

1910  
NEW ZEALAND

# LANDS COMMITTEE

(REPORT OF THE) ON THE PETITION OF W MUNN AND OTHERS AND NINETEEN SIMILAR PETITIONS; TOGETHER WITH MINUTES OF EVIDENCE.

(HON. MR. T Y DUNCAN CHAIRMAN.)

*Report brought up on the 13th September, and ordered to be printed.*

## ORDER OF REFERENCE.

*Extract from the Journals of the House of Representatives.*

THURSDAY, THE 7TH DAY OF JULY 1910.

*Ordered*, "That a Committee be appointed, consisting of ten members, to whom shall stand referred after the first reading all Bills affecting or in any way relating to the lands of the Crown, or educational or other public reserves; the Committee to have power to make such amendments therein as they think proper, and to report generally when necessary upon the principles and provisions of the Bills; the Committee to have power to call for persons, papers, and records; three to be a quorum: the Committee to consist of Mr. Anderson, Hon. Mr. T. Y. Duncan, Mr. Ell, Mr. Forbes, Mr. Guthrie, Mr. Hogg, Mr. Lang, Mr. Lawry, Mr. Witty, and the mover."—(Right Hon. Sir J. G. WARD.)

## REPORT

No. 86 (1909).—Petition of W MUNN and 11 Others, of West Oxford, and 19 similar Petitions as per Schedule attached.

PETITIONERS pray for payment of "thirds" from Crown land conveyed to the Midland Railway Company, or, in the alternative, for a full investigation of the claims of the local Road Boards by a Royal Commission or a Committee of the House of Representatives, with power to finally determine the rights involved.

I am directed to report that the Committee considers that the petitioners have no claim to any portion of the Land Fund, but, under the special circumstances of the case, would recommend that the Government have an inquiry made into the circumstances of the various local bodies in the district covered by the petitions, with a view of making a reasonable grant for roading the back portion of their districts.

The minutes of evidence are attached hereto.

13th September 1910.

T Y DUNCAN, Chairman.

## SCHEDULE.

1909.

- No. 87.—W Berry and 115 others.
- " 88.—E. Butcher and 49 others.
- " 89.—J Cameron and 29 others.
- " 90.—J W M. Cox and 27 others.
- " 91.—J Dodson and 44 others.
- " 92.—O. T. Evans and 8 others.
- " 93.—M. Fitzgibbon and 48 others.
- " 94.—H. T. Mathews and 49 others.
- " 95.—W McGowan and 51 others.
- " 96.—R. McIntosh and 38 others.

1909.

- No. 97.—E. Pepper and 29 others.
- " 98.—F. S. Rhodes and 41 others.
- " 99.—H. Smith and 12 others.
- " 100.—J T. Taylor and 8 others.
- " 101.—J. Waller and 49 others.
- " 102.—W White and 21 others.
- " 103.—G. H. Wright and 21 others.
- " 104.—J R. Youngman and 38 others.
- " 375.—J McTaggart and 109 others.

## MINUTES OF EVIDENCE.

WEDNESDAY, 3RD AUGUST, 1910.

*Mr Forbes* There are a number of gentlemen here who have come as witnesses from the local bodies to place their representations before the Committee. We have heard the report of the Department in connection with the claim, and these gentlemen will present their side of the question. The Lands Department say that it is a matter of law. I understand that it is the function of a parliamentary Committee to report as to the equity of a matter placed before them. If there are legal difficulties, these do not prevent them from arriving at a decision in the interests of justice. These gentlemen will give evidence in support of their claim for just consideration. The petition asks that the matter should be referred to arbitration, and I think that is the consensus of opinion among the local bodies—that they would be quite willing to submit to a decision arrived at by arbitration. It is a grievance of very long standing. The last of the land on which thirds were due was alienated in 1896—fourteen years ago—but ever since then there has been an agitation going on for the payment of these thirds. I will not go into the details of the matter because they will be dealt with fully by the witnesses, who are now ready to give evidence.

JOHN O'HALLORAN, Chairman of Local Bodies called to consider the Question of thirds, examined.  
(No. 1.)

*Hon. the Chairman* We shall be glad to hear you.

*Witness* On the formation of road districts in Canterbury the Road Boards were given a statutory interest in the proceeds of lands within their areas for accepting the responsibilities of roading them. I was in the Ashley district before it was a road district. Two men came there from a very long distance to road it, and the expense of sending them up and withdrawing them was a very considerable item, and very little work was done when they came, so it was decided to form the Ashley Road Board. The Road Board was formed, and under the statutes under which we took the responsibilities of roading there was a provision giving us 25 per cent. of the Land Fund. We took the responsibilities of roading that district on that understanding, and on that understanding alone. That was the position, that when the land was sold 25 per cent. of the proceeds was placed to the credit of the Road Board, and the Road Board had the responsibility of roading the area within its district. As far as we are concerned that position has never been disturbed by us. We have had the responsibility. We are roading all the time as far as we can raise funds. That state of affairs remained until the Stout-Vogel Government made the Midland Railway reservation. The making of the reservation did not disturb our position, and we kept on working away roading our district. It was to our interest to road it, because as we did so people came in and took up land, and we got 25 per cent. of their purchases. Well, this reservation was made, and out of upwards of 200,000 acres in our area possibly 75,000 acres were bought, and on that 75,000 acres at £2 an acre the amount would be £140,000. On that, fourths were about £35,000. We built eight or ten thousand pounds' worth of bridges. We were developing right and left, believing that no authority or Government would allow our first arrangement to be broken through, or our percentage of the revenue from the lands to be interfered with without our knowledge. Well, the railway was pushed on and the purchases were stopped. The land could not be sold, and consequently our funds remained at a standstill. This 25 per cent. was for roading. The rates were for maintaining the roads. The rates are now only able to meet maintenance. Our population has not increased for the last twenty years, and we attribute all this trouble to the stoppage of the thirds (or fourths). Mr Seddon said that Parliament took our thirds. He declared that in 1899 to a deputation, and it is in the records of the House. Parliament, he said, took our thirds, and he had no objection to our getting them back if Parliament thought proper. If Parliament, when they made the reservation of all these lands, had taken the responsibility of roading them, or had given us a fair proportion in the Crown lands that they reserved, the bargain would have been broken, but broken fairly and honourably. But they did not ask our consent at all when they were making the reservation. We had a one-fourth interest in the lands that they reserved for the railway company, and Parliament not only gave its own interest away but also our one-fourth interest. This we think they had no right to do. Without our consent being obtained, Parliament withheld the money for our roading, and gave it over to the Midland Railway in order to cheapen that railway for the rest of the colony, and Parliament left us the responsibility in connection with the roads, which responsibility has been crushing us ever since. Our population has decreased, the progress of the district has been hindered, and our cultivation now is twenty-five miles nearer the centre than it was in those days. In May 1896, the Hon John McKenzie said that no cash was received for the lands that went to the Midland Railway Company, and there was not any to give. The question is, was our consent as a local body given? We had a third or a fourth claim to the lands. Our consent was neither asked nor given; so that interest in the lands was actually confiscated, and the responsibility of roading was left to us. In November, 1896, Mr. Seddon came to the Water-supply Board, and it was understood that we should not get thirds from him without the consent of the Cabinet. He

