

**Warning**

This information was published in 1966 in *An Encyclopaedia of New Zealand* and has since been corrected and will not be updated.

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(McLintock, A. H.,  
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**LAND SETTLEMENT**

1892

Liberal Land Policy for Closer Settlement, 1891–1911

The demand from the land hungry for the breaking up of the big estates was given impetus by the larger population, by increasing unemployment, and by refrigeration which made small farming an economic proposition through opening export markets for meat and dairy products. At the 1890 general election, the Liberal Party was elected with a policy which included promotion of closer settlement by disposal of Crown land only to genuine farmers, extension of State leasehold rather than freehold, repurchase of large estates for subdivision by the Crown, introduction of land tax to force subdivision, and cheap finance for development of new farms.

Initiation of the programme of land reform was John (afterwards Sir John) McKenzie, Minister of Lands from 1891 to 1900. Initially McKenzie proposed to give settlers the option of taking land for cash, deferred payments, or on perpetual lease with periodic revaluations, but his Bill did not pass the House in 1891. In the following year he reintroduced it, substituting for deferred payments a 25-year lease with right to purchase. At the Committee stages, a compromise between the advocates of the freehold and those of the Liberal ideal of a State leasehold resulted in the replacement of the perpetual lease by a lease in perpetuity for 999 years with no right to freehold. This gave the State control over aggregation and initial residence and gave the lessee secure occupation at a low rent. Over 2 million acres were settled under this tenure before 1907 when the provision for it was repealed.

The Land Act 1892 placed restrictions on the acquisition of Crown land by those already holding sufficient land, and limited the area which any settler could obtain from the Crown. Small grazing run rents were fixed by valuation instead of auction, although the auctioning of pastoral runs was continued to the detriment of the high country in the South Island.

In 1894 blocks of rural land, mostly bush covered, were set aside for development, and groups of men with little or no capital were formed and employed on a cooperative basis putting in access roads. The sections were allotted subsequently among the men employed on the work and advances made for further development.

To break up the big estates, a graduated land tax was introduced and, in 1892, a Land for Settlements Act authorised the Government to buy private land for closer settlement. The first major purchase was made in 1893 under the Land and Income Assessment Act when the Government bought the 84,755-acre Cheviot Estate in North Canterbury. An improved Land for Settlements Act, passed in 1894, added compulsory purchasing power and authorised the use of loan money to buy land. Land was to be disposed of on lease in perpetuity or on small grazing run lease with rents fixed at 5 per cent of the capital value of the land which had to be sufficient to cover cost of acquisition, survey, roading, subdivision, areas absorbed by roads and reserves, and an allowance for administration. The next step towards successful closer settlement was the establishment in 1894 of the Advances to Settlers Office to provide farmers with cheaper and more extensive credit than was available from trading banks, stock and station agents, and private lenders. Coupled with State finance was the provision of expert advice to farmers by the setting up in 1892 of a separate Department of Agriculture.

Liberal land policy was a marked success. Extensive settlement took place in bush-covered country in the North Island where Crown land was surveyed and offered to settlers, sometimes before the sections were adequately roaded. While these men cleared the bush to establish new farms, Government land purchase broke the deadlock in closer settlement of established farming areas. Between 1892 and 1911 the Crown offered 8.5 million acres for settlement and this was subdivided into 33,000 holdings. Of this area, the Government had purchased 209 estates totalling 1.2 million acres for £6 million and had subdivided it into 4,800 holdings. The compulsory purchase provisions were used in only 13 per cent of the land and purchased being assessed on a generous basis. Later, provision was made to lease following the purchase of part of the properties purchased to occupiers of homesteads and estate employees. Land ballot

conducted in the locality of the subdivision and were generally followed a few days later by clearing sales on the property at which the new settlers bought stock and plant from the former owners.

A major undertaking in land settlement was begun in 1903 when the Government commenced the drainage, reclamation, and settlement of swamp land in the Hauraki Plains. This work was later extended to other swamp areas in North Auckland and the Bay of Plenty.

The lease in perpetuity was abolished by the Liberals in 1907 and tenants were given the right to purchase the land. In spite of the vocal demand for the freehold, a majority of the lessees preferred to retain the benefits of low rents, and of the 2 million acres leased on this tenure in 1907, 1.3 million acres were still held on lease in perpetuity in 1963. Provision was made for Crown land to be leased on renewable lease for 33- or 66-year terms with periodic revaluations. The final Liberal gesture to the principle of a State leasehold was the establishment by Sir Joseph Ward in 1907 of 7 million acres – later increased to 9 – as a National Endowment, within which land was to be disposed of on leasehold only.

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Next Part: [Settlement Since 1912](#)

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