



The Vogel Centre | 19 Aitken Street  
DX SX10088 | Wellington  
T: 04 918 8800 | F: 04 918 8820  
E: [info@justice.govt.nz](mailto:info@justice.govt.nz) | W: [www.justice.govt.nz](http://www.justice.govt.nz)

14 February 2017

Ian McKelvie  
Chairperson  
Primary Production Committee  
Private Bag 18888  
Parliament Buildings  
Wellington 6160

Dear Mr McKelvie

**Re: Petition 2014/72 of Tanya Peterson and 1 other**

Thank you for your correspondence of 3 November 2016, received 22 November 2016, requesting the views of the Ministry of Justice on the petition of Tanya Peterson (the Petitioner) claiming the Land Board fraudulently and illegally foreclosed on her grandfather's land.

As acknowledged in your letter of 3 November, this matter is an historical one and the response to your request is being lead by the Office of Treaty Settlements, a department within the Ministry of Justice, as the Office of Treaty Settlements has historian resource with expertise in the matter of soldier settlement land. As such I have been tasked with responding on behalf of the Ministry of Justice.

Due to the November 14 2016 earthquake and the resulting damage to Archives New Zealand properties, an extension for this response was sought and granted. My officials have worked closely with officials from the Department of Internal Affairs, who made a special effort under less than ideal conditions to retrieve two core files. Based on these files a principal historian has provided an expert opinion by way of response to the Petitioner's claims. The response is attached herewith.

Yours sincerely

Doris Johnston  
Deputy Director, Policy and Special Projects, Office of Treaty Settlements  
**Ministry of Justice**

**MEMORANDUM**

**TO:** Doris Johnston, Deputy Director, Office of Treaty Settlements

**FROM:** Dr Ashley Gould, Principal Historian, MACA Team, Office of Treaty Settlements

**DATE:** 14 February 2017

**RE:** Request to the Secretary for Justice from the Chair of the Primary Production Select Committee for a Ministry of Justice view on the Peterson Petition

---

1. In late November 2016 I was asked to review the contents of the Peterson petition regarding the circumstances of the bankruptcy and forfeiture of a Crown leasehold section possessed by the Petitioner's grandfather between 1921 and 1929, located in the Southern King Country or West Taupo region. I was asked to provide a historical opinion on the claim and assertions of the Petitioner.
2. Please find attached my historical analysis. The summary report is in two parts:
  - a. An introduction with executive summary and conclusion
  - b. An Appendix of some summary comments about the historical details
3. This report should be read in conjunction with the petition. It was completed without access to all relevant information as a result of the closure of Archives New Zealand due to matters associated with the Kaikoura earthquake of 14 November 2016. The Archives opened on 30 January but the relevant files remain unavailable for general viewing although two critical files were provided to me.
4. The documents appended to the Petition provided most of the crucial information with some additional research in on-line sources such as newspapers, LINZ Land on Line, and the Archway portal of Archives New Zealand.



Dr Ashley Gould  
Principal Historian  
Marine and Coastal Area Team  
Office of Treaty Settlements  
Ministry of Justice

## ***Introduction***

1. The Petitioner seeks

**‘That the House inquire into the bankruptcy decision against William Magnus Peterson by the Land Board in 1927, which resulted in the foreclosure of family land, being Section 2, Block 5, Hurakia Survey District, Waimiha, and whether a caveat should be placed on the lands to prevent its sale and compensation should be paid to the descendants.’**

2. The Petitioner alleges that her years of research reveal ‘misappropriation and fraud by Governmental and Crown entities in regards to the disbursement and allocation of Land Ballots and Returned Soldier Entitlements.’ In addition ‘the illegal actions have led to the significant disenfranchisement of returned soldiers who served New Zealand and the British Empire in the First World War.’ She says that her grandfather, William Magnus Peterson, was ‘one of the returned soldiers significantly marginalised by governmental dishonesty...’
3. The Petition made is without merit. The Petitioner has through matters of misinterpretation of key documents and misunderstanding of historical land settlement policies and law, misled herself and the Select Committee in a number of points. This conclusion is based upon an informed reading of the documents which the Petitioner appended to the Petition and some additional research. The Petitioner’s time-line presentation contains numerous inaccuracies which may be accounted for by the Petitioner’s lack of understanding of the policy and legal operations of the World War I soldier settlement scheme.
4. It has been difficult to reconcile the submissions made by the Petitioner and the information contained in the documents attached to the Petition. To confront each and every inaccuracy, misunderstanding or misrepresentation would be a lengthy exercise. Because of time and access constraints the following short summary report/discussion is offered to the Select Committee as a means of comparison with the claims in the Petition. The following comments attempt to provide context and where necessary correct the details proffered by the Petitioner where clear evidence is available. The Committee should note the limitation caused by Kaikoura Earthquake. Archives New Zealand’s building in Wellington was closed until 30 January and all of the critical files remain publically unavailable at the present time. Archives did however provide Peterson’s core Lands and Survey file and his Forestry Department file.

