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The Liberal Government's Purchase and Settlement of the Langdale Estate, Wairarapa (1900-1921)

A thesis presented in partial fulfilment of the requirements for the degree of Master of Arts in History at Massey University

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Abbreviations

AJHR  Appendixes to the Journals of the House of Representatives
ATU  Alexander Turnbull Library
JP  Justice of the Peace
lb  Pound (weight)
L&S  Lands and Survey Department
LINZ  Land Information New Zealand
MHR  Member of the House of Representatives
NA  National Archives
NZOYB  New Zealand Official Yearbook
TDA  Tinui District Historical Society Archives
WA  Wairarapa Archives
£ s d  Pounds, shillings and pence

Imperial to Metric Conversion Table

Imperial weights, measures, and currency used in the text.

Acre  0.4046 hectares
Hectare  2.471 acres
Chain  20.31 metres
Mile  1.62 kilometres
Square foot  0.095 square metres
Square metre  10.56 square feet
Pound (weight)  455 grams (0.455 kilograms)
Kilogram  2 pounds 3¼ ounces
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Introduction

Langdale Station is a 40-minute drive east from Masterton. This Wairarapa sheep, beef and grain farm is the remnant of a large estate owned by an English family until 1901. It was a four-hour coach trip from Masterton in those days. Modern travellers can journey down the picturesque Mangapakeha valley oblivious of the infamous swamp, and the role it played in the Liberal Government’s purchase and settlement of Langdale.

It seems incongruous in a colony founded on British principles of individual property rights that a government should embark on a programme of land redistribution. The Liberal Government purchased, by compulsion if necessary, large estates, and leased the subdivided land to settlers without right of freehold. Although the tenure strictures were relaxed, land-for-settlements remained in the New Zealand ethos and was later used to settle returned servicemen. Subsequent governments spent taxpayers’ money settling ‘productive people’ on farms. Ironically, the 1980s’ neo-liberal revolt ended government involvement in land settlement.

This thesis examines the Liberal Government’s purchase and settlement of Langdale. Although this was a voluntary transaction, and successfully settled people onto an allegedly empty estate, it harboured a political agenda. The Langdale purchase reflected many characteristics of land-for-settlements: it may have relieved the cities from overpopulation, but only indirectly; its associated economic activity benefited Masterton, as intended; but it failed to rebalance county politics, and this was the main intention.

Langdale is in the east coast summer-dry zone. Here, it is normal for the hill-country pastures to turn brown over the summer. Occasionally the summer extends into the autumn and becomes a drought when even the heavy flats become parched. Then there are those summers when it rains incessantly causing visitors to mistake the area for Waikato dairying country. The subdivision promotion identified dairying as a potential land use.

Langdale’s topography was mixed. The Mangapakeha stream was on the estate’s western side, while the Whareama river formed its north-eastern boundary. Although the Whareama that flowed past Langdale was a creek most of the time, it served a large catchment area and flooded

1 The Langdale Settlement, Wellington, New Zealand, Wellington: T.Y. Duncan, Minister of Lands, 1901, p. 7.
2 Economic Management: Land Use Issues, Wellington, Minister of Finance, 1984, pp. 60, 67-68.
3 The Langdale Settlement, p. 7.
the low-lying flats in times of heavy rain. The Whareama side of Langdale bordered the Ica estate of the Anglican minister, Parson Andrew. The southern side of Langdale was hill-country with limited areas of road frontage, and a boundary with the Blairlogie estate. The Mangapapokia stream touched the south-eastern corner of Langdale. Between the small area of flats through which the Mangapakeha meandered and the larger area of Whareama river flats, Langdale was dissected by hill-country. This ranged from easy slopes to typically broken North Island hill-country, but almost in the middle was a spectacular outcrop of very steep and rocky hills, the Mangapakeha Taipos sat like a citadel overlooking the estate. The hill-country on the Mangapakeha side was exposed to the frequent and dry northwest wind, while the generally easier eastern slopes were more sheltered, but still prone to the summer-dry. Although surrounded by rivers, the central hills lacked adequate water in the dry summers. Three connecting roads enclosed the pastoral estate, and this made it an attractive proposition for subdivision.

Map 1: Langdale's location relative to Tinui, Castlepoint, and Masterton
In 1900, Langdale was more closely identified with Castlepoint than Wairarapa. Castlepoint beach was one of the many landing points on the North Island’s east coast. Tinui, a village that included several churches, two shops, a hotel, post-office, and school, serviced the Castlepoint district. Tinui peaked in the 1880s, but stagnated in the fashion of other rural villages lacking a rail siding. In the days of horse-drawn vehicles, Langdale’s occupiers generally shopped at Tinui.

The evolution of the Langdale estate was typical of Wairarapa sheep-runs. In the early 1840s, pastoralists pushed their sheep around the rugged coastline from Wellington and founded New Zealand’s wool industry. These pioneers recognised Maori as owners of the land and leased their coastal runs directly from them. Naturally, they clung to the coast, as sea travel was more efficient than overland even after the Maori trail through the Rimutaka range was opened for carriage traffic in 1853. From these beginnings, the pastoralists developed a culture of independence.