undertook to place the matter before Cabinet, and he did so, and Mr Barron, for the Minister of Lands, wrote saying that no money was received and there were no thirds to come; but he trusted the benefits to be derived from the railway would be sufficient to compensate the local bodies for the loss of the thirds. Now, sir, the railway is not in our area at all. You cannot see that railway from the tops of our highest mountains, 5,000 ft. high. Yet we, a little corner in the Ashley County, have to make a railway that does not touch our district, and we are alone in this. Parliament—the men of Auckland and Southland—voted our lands away, and left us to pay for a railway that would benefit Auckland and Southland as much as ourselves. We are satisfied as colonists to pay our share towards the railways of the colony, but we are not satisfied to pay a special rate for a railway we cannot see. Why should that little corner of the Ashley mountains pay for that railway, when the rest of New Zealand goes scot-free? We consider that a grievance, and if Parliament says we must abide by it we feel it is very hard indeed. It is introducing the betterment principle without our being bettered. Mr Barron also said, for the Minister, that only local bodies having control of roads could get thirds, that there was no thirds revenue derived from the disposal of the lands, so none was payable. They all admit that the thirds would be payable to us if the land were sold under the ordinary Act. In 1902, under the present Chairman, who was then Minister of Lands, Mr Marchant as Surveyor-General supplied a statement that if the lands were sold under the ordinary Land Act, thirds and fourths would undoubtedly accrue in respect of some of the lands. Now, why were not the lands sold in the ordinary way? Were we a party to it? If we were we do not deserve anything. But nobody can show that our consent was ever obtained or asked. A legal opinion was then obtained from Mr. J. B. Fisher, of Garrick and Co., who said that we had a good case if we chose to go to law. Well, I, for one, would never consent to go to law with the Government. We thought that if our case was put fairly before Parliament, Parliament would give us redress. The Act of Parliament under which we took the responsibility of roading—passed before the abolition of the provinces—that is the basis of our claim. We never consented to any alteration of that Act. Parliament, of course, could override us if they wanted to, but was it just that Parliament should take away the revenue provided for our roading without consulting us at all? In the North Island Main Trunk Railway Act there is a subclause—133—safeguarding the interests of the local bodies, through whose territory the railway passes, with respect to thirds and fourths. But our interests were not safeguarded by Parliament in that way. We think that that was an oversight of Parliament.

*Hon. the Chairman* Was it not as much an oversight of yourselves?

*Witness* We did not know of it.

*Hon. the Chairman* You had a representative in Parliament?

*Witness* It was not his business. The Ashley County never had a man in Parliament of its own. It is only a corner of a big district, and we have not been treated as worthy of consideration, except by our present member, because the population is so small. But I maintain that members of Parliament had no right to interfere with the local bodies in the way of disturbing their finance. On the 9th August, 1899, a deputation discussed the position with Mr Seddon at Wellington. Mr Rolleston, one of the deputation, said that one of his reasons for objecting to the contract with the Midland Railway Company had been that they were making payment in land, which unjustly and injuriously affected the local bodies in the direction represented by the deputation.

*Hon. the Chairman* Where is that recorded?

*Witness* In the memorandum for Cabinet that Mr Seddon's reporter wrote. It is evident from Mr Rolleston's remarks that the Stout-Vogel Government, in making these reservations, were not influenced by any desire to conserve the statutory rights of the local bodies. I do not think that Parliament ever meant to disturb us to the extent they have disturbed us. In 1899 Mr Seddon said, "There is no money to pay you with." Then we said, Assuming that the Government had two-thirds interest and we had one-third, and assuming that the Government took 69,200 acres—which I believe is the area that was taken—our third would be 34,600 acres. Now, there was sufficient land in our district belonging to the Crown to give us our third and let the Government have the 69,000 acres. So if they gave us a reserve equal to our proportion of what they took, no money need have changed hands, and the case could have been settled. So it was not necessary that the finances of the Government should be disturbed at all, but if we were entitled to the money we should get it, whether it disturbed the Government's finances or not; and, as we told Mr Seddon then, if our claim would disturb the finances of the colony what would be the effect on the finances of a local body? In 1902 a Committee of the House dealt with this matter, and their finding was said to be unanimous. Now I come to the time when we interviewed Sir Joseph Ward. He gave a reply, a copy of which I got from the recipient, the member for the district. I was in correspondence with Sir George Clifford, who was the spokesman for us at the deputation, and after discussing the matter we agreed to this, which shows possibly a way out of the difficulty: This is the letter to the Prime Minister "6th January, 1908.—SIR,—With reference to your letter of the 12th November to Mr A. W. Rutherford, M.H.R., representing the application of the Waipara ratepayers and those of other Road Boards for payment of thirds or fourths on land allotted to the Midland Railway I was in hopes that the matter would be referred to the Law Officers of the Crown for full consideration and report. No authoritative opinion of that kind is appended, and I submit that nothing short of such a semi-judicial pronouncement can be expected to receive acceptance. My Board does not concede any of the propositions which you are advised to apply to the question. It contends that the Government was debarred from disposing of the land the price or value of which was burdened with thirds or fourths for a specific purpose, except with precautions for securing to the Road Boards the sums so set apart for them. It follows, if the Government of the day failed, whether inadvertently or negligently, to safeguard a statutory right, that you are under an obligation—probably legal, but certainly moral—to reimburse the

local bodies which have thereby suffered. I do not propose now to enter fully into the matter, but there is such a *prima facie* case that in the opinion of the Boards affected the whole question should be referred to an independent tribunal for decision. If you accept this principle I would endeavour to obtain the assent of all interested to the acceptance of the award which would be the outcome of an inquiry by arbitrators mutually appointed. If you are not prepared to assent to this method of disposing once and for all of a claim which deserves the most serious attention, it would at least be satisfactory to ratepayers to have a formal and reasoned opinion from your responsible legal advisers as to the admissibility or non-admissibility of our claim.—I have, &c., GEORGE CLIFFORD, Chairman, Waipara Road Board. I may say that I believe the men here to-day are prepared to sign a declaration that those they represent will abide by the decision of a fair arbitrator or arbitrators appointed to settle this matter. I saw Sir George Clifford on Monday, and he would have come up here with us, but he is engaged every day just now, and could not attend. He believes in the justness of our case. We appeal to you, sir, and the Committee for redress.

1 *Mr Witty*] The configuration of your district is such that it is very expensive to road and maintain, is it not?—We had about 70,000 acres of flat country facing Rangiora, with the Ashley River between, and out of the £35,000 that we got we spent probably £10,000 on the bridges crossing that. The rest of the country is practically mountainous.

2. *Mr Lang*] What rate do you strike?—It is equal to 1s. 3d. on the pound on the annual income. There are other rates, but that is the roading rate.

3. What are the other rates?—Water rates in part of the area, and rates to pay for loans for bridges.

4. Were you paid thirds and fourths up to a certain period?—We got them up to a certain period—while the 70,000 acres were going, but since the General Government made these laws that we knew nothing about we have not received a penny in thirds and fourths.

