the Provincial Council with the members who represented Hawera and Patea. They consented to this Harbour Board Ordinance on the understanding that their end of the province would be cut out of the rating-area, and the Council agreed to that, but over three-fourths of the province the rating-power still exists. As the Chairman has informed you, the rate was first $\frac{3}{4}$ d. in the pound, and now it has been reduced to $\frac{1}{4}$ d. I think that is briefly the history of this endowment. I shall be happy to answer any questions you may put to me.

39. *Mr. Flatman.*] Has a sinking fund been established?—Yes.

40. What amount of money has accrued under that sinking fund?—I think it is now about £50,000.

41. On a loan of £200,000?—Yes. The total worth of the fund on the 30th September, 1905, was £34,322, the sum of £49,600 being represented by New Plymouth Harbour Board bonds in the hands of the Commissioners, and £4,733 bearing interest in the Bank of New Zealand.

42. *Mr. Connett.*] I may say that 1,800 pounds' worth of bonds has been bought quite recently. As the rate of interest is 6 per cent., we cannot do better than buy them up with the money we have.

43. *Mr. Malcolm.*] Was the Hawera district ever in the area from which you draw revenue, Mr. Kelly?—The whole of the province is in the area we draw land funds from, but not in the rating-area. There are two distinct areas.

44. You still draw revenue from the whole of the province?—Yes, land revenue.

45. That is to say, any land leased or sold you get your 25 per cent. of?—Yes.

46. Including the Hawera district?—Yes.

47. I understood you to say that the whole of the revenue derived from the sale or lease of land must be devoted to the payment of interest?—Yes, interest and sinking fund.

48. You have a sinking fund by means of which you hope to wipe out these loans?—It is supposed to amount to, I think, about £60,000 at the time of the loan becoming due.

49. Then, in the event of the loan being redeemed, does the engagement to provide you with that 25 per cent. of the revenue cease?—Oh, no; it continues. The loan will not be extinguished. We shall have to borrow money to pay the balance of it—£140,000.

50. This revenue is to be devoted to the payment of interest on any loan?—Yes.

51. Not just on the loan in existence?—No.

52. So that this undertaking to provide you with 25 per cent. of the revenue is an engagement for all time?—Yes, so long as any loan exists. When the loan terminates, in about two years' time, it will mean a great saving to the Board, for money can then be borrowed at $4\frac{1}{2}$ per cent., and £60,000 will be struck off the amount.

53. You will be floating a fresh loan probably?—No doubt, to pay the £140,000 with.

54. In the unlikely event of your not finding it necessary to float any fresh loan, will this engagement to hand you over 25 per cent. of the revenue cease?—That is a question for the lawyers. It can only be applied at the present time, by law, to the payment of interest and sinking fund.

55. *Mr. Ell.*] Then it would be to the advantage of the Harbour Board if there were more land leased and you got more revenue therefrom?—The only advantage to the Board would be that they would be certain of having the money with which to pay interest and sinking fund.

56. You said that you have 25 per cent. of the revenue when the land is leased or sold—you get 25 per cent. whether it is from rent or cash sales?—When the land is sold we get one-quarter of the proceeds, or if it is leased merely one-fourth of the rent.

57. You get one-fourth of the rent or the capital value?—Yes.

58. Then if the rent increases from the land leased you will get more revenue from it?—Oh, yes.

59. *Mr. Kirkbride.*] Will you give us your opinion as to how this clause 3 in the Bill would affect the position of the New Plymouth Harbour Board?—Well, the operation of this clause would simply be to take all these lands that are now Crown lands for sale and lease under the Land Boards—to take them out of that category and set them aside as endowments; and, so far as that goes, it would simply sweep away all the claims the Harbour Board has to a fourth of the land revenue.

60. It would therefore sweep away this 25 per cent. of the land revenue, which is an endowment of the Harbour Board?—There is no doubt about that—unless there is a saving clause put into the Bill, as there usually is in these Land Bills which affect endowments.

61. *Mr. W. Fraser.*] In answer to a question put by Mr. Ell, which I do not think you quite understood in the way he put it, you stated that the Harbour Board would get a larger revenue if the rents were increased by-and-by than you would if the land were sold?—I understood him to say that if the rent increased the Board would get an increased revenue.