The Colonial administration disliked the arrangement between Maori and the pastoralists, and preferred to buy the land, then lease or sell to settlers at a profit. Prising the land from the Wairarapa Maori, who were enjoying market rents and trade with the pastoralists, was hastened with the intervention of Governor Grey. The Wairarapa land sales left only a small area reserved for Maori, and the Government failed to fulfil its promise of returning a 5% share of the subsequent sale proceeds on specific tracts of land to Wairarapa Maori. From this point until the Treaty of Waitangi was revisited late in the 20th century, Maori ceased to be involved in the tussle for Wairarapa real estate.

4 ibid., p. 1.
7 ‘Langdale Budget’ (1894), p. 3, Castlepoint and Tinui Historical Records, 93-57/105.R4B3S6, WA.
9 ibid., pp. 52, 62.
10 ibid., p. 85.
13 Gawith, p. 38.
The Government purchases left two disparate groups of settlers vying for Wairarapa land: pastoralists and farmers. The pastoralists were ‘gatherers’ who did not work the land but gathered its produce, in this case wool. Farmers were ‘cultivators’ and traditionally had a greater claim to ownership. While pastoralists were Wairarapa’s first settlers, farmers were the first freeholders.

The Wairarapa farmers originated from the Wellington Small Farms Association. These were workingmen whose ideal for New Zealand was a society of small landed proprietors, a popular sentiment in mid-19th century England; strongly supported by Grey. The founder, Joseph Masters, proposed that possession of property ‘makes men set a higher value on his own character [sic]…’ Underlying the peasant-proprietor sentiment was the desire for enfranchisement, limited in the Anglo-Saxon world to property owners; although from the outset in colonial New Zealand, the property qualification was exceptionally liberal. When Joseph Masters led an exploratory committee into the Wairarapa, there were fears of a hostile reception from the incumbent pastoralists. Although unfounded, these fears represent an early awareness of the potential conflict between the two groups of colonisers. The Small Farms committee persuaded Governor Grey to delay the private sale of Wairarapa land until they had established Greytown and Masterton in 1854, thus they were first to secure freehold title in the Wairarapa. When this injunction ended, Provincial Superintendent Featherston let or sold large grazing runs to a core of 50 pastoralists at allegedly discounted prices. The pastoralists became Wairarapa’s large landowners.

Refrigeration opened up export markets, and made Featherston’s preference for pastoralism appear extravagant. This new technology not only boosted the viability of farming, but also blurred the demarcation between pastoralists and farmers. Pastoralists cultivated crops to fatten surplus stock, and landholding size became the surrogate of cultivation in the delineation. Pastoralists were those with land to waste, and pastoralism took on a pejorative meaning.

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15 ibid., p. 12.
18 Henderson, pp. 40, 47.
From the outset, Wairarapa politics reflected the divergent interests of small farmers and large landowning pastoralists. Masters gained election to the Wellington Provincial Council in 1856 advocating a land tax to prevent land monopoly. However, his tenure was short-lived and large landowners represented the region in central government until the pivotal 1890 election when Alexander Hogg wrested the Masterton electorate from the pastoralist, George Beetham, by 17 votes; he held the seat for the next 21 years.

Alexander Hogg migrated with his family from Scotland via Australia to New Zealand. His unpublished memoirs recount his childhood experiences in Glasgow where his family worked in a dye-works; Hogg blamed the system, and not the factory owner, for the harsh conditions and low wages. Hogg’s recollection of an outbreak of cholera inflamed his hatred of cities and the land monopolists who forced people to live in them. The closure of Loch Lomond, which denied his uncles the opportunity to supplement their incomes as tourist guides, features in his short autobiographical notes. Like John Ballance, Hogg was a journalist and became proprietor of the *Wairarapa Star* in 1881; he was also president of the Masterton Knights of Labor and had organised labour in the Australian goldfields. Although Hogg described himself as a ‘land nationaliser’, his enthusiasm was constrained by his liberal ethos of allowing people the choice of tenure.

The antithesis of Alexander Hogg was large landowner and Wairarapa South MHR Walter Buchanan. Buchanan was a trader and reputedly accumulated his wealth as a livestock dealer in the Otago and West Coast gold-rush days. Within four years of purchasing the Tupurupuru estate, he gained the Wairarapa parliamentary seat. During the Liberal era, J.T.M. Hornsby interrupted his tenure in Parliament on several occasions. Buchanan was prominent in opposition to the Liberals and the bitterest of Seddon’s opponents. Although history labels

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20 ibid., p. 240.
22 A.W. Hogg, Papers and Photographs, 01-60, WA.
23 Hamer, p 175.
Buchanan a conservative, he had strong support from Wairarapa Maori, and publicly castigated John Ballance for treating them like children.

The division between the farmers and the pastoralists was geographical as well as philosophical. The pastoralists were on the coastal perimeter and preferred the sea for trading and transport. Local government boundaries reflected this division. When the 1876 Counties Act stimulated a rush for counties, the pastoralists prompted an east-west division of the Wairarapa, lest the more numerous valley farmers, notwithstanding the plural voting, outvoted them. The Counties Act sought to blot out the numerous road boards, but many shipping points fragmented the East County, and the road boards continued as practical divisions. In 1881, an enlarged Wairarapa electorate split on a north-south alignment and the two counties followed suit five years later.