5. For how long were you paid thirds and fourths?—It lasted till the free selection was stopped. The last day of free selection was the last day of our thirds and fourths.

6. *Mr Anderson*.] You deny the statement of the Department that there was no provision in the East and West Coast Railway Construction Act for these thirds to be paid to the local bodies? Was there any such provision in that Act?—No, there was not.

7 *Right Hon. Sir J. G. Ward*.] I presume that you and your friends are aware that when these lands were disposed of to the Midland Railway Company, that disposition of the lands was not under the Land Act at all?—We are not well aware of that. The foundation of our claim is that when we accepted the responsibility of roading, the fourths were provided to supply the means. Any legislation passed afterwards we know nothing about.

8. Irrespective of that legislation, do you know that at the time you refer to, even under the old Act, if the land-sales had taken place in your district for cash, you would have been entitled to no thirds at all?—We do not, sir.

9. Are you aware that at the time to which I allude, any land sold in your district, for cash, under the Land Act, you would have been entitled to no thirds at all from?—I am not aware of that, because the Land Department told us that if the lands were sold for cash we should receive thirds. Mr Barron, for the Minister of Lands, told us that there was no cash received, and so there were no thirds to get. They all attributed our getting no thirds to the fact that no cash was got for the land for the railway. So I presume that if the cash had been received they would have given us the thirds.

10. If I tell you that the law at the time provided that where land was sold for cash you were entitled to no thirds, would you make a claim under those conditions?—We would, and I will tell you why. These conditions were created without our knowledge or consent.

11. No; that was the law at the time. At the time we are referring to, the law provided that in the event of land being sold for cash no thirds were to be paid?—But Mr Ballance said here that if the land were sold for cash we should get thirds on it.

12. Do you know that if Parliament were to respond to the request you are making, we should have to do the same thing all over the country, and it would have to be done by special legislation?—I do not believe, in the first place, that you would, because I do not think there are any other local bodies in New Zealand in the same position. Is there another local body in New Zealand whose land was taken from it in order to help make a railway in a district that it has no connection with?

13. Apart from your case, there are a number of Acts on the statute-book by which lands have been devoted to other purposes under those special Acts, and none of the local bodies concerned have received thirds at all. Now, if you get what you want, all the local bodies affected by these special Acts should surely get thirds too?—They should not, in my opinion for the reason that we have reserves that we do not claim thirds from—education and other reserves that are common to all New Zealand. This is a special grievance concerning a special locality only.

14. Is not the greater part of the land in your district pastoral land, upon which no thirds are payable anyhow?—But fourths were always payable on all the land until the modern Acts tampered with our rights. If in passing those Acts you had taken the responsibility of the roading we should have no grievance.

ROBERT MCINTOSH, Chairman, Ashley Road Board, Loburn, examined. (No. 2)

*Hon. the Chairman*: Will you make a statement, Mr McIntosh?

*Witness*: I think that after the way in which Mr O'Halloran has explained the matter I need not mention thirds at all, but that if I briefly tell you the unfortunate position we are in through being deprived of them it is all I need do. For some years now our roads and bridges have been getting in a worse and worse condition. We are taxing our ratepayers more than they can really

afford to pay. It is really only a small portion of our land that has been taken up by small settlers, and we used part of the money that we got as thirds at the time for roading in going into these backblocks and bridging rivers and opening out fords, so as to give these settlers on the Midland Railway land fair access to their country, and now the bridges we built at that time are rotting, and some of these settlers are crying out for roads. There are two small holders in particular on the Midland Railway land there, holding, I think, about 200 acres each, and they cannot get to their holdings without trespassing on their neighbours' land. About £2,000 would be required to give them access to their lands by the surveyed roads, but it is out of our power to do anything at all for them. The whole district is getting into a bad way. The roads that we made years ago are worn out. This year the expenditure on our rivers and protective works and clearing of fords will take almost the whole of our rates. Some years we have a fair amount to spend on roads, but our general rate cannot give anything like reasonable relief to these settlers who hold Midland Railway land. There is a road running back some thirty miles into this country, and it needs a tremendous rate to give them anything like a reasonable road. We are doing our best to keep it passable for stock or light traffic, but these backblocks settlers are in a bad way with regard to getting timber in. Our Road Board simply cannot do anything worth mentioning for them.

1 *Hon. the Chairman.*] What are the rates that you levy per annum?—Three-farthings in the pound on the capital value. We have levied that rate for years and years now, though the valuation has gone up. Many of our small settlers are paying about three times the amount they were paying about ten years ago on the same land.

2 *Mr. Witty.*] Have you received many Government grants for your roads—anything at all equal to the amount you would have received from thirds?—No. We have scarcely had a Government grant—only one or two small ones in the way of subsidizing the opening-up of this country.

3 You actually opened up Government land before these thirds were stopped?—Yes.

4. You did that with the ratepayers' money and the money you had received from thirds previously?—Yes.

5. These settlers with no roads to their holdings—they have to drive their stock across their neighbours' land?—Yes, there are two who must do that. One of them grew grain last season, but his neighbours will not allow him to take a machine in for threshing.

6. The roads were better twenty years ago than they are to-day?—Oh, yes!

7 *Mr. Lang.*] Is the three-farthings rate that you mentioned the total rate, or are there any other rates?—We have special rates with respect to some bridges. Other parts of the district not in our road district are rated for water-supply and that sort of thing. Our district has only a special rate for bridges. With regard to special rate for bridges, we have not so far paid a special rate, but our loan for about £3,000 is approved, and we shall be taxed for it in the future.

*Right Hon. Sir J. G. Ward.* I should like to place this letter on record, because it meets a point on which Mr. O'Halloran was in doubt. It was sent by me on the 29th January, 1908, to Sir George Clifford, Chairman of the Waipara Road Board. Sir,—I have the honour to acknowledge receipt of your letter of the 6th instant regarding the payment of thirds and fourths to the local bodies on account of land granted to the Midland Railway, and stating that you were in hopes that the matter would be referred to the Law Officers of the Crown for full consideration. In reply I have to say that the quotation given in my letter to Mr. Rutherford of the 12th November was the opinion of the Solicitor-General upon the position, and I regret that my letter did not make it clear that the Law Officers had so advised. In order that no further misapprehension may occur, I may state that the question was placed before the Law Officers in accordance with the promise I made to the deputation that waited upon me, and the following is the Solicitor-General's authoritative decision. The provision for thirds and fourths applies only in the case of Crown lands disposed of under the Lands Acts. The lands in question were disposed of not under the Land Act, but under the Railways Construction and Land Act, 1881, and the East and West Coast, &c., Railway Construction Act, 1884, and the Midland Railway contract which was made thereunder. Hence no thirds or fourths were payable in respect of their lands when disposed of by the company. The Government was under no obligation, legally or morally, to make it a term of the contract that the company should make these payments. The land grants made by the Crown under the contract represented a specified proportion of the cost of construction, for which purpose the land was valued at the estimated market value of the Act of 1884. This obviously means the full market value of the land, not the market value after deducting thirds and fourths. It is quite clear that the Act does not contemplate any such reduction, and if the Government had insisted on a term to that effect being inserted in the contract the company would have been justified in demanding that the contract should provide for additional grants to make up the deficiency in value. This would have been repugnant to the Act. The Law Officers of the Crown having advised that the local authorities are not entitled to the payment of any thirds or fourths on account of the lands disposed of to the Midland Railway Company, the Government are unable to further consider the claims.—I have, &c., J. G. WARD, Prime Minister." Do you know whether that letter was received by the people concerned?

