

1st January, 1883, and that, within six months of their arrival in the colony, the proportion for each set of arrivals of the forty-five houses be erected on the ground and occupied, and that the three years' residence date for each settler from his actual occupation of a house on the ground: the terms and conditions of the special settlement to be fulfilled not later than 1st January, 1887.

In the event of Grant and Foster desiring to rearrange the subdivisions of the block to suit their settlers, it should be stipulated that they must bear cost of survey, and also the subdivisional survey of the unsurveyed portion of land purchased by them—sections 4 and 5 of Vesey Stewart's agreement, also sections 7 to 9, with the necessary verbal alterations. In section 9 the limit of land that may be occupied by a family might be stated at 2,000 acres, as Grant and Foster in correspondence state that some of their friends desired farms of this size. The other sections, 10 to 17, will be nearly the same, only verbal alterations.

The schedule of land orders will depend on what is decided with regard to the relations of the settler to the Government.

The Land Board direct attention that a portion of the land applied for on the eastern bank of the Waihou River is believed to be auriferous.

In clause 7, subclause (3), of Board's terms and conditions, it is provided that the precious metals are to be reserved from the Crown grant. In the agreement a clause might be added that, in the event of gold-workings, the only compensation due would be in respect of surface damage, the damage to be assessed by arbiters, one each to be appointed by the Government and the owner of the land affected, should an amicable arrangement not be previously come to.

The only other point in the Land Board proposals that needs be mentioned is the power which the Board reserves to itself, in section 7 of its terms, "to give permission in writing dispensing with personal residence." This I think is *ultra vires*, because it runs counter to the Land Acts, 1877 and 1879, both of which require residence on open land. There is no option except in bush land. This had better be eliminated, because, although the Board would no doubt be careful not to allow of the residence condition being waived unless under exceptional circumstances, still it is a concession that weakens the law, and would be contrary to the first paragraph of the land order, which states that the terms and conditions are under the authority of Act, 1879.

J. McKEEROW.

The Hon. the Minister of Lands.

No. 18.

The Hon. the PREMIER to Messrs. GRANT and FOSTER.

(Telegram.) Wellington, 26th October, 1880.
HAVE written Captain Steele. Hope result satisfactory settlement.
Messrs. Grant and Foster, care Agent-General, London. HALL.

No. 19.

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

(Telegram.) Auckland, 25th October, 1880.
CAPTAIN STEELE has been duly informed in terms of your telegram of the 23rd instant.

The Hon. the Minister of Lands, Wellington. D. A. TOLE,
Commissioner of Crown Lands.

Enclosure in No. 19.

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

(Telegram.) Wellington, 26th October, 1880.
I PRESUME it was clearly understood in clause 4 of Board's terms that Messrs. Grant and Foster would introduce immigrants at their own cost, Parliament having decidedly refused to allow special-settlement arrangements to be complicated by rebate or payment for immigrants introduced.

This is the more important as it was once contemplated that Government might assist Messrs. Grant and Foster with some agricultural labourers. Since that, immigration vote was cut down and immigration practically stopped; and in view of large amount of surplus labour in colony, and disappointed nominations, it would not be right to spend money on this purpose.

I will communicate with the Attorney-General as to modifications referred to in previous telegram. Please see him, and tell Captain Steele that correspondence will come through you.

WILLIAM ROLLESTON.

No. 20.

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

(Telegram.) Auckland, 27th October, 1880.
Re proposed special settlement, Te Aroha, Hon. Mr. Whitaker is not at present in Auckland. Will see him on his return, as directed in your yesterday's telegram. The question of rebate or payment for immigrants introduced was never discussed by the Board, nor was it then raised for consideration by the agent of Messrs. Grant and Foster. Most certainly clause 4 of the terms of the Board is not to be understood as implying in the remotest manner any obligation of the kind on the Government.

The Hon. the Minister of Lands, Wellington. D. A. TOLE,
Commissioner of Crown Lands.