The 1890 sheep-owner returns amplified the disparity between pastoralists and farmers. The two Wairarapa counties contained 501 sheep-owners and 1,000,000 sheep; almost half these sheep were concentrated in the hands of 28 estate owners. The remaining 95% of sheep-owners had an average flock size of 1,086 sheep while the top 28 farmed an average of 17,827 sheep. In 1890, Langdale with 18,441 sheep was the eighth largest estate in the Wairarapa.

Langdale, then known as Whareama, was sixteenth on the list of properties distributed by Featherston, and was secured by Mrs Mary Buxton for her son Henry. Because of its proximity to the coast, Buxton established the estate infrastructure for trade through Castlepoint. The house, sheep-yards and woolshed were sited at the farthest point from Masterton, adjacent to the Ica ford; this was a solid crossing point of an otherwise muddy Whareama. Access to Castlepoint was through the neighbouring Ica estate, the original road from Masterton to Castlepoint. It was the mid-1870s before the Masterton-Tinui connection to Castlepoint superseded the road through the Ica ford.

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27 ibid., p. 317.
30 ibid., p. 401.
33 Early Castlepoint Pioneering Life on the East Coast, Castlepoint and Tinui Historical Records, p. 5, 93-57/105.R4B3S6, WA.
Little is recorded of the Buxton tenure at Whareama other than it ended when Henry drowned while crossing the Ica ford in 1868. The selling agents promoted the Whareama estate as suitable for closer settlement; it comprised 18,000 acres of freehold and 7,000 of leasehold land, and carried 5,000 sheep and 100 cattle. Buxton had taken advantage of the wool-boom to freehold much of the property. John Morrison purchased Whareama in 1870 for £8,000, and within six years increased the carrying capacity to 14,000 sheep and 400 cattle. He sold the then 17,000-acre freehold property with livestock and plant to A.L. Elder and Company in 1878 for £37,000. Although Elder purchased the estate sight-unseen, he concurrently purchased a mansion in London at a similar cost, and may have seen Whareama as comparatively cheap.

Alexander Lang Elder was the founding proprietor of the purchasing company, hence the name Langdale. Elder made his fortune in South Australia with some assistance from his merchant family in Scotland. In 1853, he left his substantial Australian business in the hands of his brothers and established A.L. Elder Company, a London-based merchant bank with extensive Australian and New Zealand contacts. The Elder family held the renamed Langdale estate until it was purchased by the Government in 1901 for closer settlement.

Wairarapa was a microcosm of settler politics and the land debates. An examination of the Langdale settlement shows Liberal land policy motivated by social, economic, and political agendas. The most distinctive feature was the attempt to use crown tenants as a means to reform dysfunctional county politics. This farmers’ settlement fulfilled the Government’s economic expectations and transformed a wool-producing pastoral estate into intensive meat-producing farms. The decisive factor was the willingness and competence of the farmer tenants. The political objectives failed because the Liberal Government misunderstood the realities of county politics.

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35 James Andrew, ‘Notes Concerning the Morrison Family’, p. 3, P Box q929.2 MOR AND 1975, ATU.
38 ibid., pp. 1-3, 6.
Ch. 1 Liberal Land Policy

Land ownership was a core political issue in New Zealand's age of liberalism.¹ For both European and Maori, land held magical qualities. For Maori, land had a spiritual value; for Europeans, land ownership symbolised independence, was morally uplifting, and offered material benefits. Land ownership was a sure path to upward social mobility.² Although land prices had fluctuated, its fixed supply in face of rising populations gave certainty to the prospect of increased values; it was a popular means of storing wealth. Colonial governments were also vitally interested in land. The purchase of Maori land at a discount and sale at market value provided revenue, some of which was applied to infrastructure development. Governments used the anticipated increases in land values on proposed rail routes to finance rail construction.³ The subdivision and settlement of land was a fiscal stimulus, and one of the few economic levers available to colonial governments. The distribution of land offered governments the opportunity to shape New Zealand society.

The 1880-1900 economic depression sharpened the land debates. Liberal party politicians were frequently newspapermen, with an awareness of local political trends.⁴ They were also alert to economic currents, as their advertising revenues magnified economic changes. Land settlement provided a fiscal stimulus to rural communities: the money settlers spent on improvements multiplied in a similar vein to the investment multiplier made famous by John Maynard Keynes. Newspapersmen would readily recognise the positive economic effects of land settlement on local communities, and their enthusiasm for it deepened with the long depression.

Although land policy was the main subject of debate in colonial New Zealand, there were areas of consensus. No one wanted the old world evils of the industrial cities, and closer settlement of land was seen as a means of avoiding this. John McKenzie, when trying to steer his uncompromising 1891 Land Act through Parliament, labelled his measures as:

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⁴ Hamer, p. 152.
Alexander Hogg argued in the same debate that failed land policy was responsible for unemployment and the Charitable Institutions Act, and that: ‘Our land is capable of maintaining every man woman and child in a state of independence....’\(^5\) The conservative *Wairarapa Daily Times*, although no friend of Hogg, shared his disdain of industrial cities:

‘We don’t want little smoky Manchesters or small smoky Sheffields....In the manufacturing towns of the old country are to be found small stunted specimens of the human race....There is ample outdoor employment for every man women and child in the colony.’\(^7\)