*A Member of the Deputation:* Yes, I think so.

DAVID HAWKE, Chairman of the Oxford Road Board, examined. (No. 3)

*Hon. the Chairman.* Will you make a short statement?

*Witness.* I can only say that the Oxford Road Board, which I represent, is in a similar position to the Ashley Road Board. We have a large acreage of land that was sold by the Midland Railway, and within the last twelve months we have had to make twelve to fifteen miles of road through country which the railway company sold, and we feel that it is a great hardship to the ratepayers for us to have to make roads through this country from which we have not received a penny in thirds. And this is not the only block—there are others in the district similarly situated. I can indorse every word that Mr. O'Halloran has said on the subject, and, such being the case, I will not take up any more of your time.

1 *Mr Witty* ] Your roads are very hard to make, are they not, on account of the hilly nature of the country?—That is so. We have a large number of bridges and fords to keep in repair, as the Oxford Road District includes a ridge of hills. The rates are very heavy.

2 *Hon. the Chairman.* ] Will you state the amount?—We have been levying the three-farthings rate and a special rate as well.

3. How much is that special rate?—One twenty-fourth of a penny in the pound.

4. *Mr Guthrie.* ] You said that you have had to make twelve or fifteen miles of road into this back country: do you mean to say that you have made that road out of the rates received from the settled portion of the country?—That is so—out of the general rates of the district.

5 Have you taken advantage of the Loans to Local Bodies Act, and made special-rating areas?—No.

6. You have not approached the Government for any subsidy on the rates you have raised?—We have not.

7 Is your reason for not making a special-rating area and raising a loan, or applying to the Government for assistance—is your reason that you depended upon some day getting these thirds that you claim?—We always looked forward to the time when we should get the thirds from this land.

8. *Mr Anderson.* ] How much land was there of that class in your district?—I am not prepared to state the acreage.

9 Is it valuable land?—No, I cannot say it is valuable land, it is second-class land.

10. *Mr Guthrie* ] The Government gave this land to the Midland Railway Company as an endowment did it not then part with its interest in it?—I am not prepared to say.

11 *Right Hon. Sir J G Ward* ] What are the total loans that you have got?—£1,883.

12 *Hon the Chairman.* ] What is the valuation of the land under the Road Board?—A little over half a million for the district.

13 *Right Hon Sir J G Ward.* ] The security is half a million, and the total loans you have are £1,883?—Yes.

MURTAGH KENNEDY, Member of the Ashley Road Board, Loburn, examined. (No. 4.)

*Hon the Chairman* Will you make a statement?

*Witness* It was a surprise to me to-day to hear Sir Joseph Ward say that it was not the law that we were entitled to thirds on the land that had been sold for cash. We always considered that that was the law of the land at any rate, it was the custom for years, and I do not think that that custom was ever questioned. Settlers in our district have taken up land here and there through this Midland Railway area, and when they have taken it up they have wanted roads. The Board made roads here and there so that these settlers could get access to their lands, and the Board naturally expected that they would be recompensed by the thirds when this other land was sold. When the land was given to the Midland Railway Company, as soon as we got a grasp of the thing, we claimed these thirds, which we thought we should naturally get, and we have since been agitating for them. The Government say that, as no money passed, they could not give us any money, but I think that our right, if it had been cash, was never questioned. I have been a member, on and off, of the Ashley Road Board during the last twelve or fourteen years, and we always looked on it that we had a legitimate grievance, and the local bodies—or several of them—join with us. All the land was sold in several of the adjoining Road Board districts, and they got the thirds as it was sold, therefore they are in a better position than we to carry on their work. The consequence is that we have very little money, and most of our bridges constructed in those days are rotting now and we are not in a position to replace them, and we attribute our position to the fact that we were deprived of what we considered our legitimate revenue. With regard to rating, the Ashley Road Board have been levying a higher general rate than any of the adjoining local bodies, with the exception of Oxford.

1 What is the rate you are levying?—Three-farthings in the pound.

2 *Mr Lang* ] During the time you have been a member of the Board, has the Board received grants from the Government for road-making purposes?—Yes, we have received subsidies.

3. Can you say what would be the total amount you have received during the time you have been on the Board?—No, I could not say offhand.

4. *Mr Ell.* ] Your rateable value is £575,000 what loan have you got?—None at present. We are arranging for one now.

5 *Right Hon Sir J G Ward* ] Do you know that thirds were not in operation at all in any portion of the country until after 1885?—No. It was a surprise to me to hear that it was not the general thing in Canterbury.

6. I may say that in Canterbury, prior to 1885, there were no thirds at all, nor were there in any other portion of New Zealand. What I think you gentlemen are confusing is the system that was in operation in Canterbury under the Provincial Government prior to the General Government going in for thirds at all. Do you know whether that is the case?—It may be, but I did not know that that was so.

ROBERT HENRY GAINSFORD, Clerk, Oxford Road Board, examined. (No. 5.)

*Hon. the Chairman* Will you make your statement, please?

*Witness* I do not think it necessary for me to say much, but I may mention one block of land that was taken by the Midland Railway. It afterwards came back to the Government and was cut up about seven years ago and disposed of in various ways—some of it for cash and some on leasehold. The settlers applied to my Board for roads and cuttings, and so on, and some roads were formed and some cleared of scrub, and some cuttings were made, and the Board were under the impression that they would receive thirds from all the block, containing about 8,000 acres. Then we were informed that there were no thirds payable on the land that was sold for cash. Well, most

of the land happened to be sold for cash, so the Board were rather let in. We received thirds from one or two other settlements—land that was disposed of earlier.

*Hon. the Chairman* But that would not be Midland Railway land?

*Witness*: No. I may say that we have been striking a three-farthings rate for something like fourteen or fifteen years now—in fact, one year we had a penny rate—and we have a loan of £1,883. The penny rate was levied to meet extra expenditure on bridges and fords after a flood.

LEONARD WALTER BLUNDEN, Settler, Bennett's, examined. (No. 6.)

*Hon. the Chairman* Will you make your statement, please?

*Witness*: I own part of the back country on the White Rocks Estate, and I can tell you that the road there is in a frightful state, and is causing us settlers much inconvenience. For instance, I had to pay £3 12s. 6d. a ton for the carting of fencing in there, a distance of thirty-five miles, and I am certain I could not get the man to do it for that now. It took three staunch horses all their time to pull a ton. Then, with regard to shearing, we want to put up sheds and improve the place, but we are simply blocked from doing so. If we have to pay £4 or £5 a ton to get our wool carted to the station it will hardly pay us to shear; so that, instead of shearing our sheep at the right time of the year, we have to wait till weaning-time before we can shear our ewes, and then the biddy-biddy is in the wool, and we lose perhaps 2d. or 3d. a pound in consequence.