## ***Executive Summary and Conclusion***

5. The fundamental problem of interpretation is that the Petitioner has assumed that William Magnus Peterson **purchased** sec 2, Blk V, Hurakia Survey District [SD], as if it were a transfer of the freehold title. This was not the case. The existence of a mortgage recorded on the lease could cause confusion. The mortgage recorded the sum of £400 which Peterson was advanced to assist development of sec 2, Blk V, Hurakia SD and was not a mortgage acquiring the freehold. It was open to Peterson to freehold the property during the course of his lease but he did not take up the opportunity.

6. The Peterson family did not at any point own the freehold to the soldier settlement section in question. It was, and remained until the early 1950s, Crown Land which was at times before Peterson's brief occupation and afterwards, leased to lessees by the Crown as the lessor. The Petitioner is incorrect to state that Peterson or his father-in-law Hugh McNeight owned the freehold of the two sections which form a part of this story and identified at Mokaiti; sec 5, Blk 1, Tangitu SD and sec 12 Blk II, Mapara SD. Both were Crown properties with fixed term leases.
7. From the point of legal forfeiture of sec 2, Blk V, Hurakia SD, in 1929 William Magnus Peterson – or his successors - possessed no further legal interest in the leasehold soldier settler property. After forfeiture of his lease Peterson continued to possess an interest in the improvements he had created using current account advances (the mortgage) from Lands and Survey as well as his own resources. These interests in the improvements were properly accounted for when the final accounting revealed that he owed the Crown unpaid rent for the property from early 1927 until 1929.
8. The Crown, through the aegis of the South Auckland Land Board, did not – legally or illegally - bankrupt Mr William Magnus Peterson. He sought the protection of bankruptcy against his private creditors on 10 May 1927. (Cover letter from his solicitor accompanying his application - His Bankruptcy File, 1186 in the Supreme Court, Hamilton, now Archives New Zealand Auckland Office.)
9. Peterson's application for bankruptcy was not due to the actions of the Crown or "Land Board" in "foreclosing" his farming activities or those of his in-laws.
10. Mr Peterson's bankruptcy file, which discloses his application and his debts, does not mention the Crown or its agencies. He had paid his current account mortgage on sec 2, Blk V, Hurakia SD (described in greater detail below) and in 1927 owed a relatively small sum of back rent accrued after it appears he abandoned the section sometime early in 1927.



## Appendix 1:

### *Some Summary Comments*

1. William Magnus Peterson was born on 24 November 1890 at Wayby [near Wellsford] (obtained from his attestation form on his Military Record). This date conflicts with that provided by the Petitioner which is given as 24 November 1885. He is recorded as dying on 10 March 1977 at Cambridge.
2. OTS knows nothing definitive about what he did prior to the war except for a couple of references in his military attestation forms to being a butcher and working for the Public Works Department and his identification as a selector of Crown land in the Mokauiti area in 1914.
3. Peterson was a successful selector for Sec 12 Blk II, Mapara SD on 25 March 1914. (*Taranaki Daily News*, 26 March 1914.) He obtained a Renewable Lease #82/200 on 25 March 1914 under the Land Act 1908 for a term of 66 years. (Taranaki Lease 82/200, LINZ Land on Line.) The annual rental charge was £25/12. *The King Country Chronicle* recorded on 3 February 1915 that at a meeting of the Taranaki Land Board in late January; 'W.M. Peterson, lessee of section 12, block 11, Mapara, leaving with the Expeditionary Force, was granted 12 months exemption from residence and extension of time to effect improvements.' Upon his return from overseas service Peterson acquired a mortgage from the Taranaki Land Board on 12 December 1916. The same Newspaper recorded on 4 March 1919 under the by line "Taranaki Land Board", that the monthly meeting of the Board occurred on 26 February 1919 and under a heading of "Non-residence", it was observed 'Section 12, Block 11, Mapara, W.M. Peterson, non-payment of rent - Adjourned.' The lease document for sec 12 discloses that Peterson sold his leasehold interests to Herbert George Gill of Mokauiti, farmer, on 19 January 1920 for £942.7.4. the sum of which also included the amount owned by Peterson to the Department of Lands and Survey and which Gill discharged as a part of the arrangement. (Transfer 38494, LINZ Land on Line.)
4. Peterson had volunteered for service in the New Zealand Expeditionary Force [NZEF] on 18 December 1914 and was listed as a trooper in the Auckland Mounted Rifles (Service # 13/840). He served 89 days in New Zealand (Trentham and Wairarapa reinforcement training camps) and 259 days overseas (including the voyage to Egypt and return). His military record discloses that he was in the 3<sup>rd</sup> Reinforcements of the NZEF and arrived in Egypt on 27 March 1915. About the 27 July 1915 Peterson was recorded as being admitted to hospital in Egypt with a septic ankle and was treated. He was discharged on 4 August 1915 but later complained of pain and an inability to carry out full duties. A decision was made by the Military medical authorities to repatriate him to New Zealand. He returned to New Zealand in the *Willochra*, arriving in Dunedin on 30 October 1915 along with some 500 men of the second contingent of New Zealand's wounded and ill men to return. Peterson was discharged from the New Zealand Expeditionary Force in Dunedin on 27 November 1915 as medically unfit for further military service because of a pre-existing pre-war injury to his ankle. The proceedings of the Medical Board disclose; 'old injury left ankle – broke down again in Egypt.' He was determined to be permanently unfit for further military service.

