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AGRARIAN ASPIRATIONS AND DEMANDS AS ILLUSTRATED
BY THE 1905 ROYAL COMMISSION ON LAND TENURE.

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in History at Massey University.

Ross Leonard Bailey,
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This essay is an examination of the 1905 Royal Commission report on Land Tenure. The introduction examines the Commission's final report and looks at its reception. The report and newspapers are set against each other in order to show what pressures were exerted on the Commission to come out in favour of the freehold.

The essay also looks at the Minutes of Evidence in order that themes not apparent in the final report can be examined. The aspirations and demands of witnesses are considered in relation to their background: rural and urban, pro-freehold and pro-land nationalization.

Newspapers and parliamentary debates are used where they comment or throw light on the evidence in the minutes and on the general issue of the freehold-leasehold controversy. The essay examines the idea that the freehold-leasehold controversy had a greater emotional dimension than a practical one. The practical side, however, has not been ignored. Two areas were selected for examination and were fairly representative of the problems throughout New Zealand. The conclusion suggests that the emotional aspect of the freehold-leasehold issue was largely a result of the agitation by freeholders, in order to preserve their way of life against the encroaching land nationalizers. The leaseholders were upset by the fear of having their rents revalued, and once this fear was removed most leasees-in-perpetuity were content with the lease-in-perpetuity system.

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LIST OF ABBREVIATIONS

<u>Press</u>	=	<u>Christchurch Press.</u>
<u>Herald</u> and <u>NZH</u>	=	<u>New Zealand Herald.</u>
<u>Standard</u> and <u>MES</u>	=	<u>Manawatu Evening Standard.</u>
AJHR	=	<u>Appendix to the Journals of the House of Representatives.</u>
NZPD	=	<u>New Zealand Parliamentary Debates.</u>
C-4	:	Where "C-4" appears in footnotes this refers to quotations from Minutes of evidence in AJHR, 1905, Vol II, C4 - C4B.

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CHAPTER I.

INTRODUCTION

THE REPORT AND ITS RECEPTION

I

Called from ten different homes, in North and South
 Ten men, who ne'er before had met together.
 Or knew the other nine were on the earth,
 Received a Commission to discover whether
 A change in policy or law was wise,
 In the administration of the 'Land'.

So out they set, to use their ears and eyes,
 A deadly earnest, but untrained band;
 Five months they travelled, seven thousand miles -
 On rail, on coach, on boat, and sometimes tramped it;
 And when the sea or road was very rough,
 With one consent they most politely damned it.

They found a thousand witnesses to probe,
 They found a land of a thousand different shades,
 From poorest pumice to alluvial loam,
 From sunbaked plain to silent Kauri glades.
 They found this little country of our own,
 Full of great possibilities to come,
 When theory to practice shall have grown,
 And - hold tenure makes New Zealand hum.

Ah! that, sir, proved the parting of the ways,
 For none could fill the blank, to fill the bill
 That all concerned put their names to; though for days
 They tried to put each other through the mill
 And Solomon might well exclaim, Oh Zounds!
 The puzzling question still remains a riddle;
 altho' I've gone and spent 10,000 pounds,
 I'll have to eat the youngster through the middle.

Back to ten different houses return ten men,
 Enriched with memories of men and things;
 And I suppose they'll never meet again.
 At any rate until they all get wings.
 Yet, with a smile, their thoughts will often turn.
 To work, to bumps, and much they shared together
 And find satisfaction in the fact,
 They part - without a single ruffled feather.¹

1. Press, 13 July, 1905.

According to the Press one of the commissioners appointed to the Royal Commission on Land-Settlement and Land - Tenure of 1905², wrote this poem In Memoriam. It is expressive of the dilemma in which the Commission found itself, and of the position of the Liberal Government. Seddon called for a Royal Commission to enquire into certain questions affecting Crown Lands. The enquiry was to be made under fourteen heads,³ the most important of which was the tenures upon which lands may be obtained and occupied.

The appointment of the Commission was prompted by the apparently widespread agitation on the part of Crown leasees-in-perpetuity, for the right to convert their leases into the freehold form of tenure. The Commission began its work on 22 February in Invercargill and was to present its report on 1 May to the Minister of Lands, T.Y. Duncan. However, the scope of the enquiry proved so large and took so long that the Commission applied for and received three extensions of time. The press and public were admitted to sittings which were advertised in most newspapers of the colony. It travelled over 7,000 miles, held 135 meetings, interviewed 985 witnesses and received a large number of returns, reports and correspondence. Evidence was taken from every land district except Westland. The Commissioners were forced by the size of their task to divide into two groups. One under the chairmanship of J. McKerrow visited Taranaki, Hawke's Bay, Wellington, Nelson and Marlborough. The other, under R. Hall visited the southern half of Auckland and Gisborne. The Commission visited the rest of New Zealand as a whole. On 17 July, the report of the Land Commission was laid on the table of the House of Representatives.

2. AJHR, 1905, Vol II, C-4 - C-4B.

The report is divided into four parts: C-4, C-4A, C-4, C-4B. C-4 is the report of the Royal Commission and the pages are numbered in Roman numerals to distinguish it from C-4, minutes of evidence, which are numbered in the Arabic form. C-4A is the minutes of proceedings and C-4B the Index and Synopsis to the Report.

3. C-4, p.iv.

The New Zealand Herald referred to the Commissions findings as a "stupendously various report of 26,000 words.... a waste of public money, undertaken for absolutely no other purpose but to afford Mr Seddon and his party a plausible opportunity to cease uncompromising resistance to the freehold movement." It published an article in which the Land Commission was acrimoniously attacked.⁴ The Christchurch Press referred to the report as "the weightiest, perhaps, that has ever been presented to this or any other Legislature in the shape of a parliamentary paper."⁵ The Press commented on the actual report of the Commissioners especially "the burning question whether the Crown tenants shall have the option of converting their leaseholds into freeholds." Over this essential and vital question the Commissioners divided "and this inept conclusion, which practically leaves the colony, exactly where they started, is about all the taxpayers get for an expenditure of anything between £10,000 and £20,000."⁶ Obviously this was the most important question which the Commissioners had to deal with. The newspapers all said so, crown tenants were agitating for the right to freehold, and the majority of the witnesses interviewed favoured the freehold. Yet when the positive evidence of the crown tenants is set against the number of tenants who said nothing, the issue becomes less significant in practical terms.

On thirteen of the fourteen heads, the Commissioners could agree. On the second head, "the tenures upon which lands may be obtained and occupied and whether in the interests of the colony any alteration of the law is desirable," the Commissioners divided evenly. The first report on tenures, signed by J. McKerrow, R. Hall, W.M. McCardle, W.A. McCutcheon and W.B. Matheson, recommended that the lease-in-perpetuity tenure under The Land Act, 1892 remain on the statute book; and that after the sixth year the right to convert to occupation with right of purchase be allowed upon the payment

4. NZH, 15 July, 1905.

5. Press, 14 July, 1905.

6. Press, 15 July, 1905.

of the 1 per cent difference between the two tenures, and upon the fulfillment of certain conditions. W.B. Matheson added a footnote to the effect that he thought tenants under the Lands for settlement Act, should be included in this. The signatories to this report also thought revaluation would be harmful at any time.⁷ The second report on tenures was signed by G.W. Forbes, D. McLennan, J.T. Paul, J.No. Anstey and J.L. Johnston. They stated that "the opinions of many witnesses must be largely discounted on account of an unconscious bias, caused by individual interests and political leanings."⁸ This report went on to say that many of the witnesses in favour of the freehold were under that tenure in any case. The fact that so few of the total number of tenants involved came forward, indicated that most of them were contented. The final decision of the second report, was that rental values should be re-adjusted periodically and that there should be no alteration of the existing tenures. Those signing this report regarded the question of roads as of far greater importance to the settler and a greater factor in their success or failure than any question of tenure. However, this report became the minority report because J.L. Johnston agreed with everything "except wherein it refers to the further selling of ordinary Crown lands, as I am of the opinion a Crown tenant is entitled to obtain his freehold."⁹

The essential differences between the two reports on tenures were that the first recommended no revaluation of rentals and the right to purchase the freehold; while the second recommended revaluation of rentals and no right of purchase at all. However, J.L. Johnston's footnote meant the first report became the majority report, and the right to purchase the freehold was advocated. On the question of revaluation of the lease-in-perpetuity, the Commissioners were evenly divided. Hence the dilemma expressed in In Memoriam by one of the Commissioners and hence too, the dilemma of the government. The evidence simply did not show, as Massey

7. C-4, pp. xxi - xxiv.

8. C-4, pp. xxvi - xxix.

9. C-4, p. xxix.

claimed during the second reading of the Land Act Amendment Bill, that nineteen-twentieths of the settlers were in favour of the freehold. If both the positive and negative evidence is balanced no more than 10 per cent of the leasees-in-perpetuity said they wanted the freehold.