1 What did you get for your wool this season?—I have not sold it yet. The reason why I did not sell it out here was that through shearing the ewes so late I lost the last sale. When we have gone to the Road Board and kicked up a row about the road they have simply said, "We have no money, and cannot put the road in order. We cannot do it, we are rated right up to the nose now."

2. Are you rated more than three-farthings now?—No, but that is bad enough on the value of the land.

3. *Mr EU*] What is your land valued at?—Two pounds an acre, I think. I gave £2 5s. for it.

4. *Hon. the Chairman.*] Do you cultivate much of the land?—There is no cultivation there at all. There would be if we had facilities.

5 You would cultivate if you had roads?—Yes. I have country there that I could cultivate, but the bulk of it is grazing-country. We simply cannot get stuff carted in there at all now.

6. *Right Hon. Sir J. G. Ward.*] How long is it since you bought your land?—Three years ago.

7 The question of thirds, then, as far as you are concerned, was known to be in doubt when you bought your land?—Yes.

8 As a settler, do you not think it would be desirable for these Road Boards, who seem to be anxious to evade their liabilities, to go in for a reasonable loan from the State-guaranteed Advances Department and to give you good roads? Supposing they went in for a loan of £10,000 between the whole lot of them, would that not be more satisfactory to you than trying to get thirds?—If they can make out a good case with regard to thirds, and they think you owe them the money, I think they ought to stick to the thirds.

CORNELIUS O'MALLEY Settler, Oxford, examined. (No. 7.)

1 *Hon. the Chairman.*] Did you purchase land on this Railway Reserve?—Yes, a part of the Birch Hill Estate.

2. How long since?—Fifteen months. My father bought a block of land back there about fifteen months ago, and since we have been there the roads have been the trouble all the time. In fact, you cannot get anything in there. You could not get a ton of chaff in there this winter under, I suppose, £5 10s. for carting alone. We have a good lot of fencing to do, and cannot get the material in for that at all. Then there is grass-seed, and material for sheep-yards and huts, and one thing and another, but the carters will not go in. In the summer-time the road is not so bad as in winter but it is bad enough.

3 What did your land cost you when you purchased it fifteen months ago?—Three pounds an acre for 4,000-odd acres, and 17s. 3d. for another 4,000-odd acres. The latter is higher country.

4. Could you not grow chaff on that three-pound land without having to cart it?—Yes, if you could get implements in there.

5 *Mr EU.*] What distance are you from a good road?—About twenty-five miles.

6 Have the Road Board spent anything on the maintenance of your road?—Yes, a little last year.

7 How much, do you think?—Somewhere about £50 I should say.

8 What do your rates come to?—Between £40 and £50 a year.

9 Have you any neighbours there?—Yes, a few.

10 Does the one road serve the lot?—Yes.

11 How much do you think the Road Board are collecting in rates from the settlers round about?—I could not say exactly.

12 *Hon. the Chairman.*] Are there many settlers about there paying as much as you?—There are about five or six who would all pay about £30 anyhow.

13. *Mr Guthrie.*] What county are you in?—Ashley.

14. *Mr Anderson.*] I suppose that if you had a good road to the piece of country you bought fifteen months ago you would have had to pay more money for it, would you not?—Yes, it would be worth more if there were a good road into it.

15 You knew the conditions before you bought it?—No.

16. *Right Hon. Sir J. G. Ward.*] Do you know whether an estimate of the cost of a road there has ever been made?—No, I do not.

- 17 You do not know what it would cost to make one, speaking roughly?—No.  
 18 What class of formation are you going over now—just the rough country?—Well, most of it has been formed.  
 19 I mean, not macadamized—just the rough ground?—Yes. Some of it has been shingled.  
 20 *Hon. the Chairman.*] Have portions been metalled?—Some of it—not a great deal.  
 21 *Right Hon. Sir J. G. Ward.*] What would it cost to put a road in, roughly—£1,500 or £2,000, £3,000, or what?—If that much was spent on it it would improve it a good deal.  
 22 You really do not know what a road would cost?—No.

WILLIAM GEORGE RUDD, Settler, Bennett's, examined (No. 8)

*Hon. the Chairman* We shall be glad to hear you?

*Witness* I am a settler in the back country of the Ashley district. I am renting a block of land from my father, and I have had about twenty years' experience in there. Since I first became acquainted with the district, settlement, instead of going further back, is coming more towards the centre, and the roads that we were able to take a trap or a dray along we can hardly get a pack-horse over now. There are up to thirty or forty thousand sheep on this back country that are brought out to the front country for shearing every year, and if we are caught in bad weather we are without feed for the sheep, and they naturally deteriorate in value, and we have to work accordingly. If we had a road so as to permit of our having shearing-sheds in the back country we should undoubtedly go ahead as far as pastoral interests are concerned. There are about seven or eight settlers out there, each running from three thousand up to about eight thousand sheep, and each one of these would put up a woolshed if we had roads to cart the wool out. If we had a road we should naturally go out there to live on the property, but we have not got a road, and it costs £5 10s. for cartage from the nearest railway-station to my place. That charge keeps us from taking any material at all out there, in the present state of the roads.

1 Would it cost you that when the weather is dry?—That is the charge in the best time of the year. At the present time we cannot possibly get a dray in.

2 How much do you pay in rates?—Between £50 and £60.

3 How much do you reckon was spent last year on the road that you are interested in?—I could not say.

4 Was it over £50?—I should say it was more than that.

5 There are several of you, and I suppose there would be an average of £50 each in rates?—Hardly £50, I suppose about £40.

6 That would be £240, at any rate. I think that if you were to get a loan, and pay a part of that money to redeem it, it would be better than the way you are doing—better than coming here to look after these thirds?—We should not be acting on a just principle.

7 How long is it since you purchased this land?—It has been in my father's hands for, I suppose, twenty-five years.

8 It is more than twenty-five years since the Midland Railway Bill was passed, is it not?—It was in 1886, I think, or 1885.

9 *Mr Witty*] You have known the roads for the last twenty years?—Yes.

10 Are they worse to-day than they were twenty years ago?—I should say they are fifty per cent. worse.

11 Owing to the lack of funds for maintaining them?—I should say so.

12 *Mr Lang*] If the local bodies had received the thirds and fourths, would that have been sufficient to keep the roads in order?—Yes.

13 *Mr Guthrie.*] How far are you from a metalled road?—Forty miles. My nearest way to a metalled road is over a pack-track. I have to pack my material on horses, in preference to carting it.

14 Roughly speaking, what is the value of the land there now per acre, freehold?—From £3 to £4 an acre—probably more.

15 Do you think that a loan would be a very heavy burden on you to make that road, seeing that you only pay £60 in rates on 19,000 acres?—I suppose it would be if we could not get the thirds.

16 *Mr Ell.*] What is your rateable value?—£2 an acre.

OBED FREDERICK CLOTHIER, Chairman, Waipara County Council, and Representative of the Kowhai Road Board, examined. (No. 9)

*Hon. the Chairman* What have you to say?