62. No, it was in contradistinction to the sale of land?—I did not understand that. The fact of the matter is simply this: it would not materially affect the Board, whether the land is sold or leased, ultimately. If it is sold, of course, we shall get an immediate and larger revenue, while if it is leased we shall get the revenue for a longer time.

63. Can you not rate upon leased lands as well as sold lands?—Oh, yes.

64. Very well. Twenty-five per cent. of the capital value will be greater than 25 per cent. of the rental?—Yes.

65. Then your rates will be just the same, because you will get them from the sold land as well as from the land leased?—The rate depends on the value of the land, yes.

66. *Mr. Laurensen.*] What is the total revenue of the New Plymouth Harbour Board, in round figures?—The Chairman of the Board could tell you that better than I can.

Mr. Connett. I can give the revenue for different periods, if you like.

67. *Mr. Laurenson* (to *Mr. Connett*).] What was it last year?—£9,600.

68. Is that the total revenue of the Board?—Yes.

69. How much of that sum did you derive from your rate of $\frac{1}{4}$ d. in the pound?—I thought you meant the earnings of the port. I misunderstood you.

70. What do you get from your rates?—We have been spending this revenue to keep the port going and to further improve the accommodation.

71. But what do you get from your rates?—I told you just now that the farthing rate produces about £8,000.

72. And then you get £3,000 from the sales and rents of Crown lands?—Yes; but I said previously that we had a certain amount brought forward last year which enabled us to reduce the rate. A farthing rate would not cover it otherwise.

73. Of that £3,000 that you got from the sales and rents of Crown lands, how much did you get from rents, and how much from sales? Can you give that information?—No.

Hon. Mr. T. Kelly: We could supply it.

74. *Mr. Flatman* (to *Mr. Connett*).] I understood you to say just now that the total revenue of the Harbour Board was £9,600?—That is the earnings of the port, irrespective of rates and rents.

75. *Mr. Witty*.] The total revenue is about £20,000?—The earnings of the port are £9,600. That is spent on the port. Then we have to raise £12,600 by means of land revenue and rating. If we have only £3,000 land revenue we have to get the other £9,000 by means of a rate. The revenue would be about £20,000 altogether.

E. M. SMITH, M.H.R., made a statement. (No. 3.)

Mr. Smith: Mr. Chairman and Gentlemen,—The reason why I have asked to be heard on this occasion is because Mr. Connett and Mr. Kelly have omitted the most important point in connection with this matter. They were asked what effect this Bill would have upon the New Plymouth Harbour Board's endowment. Now, the Bill, as I read it, proposes to deal with these lands in the future for education, charitable aid, and old-age pensions, and if that proposal were given effect to the Harbour Board would lose the endowment, unless a provision were inserted in the Bill stating that the Board should still receive one-fourth of the revenue from the sale or lease of Crown lands. As the Bill is drafted the Board would lose the endowment. There must be a proviso put in to protect the Board. Of course, if the land were leased they would have the 25 per cent. just the same; but, as I say, unless provision is made in the way I have indicated, the Board would lose the endowment.

Mr. Connett: I might just give the Committee the correct figures—I have them here—as to what the rate produces. Last year it was $\frac{5}{4}$ d. in the pound, and it produced £10,083. So that, seeing the total amount of interest is £12,600, there is ample security for the bondholders.

WILLIAM C. KENSINGTON, Under-Secretary for Lands, examined. No. 4.)