It is interesting to look at the "Summary of Lands Absolutely Disposed of from the Foundation of the Colony to 1905" to show the area which was involved in the freehold-leasehold dispute. The total area sold and held on freehold to 31 March 1905 was 14,743,517 acres. The total area disposed of on leasehold tenure of a permanent character was 4,906,529 acres.¹⁰ From this it can be seen that the amount of land involved in the freehold-leasehold dispute was about one third of the area held on freehold. The number of leaseholders involved was 6,007. The freeholders in the country numbered 115,713. According to the Commission's majority report most of the settlers were in favour of the freehold. The most revealing evidence came from witnesses who already held the freehold and appeared before the Commission to campaign on behalf of the leaseholders. It will be argued in this thesis that the reason was that the freeholders feared the Trades and Labour classes would nationalize the land, thus depriving them of what they considered was rightfully theirs. T. MacKenzie and T.Y. Duncan debating the Royal Commission report in the House, expressed the two attitudes over the demand for the freehold.

T. MacKenzie: The bulk of the witnesses were in favour of the freehold.

T.Y. Duncan: Yes, the Farmers' Union men. All the freeholders are in favour of it, because they say that the land nationalizers are about to play havoc with them. The leaseholders are required to help them, so as they may be the more strong to fight town nationalizers. Those who have the freehold say that if they did not give others the freehold they would not get their support. Now they are going to make freeholders of the leaseholders of the colony.¹¹

The significance of this exchange is that it shows the freeholders and the Oppositions attitude to the leasehold-

10. C-4, p.1568.

11. NZPD, 1905, 129, p.261.

freehold controversy. The Opposition supported the Farmers' Union in its demand for the freehold, yet the Farmers' Union was made up largely of freeholders. The freeholders invoked an emotional dimension which made the issue in practical terms, that is, the numbers involved, the amount of discontent and the area of land seem much greater and more widespread than it was in fact. T.Y. Duncan's comment indicated that the freeholders really supported the leaseholders in order to strengthen their own position against the land nationalizers. It was this fear which elicited such a powerful response from the freeholders over a question which did not vitally affect them in a practical sense.

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A reading of contemporary newspapers encouraged the view that the Royal Commission report would be jaundiced. This view was nurtured by the biased columns of the New Zealand Herald, the Manawatu Evening Standard and the Christchurch Press. The New Zealand Herald said the Commission was to enquire into fourteen heads, with "one notable exception which for this part of the colony has a supreme importance. That exception relates to native lands." The editorial then pointed out that this illustrated the crooked policy of the Government on the land question. The same editorial expressed the view that throughout the colony feeling was in favour of the freehold. "It was in order to avoid defeat in the present Parliament that Mr. Seddon hit upon the device of appointing a land commission." The Commission was seen as a delaying tactic by Seddon to enable him to make an expedient change of front in the coming election.¹² This venture to say in the words of d'Alembert of the 18th century, "The Commission is a device of the Government, not a device of the nation." The Commission's report, however, did not follow the line of the majority of the nation. The Commission's report was divided between anti-freeholders and not one strong freeholder, and they reiterated the opinion expressed in the editorial of the previous day. From the beginning of February until the Commission's report was made public on 15 July, the New Zealand Herald on seven occasions stated the Government, the Commission and its members who do not agree with the editor's views on the question of obtaining the freehold.¹³

An editorial in the Christchurch Press referring to Seddon's announcement that the Government had decided on the questions into which the Commission would enquire, said:

it is an obvious indication on the part of the Government that the Commission is merely a dummy Commission, set up to amuse the public and gain time - that the Government does not care a tinkers curse for it, but intends to take its own line whatever the Commissioners may report. No doubt the premier is

12. NZH, 30 January, 1905.

13. NZH, 3 February, 28 and 29 March, 6 and 10 April, 15 and 17 July 1905.

beginning to realize the depth and widespread prevalence¹⁴ of the feeling in favour of the freehold.

The Press later carried a report of evidence given by J.A. Scott, editor of the Otago Liberal, who represented the Otago Trades and Labour Council and unions affiliated with it. From eleven pages of evidence given to the Commission, in which Scott expressed opposition to lease-in-perpetuity tenants being allowed the freehold, both the Press and the New Zealand Herald gave a short account of his argument, and then printed in a disproportionate manner all the questions he could not answer.¹⁵ The Herald¹⁶ reported on evidence given by R. Fergusson,¹⁷ a compositor and representative of the Trades and Labour Council. Fergusson was reported as having made a lengthy and somewhat rambling statement about nationalization of the land, the leasehold, the unearned increment, and the hardship to the workers in consequence of the increase in the value of the land. The report added that the witness got considerably "tied-up" in cross examination. One notes with a great deal of interest that rambling statements made by pro-freeholders,¹⁸ were never mentioned in the newspapers. The Press reporting on the Commission's unexpected stopover at Rakaiia said that "the plan adopted by the Chairman of sending round the Crown ranger to beat up witnesses was obviously an improper course to pursue." Yet when the tenants were questioned they said the ranger had merely informed them that the Commission had decided to sit at Rakaiia and invited them to give evidence.¹⁹ Apart from this report, there is no evidence to support the editorial and the Herald and Evening Standard did not mention the alleged incident.

In spite of every condemnatory remark that the Press had to make about the Royal Commission, in spite of Massey's claim

14. Press, 6 March 1905.

15. Press, 28 March 1905. C-4, pp.303-314. NZH, 28 March 1905.

16. NZH, 29 March 1905.

17. C-4, p.330.

18. e.g. J.C. Cooper and R. Monk, C-4, pp. 1262-1271 and 878-885.

19. Press, 14 April 1905.

that it was not representative of both sides of the question, the evidence is overwhelmingly against this view. The Herald and the Press both showed that five of the ten Commissioners, W.B. Matheson, R. Hall, W.A. McCutcheon, W.M. McCardle and J. McKerrow, were freehold advocates. D. McLennan, J.T. Paul, G.L. Forbes, J.L. Johnston and JNo. Anstey were regarded as leaseholders by the Herald, and the Press was uncertain about J.L. Johnston and JNo. Anstey, but otherwise agreed with the Herald.²⁰ According to the newspapers' own evaluation, half of the commissioners were pro-freeholders, and the Press evaluated five as pro-freehold and was uncertain about two. As events later showed, six of the ten commissioners were pro-freeholders. A.D. Willis, the Government member for Wanganui, speaking in the House on the freehold agitation said "I think, myself, that there is no doubt that the Opposition, to suit themselves, have greatly exaggerated what has been started by the leaseholders."²¹ He went on to say that he thought most of the Crown tenants were contented and happy and that the occupation with right of purchase was the most favoured tenure. This opinion is borne out by the Commission's statement that of 985 witnesses whom they interviewed, 557 were lease-in-perpetuity tenants, excluding Lands for Settlement tenants. Of 557 tenants, 321 favoured the granting of the freehold to lease-in-perpetuity holders and 167 favoured the lease-in-perpetuity on the terms of The Land Act of 1892. Under this act lease-in-perpetuity tenants numbered 6,007 and apart from them ordinary Crown tenants numbered 17,662.²² In its synopsis the Commission said the "proportion of tenants who advocated that the lease-in-perpetuity tenants should be allowed to purchase, to those who made no move, is ludicrously small and out of all proportion to those who did not ask for any change."²³ When one considers that the Commission was to enquire into tenants holding leases from the Crown in general then the number who appeared before the Commission is infinitesimal; but even if the issue is narrowed in particular to tenants who held

20. NZH, 13 July 1905. Press, 13 March 1905.

21. NZPD, 1904, 130, p.1.

22. C-4B, p.4.

23. C-4B, p.4.

land under the lease-in-perpetuity tenure for 999 years at 4 per cent,²⁴ then only 557 of 6,007 gave evidence, and 43 per cent of them were pro-leaseholders. The fact that only 557 of 6,007 or 9 per cent of the lease-in-perpetuity tenants appeared before the Commission, does not suggest a burning desire to obtain the right to the freehold. About 400 witnesses were farmers who held the freehold or who had the right of purchase and were therefore not specifically connected with the question of obtaining the freehold, or the right to purchase it. However, their evidence was in favour of the right to the freehold, hence the remark in the majority report that "throughout the colony a general desire to acquire the freehold has been expressed by witnesses, the favoured tenure being the occupation with the right of purchase."²⁵ The Christchurch Press pointed out with remarkable rapidity and insight that this was conclusive enough to warrant the granting of the freehold. The Press²⁶ astutely avoided pointing out that something approaching half the witnesses interviewed were freeholders and that of the 6,007 people really concerned with the question only 557 expressed an opinion, and 167 of those were against the freehold. In 1904 the Farmers' Union had presented a petition to Parliament signed by 516 Crown tenants.²⁷ This was well before the Commission was in the offing and certainly there were no grounds for fear or intimidation, yet in the course of a year the number of leaseholders who were prepared to take a positive step in expressing their views had barely increased.