5. His military records disclose that he was, at attestation in 1914, a butcher by occupation and that he had last worked for the public works department at Kaeaea (Aria district, southern King Country) in the district to which he returned following his medical discharge in 1915 and where his future wife's family farmed, and where he already possessed a Crown leasehold section.
6. He was considered by the Military to be of good character and he later received World War I service medals. The Petition sets out his subsequent military service in Samoa and during World War II.
7. William Magnus Peterson married Majorie S McNeight on 7 June 1917 at the bride's parents' residence at Mokauiti. (*Auckland Star*, 7 June 1917, Paperspast Website, National Library.) The bride's only brother, William George McNeight, had volunteered for service in 1916. He served on the Western Front and was killed in action at the end of October 1918 just before the war finished. (His Military Service Record – Archives New Zealand Archway electronic access service.)
8. The Mokauiti area, which the Crown had acquired as late as 1902 from its Maori owners, was only recently settled in the pre-war period discounting that an earlier generation of Petersons lived in the immediate area. It should be observed by the Committee that the Crown leasehold section at the heart of the matter, sec 2, Blk V Hurikia SD, was not at Mokauiti in the Taranaki Land District but, instead, was located some forty kilometres east in the South Auckland Land District and would best be described as located near Piropiro or Waimiha, not Mokauiti. Peterson and officials referenced that section being located near Waimiha. In 1930 it was recorded that the section was ten miles from Waimiha.

#### ***Peterson's Soldier Settlement Property***

9. Sec 2, Block V, Hurakia SD, (495 acres) was part of some 15,960 acres of Crown land advertised for sale or lease on Monday 23 August 1920 under the Discharged Soldiers' Settlement Act, 1915. The land was formally known as the **Ongarue Loan Block – West Taupo County** and was described in the formal documentation as second class land. (*ACGT 18190, LS1/1899, 26/19615, Archives New Zealand.*) Areas of land in the district had clearly been taken up earlier than 1920 and it appears that what was being offered were some of the less attractive and heavily timbered blocks. The *New Zealand Herald* reported upon the ballot noting that there were 29 applicants for the 25 sections on offer and recorded on the sale plan. 17 sections were successfully balloted for and the remainder passed in. (*New Zealand Herald*, 26 August 1920, Paperspast website, National Library.) Peterson was allotted Section 2.
10. The section was to be held on a special tenures lease, perpetually for successive terms of 66 years commencing on 1 January 1921. The capital value of Crown-owned section 2 was described for annual rental determination purposes to be £1420:0:00. (Petition Papers.) It was probable that rental reviews would occur when the lease was renewed. The Petitioner has mistaken this figure for a sum which she believes her Grandfather paid for the land either for cash or by way of a mortgage.