*Witness* I represent the Waipara County Council to-day in place of Sir George Clifford, who recently resigned, and I am also representing the Kowhai Road Board. You have the whole case before you. Mr O'Halloran is a good reaper, and has not left many straws behind for one to gather up. In our district we feel it a very grave injustice that we have been deprived of our thirds. Sir Joseph Ward asked whether we were aware of the fact that thirds were not paid before 1885. I was chatting with our Mr Gibb coming down in the train, and he said that in 1878, 1879, and 1880 land was leased and sold, and in each case where land was leased or sold, certain amounts were paid by the local bodies.

*Right Hon. Sir J. G. Ward* By way of subsidy?

*Witness* By way of subsidy, and he also said that when land was sold a quarter of the value was handed over to the local body. Take Campbell's Happy Valley Estate, of 20,000 acres: Putting that down at £2 an acre, it meant that the Waipara County Council would receive £5,000. Now, it is a peculiar thing that on the eastern coast the Crown lands that have been leased and sold there have all paid in their thirds and fourths, but on the western boundary of our dis-



trict, towards the west coast, the land that was given away to the Midland Railway Company we have not derived any thirds from: consequently we say that if the Government had cut a slice of land out of any other part of the Dominion than our district and given it to the railway company we should have been £30,000 better off to-day than we are. Unfortunately for us, the Midland Railway people made the selection in our district, and the result is that the thirds that would have come to us under ordinary circumstances are lost to us now. Then, again, we think that the Government should bear in mind, especially with regard to Oxford, that already out of the local rates thousands of pounds have been spent towards putting roads through Crown properties in order to get access to the country behind; and we think that the Government of the day acted unfairly and unjustly when they handed over so much land to the Midland Railway Company without conserving our rights regarding the thirds and fourths. It has been said that the Government could not conserve those rights because it was a cash transaction, or equal to a cash transaction; but the Government should have been aware that we were entitled as local bodies to the thirds and fourths of that land, and they should have given a greater area of that land to compensate for the thirds they robbed the local bodies of. That is the position, as we look upon it in our district. If the Government of the day gave away this land from which we should have derived thirds and fourths under ordinary circumstances, we think we should get some compensation, or we are quite prepared that the matter should be submitted to arbitrators to decide the case once and for all. Then, from another point of view it was unjust to take away from our district £30,000 in order to construct a Dominion railway—that is to say, £30,000 of our money has gone into the construction of that railway, and if we were receiving interest on that amount we should have about £1,200 a year income. We should not object if the whole Dominion had paid an equal share, but that certain districts should pay such a large amount for the construction of that railway and others not pay anything we think very unjust. I think that if the matter were dealt with by an independent tribunal we should be quite satisfied with the result. In connection with the Kowhai Road Board, the Clerk gave me his figures showing works that they have done. He mentions Ensor's Road, £320, Mount Brown Road, £800; Stackhouse's Road, £206; on Crown lands lately sold at South Kowhai, £680. This is money that has been paid out of the local rates for the formation of these roads, which under ordinary conditions would have been formed from the thirds that would have accrued. As to the suggestion that we should raise loans in order to make roads instead of coming here for the thirds, we think we have a right to the thirds because under ordinary conditions we should have got them. Then, again, a great many people who have good formed roads would object to borrowing money to road the backblocks. It is the backblockers who are suffering, and the bulk of the people will not agree to a loan because they would have to pay the interest. In our district people are constantly clamouring for roads. They ask for roads into the Virginia country, and we have to say we cannot do anything. At the present time the Waipara County Council have an overdraft of £2,000, and we are doing our best to meet the needs of the settlers as far as we possibly can. Some of the settlers are so eager to get roads formed that they themselves are contributing very largely in order to get the local authority to make the roads. I say that the country is lying undeveloped because of the need for roads, and it is because we have not had the thirds given to us that the roads are unformed and the country undeveloped.

1 *Hon. the Chairman.*] What rates do you levy in your county?—Five-eighths of a penny in the pound.

2. Do you consider that a heavy rate?—It is heavier than we have been paying. We have been paying  $\frac{1}{2}$ d. until lately.

3 *Mr Ell.*] What road districts formed your county?—We converted the Waipara Road Board into a County Council about five months ago. It embraces the land between Waipara and Hurunui.

4. *Hon. the Chairman.*] That should not be very hard country to road?—It is pretty hard in the back country.

5 *Mr Witty*] Is the Waipara County very much affected by these thirds?—Very much so.

6. What was the object in making the Waipara Road District into a county?—In order that we might have greater powers in dealing with various matters, and also because we were after a bigger subsidy. That was the chief reason.

7 *Mr Lang.*] What was the difference in the subsidy on the Road Board being formed into the County Council?—We shall receive about £1 200 a year more; and we shall need it, because our hospital rates have gone up from £600 to £1,500.

8. What is the total amount of the rates in your county?—£6,300 or £6,400, on £2,500,000 valuation.

9 *Mr. Anderson.*] What class of country is it that we have been hearing about to-day?—Land valued at from £2 up to £25 an acre.

10. Is it generally what is looked upon as rural land?—It is mixed—some rural and some sheep country pure and simple.

11. What are the proportions?—About half-and-half. There is some very good agricultural land, and some is just ordinary sheep-country.

12. Can you use the pastoral land as agricultural land?—It is used largely. There are about 100,000 acres in the Virginia country, and it is simply pastoral land.

13. Do you know whether they get thirds on pastoral leases?—As I was saying, on the eastern coast they did—all through Happy Valley and that district.

14. Was that under the Colonial Act or the Provincial Act?—I could not say which Act it was under, but Mr Gibbs was telling me that in 1878, 1879, and 1880 he was aware of several instances where land was leased and sold, and the thirds handed over; yet on the western boundary, where

the Midland Railway Company took the land, we have received no assistance at all in the way of thirds and fourths.

15. You expect to get thirds on pastoral and rural lands?—Yes; that has been so in the past.

16. *Right Hon. Sir J. G. Ward.*] Do you know that after the abolition of the provinces took place there was a Financial Arrangements Act passed by which certain contributions were given in respect of land which was sold, for three years?—No, I was not aware of that.

17. That is the case, and I cannot help thinking that what you are alluding to must have taken place under that. As I say, there was a Financial Arrangements Act in operation under which payments were made for three years during the adjustment period, but I think that, whoever your informant is, he is quite wrong in stating that thirds were paid prior to 1885?—He was quite distinct.

18. Are any of the settlers here under the jurisdiction of your county?—No, I am the only representative of the Waipara County.

19. Assuming that you were to get the thirds, do I understand that you would spend the whole of it on the backblocks?—The front blocks are already provided with roads and bridges, and it would be on the backblocks.

20. The whole of it?—Pretty well the whole of it. I do not see why the whole of it should not be so spent, because so far as rural land is concerned we are fairly well roaded.

21. So that the front-blockers are all right, and are not disposed to show any consideration to the backblockers in the matter of loans?—Human nature is human nature every time.

#### THURSDAY, 1ST SEPTEMBER, 1910.

WILLIAM C. KENSINGTON, I.S.O. (Under-Secretary of Lands), examined. (No. 10.)

