

No. 14.

The SURVEYOR-GENERAL to the CHIEF SURVEYOR, Auckland.

(Telegram.)

Wellington, 21st October, 1880.

HON. Minister of Lands directs me to inform you that Government considers it indispensable that, if any claim on the part of Mr. Russell should be established, any proposal for its settlement should leave Government open at once to deal independently with Messrs. Grant and Foster, and not leave any complication as between Russell and Grant and Foster. In other words, Government arrangements with Grant and Foster must be unconditional, so far as Russell's claims are concerned.

J. McKERROW,
Surveyor-General.

The Chief Surveyor, Auckland.

No. 15.

The Hon. the MINISTER of LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

(Telegram.)

Wellington, 23rd October, 1880.

You can inform Captain Steele, for Messrs. Grant and Foster, that Government will agree generally to terms of settlement proposed by Land Board in respect of the whole area applied for by them, subject to any modifications in detail which may be found necessary. Mr. Russell's claim will be dealt with independently.

The Commissioner of Crown Lands, Auckland.

W. ROLLESTON.

No. 16.

The Hon. the MINISTER of LANDS to Captain STEELE.

(Telegram.)

Wellington, 25th October, 1880.

You will be communicated with to-morrow as to modifications to be made in terms of proposed arrangement. They will be in the direction of closer assimilation to terms given to Mr. Vesey Stewart. See page 76 this year's *Gazette*.

Captain Steele, Auckland.

W. ROLLESTON.

No. 17.

The SECRETARY of LANDS to the Hon. the MINISTER of LANDS.

Messrs. Grant and Foster's Special Settlement, Te Aroha.

(Memorandum.)

General Crown Lands Office, Wellington, 25th October, 1880.

THE terms and conditions of sale to Messrs. Grant and Foster of special-settlement land at Te Aroha, as proposed by the Land Board, Auckland, seem open to several objections.

1. There is no guarantee that Messrs. Grant and Foster will make payment of all the instalments of £29,687 extending over the three years from date of agreement. It may be said that, if they fail to do so, the deposit payment of 5s. per acre, and other payments that may be made, would be liable to forfeiture, and that the Crown grant for the land would not issue. That would be a sufficient answer if Grant and Foster were to be the only settlers on the block; but in this transaction they are not settlers, but an agency for the introduction of settlers, and consequently the Government must consider in what position it would be in case of failure on the part of Grant and Foster.

In such a case the real difficulty would be that the Government would be confronted with the settlers on the ground, who practically could neither be turned off, nor could they be asked or compelled to make good Grant and Foster's default, the more especially if they had already paid these gentlemen or their assigns in full.

What is wanting is that, before any one is permitted to settle on the land, Grant and Foster either deposit ample securities for the due fulfilment of the contract, or, what would probably be better, that each settler on receiving his land order undertake to become jointly responsible with Grant and Foster for the payment of balance due on the area represented in his purchase.

In the Te Puke Special Settlement agreement, this difficulty about payment does not arise, because, before the land order is countersigned by the Agent-General, the selector (Mr. Vesey Stewart) has to pay in full 26s. 3d. per acre on the area represented in the land order. So that, should Vesey Stewart or his assigns break down before the completion of the settlement, Government is quite secure, inasmuch as payment is made for the land actually taken up, and what is not taken up is available for future disposal, and there is the forfeit of the £3,000 deposited with the Agent-General.

But as Grant and Foster's payments are not on the immediate but deferred-payment principle, the only thoroughly satisfactory arrangement would seem to be that the settler in his land order should become, so far as his area is concerned, jointly responsible with Grant and Foster for payment of balances or instalments. Should Grant and Foster object to this, it should be open to them, on depositing say £4,000 with the Agent-General, to come under the same conditions as to payment as Mr. Vesey Stewart. If they would agree to this it would simplify matters much, and the only joint responsibility of them and the actual settlers would then be the fulfilment of the improvement conditions. (See section 7 (c) of agreement, Vesey Stewart and Minister of Lands.)

2. In the terms and conditions as submitted by the Land Board, there is no time stated within which the settlers or emigrants are to embark or arrive in the colony, nor is there any time fixed within which the improvement and residence conditions are to be fulfilled. The times should be definitely fixed and stated in agreement; otherwise it will be left open for Grant and Foster simply to pay the money and defer the settlement of the land as long as they please. I would suggest that at least one-half of the settlers and emigrants should embark before 1st January, 1882, and the remainder before