11. The section was bracketed with its near neighbours in a *New Zealand Government Gazette* notice in 1921 as being accorded special financial consideration because of 'exceptional circumstances over which they [the Crown tenants] have no control preventing the profitable occupation of such land.' (NZG 1921, p.489, Petition documents.) The sections were except from rent for two years from 1 January 1921. The first rental payment on the Peterson section was due on 1 January 1923. This suggests that road access to the sections had not been completed or that the forest cover was such that no farming income could be expected until sufficient land had been cleared and developed. What this meant for the contract sale of timber on the section between Peterson and John Endean is unknown at this stage.
12. The ballot process for the soldier settler sections in question was managed by the South Auckland District Land Board which was based in Auckland. The Petitioner has also confused the role of the 'Land Board.' The South Auckland Land Board - made up of the Commissioner and several appointed and elected members who were usually farmers or experienced commercial individuals but not land agents - was one of eleven such boards operating in 1920 (a Northland Board was created in 1919 with the north removed from the prior 'Auckland Land board') under the management of a local official called the Commissioner of Crown Lands with oversight provided by the National Office of the Department of Lands and Survey in Wellington with a chief executive called the Under-Secretary of Lands.
13. It is not clear why the Petitioner takes umbrage with the selection process in relation to one of the successful soldiers in the ballot who she infers was an Endean connected to the activities of an Auckland investor, property owner, gold miner and timber miller, one John Endean. The few records available at Archives New Zealand show clearly that the individual successful in the ballot for sec 12, Blk X Ongarue Survey District was one Charles Dow, a returned soldier. The "Soldiers Register" of all settlers on leasehold Crown Lands discloses that no one with the surname of "Endean" obtained a leasehold section under the Discharged Soldiers Settlement Act ballot. All those returned soldiers successful in the ballot in which William Magnus Peterson participated have been traced in the Soldiers' Register and none are named Endean. The Petitioner may have confused the acquisition of Timber Cutting Rights for leasehold occupation of the property?
14. The Petitioner is scathing of this individual whom she refers to as an Auckland hotelier named John Albert Endean. John Endean, gentleman, of Auckland and sometimes referred to as J.A. Endean died in 1925 aged 80 years. John Albert Endean, the hotelier, died in 1927 and may have been John Endean's son? The Petitioner also accuses John Endean of forging William Magnus Peterson's signature to a timber cutting contract (page 5) supposedly creating an illegal contract of 12 years duration so as to build a tramline through Peterson's section. She also asserts that Peterson was unaware of the forgery. Peterson's own reported comments at his bankruptcy meeting in 1927 suggest he was well aware of the contract and the windfall of funds flowing from this commercial transaction. His neighbours also sold the standing timber on their sections to Endean interests. (Archives New Zealand Archway record index system on-line. The individual files were not reviewed as they remain in the inaccessible section of Archives New Zealand.) It did not appear in 1930, when the former Peterson section was re-

valued, that the timber had been removed and only a small area about the dwelling was reportedly cleared but which had, at the time of inspection, reverted.

15. The Petitioner has provided a copy of the lease for Section 2, Block V, Hurakia Survey District between the Crown and Mr William Magnus Peterson. Upon analysis it is clear that the lease details are entirely conventional for such soldier settlement leases of the era:
  - a. Mr Peterson took possession of the section on 1 January 1921
  - b. He agreed to pay a half yearly rental of £31:19:00 based on an improved capital value of the property of £1420. (Some pre-existing improvements were accounted for.) The rental figure was based on 4% of the value and had its legal origins in Land Laws Acts from the 1890s.
  - c. He was required to reside permanently on the property from the date of occupation in January 1921.
  - d. He was required to maintain the existing improvements, meet fencing covenants and maintain existing fences and deal with all noxious weeds.
  - e. He was required to execute improvements in the first year equivalent to 10% of the capital value or some £142. He was required to repeat this level of investment in the second year of occupation and, following a further six years occupation, imbed an additional 10% value of improvements and that these improvements would have a permanent character within the meaning of the Land Act 1908 and be valued at 10 shillings for every acre of demised land or in this case, approximately £250.
  - f. He was to pay all taxes, rates and assessments levied on the property.
  - g. He was not able however to transfer his interests in the leasehold within a ten year period except with the permission of the Minister of Lands. This was to stop soldiers from speculating in a market with their Crown leases in a period which had seen land prices increase inexorably since the 1890s. It was not, as claimed by the Petitioner, to protect the settler from public servants.
  - h. He was also able to freehold the property during the term of the lease for the sum of the capital value which was set at £1,420. It is notable that he did not so freehold the property using the income derived from selling the timber rights.
16. The knotty question of the 'mortgage' and the Petitioner's accusations that William Magnus Peterson was not provided with development assistance by the Land Board arises at this point. Contrary to the claims of the Petitioner, the papers supplied by the Petitioner disclose that William Magnus Peterson was advanced the sum of £400 for the purpose of developing the property almost immediately upon taken possession of section 2, block V Hurakia SD early in 1921. The form in question provided in the Petitioner's documents discloses with some precision that the advance was for improvements '(seeds, fencing, etc.)'. In addition the Petitioner supplied an undated document which appears to be from the Minutes of the

Auckland Land Board which discloses a comment that 'Resolved that no advances be made to this applicant in view of information received.' There is no context provided for this resolution of the South Auckland Land Board and nothing appears about it in Peterson's Head Office file. (ACGT 18190, LS1/1899, 26/19615, Archives New Zealand.)

