

On the 20th June, 1911, the Board refused the application to transfer, and resolved to notify Mr. Harris that his interest was forfeited, and Mr. Deadman that he was illegally in possession. It did so on the 26th June, 1911.

On the 29th June Messrs. Marshall and Hutton, of Wanganui, wrote, stating that what led up to the transaction was that Messrs. Morris Bros. were indebted to Hatrick and Co. for £120 for grass-seed and supplies, and that the only way they had of securing their money was by undertaking to finance Harris on his giving a mortgage over the section. They stated that Mr. Harris found the business too much for him, and then sought to transfer to Deadman. Mr. Hatrick also wrote on the 29th June, and I attach a copy of his letter. Messrs. Marshall and Hutton were told that Mr. Harris could not appeal, as the refusal to the transfer was an administrative act. Mr. James T. Hogan, then a member of the House, also wrote to the Commissioner asking him to reconsider the matter, and Mr. Armstrong wrote to the Under-Secretary for Lands that the forfeiture would be reconsidered on the 15th July, 1911, but the question was deferred till the 15th August. The question was gone into in the presence of all parties, and the Head Office was notified by memo. 5155/63 of the 15th August, and Mr. Harris was also notified, that the forfeiture had been confirmed. Some trouble had arisen between Hatrick and Deadman over the matter, and Deadman had refused to attend a Board meeting unless Hatrick reduced the price by £100.

Mr. Hatrick on the 5th September wrote, asking the Board to place a valuation on the section sufficient to cover, in addition to the Advances to Settlers mortgage, the amount spent by Deadman on the section.

On the 19th September, 1911, the Land Board resolved to offer the section at public auction for cash at a total upset of £1,408 10s., made up of £320 11s. 6d. for improvements, and the rest capital value, out of which mortgages were to be paid off. On the 21st December Mr. Armstrong notified the Head Office that there was no bid for the section. On the 23rd December Mr. Hatrick guaranteed to find a *bona fide* settler in the person of a nephew of his, but the Land Board decided it had no power to dispose of land privately, but resolved to recommend offering it for sale at a capital value of £500 weighted with first and second mortgages and £42 10s. improvements to be paid in cash. On the 8th January, 1912, Mr. Kensington asked that the matter be brought before the Board for consideration at an early date. As a result, on the 8th January the Commissioner, Mr. Armstrong, sent down a schedule to Wellington to offer the land under optional conditions at £500 capital value, weighted in addition with £692 10s. to be paid in cash, for two mortgages and improvements. These latter were described—55 acres felled only, £68 15s. ; 105 acres felled and grassed, £52 10s. ; 5 chains wire-netting fence, 12s. 6d. ; 101 chains fencing, £84 7s. ; 58 chains fencing-wire on posts, £4 7s. ; four-roomed house, £90 ; whare, £15 ; pataka, £5 : total, £320 11s. 6d.

On the 26th February, shortly after my own arrival in New Plymouth, I wrote to Wellington asking that the offering for sale be delayed pending a rehearing, but on being informed that the sale had been advertised, advised letting it go on.

On the 15th April the section was selected by Mr. Maher on the cash system. On the 23rd April Mr. Maher wrote that the value of the section had been misrepresented. I may state here that there was a clerical error in the description, but that it was an error of description only, and did not affect the value of the improvements. A correct description of these should have been as follows : 105 acres in grass, £121 5s. (of this 55 acres in bush land felled and grassed) ; 5 chains wire netting, 12s. 6d. ; 101 chains fencing, £84 7s. ; 58 chains fencing-wire on posts, £84 7s. ; four-roomed house, £90 ; whare, £15 ; pataka, £5 : total, £320 11s. 6d. This mistake was in saying that there were 55 acres felled besides the 105 acres, but this was a mistake in favour of any applicant, as any one would have been better without the bush felled in a season like last.

It will also be noticed that the Head Office advertised the section at a total of £1,408 10s., instead of £1,192 10s. as recommended by the Land Board. No exception was taken to this here, and it was thought that the Head Office had decided to keep to the values of the previous offering.

Mr. Maher, after some correspondence, paid all the money under our advice, pending inquiry Mr. Maher, in forwarding the balance of the purchase-money, stated he was paying £226 5s. under protest. I called your attention to this in my memo. to you (5515/157) on the 1st June last. On the 5th June I received a letter from Mr. Hatrick offering to take over the property. On the 25th June I received a telegram from you to expedite the issue of the lease, and a few days later posted it to Mr. Maher. Mr. Deadman's money for his improvements has been posted.

As an evidence of the value of the section, I would draw your attention to a letter from J. C. Morgan to Messrs. Hatrick and Co., and I may also state that I chanced to hear this morning that Mr. Maher is already trying to sell this section at an advance on what he paid. There is some possibility of Mr. Hatrick petitioning the House over this, and a good deal of the trouble arose over his attempting to put Harris into the section to secure his interest, a considerable amount of which was for grass-seed supplied to Morris Bros., but which was never grown on this section.

The Under-Secretary for Lands. ]

G. H. BULLARD,  
Commissioner of Crown Lands.

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