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24. Excluding Lands for Settlement tenants.

25. C-4, p. xxi.

26. Press, 15 July 1905.

27. NZPD, 1904, 130, p.42.

III

Most of New Zealand's land was owned by individuals under a freehold tenure, but since 1832 the state had been settling Crown lands under a lease-in-perpetuity which ran for 999 years at a fixed rental of 4 per cent. From 1894 the Government had been purchasing large freehold estates and reselling them mainly with leaseholders. These pioneers who took up the leasehold without the right of purchase, did so because they had no choice over their tenure, or because they were impatient. However, as the pioneers made good, with the land broken in and with rising prices for primary products they achieved wealth, and with prosperity came conservatism. In Auckland, Wairarapa and Otago, with the development of an export market for dairy produce, a new class of small dairy farmers rose to wealth and political influence. The pioneer spent time, money and labour on the land he had won from his own hands. The life of a pioneer, however, was not a romantic one. Conditions were poor. The land was often infertile and in it the quality of life was low. The pioneer was often a tenant under the lease-in-perpetuity tenure, and he was often a radical ideology in response to the state's interventionist policies and Labour Councils. The pioneer was often a state official to get himself established, but he was often a radical, holding as an admission of the state's role in the land. He had been through the process of backcountry life and he was that his property had been created by "winning" his labour with the land and raising his pastures out of the state of nature. The rural ethos was therefore based upon fervent individualism. It was built up on the farmers own experiences and strengthened by the myths of famous pioneers, who seemed to embody the virtues through which every farmer believed he had succeeded. Courage, perseverance and thrifty independent hard work characterised the settlers' view of life. In these circumstances the administrative machinery of state assistance and control, the Liberal land laws and the radical ideas that lay behind them, all of which had seemed desirable to the settler when he took up his land, now appeared a menace. The land-hungry "radical" had become a conservative would-be property owner. Both freehold and leasehold farmers were antagonistic to Liberal

land policy and the influence of the labour movement.²⁸ 12.

The response was intense because these threats hit at a way of life on one hand, and on the other, the farmers saw an opportunity to cash in on the rising land prices. The number of people actually involved in the issue was relatively small, 6,007 in all. The agitation came from a small number of crown tenants who wanted security in a "bit of freehold," and who wanted to take advantage of the rising land prices. However, the strongest agitation came from the Farmers' Union and the Parliamentary Opposition, whilst the newspapers were strongly in sympathy with them. The most vehement witnesses in favour of the freehold who appeared before the Royal Commission were farmers who already held land on that tenure and were concerned to impress upon the Commission and the Government, the fact that the feeling for the freehold was strong throughout the Country. Their way of life was formulated in terms of the freehold, and this was being threatened by talk of land nationalization. The reaction of the freeholders appearing before the Commission, along with leaseholders of similar views, expressed itself in a vociferous emotional and ideological outburst, designed to intimidate the Royal Commission and thus the Government into granting the right to the freehold to lease-in-perpetuity tenants. In other words, the freehold witnesses supported the Crown tenants and presented their own views in the hope that all lease-in-perpetuity tenures would be made freehold, thus presenting a bulwark against the nationalizing tendencies of the Trades and Labour groups.

The evidence of the Crown tenants suggests that those who wanted the freehold, did so for reasons of security and to have a profitable marketable asset, and that for some it was to fulfil an ambition or ideal in which the freehold was an integral part. The desire to preserve a belief formulated in terms of the freehold, was given symbolic significance in the gestures made by freeholders. That the significance of

28. Much of the discussion on the preceding two pages has been taken from Newman, R.K. "Liberal Policy and the Left Wing 1908-1911." pp.114-204.

the issue was symbolic is suggested by the number of Crown tenants who took up the right to purchase the freehold of their land. In 1914, for example, the number of selectors who at the 30 June had purchased the fee simple of their leases under the Land Laws Amendment Acts of 1912 and 1913 numbered 775.²⁹ In 1919 the total freehold acquired under the Land Laws Amendment Acts of 1912, 1913 and 1914 amounted to 480,563 acres, in 2,614 holdings.³⁰ The number of Crown tenants who took advantage of the opportunity to make either application for, or to purchase the right to the freehold up to 1919, was comparatively small in relation to the total number involved. The relatively small number of Crown tenants who availed themselves of the opportunity to "take-up" the freehold testifies to the symbolic nature of the leasehold-freehold issue for those with ideological reasons for wanting the freehold and indicates that most of them had fears of a more practical nature, which when removed eliminated the demand for the freehold.

The emotional and ideological dimension to the issue was propagated by a politically interested group and by freeholders hoping to safeguard what they already had. In this sense the issue was more symbolic than real. The freehold symbolized a way of life which was independent, free, thrifty, sturdy, physically and morally superior to town life and which brought out the noblest qualities in people. The freehold symbolised an ideal way of life in which a person was dependent on no one, master of himself, without fear from a landlord, revaluation of rent, interference from a Land Board and in which the individual could develop to the greatest potential. It was for this ideal way of life, which the freehold symbolised, that a few leaseholders and most freeholders fought.

In a practical sense what upset the lease-in-perpetuity holders as revealed in the Royal Commission report of 1905,

29. AJHR, 1914, Vol I, C-1D

30. AJHR, 1919, Vol I, C-1 p.5.

was the fear of revaluation of their leases; the fear of a Fair Rent Bill; the fear of losing the unearned increment; the difficulty of raising loans; and the administrative difficulties with which they were hampered. The one complaint common to both the leaseholders and the freeholders was the bad state of the roading throughout the Country. In the North Island the question of Native lands was a complaint common to the settlers. The emotional and ideological drive, although important for some lease-in-perpetuity tenants, was not fundamental in prompting the agitation. Neither was the desire for speculative profits. It was the fear of revaluation from the Trades and Labour councils and agitation from some members of Government for a Fair Rent Bill. The question of the leasehold versus the freehold was in a "symbolic" sense the most important question, The matter of roading and loading for roads, native lands and administrative difficulties being "infact" more important. The importance of the leasehold-freehold question, in a symbolic sense, was illustrated in a statement by the Chairman of the Commission J. McKerrow to Donald Reid.

The great question is, of course, whether it would advance the country most to have the land held mostly as freehold, or whether it should be held as leasehold. That is a most important point - perhaps the most important point upon which the Commission is asked to report.³¹

It was the most important point because the interested parties had made it that way. It was a symbolic point and politically agitated.

P.J. O'Regan, a solicitor, gave evidence which illustrates the symbolic nature of the issue and the political gimmickry involved. According to O'Regan a parliamentary paper laid on the table of the House in 1902, showed that of 115,713 freeholders in the colony 92,925 possessed holdings worth £500 or less. Therefore they paid no land tax. 10,136 owned between £500 and £1,000 worth of land. In total 103,000 landholders owned an unimproved value of £18,000,000 upon which practically no land tax was paid. 23,000 Crown tenants paid £150,000 in rent. If these men acquired the freehold,

£150,000 a year would be lost, because being small landholders they would come within the £500 exemption.

According to Mr. Massey at Stratford, land-tax-revenue would not suffer because if Crown tenants got the freehold they would pay land-tax. That is incorrect because the £500 exemption if Crown tenants got the fee-simple would deprive the country of an increasing national asset.³²

Clearly political motivation was involved in Massey's alleged statement.

Given that the area into which the Commission enquired amounted to 4,906,529 acres with 6,007 tenants, compared with 115,713 freeholders on 14,743,517 acres, then the leasehold-freehold issue when seen against the background of strong freeholder and political participation, takes on a symbolic nature, symbolic of the desire to preserve the independent, thrifty, morally and physically superior way of life of which the freehold was the nexus.

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C H A P T E R I I .

LEASEHOLDERS A N D FREEHOLDERS

A reading of the Royal Commission report indicates that the bulk of the settlers had come to New Zealand with the intention of making a life on the land. For most the opportunity to acquire a freehold farm was an attractive proposition. The evidence given by witnesses revealed something of their attitudes, emotions and values towards life. The evidence relates mainly to the views expressed by the rural sector of society. However, in contrast to their views were the aspirations expressed by the representatives of the Trade and Labour Councils. W.G. Malone, a freeholder, expressed the emotional and symbolic nature of the leasehold-freehold controversy.