17. William Magnus Peterson was recorded as possessing £100 in cash, 10 cows, 3 horses and all farm implements at the point he sought a current account advance. (Contrary to popular belief, applicants for Discharged Soldier Settlement Act assistance were required to show that they possessed capital and previous experience, even though some Land Boards acted in a fairly lenient fashion towards returned soldiers submitting applications for entry to land ballots.)
18. The Petitioner clearly has misunderstood what the stamped and dated "Authority Cancelled" figures mean on this document. They show that on 21 December 1921 Peterson paid the sum of £250 off his current account mortgage. This may accord with income from selling the timber cutting rights. Similarly he paid a further £100 in August 1923 and the remainder in 1927. He was advanced money for development purposes and as recorded by the Commissioner he used some of his \$2,000 cutting rights wind-fall to repay this sum, perhaps via the Commissioner of State Forest's licence to Peterson – dated 16 December 1921 - to sell the standing timber on sec2, Blk V, Hurakia SD to John Albert Endean of Auckland, Timber Merchant. (Forestry file ADSQ 17639 F1/361, 17/1/100, Archives New Zealand.)
19. Just why William Magnus Peterson had a 'mortgage' recorded against his leasehold in August 1921 requires some explanation. The form setting out the current account advance (supplied by the Petitioner) was signed by Thomas Noel Brodrick, the Under Secretary of Lands, on 10 February 1921. The formula for advances was based upon proven need and an upper limit depending on the quality of land. First class lands could attract up to £750 of advances for creating improvements while second class lands in virgin condition could attract up to a limit of £1,250. In this case Peterson was advanced the sum of £400 for improvements (seeds, fencing etc.). This information suggests that there may already have been a dwelling on the property but perhaps the dwelling was covered by the "etc."? The Commissioner of Crown Lands for South Auckland, H. M. Skeet, recommended the sum. He will have relied upon a report from the Land District's Crown Lands Ranger or the Supervisor of Soldier settlements - one for each Land District appointed early in 1919. In August 1921 the Commissioners of Crown Lands were instructed to assist soldier settlers, who were suffering from the effects of the post-war depression which struck in early 1921, by transferring up to £250 of the soldiers' current account advances to instalment mortgages and offer the sum back in current account. This circumvented the legal limits for advances and it was thought would assist to keep good settlers on their properties by being able to meet pressing private debts. Most soldier settlers were also beholden to their Stock and Station agents for credit for the acquisition of stock and other farm necessities beyond those funded through current account advances. By placing the advances on a mortgage the Crown was prioritising its owned interests in the property over those held in second and third mortgages. It appears that mortgage registration of current account advances became the norm from 1921. The Petitioner supplied Peterson's



Memorandum of Mortgage. She also correctly identified a typographical error in the document. There was no amendment to the Discharged Soldiers' Settlement Act 1915.

20. To reiterate, the mortgage recorded on the lease was for the advances on current account and not a mortgage against any freehold interest in the land. The land was Crown Land and neither William Magnus Peterson nor his successors have possessed any leasehold interest in the section since the lawful forfeiture of the lease through breach in February 1929.
11. William Magnus Peterson sought the protection of bankruptcy in 1927. The primary debt disclosed in the Statement under Section 149 of the Bankruptcy Act 1908, was some £292.10.9. This figure was discounted at the rate of 10/6 to the £. by the Official Assignee leaving the bankrupt with dividend and costs obligations of £191.1.00. It appears that Mr Peterson obtained a loan from Graham and Jacka, an Auckland Law firm involved with the Endean family (the "timber merchant" mentioned on a number of occasions by the Petitioner) in the mid-1920s and the Trustee of the Estate (the Official Assignee) was able to pay the sum of £191.1.00 and release Peterson from Bankruptcy on 7 September 1929.
12. On 1 June 1927 the *Auckland Star* reported on the bankruptcy meeting of William Magnus Peterson held at the Supreme Court in Hamilton:
  - a. 'An adjourned meeting in connection with the bankruptcy of William Magnus Peterson, farmer, Waimiha, was continued this morning before the deputy Official Assignee (Mr. J.H. Robertson). The first creditors' meeting was held at Te Kuiti, when the bankrupt submitted a statement showing that his total debts amounted to £216 18/4. He estimated that his book debts would produce £20, and the deficiency was set down as £196 18/4.
  - b. In a statement bankrupt said that in 1921 he took up a Crown lease of 496 acres near Waimiha under the Discharged Soldiers' Settlement Act. He sold the timber rights to Mr John Endean, of Auckland, for £2,000. **He spent the money on land**, where he erected a six room house, cow-shed and outbuildings. As farming did not pay, he had been engaged for the past four months at taxi driving.
    - i. Mr Robertson: Did you make anything out of taxi-driving?
    - ii. Bankrupt: No, I turned it in. It was no good.
  - c. Mr Robertson said that it would be necessary for bankrupt to prepare a statement showing how he had disbursed the money received from Mr Endean, and the meeting was adjourned.' [Emphasis added.] (*The Auckland Star* 1 June 1927, *Paperspast Website, National Library*.)
13. It is not clear from the file whether in fact a statement of disbursement was submitted as requested. Allowing that the press report quoted appears to cite the testimony of William Magnus Peterson, following his sale of the timber rights and receipt of the funds to sum of £2,000 circa 1922, he purchased other land somewhere and there built a dwelling and other buildings of a farming nature. If he was occupying other lands this fact might have been