New Zealanders had good reason to avoid the blight of Britain’s large industrial cities. Although an emerging middle class was making material progress, the plight of the vast majority of city dwellers in Britain was appalling. In industrial cities, the average height of people declined between 1830 and 1880; this was compelling evidence of inadequate nutrition and an unhealthy environment. The growth of the cities allowed landlords to command high rents, exacerbating the difficulties of the industrial workers. The response of the poor to those rents was overcrowding resulting in dreadfully unsanitary conditions.\(^8\) The plight of the multitude was well publicised in contemporary literature.\(^9\) The condition of the great cities would not have been a revelation to the colonists: most were either immigrants or children thereof, in addition to a constant stream of new immigrants bringing updated information on the world they had left. Many of the immigrants, like Hogg, had come via Australia and knew that the evils of large cities were not confined to the old world. Hogg, in the 1894 land-for-settlements debate, reinforced his argument with an extract from a Melbourne paper on the plight of the new world’s urban poor.\(^10\) McKenzie, Hogg and the conservative *Wairarapa Daily Times* shared the ruralist ideology identified by Miles Fairburn as the ‘rural myth’: the country

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\(^6\) ibid., p. 504 (A.W. Hogg).
\(^7\) *Wairarapa Daily Times*, Aug. 22 1894, p. 2.
\(^9\) ibid., p. 442.
was a better place to live than the city, especially for families.\(^{11}\) Although late in the 19th century New Zealand was already highly urbanised by international standards,\(^{12}\) its low population precluded overcrowded cities. The ‘land debaters’ can be excused for not predicting New Zealand’s ultimate population, and their concerns were genuine and rational.

Although there was consensus on the need to construct a rural society, the shape of that society was contentious. The *Wairarapa Daily Times* referred to ‘ample outdoor employment….’ This was the conservative model for rural New Zealand. The editorial attacked New Zealand’s trade protection. The tariffs were a charge on rural New Zealand and encouraged people into big city industries. While the conservative faction favoured the opening of crown lands for settlement, they preferred an unregulated land market. McKenzie was certain that the economies of scale would prevail in an unfettered land market.\(^{13}\) Land was different because of its fixed supply: ‘because capitalists can afford to lie [sic] out their money for a considerable time when it is in land, until the growth in population makes land valuable.’\(^{14}\) Land monopoly was feasible in an open market.\(^{15}\)

Liberal land policy rejected the unregulated land-market model, not for socialist reasons but because land concentration resulted in land lying idle. The primary purpose of land was to support people. Land was productive when filled with people. Hogg, like McKenzie, had witnessed the effects of the highland clearances where people were displaced with pastoralism, and forced into the cities.\(^{16}\) Closer settlement may have been a less efficient land use in terms of labour productivity, but smaller holdings meant more houses, fences, and other improvements; the economic activity impacted positively on the small rural towns. The awareness that large tracts of land were concentrated in the ownership of a few caused concern, especially in the South Island.\(^{17}\) Land monopoly was forcing people into the cities.\(^{18}\)

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\(^{12}\) *New Zealand Official Yearbook*, 1990, pp. 132-133.


\(^{14}\) ibid., p. 372 (J.S. McKenzie).

\(^{15}\) Hamer, p. 64.

\(^{16}\) ibid., p. 175.

\(^{17}\) Brooking, ‘Use it or Lose it’, p. 143.

\(^{18}\) Hamer, p. 171.
Land Policy: 1877 to 1890

Liberalism’s cornerstone land policy was evident before the pivotal election of 1890. There was always consensus on the need for a land policy, and widespread support for closer settlement. There was unity between the freehold and leasehold factions over the role of leasehold in enabling those with limited capital to participate in closer settlement. The divergence was over the right of crown tenants to buy the freehold: once it was purchased, the crown could not prevent the aggregation of this land.

There was an underlying momentum to land legislation from the end of provincial government to the 1890 election. The legislation centred on the disbursement of crown land to as many people as possible, and conditions for those with limited means were made easier. Initially, a deferred payment option was offered with 10- and 15-year terms for agricultural and pastoral land respectively. Only the landless were eligible, and mandatory residency and improvement conditions applied. This was augmented in 1882 with a perpetual lease for agricultural land: an initial term of 30 years and a perpetual right to renew at valuation (excluding lessee improvements); rent was set at 5%.

Lands Minister, John Ballance, gave closer settlement of pastoral land impetus with the introduction of the small-grazing-run tenure in 1885. This leasehold tenure was limited to a 21-year term with rights of renewal, but the crown retained the right of resumption for further subdivision. The small-grazing-run tenure was inferior to the perpetual lease, but the rent was discounted to 2.5%. The discounted rent lowered the fixed costs allowing closer settlement of these pastoral lands. Provision remained for further subdivision should the wool market recover.

The 1887-91 Atkinson administration was responsible for progress and retrenchment in land policy. The right to freehold perpetual lease land was granted, easing the path to aggregation of these lands. However, the same administration replaced the auction system of selling crown

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19 ibid., p. 74.
22 ibid., pp. 28-29.
lands with allotment by ballot. This prevented selectors from impoverishing themselves by bidding to unsustainable levels. Rents on deferred payment and perpetual lease lands allocated by auction were also reduced in response to deteriorating produce prices. Successive administrations were progressively easing the path towards closer settlement of crown land.