We must all agree that the people we want to build up here into a nation should be independent, free, thrifty, sturdy and clean, both physically and morally....
 /The freehold/ makes for the chief ingredient in the character of a nation - namely, independence.
Life in the towns does not conduce to that sturdiness of mind, body and even soul, which we desire to see in a nation.³³

This statement sums up the freeholders emotional and moral outlook. It is indicative of a rural ethos, a sectional ideology, a way of life to be preserved and worshipped. It communicates the idea of the rugged individualist who has gone onto the land and through his own efforts has created his farm, brought up a family and built a way of life which is superior to town life in every respect, physically, emotionally, intellectually and spiritually. The Royal Commission report can be read as a commentary on the aspirations which the early settlers had when they came to New Zealand and of their desire to preserve what they held as sacred. It can also be read as an indication of the growing discontent with the government over certain of its policies, and this applies to wage earners, and of the role of the newspapers in inciting public opinion against the so-called socialist and labour classes.

The ideal so fiercely propounded by the freeholders was

33. C-4, pp. 1126-1127.

expressed by the Member for Egmont, W.T. Jennings:

The want of land on which to live as freeholders led to people from Ireland, from Scotland and from the farming districts of England leaving their native country, as they were disheartened in working leasehold lands. Their common object was the one great thing - to find a country where they could get a bit of freehold for themselves and their families.... It is a grand conception, and one that tends to the sanctity of home life and the production of good citizens.³⁴

The Royal Commission report contains the evidence of this aspiration expressed so many times that it becomes almost boring. Settlers from Southland to Northland, both leaseholders and freeholders expressed this aspiration. Whilst it was relatively insignificant amongst the leaseholders it figured excessively amongst the freeholders. The lease-in-perpetuity tenants formulated their life in terms of a piece of land, not necessarily freehold, on which they could live the type of life they desired. The one thing that threatened their way of life was revaluation of rent which left them with a feeling of insecurity. The lack of security also hindered their attempts to borrow money and the freehold was the answer to insecurity and borrowing difficulties. When the security of tenure was assured then the desire for the freehold fell away. In the same way that revaluation was a threat to the leaseholders' security of tenure, a nationalization was to the freeholders'.

J.C. Wilson Colonial President of the Farmers' Union said that:

The desire of all of us, no doubt, is to improve humanity, and to raise up the standard. The desire of people who wish to see the nation go forward, is to give the people such a tenure as will produce the greatest quantity from the land. We want to make the people happy, contented, and prosperous.... It is obvious, it seems to me, that if you do not have security of tenure, a man will not put forth his best efforts of production.

34. NZPD, 1904, 129, p.11.

Wilson then gave his opinion on why there was so much unrest amongst the crown tenants:

So far as my information is concerned, what has caused this great fear and unrest on the part of the tenants is that they are constantly seeing in the newspapers a petition for a revaluation, and also they see every session a Fair Rent Bill brought before Parliament.³⁵

Wilson here expressed what most of the representatives of the Farmers' Union branches gave in evidence to the Commission. The freehold was an integral part of an ideal and was bound up with a moral conception of its effect on people. The statement expressed the belief of freeholders and also their belief that crown tenants too should be freeholders. Although the freeholders said insecurity of tenure was the main reason for the leaseholders wanting freehold, it was an excuse for them to boost the numbers against the Trades and Labour Councils who would "possibly" desire to confiscate the whole of the land. The freeholders feared they would be taxed out of existence and it was this fear which underlay support for the right of leaseholders to retain the unearned increment. As Wilson said "we wish that all Governments should take the same view that we do, and we desire to influence any Government which happens to come into power."³⁶ The Farmers' Union aimed to impress its opinion upon the Government, and the country. Having regard to the way newspapers harped on the nationalization of the land it is not surprising. The Manawatu Evening Standard said that:

The nationalization of the land is a popular cry with the socialistic and labour classes, and by them it is consistently advocated. They would deprive the primary producers of the fruits of their years of labour.... because they envy those who by toil and exertion have placed themselves in comfortable circumstances.³⁷

The editorial then called on the Farmers' Union to counteract the workings of the Political Labour League. The Farmers' Union Advocate, for example, was started in Wellington in

35. C-4, pp. 1325 - 1326.

36. C-4, pp. 1329 - 1330.

37. MEB, 27 January 1905.

1905 and presented a purely farmer point of view and was a continuous exposition of anti-socialistic anti-single tax views.³⁸ The Christchurch Press reporting on the Christchurch Branch of the New Zealand Political Labour League said that "this branch recommend the necessity for nationalizing the lands of the colony." Later in the same month the Press reported that "the lease-in-perpetuity is not secure, and never will be, so long as we have a socialistic party imbued with Henry George-ite ideas as to the propriety of confiscating the 'unearned increment' and giving it to the community." In an editorial reporting on the evidence of J.A. McCullough, a representative of the Trades and Labour Council, the principle of periodical revaluation was played up: so was the Fair Rent Bill and the fact that McCullough urged the nationalization of the land. The following day it was reported that McCullough "let the cat out of the 'bag' as to what are the aims and intentions of the Socialist party in regard to the holders of lease-in-perpetuity." The Press said that all the land should be converted into small freeholds. "Could there be a more ideal state of things, one more calculated to redound to the happiness and prosperity of the Community?" The editorial then went on to refer to the Socialist view that the poor man should be able to get on the land and that the Socialists had a scheme of confiscation to enable the poor man to get hold of the land without paying the owner a fair market value for it.³⁹ The New Zealand Herald reported on the evidence given by J.A. Scott and R. Ferguson, both representatives of the Trades and Labour Councils and gave their ideas of land nationalization great prominence.⁴⁰

It is not surprising in view of the prominence given to the "socialistic" and "labour" classes by the newspapers, that a sectional ideology should develop amongst the freehold farmers aimed at supporting the crown tenants in agitating for the

38. Brand, M.C. "A study in Conservatism, 1890-1911." p.96.

39. Press, 1, 17 and 18 April, 14 July 1905.

40. NZH, 28 and 29 March 1905.

feehold. The fervour they created was far more than the number of leasees-in-perpetuity would have been able to create. It was the freeholders and some lease-in-perpetuity tenants with the support of newspapers and the political opposition who endowed the leasehold-freehold dispute with emotional, ideological and symbolic overtones.

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The evidence of most of the crown tenants who favoured the right to purchase the fee simple, generally followed along lines similar to the views of J.J.H. McLean, a lease-in-perpetuity farmer: "I am in favour of lease with right of purchase. Most people hope to become freeholders, and I think that all holders of the lease in perpetuity should have an opportunity of making the land their own at some time or other." McLean went on to refer to the labour unions and said that they were "trying to upset the freehold, and it is at the bidding of these classes that an endeavour is being made to take away the option to purchase the freehold"⁴¹ F.B. White, a lease-in-perpetuity tenant, would have liked the freehold if he could get it: "If anything happens to me I have a family... my wife could make a good deal better terms and divide the property amongst the children, than she could under the present condition of affairs." White's object in asking for the freehold was "simply a feeling I would like to own the freehold."⁴² F.H. McLeod speaking on the freehold said "the principle thing I want to speak about is that I would like the option of the freehold. I think we all came out here to get a bit of freehold if possible... that is my simple reason for coming here today." McLeod expressed two further reasons for wanting the freehold: first, he would be able to sell it; second, he would be able to divide the freehold amongst his family.⁴³ A. Anderson expressed discontent over the fact that he could not sell his land on the same basis as a freeholder⁴⁴ and C.A. Lassen expressed fear of revaluation, which would eliminate the unearned increment and which he considered was his. Lassen also expressed the view that "members of parliament for this city [Christchurch] have been agitating for revaluation, no doubt that agitation will increase year by year."⁴⁵ G.S. Gatton wanted the right to purchase the freehold because he felt his tenure was insecure. "It seems to me to be attacked from all sides.. In the first place it is attacked by the Trades and

41. C-4, p.52.

42. C-4, p.92.

43. C-4, p.142.

44. C-4, p.477.

45. C-4, p.532.

Labour Council, and, in my opinion, the Government attack it in presenting to Parliament... the Fair Rent Bill."⁴⁶

J. McCluggage expressed the same views, and, along with many other crown leaseholders, the belief that "it is a good tenure to give a man a start, but when he gets into the position to convert it into a freehold he should be allowed to do so in order to secure it."⁴⁷ W.S. Griffin, the district valuer for Hawke's Bay summed up the lease-in-perpetuity tenants' fears quite succinctly:

In the course of my duties I am brought into contact with a number of settlers.... I think the desire for the freehold.... is promoted entirely by fear of revaluation.... I do not think the leaseholder settler, if he were absolutely sure that he was not going to be disturbed in the matter of his rent, would be particularly anxious to get the freehold...but he has a feeling of unrest, because he fears revaluation.⁴⁸

The other most important reason for the leaseholders desiring the freehold was expressed by D.L. Poppelwell, a barrister and solicitor. He said the holders of the lease-in-perpetuity could only sell to a restricted class of persons, to those who did not hold more than 640 acres of first class or 2,000 acres of second class land. The freeholder could sell when and to whom he likes. "It is this difference in the market that makes all the difference in the value of that tenure as a security."⁴⁹

Very few of the lease-in-perpetuity tenants appearing before the Commission expressed strong ideological views on the desire to get the freehold. They merely said it was a sentimental thing. They nearly all expressed fear of revaluation, which would remove the unearned increment; fear of a Fair Rent Bill; and the desire to be able to sell on the same basis as the freeholder if they chose. In the words of J.A. Scott, a lease-in-perpetuity holder with 946 acres, the leasehold "is as good as the freehold to the bona fide occupier who wishes to use the land simply for farming and not for speculative purposes."⁵⁰

46. C-4, p. 1108.

47. C-4, p. 1214.

48. C-4, p. 1225.

49. C-4, p. 113.

50. C-4, p. 211.

In contrast to the more practical nature of the leaseholders reasons for wanting the freehold, the freeholders launched forth in diatribes which in some cases bordered on a religious intensity. The intensity of their response was a result of agitation by the Trades and Labour Councils for land nationalization. The Farmers' Union hoped to impress upon the Government the widespread feeling in favour of granting leasees-in-perpetuity the right to purchase the freehold.

B. Horrell, said:

I am in favour of the freehold as the ultimate object.... I think the lease-in-perpetuity would work well if the settlers had the right to purchase. That should be the ultimate aim. I think you will find as you travel round the country that the great majority of the lease-in-perpetuity holders are very anxious to secure this privilege.

Horrell also expressed fear that the lease would be tampered with "and that revaluation is the ultimate object of those gentlemen who are trying to manage the land at present." He also thought the "freehold tenure is best for all concerned." He then went on to say that his parents had been leaseholders in England, they had been poorly off and had come to New Zealand when the Government offered freehold land. He saw the leasehold as a means to getting the poor man on the land, but that he should be able to purchase the freehold later.⁵¹

J. Milne, J. Graham, T. Ayson and H. Smith expressed similar views.⁵² A. McLauchlan, a threshing mill owner, had an interesting comment to make in reply to a question from the chairman:

I suppose your occupation brings you in touch with the farmers, and you have opportunities of knowing what is going on?—

Yes, I have spoken to a lot of farmers, and they are all for the freehold, because they think the Government are going to take their freehold. They heard Mr. Laurenson, the member for Lyttleton, down here, agitating for land-nationalization; and the Farmers' Union for political purposes impressed them with the idea that the Government intended to take the freehold.⁵³

Many other freeholders expressed their views on the desirability of granting the freehold to lease-in-perpetuity tenants:

51. C-4, p.51.

52. C-4, pp.86, 93, 102 and 120 respectively.

53. C-4, p.124.

A. Iversen, D. Reid, J.C.N. Grigg, G.W. Leadley, W. Harding and J. Press.⁵⁴ T. Fisher said he thought the freehold gave greater security; that a man working on a freehold was better able to finance his section, that his section became more productive; the freehold was "his bank. That is his hope. That is his land. That is his home for the future of his family." Fisher felt that if the freehold could be obtained throughout New Zealand it would mean security, productiveness, a contented people. In times of war the freeholder would be for the safety of his country in every respect. "But there is also the independence of the nation—that is, the freehold."⁵⁵

The intensity of the demand for the freehold was much greater in the land districts of Auckland, Taranaki and Wellington. It was here that the fear of land nationalization was more prevalent, and that the agitation for the freehold originally started. G. White, a lease-in-perpetuity holder said "I would suggest to your Commission that the Country is not ready for land-nationalization or State ownership of all lands..."⁵⁶ G.F. Ranby, an Aorangi crown tenant, said that he went around the tenants asking them to sign a petition which would allow the right to purchase the freehold. "Soon after that the union took the matter up."⁵⁷ According to W. Crisp, who referred to the Fencourt Estate,

the petition presented to the House fifteen months ago was got up by a private individual, and he has worked up the whole of the agitation in Fencourt. He has presented a petition to you to-night. He has convened meetings, and has written letters to the papers advocating the granting of the freehold at the upset price.⁵⁸

The individual was R. Swayne. His desire for the freehold was based upon the insecurity of his present tenure, that is the fear of revaluation. However, he was also prepared to "go in for land nationalization, and so put all on an equality."⁵⁹ That was the other way of obtaining a secure tenure. J.Christie,

54. C-4, pp. 176,235,491,497,502 and 685 respectively.

55. C-4, p.719.

56. C-4, p.773.

57. CG-4, p.1198.

58. C-4, p.978.

59. C-4, p.977.

one of the three settlers appointed to represent the thirty crown tenants of Fencourt said "we think it is necessary to obtain the freehold of our holdings because of the insecurity of the present system." He said that the agitation in the towns had nothing to do with the agitation for the right of purchase.⁶⁰ Yet none of these people expressed any strong emotional reasons for wanting the freehold neither did they show any intention of wanting to sell their holdings, which in any case were very small.

It would appear from the evidence of R. Swayne and G.F. Ranby that someone, or some group of freeholders, was interested in having the crown tenants agitate for the freehold and that they were prepared to support the crown tenants. R. Swayne gave an interesting reply to D. McLennan:

Would you be a better farmer if you had a freehold than you are under a leasehold? I am farming my place as it should be farmed, for the simple reason that I saw the freehold was coming.⁶¹

G.F. Ranby was asked why he took up the tenure:

I understood the Government would by-and-by grant the freehold. A gentleman you are all acquainted with whom I spoke to about it advised me to take it up, and get as many of my friends as I could to take up leases under the same system, because he said "in time to come the more there will be to fight for the freehold."

There then followed a series of questions:

Mr. Paul⁷ Who told you this was to be converted into a freehold? - No one.

Who was the gentleman who told you that the more lease-in-perpetuity tenants there were the greater the agitation would be for the freehold? - I am not prepared to mention names here.

Was he a Government servant? - I will not answer that question. I would tell you if I thought he would not mind.

Seeing that you refuse to give the name, I suppose it is reasonable to assume that your statement is not worth consideration? - You can please yourself about that. I cannot help it. If I told you privately about it you would see I was quite right, and if you want the name after the meeting is over I will give it to you privately....

Mr. Anstey⁷ You say you took up this land with the

60. C-4, p. 975.

61. C-4, p. 977.

deliberate intention of agitating for a breach of the contract? - No. I never thought of that when I took it up.

You said you had a conversation with a gentleman about that aspect of the matter? - After I took it up....

It was a little while after you got it that you formed the deliberate intention of agitating to get it altered?

- Two years.⁶²

From this evidence it would seem that there were some people who were expecting a conflict over the question of leasehold and freehold and over the question of nationalization. By encouraging the leaseholders to press for the freehold they were securing for themselves a formidable army to fight the land nationalizers.