expected to appear in the Lands and Survey records associated with his soldier settlement block. He clearly had no legal connection to the McNeight farm at Mokauti and he had divested himself of his own Mokauti Crown leasehold in 1920.

14. The Commissioner of Crown Lands later observed that William Magnus Peterson's current account advances had been paid using timber royalties. On 16 December 1921 the Commissioner of Forests approved Peterson's application for a license to sell the standing timber on sec 2, Blk V, Hurakia SD. A requirement of the license was for half of the proceeds derived from the forestry licence to be directed to the Receiver of Land Revenue 'as a security for the proper improvement of the land from which the timber is removed.' (*Forestry file ADSQ 17639 F1/361, 17/1/100, Archives New Zealand.*) No detailed evidence has been seen about the operation of Peterson's account with the Receiver of Land Revenue.

#### ***William Magnus Peterson in Occupation***

21. Very little information about William Magnus Peterson's occupation of sec 2, Blk V, Hurakia SD was able to be culled from the Petition and the documents appended to it. The Petitioner clearly has seen a copy Peterson's Lands and Survey Head Office file as documents from it were appended to the Petition.
22. The official file is not extensive which Dr Gould reports was probably because Peterson met his rental payments and also repaid his current account advances and did not apply for a rental holiday or stay on his repayments, revaluation of the property or, apparently, participate in the Inquiry into Soldier Settlers in 1923 or seek revaluation.
23. The Petitioner claims the land was very valuable with timber resources and water supply from three rivers. Information on William Magnus Peterson's Lands and Survey Head Office file appears to suggest otherwise. The property was reportedly inspected as part of the Deteriorated Lands Inquiry in 1924. The Committee's report was submitted to both Houses in 1925 and the Deteriorated Lands Act 1925 followed. (*Appendices to the Journal of the House of Representatives, 1925, vol.II, #C-15, pp.1-10.*) The Commissioner of Crown Lands reported to Department of Lands and Survey head office on 1 April 1927; 'This case (Peterson's) was considered by the Deteriorated Lands Committee [1924], but as Mr Peterson had abandoned the section, it was decided to take no action. For your information I am forwarding a copy of a report submitted in regard to the sections in this District.' The report in question was penned by one F.W. Richards and covered Peterson's section together with those of his near and more distant neighbours;
- a. 'This country is hilly pumice formation, the northern slopes and tops of hills generally speaking being better for farming purposes than the shady sides. Very few of the settlers have felled the bush on the shady sides chiefly because there is a certain amount of millable timber; but those who have done so find that stock do not thrive in the winter. The growth in the summer is strong, and the land being of a light pumice nature, together with a hard winter, causes the pasture to bleach early in the winter.'

- b. There is practically no water on the main part of the sections. The only water being a few springs at the front and back of the sections. There is a river alongside the road, but it is inaccessible. The lack of water will make it difficult to hold this country from second growth, when the pastures begin to run out.
  - c. There is a good deal of millable timber on most of the sections; but we cannot give an estimate, for it would require a considerable time of a competent man to do so.
  - d. Generally speaking the settlers have felled and grassed all that they should, until the millable timber has been worked, but their areas of clearing are barely sufficient for them to make a living.
  - e. There is plenty of work in the District and their sections can be used as homes, until the timber has been worked out.
  - f. The timber is the best crop the land is likely to ever grow, and should not be felled and burnt for the purpose of replacing it with grass.'
24. The report clearly discloses that the sections in question presented significant challenges for development into viable farms (to the standard of the day), hindered to a degree by the fact that the timber miller had not harvested the timber already purchased from Peterson and his neighbours in late 1921.
25. Another source of information is provided by a valuation of the property dated 16 June 1930. (The valuer was R Cleverdon and the Petitioner suggests that Cleverdon was deliberately working to devalue Peterson's "Estate" to support its 'forfeiture abandonment and finally bankruptcy'. It must be noted that in a strict chronology, Peterson had abandoned sec 2, Blk V, Hurakia SD sometime between 1925 and 1927. Forfeiture processes were considered in March 1927 and final forfeiture occurred in February 1929. Cleverdon's valuation was disconnected from Peterson's failed leasehold tenure, which had been over for some 18 months at the point he reported on the condition of the section. Be that as it may, the valuation is very revealing about the condition of the property and the amount of development work undertaken by Peterson.
26. In summary the valuer recorded the physical location of the property and described its access via a metal road from Waimiha. The section was watered by Ongarue River and 'poorly watered generally'. The soil was 'light loam and pumice resting on Rhholite and sandstone formation.' Under General Description it was described as 'hilly and broken' and suitable for 'grazing'. 'Ragwort has a big hold on a small clearing around the house.' Fifty acres of bush land had been felled and grassed but all had reverted and was infested with ragwort. The remaining 437 ½ acres was in its natural state of standing bush and scrub. The area under inspection was 487 acres approximately which accounted for some small subdivisions of the original section near the road and to assist a neighbour. Further development of the section was estimated to require some £1,975. The valuer observed that 'this section has a very steep frontage and is difficult to work. When grassed, country has a tendency to revert quickly to