*Witness.* As I understand the matter, what the Committee are asking me to do is to give some idea of what led the petitioners to make this claim. It seems to me that they have been under a misapprehension nearly all the time in connection with the various petitions they have sent up. I have read the evidence carefully, and it seems to me that the petitioners are really referring to what was the result of the abolition of the provinces in 1876, and the revenues that the Road Boards and counties in the Canterbury District received on the abolition of the provinces. Mr. O'Halloran gives evidence of their receiving large grants of moneys which they used for the upkeep of their roads. I can quite understand that. By the Financial Arrangements Act of 1876 each county received £1 for every £1 of rates, and where no Road Board existed in the county they received £2 for every £1 of rates. Where both were in operation they each got £1 for every £1 collected. Under section 6 of the Financial Arrangements Act, 1876, the county received 20 per cent. out of the Consolidated Fund of the Land Fund of the district. In 1878, 1879, and 1880 there were very large sales of Crown land for cash. I think I am right in saying that in 1879 and 1880 the cash land-sales amounted to £1,324,000 in one year. Out of that Land Fund the local bodies got 20 per cent. of the amount paid to them, and I can quite understand that for many years the local bodies, in Canterbury particularly, received handsome additions to their revenues. In the way of the 20-per-cent. payment £224,000 might be distributed annually amongst the counties in the Canterbury Land District, and they had leave to distribute part of it amongst the Road Boards. This went on until 1880, when it was abolished by special Act, after which they only got 7s. 6d. for every £1 of rates collected. Mr. O'Halloran said they were to get thirds on deferred-payment and other sections disposed of under the Land Act. As a matter of fact, as Sir Joseph Ward has already told the Committee, until 1885, under Mr. Rolleston's Act there was practically no thirds payable in most parts of Canterbury. Under the Land Act, 1877, there was power to open land under the deferred payment, but it was not availed of in Canterbury, as they were disposing of the Crown land so fast on cash payments that they did not care to bring the deferred payment into operation. They spoke of having deferred payment, perpetual lease, &c. in operation, but in these particular counties until 1885 there was practically no land opened except for cash. [Witness referred to a large plan which indicated the tenures of the lands taken up in the areas referred to.] The lands selected by the Midland Railway Company were to be within fifteen miles on each side of the line to be constructed. They were allowed to select these up to the date of the Crown terminating the contract, but none of them were really agricultural lands: most of them were only fit for pastoral purposes—in fact, personally I think that very few of those lands originally on the Midland Railway would have been fit for anything else but for pastoral purposes.

*An Hon. Member:* A few odd pieces here and there.

*Witness.* These were the endowments. Possibly there were a few isolated sections not disposed of. No fourths are payable from pastoral runs, only from small grazing-runs, therefore the greater portion of the lands these gentlemen referred to were lands from which they would not have derived fourths, and certainly no thirds. Their point seems to be that they went on for many years after the provinces were abolished obtaining revenues which they supposed were derived from thirds; but they were not derived from thirds. These handsome revenues they chiefly obtained from the Land Fund of the district. Supposing, for argument's sake, that these lands had been opened under the optional system, and, as in 1882, the Canterbury selectors were particularly fond of taking up land for cash, and we may assume that the greater part would have been so taken up, for which no thirds are payable. At the present moment Government make endowments for Harbour Boards, education, and boroughs, and no thirds are payable. The right of the Crown to make

endowments, which they challenge, has been going on ever since. The same argument might be used against the endowments which are made for various purposes in all parts of the country. There are over 300,000 acres throughout New Zealand, and no thirds are payable upon these. I will give another illustration: Take the Wellington and Manawatu Railway Company, a private line. They were given lands, and the local bodies might have claimed they ought to have thirds. The Kaitake Valley Railway Company was in the same position, but no one could possibly conceive that a claim could lay for thirds against the endowments for those railways. I cannot see where their claim comes in. It is based on the supposition that if the whole of the lands granted to the Midland Railway Company had been opened up they would have been taken up on the deferred-payment-lease or small-grazing-run systems, and that the local bodies would have obtained thirds and fourths, and that the petitioners would have had their proportion. In some of these cases it might have amounted to £1,000 a year if it had been so, but for cash sales and pastoral runs thirds and fourths are not payable. Now the local bodies find that their revenue is decreasing, and they have roads to maintain, and they are not getting this magnificent addition of 20 per cent. from the Land Fund which they were getting in the earlier days. Mr O'Halloran particularly refers to the Midland Railway. He evidently did not quite understand about the Land Fund.

*Mr Forbes* This land was reserved, but had it been let as small grazing-runs they would have been entitled to fourths?

*Witness* Yes; but the bulk of this particular land you refer to was in small grazing-runs, which were leased previous to the granting of the lands to the Midland Railway Company. They were getting fourths from these, and that is my point. This particular land was leased after 1885, and the small-grazing-run system came into force in 1885. You are quite right—a good many of these lands might have been set apart as small grazing-runs.

*Mr Forbes*: I understand that the thirds were conserved to the local bodies by Act on the lands reserved for the North Island Main Trunk Railway?

*Witness* The lands were not reserved. Lands within a certain distance of the North Island Main Trunk Railway were set apart to enable the interest and sinking fund on the loans to construct this main line under the Immigration and Public Works Act, and subsequently under the Native Land Act. These lands were set apart for security for the loans. The Act stated that they were to be dealt with under whatever Land Act was in force at the time. They remain Crown land, and the revenue is earmarked to go to the North Island Main Trunk Endowment Fund, out of which moneys were taken from time to time for construction of the line. The local bodies, of course, have the right to thirds from these lands if not taken up for cash, because they are dealt with as ordinary Crown lands. If they are taken up under the occupation with right of purchase, their thirds are conserved to them. It is a land fund, and the money goes to the credit of the loan, and out of it is drawn part of the cost of constructing the line, sinking fund and interest, cost of forming roads, surveys, &c.

1 *Mr Forbes* ] Do the local bodies get thirds on the national endowment land?—Yes, that is conserved under the Act. All the rights of local bodies, as preserved in previous Acts, are preserved in this Act.

2. The Chief Surveyor of Canterbury in a letter says that 'it is quite correct that had all the Crown lands in North Canterbury been dealt with under the ordinary provisions of the Land Act, thirds would have been paid on at least a portion of the lands granted to the Midland Railway Company'—That is his opinion. He had been Commissioner of Crown Lands in Canterbury, and in his opinion a part of these lands would have been taken up. Supposing you open up two or three hundred thousand acres, you might certainly find two or three thousand acres which might be opened up for agricultural purposes. He was speaking generally of Crown lands. If land is not granted for endowment, if people take it up on any of the tenures on which thirds and fourths are payable, they would get it. That is all he means.

3. *Mr Guthrie* ] The position is this. The petitioners give evidence that they spent a good deal of money in opening up the back country on the understanding that they were going to get thirds some time. They claim that the Government had no right to give this land away?—It is exactly the same argument with the Manawatu Railway. It is in the same category.

4. If the Government had been approached by any of the local bodies in that district, the Horowhenua or the Otaki County Councils?—They have made no claim so far as I am aware. They know it would be perfectly useless.

5. The petitioners legally have no claim. They thought the revenue would come to them?—They have no legal claim. That is the position.