Another theme which can be distinguished in the Royal Commission report is the beliefs of the freeholders, in response to cries of land nationalization from the Trades and Labour people. R. Monk said:

My belief is that the country people as a whole are strongly in favour of the freehold tenure. I believe that you will agree with me that the existence of a landed proprietary in the old country has impressed on the minds of the masses of the people living around them a yearning for the freehold tenure, and that feeling has brought thousands of people out to this colony with the object of getting a patch of land entirely of their own.⁶³

Monk then went on to give a world history of people and nations who had lived under a freehold system and how successful they had been, and then explained that tenants of the state were slaves in those countries with the leasehold system. Solomon and Aristotle were quoted in support of the freehold; the leasehold on the other hand had led to the "fellaheen of Egypt, a very downtrodden class indeed." India was used as an example to show the ill effects of the leasehold. Many expressed extremely strong emotional and ideological arguments in favour of the freehold, and although few other witnesses matched him, many expressed similar ideas, for example, G. Wilks, R.D. Duxfield, W. Chitty, J. Mandeno and J. Wallace.⁶⁴ Wallace

62. C-4, pp. 1198-1199.

63. C-4, pp. 879-880.

64. C-4, pp. 893, 912, 916, 924 and 1013 respectively.

said "the leasehold has been tried in all ages and by all nations, and it has ever been found a failure." Wallace spoke of Egypt which "has been an object-lesson with regard to land tenure. The leasehold has been a failure everywhere." Later on he talked of the freehold "as a sort of thermometer by which you can gauge the different stages of civilization."⁶⁵

J. Stevens said the agitation by the Trades and Labour Council was political, as was the advocacy of the freehold. He thought the witnesses in favour of the freehold were politically involved.⁶⁶ J.D.A. Hewitt gave expression to this concept when he expressed his fear of socialism:

I think some of us will fight for the freehold, and it will be a bad day for the country. There will be civil war as sure as faith; but when it comes to the leasehold, I do not know that we are so much in love with that as to fight for it.⁶⁷

The inference is that if a man owns the freehold he will fight to defend it and his way of life; the more freeholders the better to fight the "civil war" R. Ellwood, a lease-in-perpetuity tenant thought the agitators in the towns were

agitating that no one should be granted the freehold, and that all land should be nationalized.... But give every man the freehold and we will have the makings of a nation, and our sons and daughters will grow into men and women and not be warped physically and morally.⁶⁸

A.J. Buck expressed fear that the agitators would confiscate the freehold.⁶⁹

Many of the freeholders were representatives of the Farmers' Union and their views were representative of that body. E.H. Besley, a sheep-buyer for the Christchurch Meat Company was asked by R. Hall:

You came into contact with a good many leasees holding land under lease-in-perpetuity? Yes.
Is there any feeling amongst them that the Government may bring in revaluation? - There is talk amongst them, and the Farmers' Union agitated for the freehold. My experience is that the people agitating for the freehold

65. C-4, p.1013.

66. C-4, p.1188.

67. C-4, p.1195.

68. C-4, pp.1230-31.

69. C-4, p.1260.

in South Canterbury are not the leaseholders - they are freeholders or the Farmers' Union - the bulk of them are freeholders.⁷⁰

P.J. O'Regan, a solicitor, and well known single taxer said "I have mixed with a great number of crown tenants, and, in my opinion, it is to a large extent an artificial agitation."⁷¹ If much of the agitation was artificial, it came from the freeholders in the Farmers' Union. L.R. Phillipps, President of the Auckland Branch of the Farmers' Union gave the reason.

You may ask what advantage there would then be in the freehold. Well, there are only a certain number of tenants under the lease-in-perpetuity, but there are a great number of freeholders, and if the land - nationalization ideas were carried further they would have to interfere with all the freeholders of the colony, and those who wanted the freehold would get the strong support of all those freeholders in the Colony, and I do not think any Minister would attempt to violate the freehold conditions...⁷²

Clearly the fear of land nationalization was of prime importance, as expressed by Phillipps, in the determining motive for the freeholders support of the leaseholders. The picture that emerges from a reading of the Royal Commission report, is one in which the overwhelming emotional, moral and ideological overtones are expressions of freeholders determined to retain what they have. Their aim was to convince the Government and the Commission that the Crown leaseholders were clamouring for the freehold. The settlers who came to New Zealand from Ireland, Scotland and England came "to get a bit of freehold" and the freehold for them embodied the expression of a rural ethos, a rural ideology and in that sense the freehold was symbolic of a way of life. The freeholders wanted to preserve this and the Trades and Labour Councils threatened it.

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70. C-4, p.468.

71. C-4, p.1340.

72. C-4, p. 887.

C H A P T E R I I I .

THE TRADES AND LABOUR CLASSES

The first witness to give evidence on behalf of the Trades and Labour Council was J.A. Scott, editor of the Otago Liberal. He represented the Otago Trades and Labour Council and the unions affiliated with it, numbering about 5,000. Scott's evidence is lengthy and full, and sets out the ideas subsequently expressed by further representatives of the Trades and Labour Council, as well as other witnesses who favoured land nationalization. Scott said that the Trades and Labour Council was generally opposed to allowing crown tenants under the lease-in-perpetuity system to obtaining the freehold. They opposed it on the grounds that it was contrary to public interest, that it constituted a breach of faith with the state, and that as all land was the family estate of New Zealand, in future, all land should be leased at a fair rental value and should be subject to periodical revaluation. The freehold and the landlord system were the one great bar to the progress of the great mass of the people. The freehold deprived the state of the increase in the value of the land which came about through the progress of the community.

The Council saw the demand for the freehold as a threatened confiscation of the unearned increment of the land. Furthermore, the freehold devoured the workers' wages in rent. Scott then went on to quote two authorities on the subject. First, J.S. Mill:

The ordinary progress of a society which increases in wealth is at all times tending to augment the incomes of landlords; to give them both a greater amount and a greater proportion of the wealth of the community, independently of any trouble or outlay incurred by themselves. They grow richer, as it were, in their sleep, without working, risking or economising. What claim have they, on the general principle of social justice, to this accession of riches?

Second, Scott quoted Thorold Rogers:

Every permanent improvement of the soil, every railway and road, every bettering of the general condition of society, every facility given for protection, every stimulus supplied to consumption raises rent. The landlord sleeps but thrives. He alone, among all the

recipients in the distribution of products, owes everything to the labour of others, contributes nothing of his own. He inherits part of the fruits of present industry, and has appropriated the lion's share of accumulated intelligence.

Scott said that the Trades and Labour Council regarded that as the position in a nutshell. However, the relative lack of landlordism in New Zealand tended to blunten the point. Scott referred to Edward Tregear, the secretary of the Labour Department, who had shown in an official memorandum that although wages had risen there had been a much larger rise in rents and that there was no hope of bringing any adequate measure of prosperity to the workers as long as the present system continued. "That is one great reason why the labour party are opposed to the freehold." Scott said that it was a question of what was best for the community, and any demand in conflict with the highest well-being of the community had no claim to recognition from the state. It was the view of the Council that the land tax should be increased so as to secure the greater proportion of the unearned increment for the country. Finally, the ultimate aim of the Trades and Labour Councils was revealed in the following dialogue:

"Mr. Matheson.⁷ Is your ultimate aim the nationalization of the lands of the colony? - Yes; we look upon that as the ideal."⁷³

Here then, in direct opposition to the freeholders and the Farmers' Union, is the ideal of a leader of the trade unions and wage earners. The people whom they represented had come to New Zealand for a better way of life. The freehold seemed to prevent them from fulfilling their ideal of equality, and they aimed, if possible, to expunge it. R. Ferguson confirmed Scott's submissions:

I would like to make it perfectly clear that the labour party in Dunedin, and, in fact, the whole New Zealand labour party,...are antagonistic to the farmers or anybody else owning the freehold, because we consider it is not in the best interests of the colony that the land should be parted with.

Ferguson considered that the land question was of more importance than any law ever passed in New Zealand, including

the Arbitration Act, the Factories Act and any other acts for the benefit of the working classes "but until we get the land laws properly fixed up we will never get what we consider to be justice.... The only possible way a man can own a portion of the State is through land-nationalization."

Fergusson was convinced that the "time will come, though it may not be in our time, when the State will own every acre of land in this colony."⁷⁴ He also referred to the fact that it was the freehold in the Home Country which caused the extreme poverty there.

J.A. McCullough, a tinsmith and representative of the Trades and Labour Council in Christchurch, said in evidence that "... other economic forces are at work counteracting the benefit of increased wages, and chief amongst them is the private ownership of land....therefore.... we advocate the nationalization of land in New Zealand." McCullough also quoted the programme of The Progressive Liberal Association in support of his representations to the Commission. He said they wanted periodical revaluation on the unimproved value of the land. Then "the question of the nationalization of all lands in the colony [was] to be dealt with."⁷⁵ W. Peake, representing the Trades and Labour Council of Auckland, said that the State had a right to the unearned increment. The aim of the Trades and Labour Council was to bring about the revaluation of existing leases upon transfer or upon the death of the leasee. Peake said that "as a whole it would be better for the State to hold the whole of the land."⁷⁶ E.S. Partington, a city worker, was in favour of the state owning all the land, and favoured periodical revaluation of the lease-in-perpetuity. This was his ideal and he quoted from the bible to support his views. "Moses spoke to the children of Israel, saying (Leviticus, Chapter XXV, verse 23), 'The land shall not be sold for ever: for the land is mine; for ye are strangers and sojourners with me.'⁷⁷

74. C-4, pp.330-335.

75. C-4, pp.518-528.

76. C-4, pp.904-908.

77. C-4, p.1022.

Partington said the unearned increment belonged to the community. He saw Henry George as the Moses of the twentieth century, and the single-taxers as the children of Israel, who would lead everyone to the promised land. Possibly a little over idealistic, but nevertheless, it is indicative of the strong feeling amongst the working classes over the freehold, the lease-in-perpetuity and the unearned increment.

