

No. 32.

The UNDER-SECRETARY for CROWN LANDS to the COMMISSIONER of CROWN LANDS, Auckland.

(Memorandum.)

30th December, 1880.

ADVERTING to my memorandum of the 4th instant, in which I forwarded a copy of an Order in Council relative to the Te Aroha Special Settlement, I have now the honor to transmit herewith the articles of agreement* embodying the terms and conditions set forth in the Order in Council in question. Will you please submit the agreement to Captain Steele for his signature, if you are satisfied that he is sufficiently authorized to execute it on behalf of Messrs. Grant and Foster. If you have any doubt upon the subject it would be desirable for you to consult the Hon. Mr. Whitaker as to Captain Steele's authority to sign. On the deed being executed by Captain Steele, and returned to this office, it will be signed by the Minister of Lands. You will observe the agreement was approved by the Governor in Council on the 28th instant.

I also enclose six spare copies of the agreement.

The Commissioner of Crown Lands, Auckland.

H. J. H. ELLIOTT,
Under-Secretary.

No. 33.

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

SIR,—

Healing, Ulceby, Lincolnshire, 18th November, 1880.

I have the honor to enclose copy of the several telegraphic messages that have passed between us, and to explain that, in asking you to get Mr. Russell's claim removed from that part of the Aroha Block which the Government have agreed to give us, we were urged by practical difficulties which impeded, and in fact prevented, our selling the land here. Mr. Russell has not made any difficulty, and indeed has recognized the greatly-increased value his adjoining lands would probably acquire from our settlement; but the fact has become generally known in England that this Aroha land now promised to us had been allotted by previous New Zealand Governments first to Mr. Russell, then to Mr. Broomhall; and that in both cases different Governments had declined to ratify the promises made, and had offered or paid compensation to the claimants.

These facts have been studiously spread by opponents to our plans, and they have prevailed sufficiently to prevent purchasers taking up the lands from us. Under these circumstances we were naturally anxious to have the matter cleared up as much as possible before we pressed our immediate friends to accept our assurance that the title would be right. Moreover we had in view a proposal that we should colonize Mr. Russell's land in the Thames District, under which we should have had at our disposal for settlement about 40,000 acres instead of 17,000.

We now understand the position taken by the Government to be that, as our agent Captain Steele has made an arrangement with your Government, we are bound by that arrangement whether Mr. Russell's claim is withdrawn or not. We have not heard from Captain Steele, but shortly expect to have letters.

Meanwhile we wait receipt of information from him.

The Hon. the Premier, Wellington, New Zealand.

I have, &c.,
SAML. GRANT,
For self and J. S. Foster.

No. 34.

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

SIR,—

Healing, Ulceby, 1st December, 1880.

We have the honor to acknowledge the receipt, through Captain Steele, of the terms on which the Te Aroha Block is offered to us for settlement. When in New Zealand, we were led to believe, through the Attorney-General, that, as an inducement to farmers to come out, and the consequent promotion of settlement, not more than 30s. per acre would be charged us; that the Natives reserves should be included; and that the land would be drained, and roads formed: and we are somewhat surprised that these terms have not been approved by the Waste Lands Board. We are now asked to give some 34s. per acre; the Native reserves, which form the most valuable portion of the property, are withdrawn; no drainage or roads are to be effected for us; and a clause is introduced, which we are told is quite unusual in the colony, reserving gold and minerals.

We must ask the Government to kindly reconsider this matter, for, if the terms now proposed to us are adhered to, we are quite certain we cannot accept them. Though the price is more than we gave our agent instructions to offer, yet we will not refuse it on the ground of an extra 4s. per acre, nor will we raise an objection to the terms of payment or settlement, though they are not such as we instructed Captain Steele to agree upon. There are several farmers who would prefer paying for their blocks at once, and thus obtain a conveyance direct from the Government, without any delay such as the present arrangement involves.

But, assuming that Mr. Russell's claims are removed, we must request that the Native reserves within our boundary-line be included in our purchase, and that the clause as to gold and minerals, which we understand is altogether exceptional, shall be struck out. These two matters are absolutely essential to our plans.

We see considerable difficulty as to the drainage and roads, if they are not dealt with prior to parties purchasing or settling upon their lands, inasmuch as each farmer will require a road to his block before he can get his carts or implements upon it. The drainage and the roads want carrying out simultaneously, and would be better done by the Road Board, as suggested to us.

* The agreement is in the same terms as the Order in Council.