6. *Mr Witty* ] Can you give us the name of the Act which repealed the giving of the subsidy?—Yes, it was the Financial Arrangement Repeal Act of 1886.

7. You have just stated that the Manawatu Railway was in the same position as the Midland Railway. Is it not a fact that the Manawatu lands are very rich, and they are closely settled, so that the local bodies are getting a big income in rates?—Yes, that is the case.

8. Whereas with regard to the Ashley district it is light land, hard to road, and rough country. The local bodies have spent a lot of money in anticipation of these thirds and fourths?

Yes, but that is a statement I cannot quite reconcile. No local body spends in anticipation of getting that which it may never have. They may be justified, if they know a block of 10,000 acres is opened up in September and that half of it is taken up under the O.R.P. or renewable lease, in saying "We know we are going to get thirds on that," but I cannot understand their thinking that they can spend money in anticipation of that which may never come off.

9. In my road district we happen to have a settlement, and we want to get thirds and fourths paid into the general fund, but we cannot get the fourths so long as we spend it on the road on the front of the land. They will give it to us for the main road?—So long as it is spent on roads

approved by the Land Board in the district for which thirds and fourths apply. Supposing for argument's sake that fourths were given on the Midland Railway lands, the Land Board would have had to say where the money was to be spent. They must have it spent to give the most benefit to the settlers from whom the thirds and fourths are derived.

10. The people of the Ashley district would be quite willing out of general rates to road the balance, but they are only getting the Government subsidy. Seeing that the land is light, they have very little subsidy coming in, which comes much harder on them?—I quite agree that you cannot compare the rates derived from that class of country with the Manawatu land.

11. *Mr. Lang*] Is it not a fact that thirds and fourths can be spent on any portion of a road that is of benefit to the people who pay thirds and fourths, and not necessarily in front of their actual property?—Certainly, that is the point. Supposing the people on these lands are using a main road on which the Road Board wishes to spend money, the Land Board could say 'Yes, it is desirable that portions of the thirds should go to the main road.' That is what they always ought to do. The point always is to show that the settlers use it, and that they are deriving benefit from the road. Then it is a fair thing to allow a portion of the money to be spent there.

12. It is not always absolutely necessary to spend it on the road adjoining the property?—That is so.

13. *Mr. Anderson*.] This land, before it was granted to the Midland Railway, was Crown land used as pastoral runs?—It was unselected, and not leased as pastoral runs.

14. The Boards got no revenue?—No. When it was given to the Midland Railway Company there was no provision in that Act for thirds and fourths.

15. There was no restriction upon taking up the lands?—In accordance with the value of the work done from time to time there were allowed to select blocks of land certified to by the officers of the Public Works Department.

16. Supposing a certain set of circumstances which had applied in other places, and the land had been dealt with in a different manner, the local bodies would have got their thirds and fourths?—Yes, on the supposition that the land was opened up in the ordinary manner. It is only a supposition. They never had any claim to thirds and fourths.

17. *Hon. the Chairman*.] How much of the land set aside for the railway was not taken up by the company? Did they not take it up wherever it was saleable?—When the Government suddenly terminated the contract with the company all the land reverted to the Crown.

18. It was in the position that it was before they got it?—Yes.

#### No. 11

*Mr. Forbes*, on behalf of petitioners, addressing the Committee, said,—It is a very good thing we have been able to have Mr. Kensington here to give us the legal position. This claim was before the Lands Committee in 1902, and the result of the proceedings did not carry conviction to the local bodies who petitioned pressing it. They felt that it had not been gone into as fully as they felt it ought to have been. Mr. Kensington has given us the full history of the claim, and I am sure no one has the history of these ancient Acts so well as Mr. Kensington. It is good to have it placed before the Committee, so that the local bodies may see the grounds on which the Committee arrive at their decision. Apart from the legal aspect of the position, there is no question about it that it was a great handicap to these small local bodies to have such a tremendous area of back country, which they had to road without assistance. In the Financial Arrangements Act the principle is maintained of giving Road Boards a proportion of the moneys derived from the proceeds of the sale of Crown lands, thirds and fourths, to assist them in the roading of their district, and that principle has been continued right up to the present time. This is looked upon as a fair method of assisting in the roading of this country, and these local bodies on the fringe of the mountainous district of Canterbury are put to great expense in opening up roads. The taking out of their districts of such enormous areas as these endowments has crippled them. They were of opinion—there is no question of it—these local bodies felt they would in time get thirds and fourths, and it was a regular thunderclap when the whole of their countryside was taken from them. If it had been let on the small-grazing-run tenure, for which the great bulk of the country was suitable, the local bodies would have been entitled to thirds and fourths. Naturally they feel sore that this land has been handed over to the Midland Railway Company thus debaring them from getting any revenue from this land to assist in the cost of roading it. Mr. Kensington said it was within a radius of fifteen miles that the land was selected, but these districts are very much further away. Land taken in the Ashley County is forty or fifty miles away. The land in those districts evidently was the most suitable and valuable they could select at the time, and these local bodies have felt ever since that they have a grievance, and I feel there is no doubt they have a claim for some consideration, because of the fact that almost the whole of their territory was taken away from them. With the taking-away of it they are still left with the responsibility of roading it, and it means that the roads in this part of the country are of great length, through rough country subject to wear-and-tear from floods, and they have been struggling ever since. Apart from the legal aspect of the case, some consideration should be extended to these local bodies, and I am of opinion that this matter should receive the favourable attention of the Government, and that they have a claim for consideration. In justice to them something should be done.

#### No. 12

*Mr. Witty*, on behalf of petitioners, addressing the Committee, said,—I thank Mr. Kensington for the explanation of the position which he has given us so fully and clearly. I must say that, no matter what question you ask him in regard to the Department, he has it at his finger-ends.

He is of great value to this Committee, and every other Committee with which he has anything to do. In the petition they ask for the whole of the thirds and interest thereon, or settlement of the claim by arbitration, but from what Mr Kensington said we could not ask for the full amount of thirds, and interest to be added, though something should certainly be done. Mr Kensington says that in Canterbury large areas were bought up in 1879 and the early 'eighties,' but nearly all that land was south of the Waimakariri River, therefore very little land of the district in question was bought at all. Selwyn was bought up fully because it was flat land and it was near the railway. In consequence the local bodies of the Selwyn district got enormous sums from the Land Fund. One Road Board got £14,000 to its credit, whereas the other side of the Waimakariri they got nothing. The roading of the lands on the south side of the Waimakariri was simple—a flee-bite to the difficulties of the other side, where they had to go away into the back gorges. Really good land was lying at the back, the settlers were isolated and crying out for years for roads, though it was impossible to make them out of rates, because it costs thousands of pounds. Whilst they have no legal claim, I think they have a moral claim, and only a short time ago on this Committee it was admitted on a petition which came before it that there was a moral claim but not a legal one, and the petition was recommended to the Government for favourable consideration. Therefore I think the least the Committee can do is to give the same recommendation to this petition. Let the Government thresh out the matter. No doubt they will refer to Mr Kensington, and I have every faith that they will receive every bit of fair play from him. I do not think the Committee can do better than send it to the Government for consideration. Certainly I think the local bodies should have something, seeing the condition of their roads in rough country.

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