Witness: I understand you want from me, Mr. Chairman, a statement of the lands that are left in the Taranaki District and that would be subject to the Taranaki Harbour Board rate. I should like to state first that I am still of the opinion which I gave hurriedly yesterday, that this Bill would not affect the position of the Taranaki Harbour Board in connection with this National Endowment Fund. The Financial Arrangements Act, to which reference has been made, secures to everybody affected by it their revenue. This Bill does not repeal that Act, and it is subject to all the provisions of the Land Act. I still hold that the income arising from all these lands that were set apart would have to be paid into a special fund, called in the Bill "The National Endowment Account." That would be paid in, less the portion that is payable to the New Plymouth Harbour Board under a special Act, which is not repealed. That is my opinion still. I think the Board would still receive under this Bill the 25 per cent. of the rents, because there will be rents only if the Bill pass. The whole position of the Taranaki Harbour Board is shown in a report which was laid on the table of the House in Session II of 1891. The report is marked I.—8. As far as I understand, the Committee wish simply to know, supposing I am wrong in my assumption and that the land revenue is not secured to the Board, what revenue they would lose if the whole of the income from the lands that are left in the Taranaki Land District went into the National Endowment Fund. Is that the position, Mr. Chairman?

76. *Hon. Mr. McNab*.] That is a fair question?—The position at the present day is this: The total area of the remaining Crown lands in Taranaki at the present time—this statement was got out this morning, so it is pretty well up to date—is 113,194 acres. Supposing we take the capital value of that land at £84,137—personally, I do not think it would realise that, for a good deal of it is worth only from 5s. to 7s. 6d. per acre—

77. *Mr. Lawry*.] It is not worth anything at all?—Well, we have had a revaluation made lately of a good deal of that land, and land which we had valued at 10s. and 15s. an acre the Government Valuers have come to the conclusion is not worth more than 7s. 6d., and some of them would put it at a lower figure. I have, however, taken the value of this particular land at 14s. an acre. Supposing we take the capital value of the land which is left at £84,137—

78. *Hon. Mr. McNab*.] How much is that an acre?—Roughly, about 14s. Supposing, as I say, we take the capital value of the remaining land at £84,137—which is an outside value altogether—and supposing we take 5 per cent. on that capital value—that is, the leasing-value of the land as defined in this Bill—that would give us an annual rental of £4,206. If we take the quarter due to the Harbour Board under the Financial Arrangements Act, that would give them a yearly income from this land of £1,051. That is the extreme amount of revenue the Harbour Board could expect to get from the Crown lands that are left unleased or undisposed-of in the

Taranaki District at the present date. I mention this because Mr. Jennings, I think, said yesterday that the Board would lose the revenue of about £3,000. Well, the utmost revenue the Board could lose, supposing the contention that the Bill would not secure to the Harbour Board its percentage of these rentals, would be about £1,000 a year.

79. *Mr. Jennings.*] That, though, is since a revaluation has been made?—I beg your pardon. I have taken these lands at extreme values—at about 14s. an acre. I say the utmost amount the Board could lose would be about £1,000 a year.

80. *Mr. W. Fraser.*] How about the rating?—That is another question altogether. We have nothing to do with that.

81. *A Member.*] It is not an endowment?—I would like to explain that point, as you have raised the question. It is not a Harbour Board endowment given in the same terms as endowments to various other Harbour Boards. They obtain an endowment of land, which is vested in them by certificate of title, and they lease it themselves. By the 1874 Act, applying to this case, it was provided that from all Crown lands left in the Taranaki District, until they were exhausted, the Harbour Board should get this 25 per cent. Of course, so long as the lands are leased that 25-per-cent. provision will go on, until (as one member said) the question will arise for the lawyers to decide whether it shall go on after that or not.

82. *Mr. Flatman.*] I should like to know how Mr. Kensington reconciles his argument with subsection (4). He says that the money would be paid into the National Endowment Account. Well, subsection (4) says that moneys paid into that account shall be applied for the purposes of education, hospitals and charitable aid, and old-age pensions?—When the money is paid into the Endowment Account it will be applied as indicated in the clause; but my contention is that we shall pay into that fund the rentals derived from all the land, less that portion of them which is secured by a special Act to the New Plymouth Harbour Board.

83. *Mr. Laurensen.*] That Act, not having been repealed, is still operative?—Yes.

84. *Mr. Malcolm.*] That is the Financial Arrangements Act of 1876?—Yes; and, of course, we must remember that this Bill has to be read with the Land Act of 1892—it says so distinctly—and under the Land Act of 1892 this arrangement was still continued for the benefit of the Harbour Board.

85. Could that possibly mean that the Bill was to be read in conjunction with the Act of 1892 only?—Of course, it distinctly states that it does not apply to revenue under the Land for Settlements Act.