The resumption of private land for settlement preceded the 1890 Liberal Government. John Ballance, as Lands Minister, promoted a policy of land-for-the-landless, and his 1885 Land Act introduced the village-homestead special-settlement system: this allowed groups of landless families to petition a landowner to sell; the state then purchased the land, settled the petitioners on it under the perpetual lease tenure, and provided finance for housing. This theoretically provisioned the landless with a small landholding for sustenance in times of seasonal unemployment. The concept of a ‘cow and three acres’ was popular with conservative interests, as it put a casual labour force into rural areas; this softened conservative opposition to land-for-settlements. Ballance attempted to introduce a compulsory purchase clause in his 1887 Land Acquisition Bill, and this served as a political manifesto for the 1890 election.

Liberal Land Policy: 1890 to 1893

The defining feature of Liberal land policy was its focus on the large estates. There was a perception that crown land available for settlement was rapidly diminishing. The Liberals proposed to open up a new source of idle land for closer settlement: land suited to grain and fat lamb production on the east coasts of both Islands was held in large estates. The change that accompanied the Liberals in 1890 was the direct measures taken to open these large estates for closer settlement.

The Ballance Government instituted two measures to dismantle large estates: a graduated land tax and the resumption of large estates. The 1891 Land and Income Assessment Act replaced the existing property tax. A land tax of 1d/£ (0.4%) was levied on all estates valued over £500;

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23 ibid., pp. 30-31.
24 ibid., p. 29.
the vast majority were exempted.\(^{27}\) The land tax was bolstered with a graduated tax starting at \(\frac{1}{8}d/\£\) for estates with a value of £5,000, rising in regular steps to a maximum of \(1\frac{3}{4}d/\£\) for properties valued at £210,000 or more. Those absent from the colony were levied a 20% surcharge on the graduated tax. The graduated tax was not tiered and the combined impost on the largest estates was 1.15%. Initially, improvements over £3,000 were subject to the land tax. While this exemption covered most property owners, the large estates had improvements well in excess. Mortgages up to £1,500 were also exempt from the land tax, but not the graduated tax.\(^{28}\) Relief came in 1893 with the exemption of all improvements,\(^{29}\) and large estates with a high ratio of improvements paid less than under the property tax regime. Impoverishing the large estates to the point of exacerbating unemployment was too high a price to pay.

Initially, the new tax laws may have discouraged land aggregation by darkening the future prospects for large estate owners. In 1891, F.H.D. Bell used the threat of increased land tax to persuade a fellow Cheviot estate trustee to sell: ‘This is the thin edge of the wedge. Sooner or later they will increase and increase until Cheviot and other large estates become impossible.’\(^{30}\) However, D.D. Macfarlane expressed the same sentiment in 1898 when deciding to offer part of his large estate to the Land Purchase Commission.\(^{31}\) Seven years had elapsed since the tax was introduced and threats of further increases must have seemed increasingly hollow, especially in light of the 1893 reforms; Macfarlane was using the putative threat to justify his desire to sell.

The second measure aimed at the great estates was the land-for-settlements legislation. This proposed to purchase, by compulsion if necessary, estates for closer settlement. The first Land for Settlements Act passed easily through the House of Representatives in 1891, but lapsed through delay in Legislative Council.\(^{32}\) McKenzie cited the Public Works Act as a precedent for compulsory purchase, and both William Rolleston and Sir John Hall accepted the state’s right to resume large estates; George Richardson was opposed, but only on the grounds that compulsory

\(^{27}\) NZOYB, 1893, p. 419.
\(^{28}\) New Zealand Statutes, 1891 (No. 18), Land and Income Assessment Act, Schedule A.
\(^{29}\) NZOYB, 1894, p. 245.
\(^{30}\) Gardner, A Pastoral Kingdom Divided, p. 48.
purchase was unnecessary. The most strident opposition came from the Maori representatives who, unlike their European counterparts, were inherently opposed to the compulsory purchase of land. Opposition to land-for-settlements may have been tempered by a belief that financial constraints would prevent the wholesale resumption of privately held land.

A tamer, but largely unworkable, version of the 1891 Act passed through both chambers in 1892, sans the compulsory acquisition clause. The unworkable features included the annual budget of £50,000 and the 320-acre maximum lot size. The maximum lot size effectively limited purchases to high quality land, but the annual budget and lack of a compulsory purchase provision precluded this. One of the first estates purchased under the legislation, Pomahaka in South Otago, was a disaster. The estate owner successfully manipulated the Land Purchasing Commission into paying a premium for poor quality land; this rendered the 320-acre sections uneconomic, and less than half were leased. Land-for-settlements was off to a shaky start, but all changed with the Cheviot purchase.

Although the 1892 Land for Settlements Act proved unworkable, some features endured. Notably, the scheme was designed to be self-financing. The settlements were financed through debentures that paid 5% interest or less. All settlement land was leased-in-perpetuity at 5% of capital value; this included all costs of purchase, survey, additional roading, and administration. Land purchasing commissions were established in each district to discover, value, and recommend properties suitable for purchase. These were composed entirely of public servants, unlike the land boards administering crown lands; the district commissioner of crown lands was ex officio on both boards. The final decision to purchase lay with cabinet. From 1851, a third of crown land sales proceeds, and a quarter of rents, were passed to the local authority, whose territory the land was in, for roading. The land-for-settlements disposals were exempted from this as this land had already been through the crown lands system. More importantly, the

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33 NZPD, Vol. 74 (1891), pp. 437-438 (J.S. McKenzie); p. 439 (W. Rolleston); p. 442 (Sir John Hall); p. 451 (G.F. Richardson).

