

(No. 8.)



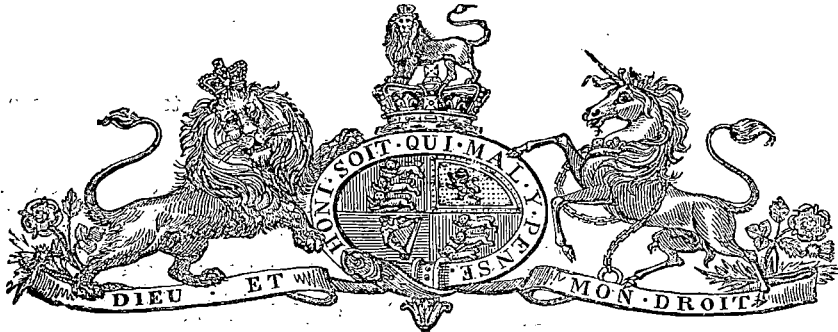
1857.

T A S M A N I A.

D E S P A T C H

FROM EARL GREY TO SIR WILLIAM DENISON, ON THE SUBJECT
OF THE CREDIT SYSTEM OF DISPOSING OF CROWN LANDS.

Laid upon the Table by Mr. Henty, and ordered by the Council to be printed,
12 November 1857.



(No. 134.)

Downing-street, 15th August, 1850.

SIR,

I HAVE not failed to bestow my best consideration upon your Despatch, No. 14, of the 11th of January last, in which you have embodied a variety of arguments and illustrations calculated to show that the present price of Land is not too high in Van Diemen's Land, and that the rent of Sheep Runs also is reasonable.

2. In both these opinions I entirely concur with you; and I have to express to you my thanks for the variety of information which you have so ably collected and supplied on the subject in your present report.

3. The only point on which I do not agree with you, is, as to the advantage you think would arise from allowing the payments of Land to be made by annual instalments instead of at the time of sale. You argue, that to require a purchaser to pay the whole price of his Land at once cripples his powers of cultivation, and may entail upon him embarrassments from which he can hardly ever get clear. I admit that the argument is one which must appear weighty at first sight; but an almost universal experience has shown that, in practice, this plan fails from the extreme difficulty of collecting the periodical payments with regularity. The Government of a Colony have not the facilities for recovering such debts which are possessed by individuals; and when it becomes the creditor of a large number of persons for small sums, a resistance to them, too strongly supported by public opinion to be overcome, generally grows up. Thus the sale of Land upon credit has been found, in more than one instance, to have had the effect of creating a discontented population so long as the attempt to enforce payment has been persevered in, and eventually of allowing the greater part of the purchasers on these terms to obtain their Lands gratuitously, to the injury of others who may have paid a fair price in ready money. Not many years since, this system of payment by instalments was the practice in nearly all the Colonies; and in British North America, where the largest sales at that time took place, it was attended with the consequences I have just mentioned. The evils which arose from this mode of disposing of the Crown Lands are thus described by the late Mr. Charles Buller, in his Report to the Earl of Durham on the Sale of Land in Canada:—

“The price required for Public Lands,” he says, “should be payable at the time of Sale. The practice of accepting payment by instalments, which has been continued in Upper Canada in violation of instructions of Lord Glenelg, besides inducing a premature acquisition of Land, has the further effect of rendering altogether nugatory whatever price may be fixed upon Public Lands, at least with respect to that Land which is purchased by the poorer class of settlers. It is stated by Mr. Sullivan, that no measures can be attempted safely to enforce the payment of the arrears now due from persons of this class; and Mr. Hawke gives an instance in which Government has actually abandoned claims of this nature to the amount of £30,000. The system of sale by instalments had been tried and abandoned in the United States long previously to its adoption in the North American Colonies. It was abandoned, not merely because of the impossibility of obtaining payment of the arrears, but also because of the danger to be apprehended from the existence of a large body of settlers in all of the New States, who were supposed to be favourable to any proceedings which, by weakening the authority of the Government, might diminish its power of enforcing payment from them. Without enquiring how far

any of the settlers in Upper Canada are under the influence of any such feeling, I may venture to state my opinion, that it is unwise to give to any class so powerful an inducement to assist or acquiesce in any change of Government as is afforded by the prospect of escaping from a heavy debt, and of acquiring an absolute, instead of a qualified and insecure, title to the Land they occupy. I therefore recommend that the whole Purchase-money of Public Lands should be paid at the time of purchase."

The argument thus used in 1838, in respect to Canada, rests on general grounds, and appears quite as applicable to the Australian Colonies, or to any other extensive settlements.

4. I cannot notice your present Despatch without mentioning the pleasure with which I have observed the interesting document annexed to it, respecting the mode of extracting potash from the timber cleared off land in Van Diemen's Land and the economical advantages to be derived from it. It is impossible to doubt that you are conferring important and lasting benefits on the Colony by thus directing the attention of the settlers to the manner in which its natural resources may be turned to the greatest advantage.

5. In conclusion I have only to state, that, as in the progress of the Bill for the better Government of Her Majesty's Australian Colonies the clauses giving authority for calling together a General Assembly for all these Colonies were omitted, the questions which gave immediate rise to your Despatch,—viz. whether that Body ought to be invested with the power of dealing with the Public Lands,—has not required a decision.

I am, &c,

GREY.

Lieutenant-Governor
SIR WILLIAM DENISON.