The working class leaders formulated their ideal in terms of State ownership of the land. They thought the unearned increment should be returned to the State and shared amongst all the people. They hoped this would act as a check on the cost of living and improve the quality of life. They saw the poor living and working conditions in the cities as being attributable to the freehold system of land tenure, and their socialistic ideals aimed at changing this suppressive system and liberating the workers. The representatives of the Trades and Labour Councils referred to the poor living and working conditions in cities overseas and said this was the sort of thing they wanted to avoid. These ideas gave expression to the urban ideology which was developing in the early twentieth century. The ideology of the Trades and Labour Councils brought them into conflict with the freeholders and threatened to eliminate their unearned increment and destroy their way of life. Little wonder that the leasehold-freehold issue should become shot through with fierce emotional and ideological overtones.

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C H A P T E R I V

A COMPARISON OF TWO DISTRICTS

Although the emotional and ideological aspect figured prominently, settlers did have complaints of a practical nature. Southland and Taranaki have been chosen as two areas from which to illustrate some of the main dissatisfactions with government policy. The settlers' grievances in both areas were similar with regard to the Advances to Settlers Department, the difficulty of raising loans on the leasehold, the poor state of the roading, and the amount of unspent loading on roads. These complaints were representative of the whole of New Zealand, but Southland and Taranaki had particular differences, which were illustrative of the South Island and the North Island respectively. Southland, for example, had more grievances over the inflexibility of the cropping regulations which the Land Board enforced; whilst settlers in Taranaki expressed annoyance over the "locked up" Native lands. In the South Island, apart from settlers around the Nelson area, Native lands were not a source of friction. In the North Island the biggest issue, after roading, was the extent of inaccessible Native lands.

A common grievance amongst the settlers over raising loans, was that "you cannot finance under the lease-in-perpetuity like you can in the case of the freehold and occupation with right of purchase."⁷⁸ Many settlers shared this view. It was stated that the banks were unwilling to finance those farmers who held a leasehold tenure. In large part, this attitude was said to be due to the insecurity of tenure. If a bank made a loan to a farmer and he could not keep up the payments, then the bank was unable to foreclose and take over the farm. It was also hard for leaseholders to raise a loan from the Advances to Settlers Department. It was stated that the department would grant larger loans more readily to freehold farmers, and that the banks had followed the same policy. A grievance which was expressed almost without exception, was that not enough money could be raised on the security of a leasehold. It was

78. C-4, p.1071. (H. Waite).

not so much that a loan was not granted but that it was smaller than the settler wanted. Henry Okey quoted a case where a tenant had arranged to borrow \$350 at 10 per cent. The Land Board would not approve interest over 8 per cent on loans. The tenant was forced to go to his solicitor with the result that he paid 11½ per cent. When further examined over the particulars of this case Okey said the settler could not get the amount of money that he required on a leasehold property. He commented on the fact that the general experience of farmers in their dealings with the Advances to Settlers Department, was that the leaseholders could not get a sufficient advance on the value of their improvements. He felt the government could increase the amount it granted from half to three fifths of the value of improvements, as was the case for freeholders.⁷⁹ C.R. Hilton cited a case where he had made application to the Advances to Settlers Department. His buildings were valued at \$255 and he received a \$75 loan. In addition he had to pay a valuers fee and a fee to the Commissioner of Crown Lands to have the loan approved. In order to pay off some of his liabilities Hilton was forced to take out a mortgage at 8 per cent on a plant worth \$600. Had he the right of purchasing the freehold he could have got a \$200 loan at 5 per cent in the first instance.⁸⁰ Another grievance with the Advances to Settlers Department was the insistence on a twelve months residence clause as a prerequisite to granting a loan. J. Hay, the Commissioner of Crown Lands and Chief Surveyor for Southland, thought that an advance could be made on improvements as soon as the settler required it.⁸¹ J. Cushnie, F.B. White and B. Parker were of the same opinion.⁸²

W.T. Jennings, a Member of Parliament for Egmont, whose electoral district extended into the provincial districts of Auckland, Wellington and Taranaki, found considerable

79. C-4, p.1059.

80. C-4, p.4.

81. C-4, p.85.

82. C-4, pp.90, 91 and 100 respectively.

disatisfaction with the advances to settlers system on his travels. He said that the last session in the House of Representatives it had been shown that 760 refusals to lease-in-perpetuity holders had been made since the inauguration of the office.⁸³ Many other settlers expressed complaints over the Advances to Settlers Department and the difficulty of raising finance on a lease-in-perpetuity tenure.⁸⁴

The one vital issue to settlers everywhere was the state of roading, particularly in the back blocks. Many crown tenants had taken up lands in rough country in the belief that roads would be constructed where the land had been loaded for roads.⁸⁵ The roading complaint was a more serious matter in the North Island and Taranaki illustrates this very clearly. Examples were given by witnesses, of people who had been waiting eight or ten years for roads. The settlers generally felt that the Government had not kept faith in constructing roads and that the amount of loading had not been fully spent. In some cases the settlers were unable to get essential food supplies over some roads. W.T. Jennings, the Member for Egmont, said there was a source of discontent amongst settlers over the loading of land for roading and accrued "thirds." The settlers said they could not get sufficiently clear information of what became of the loading money. There was also much discontent over the badness of existing roads in the back blocks. Jennings maintained that the question of roads was as important as

83. C-4, p.1076.

84. e.g. J. McIntyre, M.O'Connor, P. Mooney, H. Hirst, T.G. Pearce and W. Waddle from Southland, C-4, p.29 and 30, 33, 44, 46, 49 and 118 respectively; and J. Burgess, J. McCluggage, E. Jennings, J. Diggings, G.S. Gatton and T. Hastie from Taranaki, pp. 1055, 1112, 1097, 1106, 1107, and 111 respectively.

85. C-4, pp. 1483-1484.

Loading for roads was bound up with the question of "thirds." Prior to 1896 a selector who took a section paid rent on the total value of the section, that is, the prairie value plus the loading which was the estimated cost of roading. The selector paid 4 or 5 per cent interest on his total capital value, the payment being called rent. "Thirds" were payable to the local body in whose district the land lay. After 1896 the prairie value of the land was fixed and "thirds" were calculated on that value. A rent of 4 or 5 per cent was computed on the prairie value, and a third of that was the "thirds" due to the local body.

the tenure question, and in many places more important.⁸⁶ E. Jennings said "The greatest grievance we have here is the want of transit to the outer world by roads. We only get about a mile of road per year.... We took up this land in 1895 and not ten miles of metal has been put on that road since...."⁸⁷

C. Billing said "We have no roads, and that is what we complain about."⁸⁸ H. Waite was of the opinion that "... a 6ft. track

should be made by the Government before the block is thrown open, and that the cost should be put on the price of the land....instead of having to rely on promises... frequently not fulfilled."⁸⁹ W.S. Virgin⁹⁰ in agreement with Waite. J. J. Norman expressed all the complaints over the question of roading in the following statement:

With regard to the practice of loading land for roads, we find that though the lands are so loaded the tenants have no information as to what the amount is, or whether it has been spent on the roads. Such a system is wrong.... Another unfair thing is that when the land is loaded in this way the tenant is charged it in his rent for all time under the lease-in-perpetuity, but if the land was not loaded before he collected it he would not have to pay that interest for all time, it would be paid off in thirty or forty-two years.... Another matter is that people have been led to believe by the Lands Department that if they took up sections where there were no roads, and the land was loaded for roads, that the road would be made, but there are such people in my county who have held their land for eight or ten years and have not got a road yet.... unless the state gives more assistance to construct the main roads settlement cannot progress.⁹¹

In Taranaki the question of good roading was of more importance to the development of the area, than the question of tenure. In Southland, the question of roading was not as important as it was in Taranaki. There were complaints about the poor state of roads but most were over the system of loading. B. Parker, a settler on the Edendale Estate, expressed his views on this and is fairly representative of what most settlers said. "With regard to roads, I think the money should be spent promptly

86. C-4, pp.1076-1079.

87. C-4, p.1097.

88. C-4, p.1075.

89. C-4, p.1071.

90. C-4, p.1073.

91. C-4, p.1068.

and judiciously,.... Some of our roads are in a very bad state.... I think they should be attended to."⁹² Many other witnesses had complaints to make over the unspent loading and poor state of roading.⁹³

Crown tenants on settlement lands in Southland had a grievance over the high rents they were paying and to some degree, over the cropping regulations imposed by the Land Board. Tenants on settlement lands considered that the cropping regulations could be amended. They maintained the regulation enforcing two white crops and a green crop, followed by three years of grass was unreasonable. Crown settlers in Otago and Canterbury were of the same opinion. Many thought that the cropping regulations should allow for differences in the quality of the land and that adjustments should be made accordingly. Ten Southland settlers considered that their rent was too high and many of the witnesses said this was because the government paid too much for the land.⁹⁴ D.J. Heenan, for example, represented five other selectors on the Beaumont Settlement, all of whom found their rents too high to make a living. Heenan believed the whole settlement had been bought too dearly. The settlers had also been disappointed in the quality of the land. The result was that the land was not productive enough to make a living and pay the rent. G.F. Toogood considered the rent should be reduced by half, as did Heenan. G.A. Scott said in evidence that "I wish to state, in regard to the Merrivale Settlement, that it is generally conceded that the whole of the land was originally valued too high."⁹⁵ W. Saunders

92. C-4, p.100.

93. D. Murchison, G.A. Scott, G. Barwell, J. Milne, F.B. White, S. Thompson, G. Crosbie and J.A. Sinclair, C-4, pp. 59, 73, and 74, 74 and 75, 88, 92, 95, 96 and 99 respectively.