34 ibid., p. 451 (H. Taipua).

35 Jourdain, pp. 35-36.


37 Jourdain, p. 131.

scheme could not be self-financing if a portion of the proceeds were assigned to local authorities.

The lease-in-perpetuity tenure came with the benchmark 1892 Land Act. This had a 999-year term without revaluation; rent was set at 4% for crown lands, but the right to freehold was foregone. However, there was provision in the Act for those preferring freehold to occupy with the right of purchase; the occupying rent was set at 5%. Although key Liberals such as Ballance, McKenzie and Hogg opposed the sale of crown land, the liberal ethic was to let the people choose by offering a spectrum of tenures. Hogg opined that lease-in-perpetuity was so good that no one could possibly prefer freehold; this was the Liberal’s way of protecting crown land from aggregation.

The Cheviot Effect

Although the Cheviot estate was neither purchased nor administered under the Land for Settlements Act, it shaped future land-for-settlements policy. The 1892-93 Cheviot purchase was politically popular and gave momentum to land-for-settlements. The 1894 revamp of the land-for-settlements legislation allowed for compulsory purchase of large estates and increased the annual budget to a more threatening £250,000; the maximum interest on borrowings to finance the settlements was lowered to 4%, reducing the possibility of the settlements drawing on public revenues.

The sale of the Cheviot sections was modelled on the crown lands disposal system, and the outcome determined future land-for-settlements subdivisions. The agricultural land was offered for lease-in-perpetuity, and the pastoral land as small-grazing-runs; freehold sections were also offered, but there were no offerings for occupation with right of purchase; the maximum section size was aligned with the crown land system. Both lease-in-perpetuity and small-grazing-runs carried a rent of 5%. Only six of the 45 freehold sections sold, while 650 selectors contested the

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39 Jourdain, p. 32.
41 ibid., Vol. 84 (1894), p. 204 (A.W. Hogg).
42 Hamer, p. 107.
43 Jourdain, pp. 132-133.
after acceptance, the scheme was useful as a negotiating lever with private lenders. This state lending to settlers was designed to help the smaller landholders, and its significance was amplified by a budget six times larger than land-for-settlements. This legislation was an important part of Liberal land policy and showed a Government unconvinced by free market ideology.

Ideologies of Liberal Land Policy

Between 1890 and 1912, a group of men who called themselves the Liberals governed New Zealand. They were opposed by people who also claimed to be liberals, and were finally ousted by the Reform party, which asserted that they were the true liberals. In short, liberalism was the dominant political ideology of this age. Liberalism is synonymous with property rights and appears antagonistic to land-for-settlements, in which a Government purchased freehold land, against the wishes of the incumbent owner if necessary. Although Liberal land policy had a socialist ambience, it was compatible with liberal ideology.

Generally, political beliefs are uncritically absorbed. Liberalism as such was not debated in colonial society, but debates were conducted within a liberal framework. Liberal ideology was constructed by John Locke, a wealthy supporter of the Whig cause in 17th century England. Locke's *Second Treatise of Government* was the basis of the American Revolution and contemporary liberal democracy. Although seldom referred to, Locke's ideas are readily discernible in New Zealand’s age of liberalism.

Lockean liberalism rests on two principle tenets: the function of government was to protect individual property rights, and its legitimacy rested on majority consent. Consent implied equality, and, in a judicial and political context, liberalism was an egalitarian philosophy; 59 lease-in-perpetuity and small-grazing-run sections. When reoffered under lease-in-perpetuity, the former freehold sections were keenly sought. The freehold sections had failed to sell because they were overpriced, and their saleability was only secured through a tenure that attracted a wider bench of buyers. In 1894, the Liberals decided on lease-in-perpetuity and small-grazing-runs for land-for-settlements disposals. Subsequent legislation gave district land boards the power to interview and reject applicants. In 1897, the land-for-settlements budget was further increased to £500,000.

The Cheviot story also contributed to the Government Advances to Settlers legislation. The financing of Cheviot was five times the 1892 land-for-settlements budget. This large amount of borrowing conflicted with the Liberal’s cornerstone policy of self-reliance, yet the public were unfazed. This public endorsement opened the door for the Liberal administration to address a major area of market failure in rural finance. The lending institutions, notably the Bank of New Zealand, were holding significant portfolios of non-performing assets in the form of large estates they had foreclosed. To cover these losses, lending rates between 7% and 9% were charged and were usurious when compared to deposit rates of 5%. Furthermore, settlers seeking small mortgages paid high establishment fees, and those with leasehold tenure were excluded. The widespread failure of small farm settlements was attributed to a lack of capital.

The Government Advances to Settlers Act remedied these deficiencies. The Government proposed to borrow £1,500,000 annually on the London market at 4%, and lend to settlers at 5% on 36-year table mortgages. Loans of two-thirds of freehold value and one-half of lessees’ interest were available. Mortgages were limited to £2,500 per borrower, with preference to those applying for less than £500. Mortgage establishment costs were so tightly prescribed that A.K. Newman MHR described the legislation as: ‘A Bill to smash lawyers of the colony…..’ By 1900, 7,488 settlers held mortgages with Advances to Settlers, of which one-third were leaseholders; 20% of applicants were declined, while a further 10% withdrew their applications.
privilege was its antithesis. Locke used property as a catchall for life, liberty and possessions.\textsuperscript{55} There was an antagonism between government and individual liberty, and this demarcated the two groups of liberals. The Liberals emphasised consent while their opponents, whom they successfully tagged as conservatives, gave greater weighting to liberty. However, much of the colony’s progress from a ratepayers’ democracy to universal male suffrage occurred under conservative administrations; Sir John Hall is credited as the ‘numbers man’ for female suffrage, although his motives are questioned.\textsuperscript{56} Liberalism’s democratic sentiment had widespread support.