secondary growth unless it is well fenced and stocked judiciously.' (ACGT 18190, LS1/1899, 26/19615, Archives New Zealand.)

27. Perhaps more significantly the existing house was valued at £175 and was described as being in poor condition and badly built. There was a single other shed valued at £15, together with a small quantity of fencing valued at £55. What was described in 1930 could not have been a viable farming property between 1921 and 1927. Nor was the country particularly usable for dairying which seemed to be the primary farming effort in the region. The valuer considered it grazing country. There appeared no reference to a cowshed which Peterson said he spent some the timber cutting rights income upon.
28. Peterson had loaned £400 on current account mortgage to create these improvements which belonged to him until such time as the section was re-let to an incoming lessee. This accounting matter was set out in detail on a Realization of Properties form on Peterson's Lands Head Office file which showed that as at 13 August 1930 Peterson owed outstanding rent on the forfeited property of £95.16.6. It was recommended by the Commissioner of Crown Lands;
  - a. ... that section be offered for selection at capital value of £365, with a loading of £245, repayable in cash, as current account Mortgage has been paid off and improvements are the equity of the former lessee.
29. William Magnus Peterson's interests in the existing improvements were valued at £245 but that 'costs of offering, arrears of rent, and rates to be deducted.' These costs were obviously substantial as a later reconciliation showed that rent owed at 26 February 1929, the date of forfeiture was £105.16.6 and that a payment of £10 had been received in 25 January 1930, arriving at the figure of £95.16.6 noted in the Realization of Properties form. Peterson's Statement of account shows that his share of the improvements, after costs etc. was £48.19.9 leaving outstanding the amount of £30.3.3 of rent arrears which were written off the public accounts in April 1937, thus finalising the saga of William Magnus Peterson's soldier settlement section.

### ***Timber Licenses***

30. The issue of timber licenses loom large in the story presented by the Petitioner who suggests that there is evidence of fraud and improper conduct by the then Member of Parliament for Parnell, the 'timber merchant' J.A Endean and Lands and Survey officials. The available archived materials suggest quite a different picture. Reference has already been made to the license from the Commissioner of Crown Forests issued to William Magnus Peterson to allow his sale of the standing timber on his leasehold section to John or J.A. Endean. As noted, he was recorded in a press report of his 1927 second Bankruptcy meeting observing that he sold the timber for £2,000. (*Auckland Star*, 1 June 1927, p.9, Paperspast, National Library.)
31. His neighbours also undertook to sell timber to the Endean interests. The files documenting the engagements between Peterson's two near neighbours, Walter Kenneth Wilton (sec I, Blk X Hurakia SD) and Michael James Dynan (sec 1, Blk V, Hurakia SD) and the Endean-owned milling company remain inaccessible because of damage at archives New Zealand. It does seem clear

that all three neighbours sold their cutting rights to Endean and this in itself undermines the Petitioner's claim that the matter was done without Peterson's awareness or agreement!

32. As already noted above sale by Peterson of the timber reserves in question was approved by the Commissioner of State Forests on 16 December 1921. This followed a communication from The Secretary for Forestry dated 6 December 1921 relating that a legal firm of Te Kuiti, Hine Howarth and Vernon, had applied 'for licenses in favour of Messrs. M.J. Dynan, W.M. Peterson, R.E. Longdon, and D McDonald, to sell the standing timber on their sections to Mr J.A. Endean...' (Forestry File 17/1/100, Archives New Zealand.) Wilton was not mentioned in this communication. The communication was generated by an application in terms of Section of the War Legislation and Statute Law Amendment Act 1918. The Petitioner expresses concern that Peterson's signature was forged on the original application but a close reading of the document reveals that Peterson's full name was written in by his 'Solicitors & Authorised agents'. (Petition documents supplied.)
33. The estimated quantity of timber was given as 3,000,000 feet and the royalty was to be paid at a descending rate from 2/6 to 1/0 shilling according to the variety of tree. On the basis of this data the minimum return to Peterson would be approximately £1,500 while a maximum would be approximately £4,500. Peterson volunteered that he obtained £2,000.