94. D.J. Heenan, R.J. Casey, G.F. Toogood, W.J. Darley, W. Scott, A. Salton, W. Saunders, T. Cushnie, G. Crosbie and J.A. Sinclair, C-4, pp. 64 and 65, 65, 66, 67, 69, 73, 75, 75 and 76, 90, 96 and 99 respectively.

95. C-4, p.75.

complained that when his son took up land on the Ringway Estate, he and other settlers found the land was in extremely poor condition. "Wherever we have attempted to break it up, weeds, especially the Californian thistle, have taken possession of the ground so thickly in some places that a cattle beast could not tread its way through it."⁹⁶ J. Cushnie of Adendale Estate, considered that "...restrictions as to cropping should be made to suit different localities, different climates, and different qualities of land."⁹⁷ J. L. Sinclair represented 40 settlers from the Adendale Estate all of whom "...unanimously agreed that the cropping regulations be amended, that the tenant paying a high rent should be allowed to crop more than the one paying a low one."⁹⁸

The dissatisfaction expressed by Crown tenants over the unsatisfactory cropping regulations and the excessive rents did not find its counterpart in Taranaki. However, some settlers in Taranaki did have a complaint to make over the locked-up Native lands and the advantageous position of the Maori land-owners. There were complaints about the need to reform the system and terms under which farmers leased land from natives and about the generally poor standard of native farming. In Taranaki and Manawatu a myth developed "which pictured a native aristocracy growing prosperous on the rentals of land rendered productive by pakeha toil."⁹⁹ Settlers complained that though the Maoris paid no rates they gained benefits from the roading grants, in part paid by rates. Native lands were also regarded as "a hotbed for noxious weeds." Most native land was held by European farmers under the West Coast Settlements Act. This meant that any revaluation of Maori land would result in benefits to the Maoris if rentals were increased. J.W. Foreman held 600 acres of Native land. It was subject to revaluation every twenty one years. With respect to

96. C-4, p. 75.

97. C-4, p. 90.

98. C-4, p. 99.

99. B.S.E. Bellringer, "Conservatism and the Farmers," p.65.

reevaluation Mr. McCutcheon asked the following question:

"... are we not creating a system of black landlordism under this system? - Yes; and my neighbours, their wives, and their children are working from early morning till late at night in order to pay the rent, while the Native landlord does not do one day's work in a month."¹⁰⁰ J. S. Smith, a member of the House of Representatives for the Taranaki district, regarded the problem of Native land as very important. The way in which the Public Trustee administered the land was a "very burning question." He said much of the land was covered with noxious weeds.¹⁰¹ A. Coxhead thought it was time the Government tackled the Native-land difficulty and made the poor land reproductive by throwing it open for settlement.¹⁰² J. J. Alwin who held 500 acres under Native lease expressed the position quite clearly. He represents a large number of Native leaseholders.

The whole business of the Native lease is one which opens a very large question The system of leasing these Native lands leads to one of the worst phases of absentee landlordism, we have large tracts of Native lands which are not let, and which pay no rates whatever for the maintenance of roads, and which do not help the district.... The Natives are considerably the largest users of the roads in this district and of the improvements which the settlers have paid for by rates and otherwise.... There is a large question as to whether it would not be better for the State to take over all these Native lands and convert them into state lands.... There are some thousands of acres of this land unoccupied which are unproductive.... the result is that in our district, though we have lands which would produce enough revenue if occupied to keep our roads in fair order, we are unable to do so.¹⁰³

Alwin's statement is indicative of attitude of settlers in the North Island. The settlers regarded the Native lands as a bar to settlement, producing nothing, paying no rates, yet

100. C-4, p.1067.

101. C-4, pp.1079-1080.

102. C-4, p.1084.

103. C-4, pp. 1130-1131.

having the benefit of roads, railways and other amenities which the settlers paid for. The Natives were not settling the land which was a source of noxious weeds and which harboured rabbits. The settlers wanted the Native lands made available by some means for settlement. There were nearly six million acres of Native land deemed suitable for settlement, and next to the question of roading, was the biggest grievance amongst settlers in the North Island.

Southland and Taranaki had in common, discontent over the poor state of roading, the unexpended loaning and accrued thirds and the perpetual payments made on estimated roading costs. Leaseholders found difficulty in financing loans from private companies and the advances to Settlers Office, and resented what they thought were unnecessary delays and bias against them. In Southland, settlement tenants felt the Government had made poor purchaser of land and the rent was too high for the productive capacity of the land. Cropping restrictions were also a source of annoyance. In Taranaki, the question of opening up Native lands for settlement and having them contribute to the country's revenue was of importance. These complaints of a practical nature, although not all are discussed here, show that the settlers did labour under handicaps which made life difficult for them, and that there was some dissatisfaction with Government policy.

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The freehold-leasehold dispute had strong emotional overtones as well as practical aspects. Evidence in the Royal Commission report suggests that the agitation for the freehold began amongst a small number of Crown leaseholders on the Fencourt Estate, in Cambridge, and in particular with one Robert Swayne. According to the evidence of W. Crisp the petition presented to parliament in 1904 asking for the freehold was "got up by a private individual." Fear of revaluation of rents, fear of forfeiting land through the infringement of Land Board regulations, the inability to raise satisfactory loans and the desire to cash in on rising land prices seem to have been the main motives behind the desire for the freehold. The leaseholders having broached the question of obtaining the freehold for lease-in-perpetuity settlers, had their case taken up and presented to parliament by the Farmers' Union. However, it appears from the evidence of G.F. Ranby that among some people a conflict between lease-in-perpetuity holders and urban revaluers was anticipated, in the same way that conflict between the freeholders and land nationalizers was anticipated. Hence Ranby's statement in reference to leaseholders that "In time to come the more there will be to fight for the freehold." The inference is that there were some people who presaged a clash between the freeholders and the land nationalizers and wanted the lease-in-perpetuity tenants to obtain the freehold in order to strengthen the freeholders position.

However, in view of the lack of evidence to confirm this one can only suggest that if some leaseholders wanted the freehold it was largely for practical reasons. The rapidity with which the Farmers' Union took up the leaseholders' cause suggests they had more than the leaseholders' interests at heart. In the face of threats from land nationalizers they saw their way of life being attacked. The freehold was symbolic of it. In order to convince the country that there was strong feeling amongst the leaseholders for the freehold, they gave vent to their emotions and beliefs and this imbued the issue with more significance than purely factual grievances would

have done. By 1914 only 775 lease-in-perpetuity tenants (of more than 10,000 by then) had purchased the freehold. This indicates the symbolic nature of the issue, without ignoring the fact that there were practical reasons for crown tenants wanting the right to the freehold. The report shows that crown tenants and freeholders had complaints over certain aspects of Government policy, the most important of which were the difficulty of raising loans under a lease-in-perpetuity tenure; the poor state of roading; the lifetime burden of paying interest on loading and the alleged unspent thirds on roading.

In the South Island the crown tenants were generally content, with some discontent over the high rents on Government settlements, the binding and severe cropping regulations and the need for longer leases on pastoral tenures. In the North Island the opening up of Native lands was a major issue. The question of roading was inseparable from the question of tenure and was as important in promoting settlement and good farming. On balance, the Commission's conclusions were well thought out and represented fairly accurately the settlers grievances. On the most important question of tenures, however, they divided six in favour and four against granting the freehold. At the most this does not suggest the tenure issue was in fact clear cut or that the evidence was overwhelmingly in favour of the freehold, as events showed by 1914.

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