86. The point I want to bring out is whether the Financial Arrangements Act necessarily overrides the clauses of this Bill. Must this Bill be read with that Act?—I would go still further. I would say that the 1874 Act, giving special moneys to the Harbour Board as security for the debenture-holders, stands. It overrides everything, in my opinion.

87. Until it is directly repealed?—Yes.

88. I suppose you cannot inform us offhand what areas of Crown land in the Taranaki District are producing no revenue?—Those are the areas I have just given to you. I can give you more particulars if you like.

89. I do not quite follow that last remark. The areas you mentioned are producing a revenue of £1,000 a year?—All the Crown lands at present leased are producing revenue, and a quarter of that revenue is paid over to the Board. There now remained in the Taranaki Land District undisposed-of Crown lands of the area which I read out—that is, 113,194 acres—that is producing no rental at present.

90. You are only giving us what might be the rental?—Yes.

91. I take it, then, that these lands are producing no revenue simply because——?—Half of them are in process of survey for leasing now.

92. Also, I suppose, they are not opened up in any sense of the word?—A good deal of that land, of course, is very broken and will not be taken up for many years yet.

93. But part of it is not available for occupation?—It is at present under survey, I think. We have now open, as advertised in the Land Guide, and it can be selected to-morrow, 76,294 acres, the capital value of which is £65,696.

94. That would leave 36,900 acres still unavailable?—Yes, that is about it.

95. The point I am trying to make is this: It is hardly fair to say that the Harbour Board would lose only £1,000 a year when, as a matter of fact, a considerable area of the lands from which the Board draws revenue is not yet available for occupation?—There, again, I do not think you have quite grasped the position I have laid down. The argument adduced yesterday was that if this Bill became law the Taranaki Board would lose its 25 per cent. of the rental from all the lands that are unused at the present moment, and I was trying to show you that if the Bill did have that effect their loss would be not £3,000 a year but about £1,000.

96. You imagine then that these lands could not within, say, twenty-five years be of any greater value than you have estimated?—Supposing you leased them for sixty-six years, they would produce a revenue of some £4,000 a year, of which a fourth would be due to the Board. What I have brought out is that if you leased the whole of these lands to-morrow for sixty-six years at 5 per cent. they would produce a rental of only £4,206, of which a fourth would go to the Board.

97. That is, at a value which you are confident does not belong to the land?—I have taken the value at a high level on purpose.

98. The idea running in my head is this: There are considerable areas of Crown lands which to-day, or in the near future, may be more or less valueless; but as roading is carried on and the country generally is opened up these lands might, before they are disposed of either by way of lease or sale, become fairly valuable?—My answer to that is that I think I have taken that value into consideration.

99. *Mr. Jennings.*] Where are these lands in the Taranaki Provincial District?—They are

scattered all over the provincial district. They are small areas. The largest areas will be in Clifton and Stratford Counties, and in what is known as the new County of Waitomo.

100. Do you consider those lands in the Waitomo County to be as valueless as you say?—I said I was taking the value of the land all over the provincial district. In the Waitomo County and the Ohura Valley there are very nice lands indeed, but I do not think those are worth more than 12s. to 14s. an acre at the outside.

101. There is a doubt in the minds of most members of this Committee—as well as the people in Taranaki—as to the probable effect of subsection (4) of clause 3. Do you think that to set aside that doubt a proviso should be put in granting the exemptions that are claimed by the people?—I think I may suggest to the Committee that Mr. Martin, the solicitor, is here to advise it. His opinion perhaps might be taken, and it would be of more value than mine on such a point as this.

102. What do you think would be the total revenue that would accrue to the Harbour Board from these 113,000 acres?—I reckon the total annual revenue to the Board would be £1,000 a year at the outside.

103. Then supposing the provisions of the Bill brought into effect, what would be the revenue for the National Endowment Fund?—The National Endowment Fund would get £4,206, less £1,051. That is the position.

Hon. Mr. McNab.] I may say that we do not think the Bill will have the effect which is feared; but if there is any doubt at all in the minds of members of the Committee amendments will be put in to remove that doubt.

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