Majority consent was the trump-card of Lockean liberalism, and this underpinned land-for-settlements policy. Locke’s argument that residency was acceptance of the body-politic,\textsuperscript{57} while subject to criticism, was especially strong in colonies where people were geographically mobile. The \textit{Wairarapa Daily Times}, although opposed to land-for-settlements, accepted the verdict of the voting public.\textsuperscript{58} The Liberal Government’s confidence in the popularity of the settlements was conspicuous in its hurried purchase of the large Waikakahi estate immediately before the 1899 election.\textsuperscript{59} This strong democratic sentiment sanctioned land-for-settlements in New Zealand.

Liberal ideology harbours a friction between egalitarianism and the unequal endowment of possessions. Locke resolved this by reconciling disparities in wealth with a common and equal right to exploit the earth’s resources: everyone had a right to the product of their labour, and could therefore equally share the earth’s bounty.\textsuperscript{60} Locke argued that the invention of money allowed individuals to store wealth in a manner that did not ‘spoil’. Spoilage or waste violated the property rights of others as it precluded their rightful use of the earth’s resources; it ‘robbed others’ according to Locke.\textsuperscript{61}

\textsuperscript{56} McAloon, p. 176.
\textsuperscript{57} Locke, Ch. VII, Secs 95-97, 119-121.
\textsuperscript{58} \textit{Wairarapa Daily Times}, Dec. 11 1900, p. 2.
\textsuperscript{60} Locke, Ch. V, Sec. 27.
\textsuperscript{61} ibid., Ch. V, Secs 46-50.
While some may support Locke’s contention that wealth held as money did not impact on the property rights of others, his argument can be turned on its head if wealth is held in a form that could spoil; this was the genesis of Liberal land policy. If individuals were holding their surplus possessions in the form of land, and failed to exploit its productive capacity, they were violating the right of others to draw sustenance from that land. The rejuvenated assault on Maori land in the 1890s was also justified in those terms. 62

The injunctions and remedies that successive American administrations imposed on monopolies has striking similarities with land-for-settlements legislation. Monopolies extract higher prices by restricting the output of the monopolised resource. This deliberate wastage was unacceptable, and the resulting anti-trust legislation predated concerns over social inequalities. American anti-trust legislation compelled the monopolist to divest, whereas land-for-settlements assisted the divestment of the idle land; compulsory purchase was the exception. Neither confiscated wealth: the objection was to unproductiveness, not wealth. The Liberals accused the large landowners of land monopoly. Their opponents accepted that land monopoly could exist, and that it was a legitimate function of the state to remedy such a situation, but maintained that action was premature and an intrusion on property rights.

Land-for-settlements ideology was rooted in liberal egalitarianism, but was not socialist. There was no intrinsic objection to wealth, provided it remained in the colony; everyone abhorred absentees. The owners of the purchased estates were paid in full, 63 their possessions were not reduced. The poor were not subsidised into the settlements, and often were excluded because they lacked sufficient capital. 64 The settlement subdivisions catered for differing socio-economic classes of tenants. The replacement of the owner and a few shepherds from the resumed estates with a much larger number of people was proof the land was idle; taxpayer assistance to the new occupiers would discredit this claim.

Liberalism exuded individualism, and this ethos was costly to Maori. Locke reinforced Protestant and Augustinian beliefs that God had given each person a unique function. For that reason, individuals should be free of interference so they could fulfil their function; this was

62 Brooking, ‘Use it or Lose it’, pp. 161-162.
63 Jourdain, p. 36.
Locke’s justification for individual property rights.\textsuperscript{65} This culture of individualism effectively excluded Maori from the benefits of Liberal land policy. Accommodating communal Maori structures would have perpetuated what were seen as inferior cultural practices and been a disservice to Maori; their exclusion was not an act of malice.\textsuperscript{66}

Yeomanry was the highest order in liberal society.\textsuperscript{67} The self-reliant individual cultivating his own land conveyed two qualities synonymous with liberalism: improvement and work. Within the technologies of the day, cultivation was one of the few avenues available for improving the land. To hold cultivatable land in a pastoral state was to waste that land. Cultivation also connoted work. The work ethic was an important part of liberalism, and ploughing was unequivocal evidence of work. Those who did not produce violated the property rights of others by living off their labour; the work ethic had an egalitarian flavour. Pastoralists, like rentiers, appeared to gather a profit without physically working for it.