#### ***The Peterson/McNeight Connection***

34. Because the Petitioner has made reference on two occasions to a linkage between the McNeight and Peterson farms (possibly not the Discharged Soldier's Settlement Act leasehold property subject to the Petition) some research has been undertaken to unravel what appears on first read to be a complex and confused story. The Petitioner stated – '1900s; The Peterson and the McNeight families settled in the Mokauiti, Tangitu Survey District and established dairy farms'... (Page 1); '1923 the parents of William McNeight were unable to continue farming after the death of their only son (killed in action in World War I); 'The Peterson and McNeight families **merged the Mokauiti farms**, and **lease them** to Betty Pattillo for a period of 27.5 years, for a sum of £1,437. The expiry date of the lease was 1950 and, also at page 6, 'Four months after the Peterson and McNeight family **estates** [plural] **were forfeited...**' (Emphasis added.) It seems that the Petitioner is aware that more than one farm was involved, beyond just Peterson's Soldier Settlement leasehold of section 2, Blk 5, Hurikia SD. Of the three properties associated with Peterson and the McNeight family, only one property, sec 2, Blk V, Hurakia SD, was forfeited to the Crown. What may have happened to Peterson if indeed he did purchase other land, as he disclosed in this bankruptcy meeting, is presently unknown and certainly not disclosed by the evidence of the Petitioner.
35. From research undertaken it appears that Mr Hugh McNeight, William Peterson's father-in-law, was an early settler to the Mokauiti district after first commencing farming in the late nineteenth century in the vicinity of Ngarie, east of Stratford. He farmed a Crown leasehold property identified as section 5 block 1, Tangitu Survey District from possibly 1906. Mr Hugh McNeight was issued with an Improved Farm and Right of Purchase lease for section 5, block 1, Tangitu Survey District on 17 April 1913. (Lease 53, Title 73/145, LINZ Land on Line.) The Lease was for a term of twenty five years without right of renewal and was due for expiry on 1 July



1938. This lease was transferred to Bessie Pattillo on 8 January 1924 along with a mortgage from Hugh McNeight – likely for the improvements. Mr McNeight died in 1928 and his interest in the leasehold and the mortgage to Mrs Pattillo was transferred to the Public Trustee and then to his widow, Margaret McNeight, and to his only daughter Majorie Peterson in unequal shares of one third and two thirds respectively. In 1938 the term of the head lease was extended an additional 2 ½ years. In 1939 the Court of Review under the then operative Mortgage Relief legislation made some decision which I suspect discounted the value of the mortgage held by Mr McNeight's widow and his daughter Marjorie – the wife of William Magnus Peterson. (Disclosed on the face of the Lease Document. (The Court of Review File is ADXS 19483, LS\_W1/528, 26193 and is currently unavailable at Archives New Zealand.) The McNeight involvement in this section ceased prior to July 1940. On 24 July 1940 a new lease for the property was issued by the Crown to Bessie Pattillo and she remained in occupation until 27 February 1948 when she transferred the Crown lease to B.F. Longden of Mokauiti, farmer, and either he or a successor eventually freeholded the property in 1991 with a transfer from Land Corp New Zealand, a successor agency to the former Lands and Survey Department.

36. It was recorded in the *King Country Chronicle* on 19 July 1919 that Mr and Mrs H McNeight were given a farewell by the settlers of the Mokauiti district at the local school room. Reportedly Mr McNeight had 'temporarily disposed of his farm.' This suggests that he had provided a sub-lease which was not recorded on his Crown Lands lease or simply reached some arrangement with someone to milk his cows. Mr Hugh McNeight died on 8 June 1928.
37. The existence of the second Peterson farm dating from 1914 and still in his hands in early 1920 located on the Ramaroa Road at Mokauiti is also interesting in the context of the Petitioner's opening comment regarding the establishment of dairy farms in the 1900s and later that the McNeight and Peterson families merged the Mokauiti farms (plural) and leased them to Bettie Pattillo. Ms Pattillo is not recorded on any of the leases and title paperwork related to Peterson's 1914 leasehold property, which suggests that there may have been a fourth farm involved in the Peterson family story?