

MONDAY, 12TH DECEMBER, 1887.

Mr. G. A. MARCHANT, M.H.R., examined.

238. *Mr. Samuel.*] You are member for the Taranaki District, and know the whole of the circumstances in the harbour rating district?—Yes.

239. You have heard, amongst other things, the complaints of the settlers who are described as being in a very bad condition at the present time: that they are in very depressed circumstances consequent upon the low price of produce, and that this is increased by the rate that has now been struck?—There is no doubt that that is so.

240. Can you say anything of your personal knowledge?—Yes; I know the condition of affairs pretty intimately. I did not hear Mr. King's or Mr. Samuel's evidence, but I heard that of the four other witnesses who were examined on Thursday, and of Major Atkinson to-day. There is no doubt that the settlers are in a very depressed condition, and that the present rate is intensifying the depression. I may say that I am a member of the New Plymouth Harbour Board and have been for the last three years, and of course I have watched the current of events pretty closely. It appears to me that a great deal, if not most, of the present trouble, is due to the alteration in the system of the disposal of the land, and to the very great falling-off in the settlement of the land during two particular years; and I have obtained some official figures that will corroborate what I say. In 1881 there were sold for cash 15,700 acres, and on deferred payment 24,535 acres; in 1882 there were sold for cash 26,500 acres, and on deferred payment 13,818 acres; in 1883 there were sold for cash 20,150 acres, and on deferred payment 12,374 acres; in 1884 there were sold for cash 5,150 acres, and 5,800 were disposed of on deferred-payment and perpetual-lease systems (the fact being that in 1884 and the following year there was scarcely any energy shown in the way of throwing-open lands for settlement in the Taranaki District); in 1885 1,437 acres were disposed of for cash, and 3,000 on deferred payment and perpetual lease; in 1886 796 acres were disposed of for cash, and 19,000 on deferred payment and perpetual lease; in 1887 51 acres were disposed of for cash, and 20,600 on deferred-payment and perpetual lease. My object in going into these figures is to show the extent to which the Harbour Board's revenue has suffered through the alteration in the method of disposing of the lands, and it shows it in this way: In 1881 the Government only received £12,500 from the lands sold on deferred payment, whereas if they had been sold for cash at the same rate they would have realised £147,210 (the basis I have calculated upon is the price which land sold for cash realised in that year); in 1882 £13,129 was received by Government for land sold on deferred payment, which if sold for cash would have brought in £41,454; in 1883 the land sold on deferred payment realised £18,131, whereas if sold for cash it would have realised £43,000; in 1884 £22,000 was realised for land sold on deferred payment, which if sold for cash would have brought in £8,000 (you observe that there is here a great reversal in the proportions; this is because the deferred-payment instalments had been coming in from land sold in previous years); in 1885 the amount received from land sold on deferred payment was £18,000, while £6,000 would have been the amount of the same land sold for cash; in 1886 £15,100 was received for deferred-payment land, while £23,750 would have been received for lands sold for cash (this alteration again in the proportion of the figures is in consequence of the introduction of the system of capitalisation under the deferred-payment system, which was introduced this year); in 1887 £15,000 was received for land on deferred payment, while £25,000 would have been received if the land had been sold for cash. Adding all these sums together the sum of £113,860 was received by the colony in these seven years for land sold on deferred payment, whereas if the land had been sold for cash at the same price £294,414 would have been realised. But I recognise that it is not fair to reckon that as much would have been received for the land if it had been sold for cash as when sold on deferred payment; and therefore I allow a difference of 25 per cent., which brings the amount to £235,531 that we might very naturally have expected the land to realise. Deducting from this the sum of £113,860 that actually was received, you have a difference of £121,671 lost to the colony by the deferred-payment system. The Board's share of this sum would have been £30,400, and that amount would have been received by the Board if the lands had been sold for cash instead of on the deferred-payment system, in addition to a further £6,000 or £7,000 which would have been received if more energy had been shown in 1884 and 1885. I do think that if the Board had had this increase of revenue in these years this rate would have been rendered unnecessary for a good many years to come, that settlement would have gone on progressing, and that the rate would be as far off now as ever; whereas it has now fallen on the district, and has become a grievous burden, the settlers being hardly able to make two ends meet. Another point is this: this rate will have such a prejudicial effect on settlement, and will be a great drawback to people who might otherwise be willing to take up land, but who would not do so if they knew that directly they occupied it they would be liable to a rate. Mr. Tanner asked a question with regard to the deferred-payment system—as to whether it was in force at the time the loan was raised. I am not quite sure when the deferred-payment system came into force. But for a good many years it was a different one to what it is now. Previously, the deferred-payment settler was obliged to pay his instalments regularly, every six months, and, if he did not, his land was handed over to some one else who would pay; whereas, under the capitalisation system now in force, the settler can get off with paying very little, and the revenue suffers in consequence.

241. *Mr. Tanner.*] What would have been done with these amounts that would have been received by the Board from the purchase of the land? What does the Board do with the amounts they receive?—They are placed on deposit in the bank, and receive 5 or 5½ per cent. interest.

242. Then, this would help you to meet the interest on loan?—Yes, certainly; the money would have been earning compound interest.