When discussing the origins of property rights, Locke posited that the claim to title rested on cultivation whereas the ‘gatherer’ could claim only the produce ‘gathered’, not the land on which it was gathered.\textsuperscript{68} The yeomen cultivator had a prior claim to the land over pastoralists, who were ‘gatherers’. Liberal land policy recognised this in the structure of its tenure options. The perpetual-lease and lease-in-perpetuity tenures were available for agricultural land only; both irrevocably ceded ownership to the tenants, subject to their meeting the conditions. In contrast, the state retained the right, at the end of each 21-year term, to resume small-grazing-runs; ownership was not ceded. The sentiment that pastoralists, as ‘gatherers’, did not have a moral claim to the land smoothed the path for land-for-settlements, especially the powers of compulsory purchase.

There was more to Liberal land policy than simply alleviating big-city evils with closer settlement of idle land. Walter Buchanan MHR, when speaking to the 1894 Land for Settlements Bill, challenged McKenzie’s assertion of a diminishing supply of land and observed

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\item \textsuperscript{65} Locke, Ch. II, Sec. 5.
\item \textsuperscript{67} Hamer, p. 71.
\item \textsuperscript{68} Locke, Ch. V, Secs 31-35.
\end{itemize}
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there was plenty of land for sale, but not many settlers with the means to buy. 69 1894 editions of the Wairarapa Daily Times listed numerous properties of all types for sale; despite generous offers of vendor finance, these were slow to sell. Most of these farms did not have dwellings and were ‘empty’. 70 Buchanan accused the Liberals of harbouring a political agenda by targeting the property of their political opponents. The opportunity existed for the state to buy unoccupied land on the open market, then re-tenure it to enable settlers whose means precluded freehold to occupy it. Furthermore, the power of compulsory purchase was limited to estates in excess of 1,000 acres of first-class agricultural land, or 2,000 acres of second-class agricultural and pastoral land, or 5,000 acres of pastoral land. 71 The criterion for compulsory acquisition was not the idleness of the land, but the size of the estate.

‘If the bill only achieves the disintegration of the great estates then that is enough justification,’ 72 said Liberal MHR for Avon, W.W. Tanner, unambiguously revealing his reasons for supporting the 1894 Land for Settlements Act. The large landowners appeared politically powerful and were a target for the Liberals’ abhorrence of class interest. 73 The problem for the Liberals was the public’s ambivalence towards large landowners. As a class, they were widely despised as evident in the acknowledged popularity of land-for-settlements, but as individuals they were admired. In 1890, Alexander Hogg squeezed out large landowner and incumbent MHR, George Beetham, by just 17 votes; Buchanan was re-elected in Wairarapa. There were only 28 large landowners among the 6,633 enrolled voters in these two electorates; 74 notwithstanding the generic unpopularity of large landowners, Buchanan and Beetham had widespread support. Stories of large landowners coercing their staff into voting conservatively may be a myth, but their influence was real.

Although New Zealand did not have a landed aristocracy as Britain did, there were similarities in rural social structures. In a rural community, even with a scattering of small farmers, the

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70 Wairarapa Daily Times, Saturday editions 1894, p. 2. Specifically July 2 1894, p. 2. Only three of the 17 properties advertised listed a dwelling.
71 Jourdain, p. 132.
73 Hamer, pp. 41-43.
74 The General Election, 1890, AJHR, 1891, Sess I, (H-2), p. 1. There was a 50% voter turnout in the Masterton electorate, compared to 71% in Wairarapa.
large landowner provided employment, was frequently the arbiter for a church or common amenity to be built, and organised social and sports activities. 75 Such a structure created dependency and gave the large landowner an aura of benevolence. Although the British system of rural JPs administering law and order, road building, labour codes and the Poor Law was never replicated in New Zealand, 76 an embryonic ‘deference society’ was observable; ‘squire towns’ did exist. 77 County politics was the preserve of large landowners. 78 Such was the inevitability of the large landowning county chairman, in order to placate conservative opposition to the 1894 Land for Settlements Act, it was proposed that they be appointed to the land purchase commissions. 79 The large landowners were taking on the appearance of a politically privileged class; privilege was the antithesis of liberalism.

The high standing of large landowners troubled the Liberals. North Island Liberals, Hogg excepted, were less likely to confront this problem and showed commensurately less enthusiasm for land-for-settlements. By promoting closer settlement of rural areas, the Liberals risked empowering their political adversaries; but by breaking up the great estates, they were dispatching them. The power of the Liberal Government to acquire a great estate demonstrated its supremacy over an imagined aristocracy. The spectacle of the multitudes crowding onto an estate previously occupied by a few constantly demonised the large landowners. Premier Seddon, when discussing in Parliament prospective acquisitions in the Wairarapa, mentioned Brancepeth as a possible contender. 80 This was the power of the land-for-settlements: Brancepeth may have stood tall in the Wairarapa, but Seddon casually demonstrated that its future as an estate was in his hands. It was not as though the Liberals coldly calculated the dispatch of the great estate owners, but rather their natural aversion to privilege that shaped their land policy. Liberal land policy attacked the two enemies of liberalism: waste and privilege.

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76 ibid., p. 367.
77 ibid., pp. 361-364.
78 A.G. Bagnall, Wairarapa: An Historical Excursion, Masterton: Masterton Trust Lands Trust, 1976, pp. 535-536. The early county chairmen, in those counties with large estates, were large landowners: Akitio – F. Armstrong; Castlepoint – J. Austin; Wairarapa East and then North – G. Beetham; Wairarapa West and then South – R. Barton, W. Booth, C. Pharazyn, H. Bunny; Featherston – A. Mathews.
79 Brooking, Lands for the People?, p. 123.